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## PROCEDURAL RULES FOR PLANNING 4310.0300

### 4310.0200 DEFINITIONS.

Subpart 1. **Scope.** Unless the context otherwise requires, or unless modified by any special definition pertinent to specific parts of these rules, the following definitions are applicable to terms used herein.

Subp. 2. **Local or regional planning agency.** "Local or regional planning agency" means any commission, board, department, or authority established by the legislature, by any municipality, county, special district, or by any group of municipalities, counties, or special districts for purposes of preparation and/or implementation of long-term public policies, priorities, and objectives relative to use and development of human, natural, and economic resources. The term as used herein, includes any inter-state or international planning agencies whose activities extend into any part of the state of Minnesota.

Subp. 3. **Plan.** "Plan," depending upon the context in which it is used, means either the state comprehensive plan or any formal statement of long-term public objectives, policies, and priorities developed by any state agency or any local unit of government.

Subp. 4. **Planning program.** "Planning program" or "planning activity" means any formal effort, the purpose of which is formulation and/or implementation of long-term public policies, objectives, and priorities relating to development and use of human, natural, and economic resources within the state and/or within any local or regional planning area.

Subp. 5. **State agency.** "State agency," unless otherwise indicated, means any state officer, board, commission, bureau, division, institution, department, or tribunal, other than the courts or the legislature, having a statewide jurisdiction. This term, unless specifically stated otherwise, includes the University of Minnesota and the professional and regulatory examining and licensing boards.

Subp. 6. **State comprehensive plan.** The term "state comprehensive plan," as used herein, includes all processes and ongoing activities related to the preparation, dynamics, and implementation of an overall general guide or program for long-range development of the state, particularly to development of programs carried on by the various agencies of the state government. To the greatest extent consistent with the particular needs of the state of Minnesota, the state comprehensive plan shall be developed within the context of definitions contained in the Federal Housing Act of 1954 (as amended as of July 1, 1966).

**Statutory Authority:** *MS s 116K.07*

### 4310.0300 ASSIGNMENT OF WORK.

Work for which the State Planning Agency is responsible shall, to the greatest possible extent, be assigned either to outside consultants or to other state departments and agencies. The director of state planning or his delegate shall make an evaluation of individual projects to determine whether they can be performed more economically and/or conveniently by the planning agency staff, by an outside consultant, and/or by the staff of another agency of the state government. Outside consultant services, however, will be used only when it is clear that a contemplated assignment cannot be properly performed with resources available within the state government.

In addition, primary responsibility for detail planning involving a single functional area (or several related functional areas), both as it relates to preparation of the various segments of the state comprehensive plan and to other ongoing planning programs, will lie with the state agency having technical competence in the specialty involved. The State Planning Agency will function primarily in an advisory and coordinative capacity and will not, under normal circumstances, become directly involved in preparation of precise plans in specific program areas. Each state agency involved in planning activity will, in turn, be responsible for preparation of detailed plans consistent with broad, comprehensive state policies, objectives and priorities.

**Statutory Authority:** *MS s 116K.07*

**4310.0400 HIRING OF CONSULTANTS.**

Whenever practicable, the director of state planning or his delegate may, in employing consultants to perform work for which the planning agency is responsible, solicit proposals from at least two different consulting firms or individuals. Such proposals shall be submitted in a form established by the director of state planning or his delegate, and shall outline methodology to be used in conduct of the project involved, shall show a project timetable, and shall provide a detailed estimate of project costs. In evaluating consulting proposals, the director of state planning or his delegate shall take into consideration such factors as overall cost, demonstrated competence to perform the work to be done, professional reputation, and staff resources and qualifications.

**Statutory Authority:** *MS s 116K.07*

**4310.0500 PLANNING WORK ORDERS.**

All requests for planning services to be provided to the State Planning Agency by other state agencies shall be accompanied by a written outline of the project to be assigned and, when appropriate, by a delegation of authority promulgated pursuant to part 4310.0700. Planning work requests shall be issued by the director of state planning or his delegate through the executive head of the agency involved. Such orders shall indicate, in the greatest amount of detail possible, the nature and extent of work to be done, desired completion date, general methods and procedures to be used, and organizational unit (and/or personnel) to be responsible for supervision and/or performance of each assignment. The agency, in turn, shall provide the director of state planning or his delegate with a detailed estimate of the cost of each assignment. Agencies shall use their own discretion and initiative in organization and performance of assigned planning projects. All work must, however, be performed within limits prescribed by the planning work order and in a manner satisfactory to the director of state planning or his delegate.

**Statutory Authority:** *MS s 116K.07*

**4310.0600 REIMBURSEMENTS.**

Reimbursement for work performed shall be made, under terms accepted by the director of state planning or his delegate and by the head of the agency involved, from funds available for operation of the State Planning Agency. Reimbursement shall be based upon the work cost estimate stipulated in part 4310.0500 and shall cover full cost of salaries (including contributions) paid to agency employees for time spent on assigned planning projects, full costs of all supplies consumed in performance of assigned projects, all reasonable and demonstrable overhead expenses (utilities, communications, etc.) incurred as a direct result of any assigned projects. In no case shall reimbursement be made for any pro rata share of normal agency overhead expenses. Reimbursements for capital expenses incurred as part of any planning assignment may be made only in special circumstances and shall be limited to costs that would not have been incurred except as a direct result of the assigned planning project. All claims for reimbursement shall include a detailed and authenticated breakdown of expenses incurred during the period for which reimbursement is claimed. Reimbursement normally will be made only at the conclusion of a project. However, at the discretion of the director of state planning or his delegate, reimbursement may be made on a quarterly, semiannual, or other periodic basis before conclusion of the project involved. Under special circumstances the director of state planning or his delegate may, if funds are available to do so, authorize an advance of funds not to exceed 25 percent of the total estimated cost of the project involved. No reimbursement shall be made in any manner inconsistent with pertinent state or federal laws, rules, and regulations.

**Statutory Authority:** *MS s 116K.07*

**4310.0700 DELEGATION OF AUTHORITY.**

Any delegation of authority, powers, and duties made by the director of state planning must be clearly set forth in writing. All such delegations must state explicitly what responsibilities are to be delegated, the limits within which delegated responsibility may be exercised, and the extent of supervisory and policy control to be exercised by the delegating authority.

**Statutory Authority:** *MS s 116K.07*

**4310.0800 PREPARATION OF COMPREHENSIVE STATE PLAN.**

The director of state planning or his delegate shall, as soon as practicable, commence a comprehensive planning program for the orderly and coordinated development of state resources and governmental programs. The comprehensive planning program shall include, but shall not be limited to, all public activities in the fields of education (including higher education), corrections, employment security, economic development, transportation, conservation, manpower development, health and rehabilitation, recreation, public welfare, commerce, administration, and public safety. The program shall be developed in conformance with sound professional planning principles and in a manner consistent with pertinent state and federal requirements.

Broadly, the general purpose of this program will be:

- A. to examine past and present operations of the state government, especially in terms of their relationships with local governments and the federal government;
- B. to determine the future demands upon state government in terms of program levels, staffing, and financing;
- C. to make provision, in terms of physical facilities, manpower, and financing, for meeting anticipated demands upon state government and its services.

In preparation, implementation, and continuous updating of the state comprehensive plan, the director of state planning or his delegate in cooperation with other agencies of the state government will prepare an inventory relating to past and present conditions pertinent to the natural, social, economic, educational, health, recreational, and cultural aspects of the state's development. This inventory will be used as a point of departure in predicting future conditions, projected by reliable statistical techniques, from which policies, objectives, and priorities can be established with a reasonable degree of confidence.

**Statutory Authority:** *MS s 116K.07*

**4310.0900 PARTICIPATION IN PREPARATION OF COMPREHENSIVE PLAN.**

In the preparation of the state comprehensive plan, the State Planning Agency shall utilize and coordinate planning resources available from other agencies of the state government. State agencies shall, upon request of the director of state planning or his delegate, furnish information, personnel, and resources necessary to the preparation of the comprehensive plan. Requests for help in preparation of this plan shall be processed in the manner prescribed by parts 4310.0300 to 4310.0500. Reimbursement for such services shall be made in the manner prescribed by part 4310.0600, except that no agency shall receive reimbursement for any resources expended in preparation of the state plan that have been pledged as matching for federal "701" funds to be made available to the state. Responsibility for preparation of any portion of any section of the comprehensive plan may be delegated by the director of state planning or his delegate. Any portion of the comprehensive plan that cannot be developed by the planning agency itself or in cooperation with other state agencies shall be assigned, by contract, to an outside consultant.

**Statutory Authority:** *MS s 116K.07*

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**4310.1000 REVISION OF COMPREHENSIVE PLAN.**

The state comprehensive planning program shall be viewed as a continuing, dynamic process. The state plan, accordingly, shall be amended, revised, and/or reevaluated as necessary to reflect changing needs, conditions, and expectations, and shall reflect all long-range planning efforts carried on by other agencies of the state government. All plans and recommendations developed by any agency must be consistent with other agency plans and with the state comprehensive plan. Inconsistencies and conflicts between any such plans, or between any planning programs, shall be resolved by directive of the director of state planning or his delegate after careful study of the problems involved and after consultation with the agencies involved. The director of state planning or his delegate shall also take any action necessary to make other state agencies aware of the content, priorities, and objectives of the state comprehensive plan.

**Statutory Authority:** *MS s 116K.07*

**4310.1100 RELATION OF STATE PLAN AND LOCAL PLANS.**

In preparation and implementation of the state comprehensive plan, the director of state planning or his delegate shall take into consideration any comprehensive plans developed by federal, interstate, local, and/or regional planning agencies. When necessary for realization of this objective, the director of state planning or his delegate shall request that any such planning agency provide, within such reasonable time as the director of state planning or his delegate may stipulate, a report of all locally or federally financed long-range planning and development programs in which they are engaged, copies of any comprehensive plans that they have developed, copies of all planning reports that they have published, recommendations relative to legislative and/or administrative proposals for improvement of state and local planning programs, and any recommendations that they wish to offer relative to the state planning program. Similarly, the director of state planning or his delegate shall make available, upon request by any federal, interstate, local, or regional planning agency, copies of plans, reports, legislative recommendations, and other materials that the State Planning Agency has developed. He or his delegate shall also take any action necessary to make federal, regional, and local planning officials aware of the content and objectives of the state comprehensive plan. Local and regional comprehensive plans, to the greatest extent practicable and/or necessary, shall be coordinated with the state plan. Whenever any such plan appears to be inconsistent with the state plan, the director of state planning or his delegate shall, by consultation with the planning agency involved, make every effort to achieve a maximum degree of conformity.

**Statutory Authority:** *MS s 116K.07*

**4310.1200 BIENNIAL PLANNING REPORT.**

**Subpart 1. Even-numbered years.** As soon as practicable after adoption of these parts and on or before October 1 of each even-numbered year thereafter, each agency of the state government shall submit:

A. a comprehensive report of long-range program planning and development activities (if any) carried on by its staff during the period involved;

B. a report of any recommendations, proposals, and priorities included in any plans developed by the reporting agency;

C. an outline of any administrative or legislative recommendations, relating to the state planning program, proposed by the reporting agency;

D. a report of accomplishments that, in the opinion of the reporting agency, are attributable to long-range planning programs and activities; and

E. an itemized budget showing all agency expenditures for planning programs for the two years immediately preceding the year being reported, an estimate of planning expenditures for the year in which the report is made, and

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a detailed estimate of expenditures, showing the source of financing of same, which the agency proposes to make during the two years immediately following the year in which the report is made.

Subp. 2. **Format.** All biennial planning reports shall be made in a format prescribed by the director of state planning or his delegate. Cost of preparation of biennial reports shall not be considered a reimbursable item within the scope of parts 4310.0300 to 4310.0600.

**Statutory Authority:** *MS s 116K.07*

### 4310.1300 OTHER PLANNING REPORTS.

In addition to the biennial report, the director of state planning or his delegate may, at his discretion, require state agencies to make periodic planning progress reports or to provide special information relating to planning activity. Cost of preparation of such reports shall not be considered as a reimbursable expense within the scope of parts 4310.0300 to 4310.0600. The director of state planning or his delegate may also request copies of existing reports and work programs from any local, regional, or interstate agencies engaged in planning activity.

**Statutory Authority:** *MS s 116K.07*

### 4310.1400 COORDINATION OF PLANNING PROGRAMS.

The director of state planning or his delegate shall scrutinize all reports and recommendations submitted pursuant to part 4310.1200 to 4310.1400. He shall, on the basis of such review and analysis:

A. determine and, to the greatest practicable extent, eliminate areas of duplication and points of conflict between the various federal, state, interstate, local, and regional planning programs. The role of the director of state planning or his delegate in realization of the objectives of this rule shall be advisory in nature, and shall be achieved through consultation and discussions with the jurisdictions involved;

B. coordinate state, local, and regional programs as necessary to achieve unity of effort, uniform program emphasis, and standardized policies and procedures; and

C. develop legislative and administrative recommendations relating to planning laws, financing, organization, and staffing.

**Statutory Authority:** *MS s 116K.07*

### 4310.1500 COORDINATION OF FEDERAL PROGRAMS.

Subpart 1. **Compilation.** The director of state planning or his delegate shall, as soon as practicable after adoption of these parts, prepare a compilation of all federal programs carried on by agencies of the state government. He shall maintain this compilation on a current basis and, as necessary, shall require the various state agencies to provide periodic reports related to the federal programs in which they participate. He shall also require, as soon as practicable after adoption of these parts, that copies of all existing state program plans prepared for any federal agency in conjunction with any federal aid program involving an agency of the state of Minnesota be filed with the director of state planning or his delegate. The director of state planning or his delegate shall also review all applications, plans, and proposals submitted to any federal agency relative to any new, expanded, or amended federal aid program, except that the terms "applications," "plans," and "proposals," as used in this part, are not to be construed to include individual contracts or other agreements negotiated within the framework of an ongoing and continuing federal program.

Such review shall be made prior to the time of submission to the federal government and shall serve to:

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A. determine whether the proposed plans or applications are consistent with the objectives and priorities of the state comprehensive plan and with any pertinent interstate, regional, or local plans;

B. determine whether the proposal involves duplication, parallels, or conflicts with any other federal program being carried on by or requested by any other state agency; and

C. determine whether the proposals or plans have been prepared and developed in a manner consistent with the overall program needs and organization of the state government.

Subp. 2. **Inconsistent plans.** Any federal aid plan or proposal that the director of state planning or his delegate determines to be inconsistent with the state plan or with any state, local, or federal program shall be returned to the originating agency for further consideration. In such cases, the director of state planning or his delegate shall consult with appropriate agencies of the state government for the purpose of bringing the federal aid proposals involved into conformity with the state plan and with other pertinent state, local, or federal programs.

**Statutory Authority:** *MS s 116K.07*

## 4310.1600 INFORMATIONAL AND EDUCATIONAL PROGRAMS.

The director of state planning or his delegate (in cooperation with other state agencies, the University of Minnesota and/or other institutions of higher learning in the state, federal, interstate, regional, or local governmental agencies, and professional societies in planning and planning-related fields) shall sponsor conferences, meetings, seminars, and other informational or educational programs designed to encourage, stimulate, and develop local, state, and regional planning efforts. The director of state planning or his delegate, alone or in cooperation with the aforementioned agencies, shall also prepare and distribute informational brochures, press releases, booklets, and other similar items designed to acquaint state, regional, and local planning officials with:

A. availability of federal, state, and private funds for planning programs;

B. policies and procedures relating to applications for federal, state, or private planning funds;

C. trends and developments in the planning profession; and

D. availability of special reports, books, articles, and other materials that would be helpful to local, state, and regional planning personnel.

To the greatest extent possible, programs carried out pursuant to provisions of this part shall be financed by the sponsoring institution, agency, society, or organization, and/or by registration fees or other charges paid by participants at any seminar or conference.

**Statutory Authority:** *MS s 116K.07*

## 4310.1700 EXPENDITURE OF FUNDS.

Funds available for operation of the State Planning Agency shall be expended as necessary to accomplish the purposes of the state planning act and of these parts. The provisions of the act and these parts will govern the administration and expenditure of all funds, regardless of their source, available for operation of the State Planning Agency. In addition, however, special rules governing operation of specific programs may be adopted as necessary to satisfy federal requirements and/or to facilitate development of the overall state planning program. All expenditures of funds made pursuant to provisions of these or any special rules shall be made in a manner consistent with pertinent state and federal laws, rules, and regulations.

**Statutory Authority:** *MS s 116K.07*

**4310.1800 COOPERATIVE CONTRACTS.**

Subpart 1. **Types.** The director of state planning or his delegate, when requested to do so by any other state, local, or regional planning agencies, or local subdivision, may enter into a cooperative contract for accomplishment of any planning project of joint concern to two or more of the parties involved. Such contractual arrangements shall be of two basic types as follows:

A. **Participation contracts:** contracts for basic research, special planning studies, or other projects of local or regional concern that have direct statewide implications or that are directly relevant to work properly performed by the State Planning Agency. In such cases, the director of state planning or his delegate may expend, as a proper pro rata share of the contract, funds available for operation of the state planning agency.

B. **Administrative contracts:** contracts for basic research, special planning studies, or planning and development projects of a purely local or regional concern that, for purposes of coordination or convenience, have by common consent of the parties involved been assigned to the director of state planning or his delegate. In such cases, the director of state planning or his delegate may receive and expend funds received from any local or regional planning authority but, except for payment of administrative expenses incidental to negotiation and execution of the contract, shall not expend funds available for operation of the State Planning Agency.

Subp. 2. **Agency.** Any local or regional planning agencies may designate the director of state planning or his delegate as an agent to apply for, accept, and disburse grants and other planning aids made available from the federal government or from any other public or private source. Any such designations are to be accepted at the convenience of the State Planning Agency. Agreements entered into pursuant to provisions of this part shall be coordinated with the community planning division of the department of business development and/or with any other state agency engaged in joint planning activity with regional or local units of government.

**Statutory Authority:** *MS s 116K.07*

**4310.1900 PROMOTION OF LOCAL COOPERATION.**

The State Planning Agency shall, whenever possible, encourage local and regional planning agencies to cooperate with one another in definition and solution of regional and area planning problems. The term "cooperation," for purposes of this part, includes informal coordination and liaison, joint contracts, or any other fiscal and/or administrative arrangement, acceptable to the parties involved, which is designed to bring about a joint approach to planning problems of concern to more than one regional or local planning authority.

**Statutory Authority:** *MS s 116K.07*

**4310.2000 ROLE OF PLANNING ADVISORY COMMITTEE.**

The director of state planning or his delegate shall consult with the state planning advisory committee before making any substantive decisions relative to the organization, direction, philosophy, and/or conduct of the state planning program. Recommendations of the committee shall be taken into consideration in administration of the state planning program, but they shall in no way have any mandatory or formally binding effect upon the actions of the director of state planning or his delegate. Specifically, the committee shall review, and shall advise the director of state planning or his delegate in regard to the following:

A. policy, procedural, or organizational proposals that, if put into effect by the director of state planning or his delegate, would substantially alter the relationship between the State Planning Agency, other state agencies, and/or local units of government;

B. substantive changes in any portion of the state comprehensive plan;

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C. any major report to be published by the State Planning Agency;

D. any proposed organizational, fiscal, or policy proposal requiring legislative action and/or any amendment of rules promulgated pursuant to provisions of the state planning act;

E. any special problem not clearly covered by law, by existing rules, or by established policy and procedure; and

F. any item that the chairman or any members acting on their own initiative shall bring before the committee.

**Statutory Authority:** *MS s 116K.07*

### 4310.2100 ADVISORY COMMITTEE MEETINGS.

The state planning advisory committee shall meet quarterly and at such other times as the committee chairman and/or the director of state planning or his delegate shall deem necessary. Members of the advisory committee shall be reimbursed for necessary expenses in accordance with provisions of the official state travel rules as promulgated by the commissioner of administration. All minutes, correspondence, and other official documents necessary for proper functioning of the advisory committee shall be prepared and maintained by the director of state planning or his delegate.

**Statutory Authority:** *MS s 116K.07*

### 4310.2200 MAPPING AND TOPOGRAPHIC SURVEY.

The director of state planning or his delegate shall study the general topographic survey and mapping needs of the state, and shall advise agencies involved in survey and mapping programs in determining the order of surveys and in planning the operations of the state topographic surveys. He shall also promote coordination of survey and mapping activities of public and private agencies within the state. Funds available for operation of the State Planning Agency shall be expended as necessary for proper performance of this function.

**Statutory Authority:** *MS s 116K.07*

### 4310.2300 LAND USE CLASSIFICATION.

The director of state planning or his delegate shall classify all public and private lands in the state with reference to the use to which the lands are adapted, but principally as to adaptability to present known uses. This classification shall be based upon a consideration of the known physical and economic factors affecting the use of the land. The director of state planning or his delegate shall consult with private, local, state, and federal agencies concerned with and/or knowledgeable in the area of land use. He shall also cooperate with county land classification committees in obtaining and considering the facts upon which to determine land classifications. The land classification committee in each county shall consult, advise with, and cooperate with the director of state planning or his delegate in like manner, but the determination of the director of state planning or his delegate shall be final.

**Statutory Authority:** *MS s 116K.07*

### 4310.2400 HISTORIC SITES.

The director of state planning or his delegate shall, in cooperation with the Minnesota Historical Society, the commissioner of highways, and the commissioner of natural resources, designate as historic sites such sites or areas as have special archaeological or historical significance, and authorize erection of markers thereon. The director of state planning or his delegate shall give advice and assistance in the erection of markers commemorating historic sites. Plans and inscriptions for such markers shall be submitted to the State Planning Agency for approval as to form, adequacy, suitability, and accuracy.

**Statutory Authority:** *MS s 116K.07*

**4310.2500 RECORDS TO BE SURRENDERED.**

All extant records, reports, correspondence, and other official documents relating to the state mapping advisory board, the state land use committee, and the Minnesota historic sites and marker's commission shall be turned over to the State Planning Agency upon the request of the director of state planning or his delegate.

**Statutory Authority:** *MS s 116K.07*

**4310.2600 AMENDMENT OF RULES.**

Any and all rules promulgated hereby may be amended by the director of state planning or his delegate after consultation with the state planning advisory committee. All such amendments shall be promulgated in accordance with provisions of the Minnesota Administrative Procedure Act.

**Statutory Authority:** *MS s 116K.07*

**LAND USE PLANNING GRANT PROGRAM****4310.3100 DEFINITIONS.**

Subpart 1. **Scope.** The following terms as used in these rules shall have the following meanings.

Subp. 2. **Agency.** "Agency" means the State Planning Agency.

Subp. 3. **Eligible recipient.** "Eligible recipient" means a city, county, town, or any combination of such units. A city of the first class may apply for a grant to assist neighborhood organizations to do land use and related planning.

Subp. 4. **In-kind.** "In-kind" means salary and cost of fringe benefits of the grant recipient staff working on activities funded by the grant, and increases in overhead resulting from carrying out activities funded by the grant.

Subp. 5. **Land use planning.** "Land use planning" means the process by which units of local government consider alternative uses of land. The purpose of land use planning is to foster a compatible arrangement of uses on the land; to provide suitable locations of sufficient size for such diversified uses as housing, business, agriculture, and recreation; and to maintain a high-quality environment. The basic steps in the process are to:

A. examine characteristics of the land and related factors that determine potential future uses;

B. examine alternative uses of the land that are consistent with state and local policies and the physical environment;

C. select the most desirable alternative;

D. develop and use appropriate actions to carry out the selected alternative; and

E. examine the results of the actions to determine whether they are in fact achieving the selected alternative and are not producing undesirable results.

Subp. 6. **Neighborhood organizations.** "Neighborhood organizations" means those organizations recognized by the city government, for planning and community development purposes, in neighborhoods with boundaries officially determined by the city.

**Statutory Authority:** *MS s 116K.09*

**4310.3200 AUTHORITY.**

The State Planning Agency is authorized to adopt rules necessary to carry out the land use planning grant pursuant to Minnesota Statutes, sections 116K.09 to 116K.12.

**Statutory Authority:** *MS s 116K.09*

**History:** *L 1983 c 289 s 115 subd 1*

**4310.3300 APPLICABILITY.**

Parts 4310.3100 to 4310.5500 apply to that portion of the appropriation that is available for grants to local governments outside the metropolitan area, as defined in Minnesota Statutes, section 473.02, and Laws of Minnesota 1976, chapter 127, section 2, subdivision 7. (See Laws of Minnesota 1976, chapter 167, section 6.)

**Statutory Authority:** *MS s 116K.09*

NOTE: Minnesota Statutes, section 473.02, was repealed by Laws of Minnesota 1986, chapter 460, section 59.

**4310.3400 ELIGIBLE ACTIVITIES.**

The following are eligible activities:

A. land use planning for implementation activities that will result in the management of land use problems created by:

- (1) rapid population or economic growth or decline;
- (2) potential development in environmentally sensitive areas;
- (3) the addition or elimination of a major state or federal facility;

B. analysis and preparation of plans to preserve and protect agricultural land;

C. modification or preparation of plans or land use controls made necessary by:

- (1) designation of a wild and scenic river;
- (2) flood plans standards;
- (3) shoreland management standards;
- (4) other similar legislative action; and

D. land use and related planning done by neighborhood organizations in cities of the first class.

**Statutory Authority:** *MS s 116K.09*

**4310.3500 INELIGIBLE ACTIVITIES.**

The following are ineligible:

A. activities that are more detailed than necessary to provide guidance in the management of land use problems (for example, architectural drawings, site designs, engineering specifications);

B. activities that are unrelated to the management of the land use problem;

C. activities that are being carried out by the applicant; however, the costs associated with the expansion or acceleration of existing activities shall be eligible; and

D. activities for which funding is readily available from other sources.

**Statutory Authority:** *MS s 116K.09*

**4310.3600 APPLICATION PROCEDURE.**

The application for land use planning grant assistance shall be submitted in two stages: preliminary and final. Assistance will be available from the agency in the preparation of the final application. The grant shall not pay any cost incurred by the applicant prior to approval of the grant.

**Statutory Authority:** *MS s 116K.09*

**4310.3700 MULTIJURISDICTIONAL APPLICATIONS.**

A land use problem may affect more than one unit of government. For problems of this kind, one application should be made jointly by all affected units of government.

**Statutory Authority:** *MS s 116K.09*

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### 4310.3800 PRELIMINARY APPLICATION.

A preliminary application shall be submitted to the agency to determine eligibility and priority. The preliminary application shall be in the form and manner prescribed by the agency and shall contain the information required by the agency including at least the following:

- A. the name of the unit of local government making the application;
- B. a brief statement of the land use problem for which assistance is sought;
- C. a brief statement of the results that are hoped to be achieved through use of the assistance;
- D. a list of the activities that will be carried out with the assistance;
- E. a statement identifying the sources for the local share (the local share may be either cash or in-kind);
- F. the total estimated cost and the amount of assistance being sought;
- G. a list of existing available data that could be used to help analyze the problem; and
- H. a copy of a resolution transmitting the preliminary application to the agency; the resolution must be passed at an official meeting of the governing body.

**Statutory Authority:** *MS s 116K.09*

### 4310.3900 PRELIMINARY APPLICATION DUE DATE.

Preliminary applications shall be submitted semiannually not later than January 1 and July 1, except that during fiscal year 1977 there shall be only one due date for preliminary applications and that shall be 60 days after adoption of these parts.

**Statutory Authority:** *MS s 116K.09*

### 4310.4000 REGIONAL DEVELOPMENT COMMISSION REVIEW.

The preliminary application shall be submitted to the appropriate regional development commission for review and comment at least 45 days before the date on which applications are due in the agency. A regional development commission may waive this requirement. Within five days of the time a preliminary application is submitted to the regional development commission the applicant shall forward a copy of it to the agency. The regional development commission shall return the preliminary application with comments to the applicant in sufficient time to allow the applicant to submit the preliminary application to the agency by the due date. Failure of the regional development commission to complete its review of the preliminary application within 45 days shall be considered approval of the application by the regional development commission, unless the applicant and the regional development commission agree to an extension of the 45 day period. The applicant shall submit the preliminary application with the regional development commission's comments to the agency on or before the due date. The regional development commission may submit to the agency a list of applications from the region arranged in order of priority established by the regional development commission. The agency shall consider the regional development commission's comments and priorities when reviewing the preliminary application.

**Statutory Authority:** *MS s 116K.09*

### 4310.4100 APPLICATION REVIEW AND PRIORITY SETTING.

Subpart 1. **Review.** The agency shall have 30 days to review all preliminary applications. Incomplete and ineligible applications will be returned to the applicant with a statement citing the reasons, and shall not be considered for funding.

Subp. 2. **Priority.** The remaining applications will be assigned a priority as follows:

A. first priority: those preliminary applications that identify existing or emerging land use problems resulting from two or more of the following:

- (1) rapid population or economic growth or decline;
- (2) potential development in an environmentally sensitive area; or
- (3) the addition or elimination of a major state or federal facility;

B. second priority: those preliminary applications that identify existing or emerging land use problems resulting from at least one of causes cited in subitem (1);

C. third priority: all other eligible applications.

Subp. 3. **Ranking within priority.** Within each priority, the application will be ranked according to the magnitude of the problem. Based on the priorities and availability of grant funds, final applications will be requested by the agency through a letter of notification. The appropriate regional development commission will be notified of the action taken on preliminary applications.

**Statutory Authority:** *MS s 116K.09*

#### 4310.4200 FINAL APPLICATION.

The final application may be submitted by an applicant that has received a letter of notification. Final application shall be submitted to the agency as soon as possible after receipt of the letter of notification to prepare a final application. All final applications must be received by the agency in a format conforming to part 4310.4300 no later than 45 days after the date of the letter of notification. Final applications will be reviewed for completeness. Incomplete applications, or applications substantially different than the preliminary application, will be returned with a statement indicating the reasons and will not be considered for funding. Remaining applications will be funded based on the priorities and availability of grant funds. Receipt of a letter of notification by an applicant does not guarantee that a grant will be made to fund the final application.

**Statutory Authority:** *MS s 116K.09*

#### 4310.4300 FINAL APPLICATION FORMAT.

The final application shall contain the following elements:

A. A work program that contains the following:

(1) A statement of the existing or emerging land use problem that is to be investigated with the grant. This statement should identify how the problem is affecting or will affect the recipient, and the means the recipient is willing to use to alleviate the problem.

(2) A description of the activities that will be undertaken with the grant. The description of activities should identify expected products and should be in sufficient detail to enable the agency to measure progress and to identify the person responsible for completion of each activity. The description should include expected completion dates, by activity. Each activity should be assigned to a specific staff member or consultant.

(3) A statement identifying the way in which the governing body and the planning commission will improve their capability in land use decision making. A schedule should be included indicating when and how this will be accomplished.

B. The grant recipient must identify an organization or an individual as the lead agency for the work program.

C. A detailed statement identifying sources for the local share. The local share may be in cash or in-kind.

D. The signature of the mayor, chairman of the county board, or

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chairman of the town board. The governing body must transmit the final application to the agency accompanied by resolution passed at an official meeting of the governing body.

**Statutory Authority:** *MS s 116K.09*

### **4310.4400 FUNDING PERIOD.**

Final applications approved for funding will be funded for one year. Work not completed within the one year period will be considered for funding in the next funding cycle along with other applications under the provisions of part 4310.4100.

**Statutory Authority:** *MS s 116K.09*

### **4310.4500 GRANT RATIO.**

The grant shall not exceed 75 percent of the total first year cost. Grants for the second year of a multiyear project shall not exceed 50 percent of the total second year cost. Grants for the third year of a multiyear project shall not exceed 30 percent of the total third year cost.

**Statutory Authority:** *MS s 116K.09*

### **4310.4600 CONTENT OF CONTRACT.**

The planning grant contract shall be based upon the final application. It shall specify the amount of the grant that shall be awarded to the recipient and shall be effective for a period of not more than one year. It shall include the assurance of the eligible recipient that it will provide the required local share and carry out the work program. For an application made jointly by more than one eligible recipient, only one contract shall be executed on behalf of all eligible recipients participating in the program. The agency may grant one extension of not more than 90 days to enable completion of the work program.

**Statutory Authority:** *MS s 116K.09*

### **4310.4700 DISBURSEMENT SCHEDULE.**

The grant money shall be available to the grant recipient as follows: 50 percent during the first month of the contract; 40 percent upon completion of one-half of the work; ten percent upon completion of a satisfactory evaluation.

**Statutory Authority:** *MS s 116K.09*

### **4310.4800 EVALUATION.**

Ten percent of the grant shall be withheld pending completion of a satisfactory evaluation by the agency of the work performed. This evaluation shall take place within 30 days of the termination of the contract. The evaluation will include determination of whether:

- A. the local share was contributed;
- B. the work specified in the work program was completed; and
- C. the results have been used by the governing body when making land use decisions.

If the grant recipient does not agree with the findings of the evaluation, it may request a hearing as provided in the Administrative Procedure Act, Minnesota Statutes, sections 14.57 to 14.70.

**Statutory Authority:** *MS s 116K.09*

NOTE: Minnesota Statutes, section 14.70, was repealed by Laws of Minnesota 1983, chapter 247, section 219.

### **4310.4900 REQUIRED REPORTS.**

The grant recipient shall submit quarterly work progress reports to the agency, on forms provided by the agency.

**Statutory Authority:** *MS s 116K.09*

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**4310.5000 USE OF FUNDS.**

To carry out activities specified in the work program, grant funds may be used to:

- A. pay existing staff;
- B. hire new staff;
- C. pay staff of another unit of government under a joint powers agreement;
- D. employ a qualified consultant; or
- E. pay other costs associated with the work program such as overhead, rental of space and equipment, purchase of supplies, printing and publishing.

The purchase of equipment, space, land, or buildings is not an eligible cost or in-kind contribution. Services rendered by state or federal departments or agencies shall not be used as in-kind contribution. Federal or state funds obtained from another grant program may not be used as in-kind contribution. The applicant must be able to demonstrate that staff or consultants have education and experience necessary to perform the tasks assigned.

**Statutory Authority:** *MS s 116K.09*

**4310.5100 RECORDS.**

The grant recipient shall maintain, on forms supplied by the agency, records of time spent by staff on each task identified in the contract.

**Statutory Authority:** *MS s 116K.09*

**4310.5200 DEVIATIONS.**

No grant funds may be used to finance deviations from the contract, unless such deviations are approved by the agency. No grant funds may be used to employ a consultant not specified in the contract, unless approval is given by the agency.

**Statutory Authority:** *MS s 116K.09*

**4310.5300 MULTIYEAR PROGRAMS.**

Multiyear work programs may be submitted. Receipt of a grant for the first year is not a guarantee that a grant will be received for the remaining years. Multiyear work programs will be funded one year at a time. Each subsequent year of the work program will be evaluated along with new applications in the manner prescribed in part 4310.4100.

**Statutory Authority:** *MS s 116K.09*

**4310.5400 AGENCY ASSISTANCE.**

Staff from the agency will be available to assist the grant recipient with the following:

- A. preparation of the final application;
  - B. selection of consultants;
  - C. conducting of information, training, or capability building meetings;
- and
- D. technical assistance during the contract period.

**Statutory Authority:** *MS s 116K.09*

**4310.5500 FUNDS APPROPRIATED FOR GRANTS.**

Funds appropriated for grants for critical areas planning purposes by Laws of Minnesota 1976, chapter 167, and any future funding for such grants appropriated to the State Planning Agency, shall be distributed to those public bodies authorized by such acts, in accordance with the planning requirements contained in the recommendations of the Environmental Quality Board made upon findings

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of fact based upon the evidence submitted at the public hearing and as further adopted by the governor, and the following guidelines:

A. No grants for preparing critical area plans and regulations shall be made for projects or portions of projects that go beyond the scope of the procedures required by the critical areas planning process.

B. No grants for preparing critical area plans and regulations shall be made to units of government for any plans and regulations or portions of plans and regulations prepared prior to the designation of the critical area by the governor.

C. No grants for preparing critical area plans and regulations shall be made to units of government that cannot demonstrate a need for such funds occasioned by inadequate financial and personnel resources.

D. All other available funding from other units of government shall be considered when determining the amount of the grants for the critical areas planning process under these parts.

E. The State Planning Agency reserves the right to award grants on a pro rata basis based upon demonstrated need, in the event that the funds available are not sufficient to cover such demonstrated needs and the estimated funds needed for other critical areas for which a notice of hearing has been issued pursuant to part 4410.8700 at the time of distribution.

**Statutory Authority:** *MS s 116K.09*

### **PUBLIC TRANSIT FINANCIAL ASSISTANCE PROGRAM**

#### **4310.6100 DEFINITIONS.**

Subpart 1. **Scope.** The following terms as used in parts 4310.6100 to 4310.7100 shall have the following meanings.

Subp. 2. **Act.** "Act" means the Minnesota supplemental transit aid program of 1974, Laws of Minnesota 1974, chapter 534.

Subp. 3. **Agency.** "Agency" means the State Planning Agency which has been directed to administer the act.

Subp. 4. **Demonstration assistance.** "Demonstration assistance" means state financial assistance granted to an eligible recipient in accordance with the public transit demonstration program.

Subp. 5. **Eligible recipient.** "Eligible recipient" means a legislatively established public transit commission or authority, county, or municipality, or combination of such units, located in an area other than the metropolitan transit area, as defined in Minnesota Statutes 1971, chapter 473A that meets one of the following criteria: it operates or provides financial operating assistance to a public transit system; or it will operate or provide financial operating assistance to a public transit system during the contract period.

Subp. 6. **Public transit system.** "Public transit system" means a transit, either publicly or privately owned, which provides the public with general or specific service on a regular and continuing basis. For the purposes of these parts, this term does not include air or rail transit.

Subp. 7. **Supplemental assistance.** "Supplemental assistance" means state financial assistance granted to an eligible recipient in accordance with the supplemental public transit aid program.

Subp. 8. **Total operating deficit.** "Total operating deficit" means the amount by which the total operating expenses incurred in the operation of a public transit system exceeds the amount of operating revenue derived therefrom.

**Statutory Authority:** *MS s 116K.07*

#### **4310.6200 AUTHORITY.**

The State Planning Agency is authorized to adopt rules necessary to carry

out the supplemental public transit aid program pursuant to Laws of Minnesota 1974, chapter 534, section 4 and the public transit demonstration program pursuant to Laws of Minnesota 1974, chapter 534, section 5.

**Statutory Authority:** *MS s 116K.07*

#### SUPPLEMENTAL PUBLIC TRANSIT AID PROGRAM

#### 4310.6300 PURPOSE.

The purpose of the supplemental public transit aid program is to provide supplemental assistance to eligible recipients for public transit systems to preserve and improve public transit operations in approved areas of the state.

**Statutory Authority:** *MS s 116K.07*

#### 4310.6310 ELIGIBILITY FACTORS.

**Subpart 1. Eligible recipients.** A public transit system with a total operating deficit projected for the contract period shall be eligible for supplemental assistance. Deficits incurred prior to this period shall not be eligible for supplemental assistance. When a legislatively established public transit commission or authority is in existence, any application for that area must be submitted by that commission or authority.

**Subp. 2. Total operating deficit.** To determine the total operating deficit of a public transit system, the following shall apply:

A. generally accepted accounting principles and priorities shall be applied;

B. depreciation on capital equipment that was purchased with state or federal financial assistance shall be excluded in the computation of total operating expenses to the extent of the federal or state assistance;

C. while the total operating deficit shall be projected on the basis of the deficit incurred during a 12-month period preceding the proposed contract period, supplemental assistance shall be awarded on the basis of the total operating deficit of the contract period; and

D. a deficit incurred as the result of increased services shall be considered in determining eligibility.

**Statutory Authority:** *MS s 116K.07*

#### 4310.6320 DETERMINATION OF SUPPLEMENTAL ASSISTANCE.

**Subpart 1. Two-stage submission.** The application for supplemental assistance shall be submitted in two stages: preliminary and final applications. The agency shall assist the applicant in the preparation of the application upon request. Supplemental assistance may not be used to pay any costs incurred by the applicant in the preparation, submission, or processing of the application.

**Subp. 2. Preliminary application.** The preliminary application shall be submitted to ascertain the probable eligibility of the applicant, including projected total operating deficit and projected availability of state and local financial assistance. For a particular public transit system, only one preliminary application shall be in the form and manner prescribed by the agency and shall contain the information required by the agency, including the following:

A. the applicant's legal name;

B. the official name of the public transit system for which the supplemental assistance would be used;

C. the common carrier certificate number of the public transit system prescribed by the Minnesota Public Service Commission; and

D. the amount of supplemental assistance requested.

**Subp. 3. Review of preliminary application.** The preliminary application shall be submitted to the agency and the appropriate regional development commission for review and comment. Within 30 days of receipt of the application, the

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regional development commission shall submit any comments and recommendations to the agency. Within 60 days of receipt of the application, the agency shall determine and notify the applicant of its eligibility to submit a final application.

**Subp. 4. Final application.** The final application shall be submitted to determine actual eligibility, the supplemental assistance to be granted, and the basic elements in the agreement. It may be submitted by an applicant who has received notice that, based on its preliminary application, is an eligible recipient. It shall be submitted to the agency in the form and manner prescribed by the agency and shall include the elements specified in parts 4310.7000 and 4310.7100. When the eligible recipient has submitted or anticipates submitting an application for assistance under the demonstration program parts 4310.6500 to 4310.6900, during the contract period, the project should be identified.

**Subp. 5. Amount of supplemental assistance.** The agency shall review the application and determine the amount of supplemental assistance, if any, that shall be given to the eligible recipient. The agency shall use the management plan as a basis for allocation of supplemental assistance to an eligible recipient. In the allocation of supplemental assistance, the agency may consider population, transit ridership, relative need for public transit, new developments, prior local assistance, and other factors. Supplemental assistance shall not exceed two-thirds of the total operating deficit of the public transit system, as approved by the agency. The eligible recipient shall establish to the satisfaction of the agency that at least one-third of the total operating deficit will be available from local sources during the contract period. When more than one unit contributes assistance to the operation of the public transit system, the share contributed by each shall be specified.

**Statutory Authority:** *MS s 116K.07*

### 4310.6330 CONTRACT.

**Subpart 1. Content.** The supplemental assistance contract shall be based upon the final application, including the management plan. It shall specify the amount of supplemental assistance that shall be awarded to the eligible recipient and shall be effective for a period of no more than one year. It shall include the assurance of the eligible recipient that it will provide the required local share and carry out the management plan. For a particular public transit system, only one contract shall be executed on behalf of all units participating in the system.

**Subp. 2. Disbursement schedule.** A portion of the final payment of the supplemental assistance shall be withheld pending an audit of the public transit system's books by the agency at the termination of the contract. The final audit shall be used by the agency to determine whether the supplemental assistance exceeds two-thirds of the transit system's total operating deficit. When the supplemental assistance is more than two-thirds of the total operating deficit, the final payment shall be reduced accordingly. Any overpayment by the state shall be returned to the state treasury at the request of the agency. When the operating deficit is greater than the estimate, a subsequent application may be submitted.

**Statutory Authority:** *MS s 116K.07*

### 4310.6340 USE OF SUPPLEMENTAL ASSISTANCE.

**Subpart 1. State audits.** The financial records of the participating public transit system may be audited by the agency. A benchmark audit of the system's books shall be required at the beginning of the first contract period. Another audit shall be required at the end of the contract period to establish an approved total operating deficit. The agency shall conduct an interim audit of any participating transit system that is sold during the contract period as of the effective date of the ownership transfer. Other audits may be made by the agency.

**Subp. 2. Accounting records.** The eligible recipient and participating public transit system shall maintain accounting records as required by the agency.

Subp. 3. **Project evaluation.** The agency shall use the management plan as a basis for monitoring and evaluating the performance of the participating public transit system during the contract period. Public transit policy and management decisions made and actions taken during the contract period shall conform with the management plan. Any proposed deviations from the management plan shall be reported to the agency for approval prior to implementation. Failure to secure approval shall jeopardize continued supplemental assistance.

Subp. 4. **Third-party contracts.** Private and public organizations may participate in projects by contract with the eligible recipient.

Subp. 5. **Penalties.** When the eligible recipient fails to faithfully comply with the terms and conditions of the contract, the agency may terminate all or part of the supplemental assistance awarded to the eligible recipient.

**Statutory Authority:** *MS s 116K.07*

### PUBLIC TRANSIT DEMONSTRATION PROGRAM

#### 4310.6500 PROGRAM OBJECTIVES.

The primary objectives of the public transit demonstration program are to demonstrate the effects of the following:

- A. increasing accessibility to public transportation;
- B. improving the quality of public transit services;
- C. improving the economic performances of the public transit system;
- D. reducing adverse impacts of vehicular transportation on the environment;
- E. reducing vehicular traffic; and
- F. meeting transportation needs at a minimal cost.

A potential demonstration project shall be designed to meet directly one or more of these program objectives.

**Statutory Authority:** *MS s 116K.07*

#### 4310.6600 ELIGIBILITY FACTORS.

Subpart 1. **Public transit commission or authority.** When a legislatively established public transit commission or authority is in existence, any application for that area shall be submitted by that commission or authority.

Subp. 2. **Eligible projects.** An eligible project shall meet the following requirements:

- A. it shall be designed to have general applicability throughout the state;
- B. it shall demonstrate the effect of improved public transit service; and
- C. it shall meet one or more of the program objectives in part 4310.6500.

Subp. 3. **Potential projects.** Potential projects may include, but are not limited to:

- A. use of school buses during nonschool hours for the general public;
- B. dial-a-ride services;
- C. interregional service; and
- D. consolidation of existing special purpose transportation systems.

Subp. 4. **Funding.** An application may include requests for funding predemonstrational planning as well as funding for an ongoing evaluation of the project.

**Statutory Authority:** *MS s 116K.07*

#### 4310.6700 DETERMINATION OF DEMONSTRATION ASSISTANCE.

Subpart 1. **Two-stage submission.** The application for demonstration assistance shall be submitted in two stages: preliminary and final applications. The agency shall assist the applicant in the preparation of the application upon request. Demonstration assistance may not be used to pay any costs incurred by the applicant in the preparation, submission, or processing of the application.

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**Subp. 2. Preliminary application.** The preliminary application shall be submitted to ascertain the probable eligibility of the applicant, including projected availability of state and local financial assistance. For a particular public transit system, only one preliminary application shall be submitted on behalf of all units participating in the system. It shall be in the form and manner prescribed by the agency and shall contain the information required by the agency, including amount of assistance requested, project objectives and description, and evidence of local governmental and public support, specified in subparts 3 to 5.

**Subp. 3. Project objectives.** "Project objectives" means a concise statement of the purpose of the proposed project, including the manner in which it will meet one or more of the program objectives.

**Subp. 4. Project description.** The following shall be discussed in a project description in a concise manner:

- A. the content of the project;
- B. the time schedule proposed for completion of the project;
- C. the improvements in public transit service that will be demonstrated;
- D. the compatibility of the project with any existing transit service;
- E. the potential for continuation of the project beyond the demonstration phase;
- F. the project budget, by categories of expenditure, including sources and amounts of nonstate funding;
- G. the description of the applicant's organizational experience in the project subject area, including the key personnel and their required experience;
- H. the potential application of the project throughout the state; and
- I. the disclosure of any proprietary rights and interests involved.

**Subp. 5. Evidence of local governmental and public support.** Copies of resolutions, letters, review comments, etc. endorsing the proposed project should be included in the preliminary application as evidence of local governmental and public support.

**Subp. 6. Timing.** The preliminary application shall be submitted to the agency and the appropriate regional development commission for review and comment. Within 30 days of receipt of the application, the regional development commission shall submit any comments and recommendations to the agency. Within 60 days of receipt of the preliminary application, the agency shall notify the applicant of its eligibility to submit a final application.

**Subp. 7. Final application.** The final application shall be submitted to determine actual eligibility, the demonstration assistance to be granted and the basic elements of the agreement. It may be submitted only by an applicant who has received notice that, based on its preliminary application, it is an eligible recipient. It shall be submitted to the agency in the form and manner prescribed by the agency and shall include the elements specified in parts 4310.7000 and 4310.7100. When the eligible recipient has submitted or anticipates submitting an application for assistance under the supplemental aid program, parts 4310.6300 and 4310.6340, during the contract period, this should be briefly discussed in the application.

**Subp. 8. Project evaluation.** The primary criteria that shall be used by the agency to evaluate proposed demonstration projects are:

- A. potential for meeting one or more of the program objectives;
- B. potential for application throughout the state;
- C. degree of innovation incorporated;
- D. compatibility with existing transit system;
- E. potential for integration with existing transit service;
- F. evidence of local government and public support;

G. ability to continue a successful project beyond the demonstration phase; and

H. potential for federal funding support.

**Subp. 9. Project funding.** The applicant shall share in the cost of a demonstration project. Demonstration assistance may not exceed 75 percent of the cost of approved demonstration projects. When, in the agency's judgment, a proposed demonstration project has potential national significance, the agency may require the eligible recipient to submit an application to the federal government in addition to the state application.

**Statutory Authority:** *MS s 116K.07*

#### 4310.6800 CONTRACT.

**Subpart 1. Content.** The demonstration contract shall be based upon the final application, including the management plan. It shall specify the amount of the demonstration assistance that shall be awarded to the eligible recipient and shall be effective for at least one year. It shall include the assurance of the eligible recipient that it will provide the required local share and carry out the management plan. For a particular public transit system, one contract shall be executed on behalf of all units participating in the system.

**Subp. 2. Disbursement schedule.** A portion of the final payment of the demonstration assistance shall be withheld pending an audit of the transit system's books by the agency at the termination of the contract. This final audit shall be used by the agency to determine whether the demonstration assistance exceeds 75 percent of the transit system's total costs. When the demonstration assistance is more than 75 percent of the total cost, the final payment shall be reduced accordingly. Any overpayment by the state shall be returned to the state treasury at the request of the agency. When the total cost is greater than the estimate, the eligible recipient may submit a subsequent application.

**Statutory Authority:** *MS s 116K.07*

#### 4310.6900 USE OF DEMONSTRATION ASSISTANCE.

**Subpart 1. State audits.** The financial records of the participating transit system shall be audited by the agency. A benchmark audit of the system's books shall be required at the beginning of the contract period. The system's books shall also be audited at the end of the contract period to establish the total cost of the project. The agency shall conduct an interim audit of any participating transit system that is sold during the contract period as of the effective date of ownership transfer. Other audits may be made by the agency.

**Subp. 2. Accounting records.** The eligible recipient and the participating public transit system shall maintain accounting records as required by the agency.

**Subp. 3. Project evaluation.** The agency shall use the management plan as a basis for monitoring and evaluating the performance of the participating public transit system during the contract period. Public transit policy and management decisions made and actions taken during the contract period shall conform with the management plan. Any proposed deviations from the management plan shall be reported to the agency for approval prior to implementation. Failure to secure the approval shall jeopardize continued state assistance.

**Subp. 4. Project duration.** The eligible recipient shall be responsible for the continuation of successful projects beyond the demonstration phase.

**Subp. 5. Third-party contracts.** Private and public organizations and institutions may participate in projects by contract with the applicant.

**Subp. 6. Penalties.** When the eligible recipient fails to faithfully comply with the terms and conditions of the contract, the agency may terminate all or part of the demonstration assistance awarded to the eligible recipient.

**Statutory Authority:** *MS s 116K.07*

**4310.7000 FINAL APPLICATION FOR SUPPLEMENTAL AND DEMONSTRATION ASSISTANCE.**

Subpart 1. **Contents.** The final application for the supplemental aid program or for the demonstration program shall contain the information in subparts 2 to 9.

Subp. 2. **Management plan.** The basic component of the final application shall be a management plan that details all of the planned and anticipated events that would affect the public transit system's or demonstration project's operating revenue and expenses during the contract period.

Events that may affect operating revenues include: changes in routes, schedules, advertising, and marketing programs; revenues from school bus contracts, charter and other special services; ridership due to capital improvements, e.g. new buses or passenger shelters; change in fare structures; and similar activities.

Events that may affect operating expenses include: changes in routes or schedules; basic wage and fringe benefit programs; preventive maintenance programs; management techniques; maintenance expenditures due to new capital facilities and equipment; fuel costs, insurance premiums; and similar activities.

The required content of the management plan is found in part 4310.7100.

Subp. 3. **Organization.** The local institutional or organizational structures established to carry out the management plan should be described, including a concise description of the technical, policy, and decision-making organizations responsible for directing, controlling, reviewing, and implementing the management plan. The relationships between these various organizations should be illustrated in a simple diagram following the narrative. In addition, the following questions should be answered:

A. Who is directly responsible for the day-to-day management and operation of the transit system?

B. Who is directly responsible for negotiating wage contracts with the employees of the transit system?

C. Where more than one local unit of government participates in the program, who represents the applicant public body in negotiations with surrounding communities? Who represents the surrounding communities?

D. Who will represent the applicant public body in negotiating an assistance contract with the state, and how shall a contract be ratified by the applicant public body?

E. Who is responsible for filing reports for the transit system with the Minnesota Public Service Commission?

Subp. 4. **Financial conditions.** Financial data shall be reported in the form and manner prescribed by the agency. The accrual accounting method shall be used to report financial data unless the agency approves the use of a different method.

For the supplemental assistance program, this financial data shall contain the audited figures for a 12-month period preceding the contract period and estimated figures for the contract period.

For the demonstration program, the financial data shall contain estimated figures. When the demonstration project is associated with an existing public transit system, the financial data shall include the audited figures for a 12-month period preceding the contract period.

Subp. 5. **Financial statement.** A detailed breakdown of operating expenses shall be provided. The projection of revenues and expenses should reflect the policies and practices outlined in the management plan.

Subp. 6. **Operating statistics.** The actual and anticipated operational characteristics of the public transit system in a 12-month period preceding the contract period and the contract period shall be described. This discussion shall include

the revenue passengers, including monthly ridership, total miles; revenue hours; and other information required by the agency.

Subp. 7. **Sources of local funds.** The sources and type of revenue that the eligible recipient and each participating unit will use to match the supplemental or demonstration assistance shall be identified.

Subp. 8. **Contractual agreements.** A brief description of all current financial agreements, verbal or written, relating to the public transit services provided by or for the eligible recipient shall be included. The financial agreements to be described include, but are not limited to:

- A. public and private financial assistance to a private transit system or publicly operated system;
- B. contracts with private and public schools, colleges, and universities;
- C. contracts with private and public organizations that guarantee a minimum revenue on regular or special routes;
- D. advertising contracts; and
- E. management and labor contracts.

Subp. 9. **Fuel supplies.** Existing and potential problems that the public transit system faces in obtaining adequate fuel supplies during the contract period should be identified, including the status of contracts with fuel suppliers, the prospects for securing contracts for the contract period, the time between deliveries under normal and anticipated conditions, and any other pertinent facts.

**Statutory Authority:** *MS s 116K.07*

#### 4310.7100 MANAGEMENT PLAN.

Subpart 1. **Purposes.** The essential purposes of a management plan are:

- A. to ensure the maintenance or improvement of public transit services;
- B. to identify and implement policies and practices to increase the efficiency of public transit operations; and
- C. to ensure that state assistance will be spent wisely.

Subp. 2. **Content.** The final application shall include the following elements, which may vary in detail with the size of the public transit system:

A. Any change in ownership of the participating transit system during the contract period should be described, including the date of actual or anticipated ownership change and the expected impact of the change on estimates, revenues, and expenses.

B. Any changes in fare structures anticipated during the contract period should be described, including the expected effective dates, the justification for the changes, and the expected impact of the changes on estimated operating revenues and expenses.

C. Any actual or anticipated capital improvements in the participating public transit system during the contract period should be described. Capital improvements include, but are not limited to, buses, fare-boxes, communications equipment, storage and maintenance facilities and equipment, passenger shelters, and busstop signs. The discussion of each capital improvement should include: the date the capital improvement was made or is expected to be made, e.g., the date new vehicles are put into service or a new facility is available for use; and the expected impact of the capital improvement upon the estimated operating revenues and expenses.

D. Any actual or anticipated noncapital improvements made in the participating public transit service area during the contract period should be described. Noncapital improvements include, but are not limited to: staggering work hours; regulating supply and prices of offstreet parking; and increasing daytime parking rates on workdays.

The discussion of each type of noncapital improvement should include the

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date the noncapital improvement was or is expected to be initiated and the expected impact of the noncapital improvement upon estimated operating revenues and expenses.

E. Anticipated changes in the levels of service provided by the participating public transit system during the contract period should be described. The discussion of each change should include the date the change is expected to be instituted; the reasons for the changes; and the expected impact of the change upon operating revenues and expenses during the contract period.

F. Any actual or anticipated changes in revenue producing contracts relating to the public transit services provided by or for the eligible recipient should be described. The discussion of each contract change or new contract should include the date the contract change or new contract became effective or is expected to become effective; and the expected impact of the contract change or new contract upon estimated operating revenues and expenses.

The following types of contracts should be discussed:

- (1) contracts with private and public schools, colleges and universities;
- (2) contracts with private and public organizations that guarantee a minimum revenue on regular or special routes;
- (3) contracts with private and public organizations that purchase rides for employees or patrons; and
- (4) advertising contracts.

G. Any actual or anticipated traffic improvements made in the public transit service area during the contract period that have affected or will affect directly the speed and reliability of transit services should be described. Examples of traffic improvements include:

- (1) use of exclusive or preferential streets, bus lanes, or expressway ramps;
- (2) control of traffic lights by buses;
- (3) provision of fringe parking spaces with express or improved bus services;
- (4) provision of bus turnouts; and
- (5) priority snowplowing of transit routes.

The discussion of each type of traffic improvement should include the date the traffic improvement was or is expected to be made, and the expected impact of the traffic improvement upon estimated public operating revenues and expenses.

H. The participating transit system's proposed marketing program should be described in general terms, including the costs and benefits of the major elements. Elements of a marketing program may include:

- (1) public information;
- (2) promotion;
- (3) advertising;
- (4) community relations; and
- (5) employee relations.

The marketing program's expected impact upon estimated operating revenues and expenses should be summarized.

I. Any anticipated or actual changes in contracts for services and goods relating to the public transit services provided by or for the eligible recipient and others should be described. The discussion of each change or new contract should include the scope and nature of the contract change or new contract; the date the contract change or new contract became or is expected to become effective; and the expected impact of the contract change or new contract upon estimated operating revenues and expenses.

The types of contracts to be discussed include:

- (1) contracts for management and consulting services;
- (2) contracts for storage and maintenance of buses;
- (3) contracts for the lease or purchase of tires and tubes;
- (4) contracts for fuel and lubricants;
- (5) contracts for liability and property insurance; and
- (6) contracts, union and nonunion, with transit system employees.

J. The participating public transit system's planned preventive maintenance program for the contract period should be described. Elements of a preventive maintenance program typically include:

- (1) defect reporting by drivers;
- (2) daily fueling inspections;
- (3) mileage inspections; and
- (4) inventory controls.

**Statutory Authority:** *MS s 116K.07*

#### ADMINISTERING FEDERAL AND STATE OUTDOOR RECREATION GRANTS

#### 4310.8100 DEFINITIONS.

Subpart 1. **Scope.** The following terms as used in parts 4310.8100 to 4310.8300 have the following meanings.

Subp. 2. **Eligible applicant.** "Eligible applicant" means units that are eligible to apply for an outdoor recreation grant under any of the programs provided for in these parts.

Subp. 3. **Eligible costs.** "Eligible costs" means costs that are eligible for a grant from the LCMR grant-in-aid program or reimbursement from a LAWCON grant.

Subp. 4. **Grant.** "Grant" means a specific sum of money made available by the federal government or the state of Minnesota to an eligible applicant for the execution of outdoor recreation projects.

Subp. 5. **HCRS.** "HCRS" means the Heritage Conservation and Recreation Service of the United States Department of the Interior.

Subp. 6. **HCRS guidelines.** "HCRS guidelines" means those guidelines established by Heritage Conservation and Recreation Service grants-in-aid manual effective as of October 1, 1978.

Subp. 7. **LAC.** "LAC" means the Legislative Advisory Commission established in Minnesota Statutes 1974, section 3.30.

Subp. 8. **LAWCON.** "LAWCON" means the program established by the act of Congress entitled "The Land and Water Conservation Fund Act of 1965," as amended, Statutes at Large, volume 87, page 897, which provide federal grants to the state of Minnesota for the acquisition and development of outdoor recreation projects.

Subp. 9. **LCMR.** "LCMR" means the Legislative Commission on Minnesota Resources established in Minnesota Statutes 1974, section 86.06.

Subp. 10. **LCMR grants-in-aid program.** "LCMR grants-in-aid program" means the LCMR grants-in-aid for local and regional recreation and natural areas as established by Laws of Minnesota 1965, chapter 810, section 23, as amended, and Laws of Minnesota 1971, special session chapter 3, section 48, subdivision 7, paragraph (h), et seq., as amended.

Subp. 11. **Local units of government.** "Local units of government" means counties, cities, and townships within the state of Minnesota.

Subp. 12. **Metropolitan Council.** "Metropolitan Council" means the areawide council created pursuant to Minnesota Statutes 1975, section 473.123.

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Subp. 13. **OLUA.** "OLUA" means the Office of Local and Urban Affairs established by Minnesota Statutes 1974, section 4.11, subdivision 7 within the State Planning Agency.

Subp. 14. **Project.** "Project" means a planned undertaking for outdoor recreation, proposed by an eligible applicant, having fixed commencement and termination dates and consisting of either of the following two types, alone or together:

A. "acquisition project" means the acquisition of real property or an interest and rights thereto for a well-defined outdoor recreation area and/or purpose; and

B. "development project" means the development of structures, utilities or facilities necessary for the purpose of outdoor recreation on publicly owned or controlled land.

Subp. 15. **Project agreement.** "Project agreement" means the contract executed between the BOR and the state, or the state and the eligible applicant, that sets forth the mutual obligations with regard to a portion or all of a specific project.

Subp. 16. **Public agency.** "Public agency" means a public entity established by state law with the authority to act in the acquisition interests in realty and in the development, maintenance, operation, and planning of outdoor recreation facilities. For the purpose of these rules, state agencies and the University of Minnesota shall not be considered as public agencies.

Subp. 17. **Regional development commission.** "Regional development commission" means any regional commission organized under the "Regional Development Act of 1969," Minnesota Statutes 1974, sections 462.381 to 462.396.

Subp. 18. **Regional need.** "Regional needs" means a park or open space project serving a region and consisting of the following:

A. a site that consists of outstanding natural resources or man-made features and that is capable of management to interpret and preserve the resources, and the project has been reviewed by the Metropolitan Council or the appropriate regional development commission and found to be consistent with regional recreational facilities and related plan and priorities;

B. is of sufficient size to provide a variety of recreational opportunities and attract a substantial number of users from outside the boundaries of the applicant's jurisdiction and has been reviewed by the Metropolitan Council or the appropriate regional development commission and found to be consistent with regional recreational facilities and related plan and priorities.

Subp. 19. **Shall; may.** For the purposes of these parts, certain terms or words used herein shall be interpreted as follows: the word "shall" is mandatory, not permissive; the word "may" is permissive.

**Statutory Authority:** *MS s 116J.406*

**History:** *L 1983 c 289 s 115 subd 1*

### 4310.8110 AUTHORITY.

The rules contained herein are prescribed by the Office of Local and Urban Affairs, pursuant to authority granted in Minnesota Statutes 1978, section 86.71 and Laws of Minnesota 1969, chapter 1139, section 48, subdivision 7, paragraph (g), and Laws of Minnesota 1971, special session chapter 3, section 48, subdivision 7, paragraph (h), and Minnesota Statutes 1978, section 4.36.

**Statutory Authority:** *MS s 116J.406*

### 4310.8120 PURPOSE.

Parts 4310.8100 to 4310.8300 are set forth to provide criteria, priorities, and procedures for evaluating outdoor recreation proposals of local government units under consideration for LAWCON, LCMR grants-in-aid, athletic courts, and trails.

**Statutory Authority:** *MS s 116J.406*

## LAWCON GRANT PROGRAM

## 4310.8130 APPLICATION PROCESS.

Subpart 1. **Eligibility.** Any local applicant that satisfies the guidelines for eligibility established by HCRS may apply for a LAWCON grant.

Subp. 2. **Notice.** Annually, OLUA shall send notice of the period of time that preliminary applications for LAWCON grants shall be accepted by OLUA. The notice shall be sent at least 45 days before the period ends. Such notice shall be sent to the following:

- A. mayors in care of the clerks of all cities in Minnesota;
- B. county board chairmen in care of the auditors of all counties in Minnesota;
- C. chairpersons of county planning commissions and city planning commission of all cities over 5,000 population according to the last federal decennial census in Minnesota;
- D. chairman in care of the executive directors of regional development commissions;
- E. chairpersons of each county's township association;
- F. statewide organizations representing Minnesota local governments;
- G. persons requesting notice; and
- H. upon request, to the Minnesota state legislature.

Subp. 3. **Contents of application.** The contents of the preliminary application shall be consistent with the informational requirement of these parts and shall be prescribed by OLUA.

Subp. 4. **Submission.** Preliminary applications shall be submitted in a completed form to OLUA and the Metropolitan Council or the appropriate regional development commission for a project review before the closing date for applications. The Metropolitan Council or the appropriate regional development commission at their option may recommend on an advisory basis to OLUA, a list of applications from the region arranged in order of priority.

Subp. 5. **Evaluation of preliminary applications.** Preliminary project applications which satisfy the HCRS project eligibility guidelines and priorities for LAWCON grants shall be evaluated and ranked as follows: general criteria, specified in subpart 6; acquisition priorities, specified in subpart 7; and development priorities, specified in subpart 8.

Subp. 6. **General criteria.** Preliminary applications that meet one or more of the following criteria shall receive priority over similar projects that do not:

- A. projects with outstanding irreplaceable resources or features that are in danger of commercial (nonrecreational) development, subdivision, or other use that may be incompatible with outdoor recreation uses;
- B. projects that have received a prior LAWCON grant or LCMR grant-in-aid for a preceding phase of the proposed project;
- C. projects that meet generally recognized national design standards for recreational facilities;
- D. projects that reflect quality site planning; recognize and complement existing land forms; provide for ease of maintenance and operation of the site and do not have major environmental intrusions which are detrimental to the intended use of the property;
- E. projects that comply with the recreational facility priority needs as designated in the applicant's recreation plan.

Subp. 7. **Acquisition priorities.** The following criteria shall be used in descending order to evaluate applications for acquisition projects and to determine priorities for projects:

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A. project sites having outstanding examples of existing or potential natural, scientific, cultural, historical, educational, or recreational values for public enjoyment;

B. acquisitions of sites that protect or enhance aesthetics or land and water quality of existing park facilities;

C. project sites that provide to the general public a broad range of outdoor recreational opportunities that are particularly well suited for one or more heavily used and concentrated recreational activities (e.g. swimming beach);

D. project sites providing for needed low intensity use recreation activities, such as trail systems, wildlife observation, and other activities providing open space enjoyment;

E. projects that are equivalent to commercial camping accommodations for recreational users.

**Subp. 8. Development priorities.** The following criteria shall be used in descending order to evaluate applications for development projects and to determine priorities for projects:

A. projects designed to protect and enhance land and water quality of the site consistent with the estimated number of its potential users, make it accessible or designed to ensure safety and health;

B. projects that provide to the general public a broad range of outdoor recreation opportunities or that are particularly well suited for one or more heavily used and concentrated recreational activities (e.g. swimming beach);

C. projects providing needed facilities associated with low intensity use recreational areas;

D. projects that are equivalent to commercial camping accommodations for recreational users.

**Subp. 9. Notice of disposition of preliminary applications.** All applicants shall be notified by OLU A of the disposition of their preliminary applications within 120 days of the closing date for the submission of preliminary applications. Grants shall be distributed in order of ranking until LAWCON and LCMR funds are depleted. For those applicants who are recommended for a grant, this notice shall include the submission deadline and a scheduled meeting to explain the content requirements for a final application. For those applicants who are not recommended for a grant, this notice shall indicate the reasons.

**Subp. 10. Final application eligibility.** When a preliminary application has been given a high priority ranking by general criteria and project priorities (subparts 5 to 8) the eligible applicant who is recommended for a grant may submit a final application. OLU A will request a LAWCON grant if the eligible applicant submits a final application in adequate detail before the established deadline.

**Subp. 11. Final application content.** The contents of the final application shall be consistent with the informational requirement of these parts and shall be prescribed by OLU A.

**Subp. 12. HCRS approval.** If the final application is satisfactory, OLU A shall request HCRS approval of a LAWCON grant for the recommended project. OLU A shall notify the applicant of the action taken by HCRS.

**Statutory Authority:** *MS s 116J.406*

### 4310.8140 PROJECT AGREEMENT.

Upon approval by HCRS, OLU A shall execute a project agreement with the applicant and the applicant shall comply with the terms of the project agreement.

**Statutory Authority:** *MS s 116J.406*

**4310.8150 DISBURSEMENT OF GRANT.**

The applicant shall initially pay for the project costs as specified in the project agreement. The applicant shall submit to OLUa a billing request for work completed on the project, but not more than six billings per project. Upon receipt of a billing request, containing the documentation required in the project agreement, OLUa shall request from HCRS the federal share of the eligible costs represented by that billing. Upon receipt of the LAWCON grant for that billing, OLUa shall reimburse the applicant. The final billing shall reflect any cost adjustments due to project changes and shall be subject to a site inspection by the state and HCRS personnel and verification by federal and state audit.

**Statutory Authority:** *MS s 116J.406*

**4310.8160 AMENDMENTS.**

A request for an amendment in the project scope, costs or time period may be submitted to OLUa prior to project termination. If the request is eligible for a LAWCON amendment and OLUa considers the amendment request to be reasonable and justified and it does not substantially affect the project eligibility under part 4310.8130, subparts 5 to 8, it may request HCRS to approve the amendment.

**Statutory Authority:** *MS s 116J.406*

**4310.8170 LCMR GRANTS-IN-AID PROGRAM.**

**Subpart 1. Eligible applicant.** Only the following shall be eligible to submit an application for a LCMR grant-in-aid: local units of government and public agencies.

**Subp. 2. Grant categories and financial assistance.** Regional project: a LCMR grant-in-aid may be available in the percentage rates specified by state law, when the applicants can document that the project serves a regional need.

A LCMR grant-in-aid may be available in the percentage rates specified by state law to applicants for other than regional projects.

**Subp. 3. Evaluation criteria.** The criteria that shall be used to evaluate an application and to establish priorities for applications for a LCMR grant-in-aid shall be the criteria specified for a LAWCON applicant in part 4310.8130, subparts 6, 7, and 8.

**Subp. 4. Evaluation priorities.** Projects that have an approved federal recreational grant will generally be given a higher priority.

**Subp. 5. Applications for projects under consideration for LAWCON grant.** Applications for projects under consideration for LAWCON grant:

A. A final application that has been submitted for a LAWCON grant may be sufficient to meet the requirements of a LCMR grant-in-aid; additional documentation may not be necessary.

B. Upon HCRS approval of a LAWCON application, OLUa shall initiate the application procedure for applicants that have not received LCMR grants-in-aid exceeding the maximum legislative grant allowable for that project.

C. OLUa shall submit the application with its recommendations to the LCMR and the secretary of the LAC.

D. OLUa shall request the LCMR to review each application and make its recommendations to the LAC regarding such expenditures.

E. The secretary of the LAC shall review the application for completeness and present it to the governor and the LAC for consideration. Applications shall be submitted to the secretary of the LAC and the LCMR within the deadline established by LAC. If an application is not submitted prior to the deadline, it shall be held for the next meeting.

**Subp. 6. Applications for projects with grant from another federal program.**

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Local units of government or public agencies that have received a federal grant (other than a LAWCON grant) for park or open space acquisition or development may apply for a LCMR grant-in-aid by submitting an application to OLU. OLU shall prescribe the form and content of the applications.

Upon receipt of a satisfactory and complete application, OLU shall initiate the processing of the application in accordance with the procedure specified in subpart 5, items C, D, and E.

**Subp. 7. Applications for projects without federal grants.** Eligible projects which are given high priority but do not receive federal recreation grant assistance due to lack of federal funding or ineligibility may be considered for LCMR grant-in-aid. When LCMR grant-in-aid funds are available, OLU may process those applications of high ranking. The procedure shall be the same as outlined in subpart 5, items C, D, and E.

**Subp. 8. Disbursement of grants procedure.** When the governor with the advice of LAC has approved an application for a LCMR grant-in-aid, a project agreement between the applicant and the state of Minnesota shall be executed; and, the applicant may then proceed with the project.

The state of Minnesota shall then pay the applicant the amount of the grant after the agreement has been executed. The applicant shall maintain a separate accounting of the project costs. The applicant shall submit documentation as specified by OLU, unless it has already been submitted under the requirements for a federal grant to verify the costs and comply with the project agreement.

**Subp. 9. Amendments.** An applicant may request an amendment of a project agreement to change the scope, boundaries, or time period of a project. Applicants shall not request an amendment for cost overruns. Applicants requesting an amendment shall submit documentation as specified by OLU to explain and justify the project.

When satisfactory documentation is received and OLU considers the amendment request to be justifiable, the following procedures shall apply:

A. OLU may approve requests for changes in the time period of a project and requests for modifications of development items originally approved.

B. OLU may approve requests for minor changes in the project scope or boundaries which shall not exceed 25 percent of the total project.

C. If the request is for a major change in project scope or boundaries exceeding 25 percent of the total project OLU shall request LCMR to consider the amendment.

**Subp. 10. Project completion.** Upon completion, the project shall be subject to a site inspection by state personnel and verification by a state audit. If the total costs of the project when completed are less than the costs upon which the state grant was based, the applicant shall return that portion of the state grant not utilized for the project, which is consistent with the percentage of the state grant participation in the project.

**Subp. 11. Retention and use of project.** Property acquired or developed with a LCMR grant-in-aid shall be retained and used for public outdoor recreation on a nondiscriminatory basis during its useful life. Any property so acquired or developed shall not be changed to a nonrecreational use or another recreational use without prior approval of OLU and LCMR. In the event that this occurs, the applicant shall return part or all of the state grant upon request by OLU.

If approval is granted to change the property acquired or developed with LCMR grant-in-aid to a nonrecreational use, the applicant shall return that portion of the state grant representing the nonrecreational use to the state of Minnesota.

**Subp. 12. Responsibilities of recipient.** A recipient of a LCMR grant-in-aid shall comply with all existing or subsequent state laws and regulations that apply to the project.

**Statutory Authority:** *MS s 116J.406*

**4310.8180 LCMR GRANTS-IN-AID PROGRAM FOR HARBORS OF REFUGE.**

Subpart 1. **Harbors of refuge program.** Harbors of refuge grant program is hereby established for the development of harbors suitable for giving safe refuge to shallow draft craft from storms on Lake Superior. This grant program is an extension of the LCMR grants-in-aid program and is established by Laws of Minnesota 1969, chapter 1139, section 48, subdivision 7, paragraph g.

Subp. 2. **Eligible applicant.** Any local unit of government or public agency that has received a grant from the U.S. Army Corps of Engineers for the acquisition or development of a harbor of refuge may apply for a LCMR grant-in-aid.

Subp. 3. **Eligible projects.** An eligible applicant may receive a LCMR grant-in-aid for 50 percent of the eligible local costs provided it does not exceed the maximum legislative grant-in-aid allowable for that project. Grants from this program shall be available for acquisition and development only. Maintenance and operational costs shall be the responsibility of the applicant.

Subp. 4. **Application procedure.** The application procedure is as follows:

A. Eligible applicants may apply for a LCMR grant-in-aid for harbors of refuge by submitting an application to OLU and the appropriate regional development commission for a project review. The regional development commission at their option may recommend, on an advisory basis to OLU, a list of applications from the region arranged in order of priority. OLU shall prescribe the form and content of the application.

B. Upon receipt of a harbor of refuge application, OLU shall review the application for eligibility of the project, completeness of the application, and furthermore, evaluate it as to priority.

C. When the application is determined by OLU to be satisfactory and of high priority, OLU shall recommend a grant to the LCMR and the LAC in accordance with part 4310.8170, subpart 5, items C, D, and E.

Subp. 5. **Disbursement of grants.** The disbursement of grants for LCMR grants-in-aid to harbors of refuge shall be as specified in part 4310.8170, subpart 8.

Subp. 6. **Amendments.** Harbors of refuge projects that have been amended by the Corps of Engineers shall be eligible for LCMR grant-in-aid amendments as specified in part 4310.8170, subpart 9.

Subp. 7. **Project completion.** Upon completion, the project shall be subject to closing requirements as specified in part 4310.8170, subpart 10.

**Statutory Authority:** *MS.s 116J.406*

**4310.8190 ATHLETIC COURT GRANTS PROGRAM.**

Subpart 1. **Distribution of grants.** OLU shall distribute state grants for the development of basketball, handball, tennis, and volleyball courts in conformance with Minnesota Statutes 1978, section 4.36, subdivision 4, and the rules contained herein. Applications for athletic court grants shall be considered once a year and information concerning the deadline for the submission of such shall be available from OLU.

Subp. 2. **Application procedure.** The application procedure is as follows:

A. Eligible applicants are those units of government as defined by Minnesota Statutes, section 116J.406, subdivision 1, clause (c).

B. The contents of the application shall be consistent with the informational requirements of these rules and must describe the project, financial resources of the applicant, and existing facilities with sufficient specificity so that a determination of eligibility and ranking can be made pursuant to these parts.

C. All applications for projects shall be submitted to OLU for review under these parts. Applications for projects within the jurisdiction of the Metro-

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politan Council shall also be submitted to the Metropolitan Council for their review. Applications for projects within the jurisdiction of a regional development commission shall be submitted to the regional development commission for its review.

**Subp. 3. Eligible projects.** No project, the construction of which has already commenced or for which a construction contract has already been let, shall be eligible for a grant under this program. Maintenance and operational costs shall be the responsibility of the applicant. Projects and facilities eligible for a state grant shall include the following:

A. a special surface area of asphalt or concrete materials with adequate foundation suitable for the soil and climatic conditions; prior to construction, such surface areas and foundations shall be approved by the applicant's engineer, as being suitable. Courts shall be outlined on the surface area and be of proper size to meet generally recognized athletic court dimensions;

B. hoops, nets and supporting structures for athletic court games that shall be a proper size to utilize the facility.

C. walls and fences for the athletic court of a proper size to utilize the facility in the manner intended.

**Subp. 4. Evaluation of applications from outside jurisdiction of Metropolitan Council.** Applications from outside the jurisdiction of the Metropolitan Council shall be evaluated and ranked by OLUА by giving equal consideration to each of the following criteria:

A. Priority shall be given to eligible applicants that demonstrate the athletic courts will be developed, operated, and maintained jointly with one or more eligible applicants. Evidence of cooperative use of such facilities between schools, cities, and other local units shall be considered but not given as high priority.

B. Eligible project applications received by OLUА shall be ranked in order from highest to lowest in relation to those projects located in cities or towns which have the lowest number of similar public athletic courts in relation to their population.

C. Eligible project applications received by OLUА shall be ranked in order from highest to lowest by the distance the project is located away from similar existing public athletic courts.

D. Priority shall be given to eligible applicants that can demonstrate that the courts will be readily accessible to the public by vehicular and pedestrian traffic, serve residential areas, and are available to the entire community during daylight and evening hours.

**Subp. 5. Evaluation of applications from within jurisdiction of Metropolitan Council.** Applications from within the jurisdiction of the Metropolitan Council shall be evaluated and ranked by OLUА under the criteria found in subpart 4 and by the Metropolitan Council pursuant to their criteria. The determination of which proposals shall receive funding shall be made by combining the two rankings on an equal basis.

**Subp. 6. Distribution of grants.** Grants shall be distributed in order of ranking until available athletic court funds are depleted. For those applicants recommended for a grant, OLUА will submit a project agreement to be executed between the applicant and the state of Minnesota. Upon completion of executed project agreement, the funds will be submitted to the applicant and it may proceed with the project.

**Subp. 7. Accounting.** The applicant shall maintain a separate accounting of the project costs and shall submit documentation as required by OLUА to verify the costs and compliance with the project agreement in documents or statements accompanying the project agreement.

**Subp. 8. Project completion.** Upon completion, the project shall be subject to the closing requirements as specified in part 4310.8170, subpart 10.

Subp. 9. **Retention and use of project.** Property developed with an athletic court grant shall be retained and used for public outdoor recreation during its useful life. Any property so developed shall not be changed to a nonrecreational use or another recreational use without prior approval of OLU. In the event an unapproved change occurs, the applicant shall return that percentage of the state grant equal to the percentage of the developed property changed.

Subp. 10. **Responsibilities of recipient.** A recipient of an athletic court grant shall comply with all existing or subsequent state laws that apply to the project.

**Statutory Authority:** *MS s 116J.406*

#### 4310.8300 TRAIL GRANTS PROGRAM.

Subpart 1. **Distribution of grants.** OLU shall distribute state grants for the development of hiking, biking, and touring trails in conformance with Minnesota Statutes 1978, section 4.36, subdivision 3, and the rules contained herein. Applicants for trail grants shall be considered once a year and information concerning the deadline for the submission of such shall be available from OLU. Trail grants shall be available for trail development on public parks or other public lands excluding public road rights-of-way.

Subp. 2. **Application procedure.** The application procedure is as follows:

A. Eligible applicants are those units of government as defined by Minnesota Statutes, section 116J.406, subdivision 1, clause (c).

B. Only trails that provide a primary recreational activity in themselves shall be eligible for trail grants. Pathways that just connect recreational activities, provide access to them, or protect the site from overuse shall not be eligible.

C. The contents of the application shall be consistent with the informational requirements of these rules and must describe the project, financial resources of the applicant, relationship to future plans, and existing facilities with sufficient specificity so that a determination of eligibility and ranking can be made pursuant to these parts.

D. Applicants for the projects outside the jurisdiction of the Metropolitan Council shall be submitted to OLU for review and ranking under these rules, and to the regional development commission having jurisdiction for its review and ranking. Applicants for projects within the jurisdiction of the Metropolitan Council shall be submitted to OLU for review and ranking under these parts, and to the Metropolitan Council for its review and ranking.

Subp. 3. **Eligible projects.** No project, the construction of which has already commenced or for which a construction contract has already been let, shall be eligible for a grant under this program. Maintenance and operational costs shall be the responsibility of the applicant. Project and facilities eligible for a state grant shall include the following:

A. clearing of vegetation, grading, and construction of a surface area and necessary drainage structures suitable for the type of trails proposed, where applicable; and

B. shelters, signs, parking, bridging, toilet facilities, and water systems suitable for type of trail proposed, where applicable.

Subp. 4. **Evaluation of applications.** Applications from outside the jurisdiction of the Metropolitan Council shall be evaluated and ranked by OLU by giving equal consideration to each of the following criteria:

A. Priority shall be given to trail projects located so as to minimize interference with incompatible activities and features.

B. Priority shall be given to trail projects that provide access to areas of outstanding natural resources of man-made features.

C. Priority shall be given to trail projects that continue or link into other trail systems or proposed trail systems.

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D. Priority shall be given to trail projects from applicants that have the fewest miles of similar trails in relation to their population.

E. Priority shall be given to eligible applicants that can demonstrate that the proposed trails are readily accessible to the public by vehicular, pedestrian, and bicycle traffic and are available to the entire community.

Applications from within the jurisdiction of the Metropolitan Council shall be evaluated and ranked by OLU A under the criteria found in item A and by the Metropolitan Council pursuant to their criteria. The determination of which proposals shall receive funding shall be made by combining the two rankings on an equal basis.

**Subp. 5. Distribution of grants.** State grants shall be distributed in order of ranking until trail development funds are depleted. For those applicants who are recommended for a grant, OLU A will submit a project agreement to be executed between the applicant and the state of Minnesota. Upon completion of executed project agreement, the funds will be submitted to the applicant and it may proceed with the project.

**Subp. 6. Accounting.** The applicant shall maintain a separate accounting of the project costs and shall submit documentation as required by OLU A to verify the costs and compliance with the project agreement.

**Subp. 7. Project completion.** Upon completion, the project shall be subject to the closing requirements as specified in 4310.8170, subpart 10.

**Subp. 8. Retention and use of project.** Property developed with a trail grant shall be retained and used for public outdoor recreation during its useful life. Any property so developed shall not be changed to a nonrecreational use or another recreational use without prior approval of OLU A. In the event an approved change occurs, the applicant shall return that percentage of the state grant equal to the percentage of the developed property changed.

**Subp. 9. Responsibilities of recipient.** A recipient of a trail grant shall comply with all existing or subsequent state laws that apply to the project.

**Statutory Authority:** *MS s 116J.406*

### HEALTH RESEARCH PROGRAM

#### 4310.8600 DEFINITIONS.

**Subpart 1. Scope.** The following terms as used in these parts have the following meanings.

**Subp. 2. Agency.** "Agency" means the agency of state government established by Laws of Minnesota 1965, chapter 685 to perform statewide planning functions.

**Subp. 3. Biomedical research.** "Biomedical research" means research into the basic processes and distribution of health and disease, including clinical interventions that affect these processes.

**Subp. 4. Committee on health research program.** "Committee on the health research program" (CHRP) means a committee of the SHCC that shall supervise the administration of the health research program. All decisions of the CHRP shall be subject to review and approval by the SHCC.

**Subp. 5. Grant.** "Grant" means an award of money pursuant to a written agreement signed by the eligible applicant and by the official representative of the SHCC, setting forth the amount of the funds, the time period within which the funds are to be expended, the purposes for which the funds may be used, and other contractual conditions deemed necessary by the SHCC.

**Subp. 6. Health policy research and analysis.** "Health policy research and analysis" means the study of health-related problems and the development, testing, and evaluation of various policy options for dealing with such problems. Policy studies may include health services research, nonmedical health research, and health policy research and analysis.

Subp. 7. **Health research program.** "Health research program" (HRP) means the program and corresponding appropriation established by the Minnesota legislature in Laws of Minnesota 1977, chapter 453, section 27 to further health research in Minnesota.

Subp. 8. **Health services research.** "Health services research" means research on manpower, practice patterns, organization, and economics of health care aimed at improving the efficiency, effectiveness, and distribution of health services as delivered in practice.

Subp. 9. **Nonmedical health research.** "Nonmedical health research" means research on methods to prevent disease and promote health independently of health services professionals, by minimizing causes of ill health related to lifestyle and environment.

Subp. 10. **State health planning and development agency.** "State health planning and development agency" (SHPDA) means the division of the agency designated by the governor to fulfill statewide health planning functions pursuant to the National Health Planning and Resources Development Act of 1974, United States Code 1977 Supplement, title 42, section 300K.

Subp. 11. **Statewide Health Coordinating Council.** "Statewide Health Coordinating Council" (SHCC) means the citizens' council appointed by the governor of Minnesota pursuant to the National Health Planning and Resources Development Act of 1974, United States Code 1977 Supplement, title 42, section 300K.

**Statutory Authority:** *MS s 116K.07*

#### 4310.8610 AUTHORITY.

The rules contained herein are prescribed by the Statewide Health Coordinating Council and the State Planning Agency pursuant to the authority granted in Laws of Minnesota 1977, chapter 453, section 27 and Minnesota Department of Administration reorganization order No. 83.

**Statutory Authority:** *MS s 116K.07*

#### 4310.8620 PURPOSE.

The purpose of these parts is to establish procedures for administering the health research program. The health research program will provide funds to help maintain biomedical research in Minnesota and to strengthen the state's ability to produce health services research, nonmedical health research, and health policy research on issues of importance to the state.

**Statutory Authority:** *MS s 116K.07*

#### 4310.8630 PROCEDURES FOR INFORMING PUBLIC OF HEALTH RESEARCH PROGRAM.

Subpart 1. **Notice of availability.** The SHCC shall inform the public of the availability of health research program funds by the following means:

- A. An announcement shall be published in the State Register.
- B. An announcement shall be published in the form of a legal notice in 37 major newspapers providing circulation throughout the state.
- C. An announcement of availability shall be mailed to the following Minnesota organizations and institutions:

- (1) the University of Minnesota and its affiliated campuses;
- (2) state universities;
- (3) community colleges;
- (4) private colleges;
- (5) vocational-technical institutions;
- (6) all hospitals;
- (7) associations of health professionals;

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- (8) Mayo Foundation for Education and Research;
- (9) Minnesota Department of Health;
- (10) Minnesota Department of Human Services;
- (11) Minnesota legislature;
- (12) the seven health systems agencies located in Minnesota; and
- (13) local boards of health.

The announcement shall set forth the amount of funds available for award, the period of time during which grant applications will be accepted, priority considerations listed in part 4310.8660 that the CHRP and SHCC will consider in its evaluation of grant applications, the date when grant awards will be announced by the SHCC, and the location where applications should be submitted. The announcement of availability shall also include a detailed description of application procedures and project specifications as defined in part 4310.8640.

Subp. 2. **Announcement of grant awards.** The SHCC shall announce the disposition of available grant funds by the following means:

A. When evaluation and selection have been completed, results will be sent immediately by mail to all applicants.

B. A list of grant recipients, the amount of funds awarded to each recipient, and the nature of the research to be performed by the recipient shall be published in the state register.

C. A list of grant recipients, the amount of funds awarded to each recipient, and the nature of the research to be performed by the recipient shall be mailed to the following organizations and institutions in order to inform the health-related research community of the types of studies to be performed:

- (1) the University of Minnesota and its affiliated campuses;
- (2) state universities;
- (3) community colleges;
- (4) private colleges;
- (5) vocational-technical institutions;
- (6) all hospitals;
- (7) associations of health professionals;
- (8) Mayo Foundation for Education and Research;
- (9) Minnesota Department of Health;
- (10) Minnesota Department of Human Services;
- (11) Minnesota legislature;
- (12) the seven health systems agencies located in Minnesota; and
- (13) local boards of health.

Subp. 3. **Commencement of funding.** All funds awarded under the health research program shall become available to each recipient at the beginning of fiscal year 1979 (July 1, 1978) and should be expended by the recipient no later than June 30, 1980.

**Statutory Authority:** *MS s 116K.07*

**History:** *L 1984 c 654 art 5 s 58*

### **4310.8640 APPLICATION PROCEDURES.**

Subpart 1. **Proposals.** All applicants for HRP funds will be required to submit a proposal containing the following information:

A. The type of grant being applied for (i.e., whether merit fellowship, nonmedical and health services research, or health policy study).

B. Scope of the project.

C. Project goal and objectives.

D. Project tasks to be completed.

E. A description of the project, including:

(1) a restatement of the objectives showing or demonstrating the applicant's view of the nature of the proposed research;

(2) identification and description of the products to be delivered by the applicant;

(3) a description of the applicant's background and experience in health-related research; and

(4) identification of the personnel who will conduct the research and a detailed description of their training and research experience. No change in professional research personnel assigned to the project will be permitted without the approval of the SHCC.

F. A detailed budget of project costs delineating proposed expenses. No general overhead rate will be allowed in the budget calculation.

G. A project completion date indicating the anticipated termination of the proposed research activity.

H. An indication of any other sources of funding, already possessed or applied for, which would be used to support the proposed research project.

Subp. 2. **Timing.** All grant applications will be required to be submitted by a time and date specified by the SHCC in the announcement of availability described in part 4310.8630, subpart 1. Late proposals will not be accepted.

**Statutory Authority:** *MS s 116K.07*

#### **4310.8650 PROCEDURES FOR AWARDING HEALTH RESEARCH PROGRAM FUNDS.**

Subpart 1. **Merit fellowship grant eligibility.** An eligible applicant is any individual researcher who resides in or agrees to reside in Minnesota and who proposes to engage in exploratory analysis and pilot research in a health-related subject or issue which has been established as a priority by the SHCC as defined in part 4310.8660. As a condition to receipt of a grant, each applicant must provide evidence that he/she has or will have an affiliation with the University of Minnesota, the Mayo clinic, the legislature and/or its staff, a state department or agency, a health organization, or postsecondary educational institution. This evidence must include a corroborating statement from the institution or organization with which the researcher affiliates or proposes to affiliate. Further, each applicant, as a condition to receipt of a grant, must agree to and actively seek federal or private support for full-scale research projects based on his or her exploratory analysis and pilot research.

Subp. 2. **Process of merit fellowship award.** Grants to merit fellows shall be awarded on a competitive basis with applications being evaluated in terms of:

A. the applicant's professional credentials;

B. demonstrated past performance in doing health-related research;

C. proposed subject for study;

D. clarity of the project goal and objectives;

E. the project work plan;

F. the project budget; and

G. the qualifications of any additional professional research staff who will assist with the research project.

Subp. 3. **Terms of merit fellowship grant.** Grants to merit fellows shall be limited to a maximum of \$50,000 per year for two years. Each grant may be utilized to provide a stipend to support the researcher and necessary clerical and research assistants and to cover the costs of other professional expenses incurred in the process of performing the research.

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Merit fellowship grants shall be allocated to biomedical research, health services research, nonmedical health research, and health policy research and analysis. At least one half of these funds shall be allocated to health services research, nonmedical health research, and health policy research and analysis.

**Subp. 4. Nonmedical and health services research grants.** Items A to D apply to nonmedical and health services research grants:

A. An eligible applicant is a Minnesota postsecondary education institution, state department or agency, or other health organization.

B. Grants may be used to fund senior research positions, to provide seed money for nonmedical and health services research activities, and to provide information, analysis, and technical support to health planners and state agencies on questions of health costs, productivity, health care regulation, and organization of the health care delivery system. The grants may also be used to support investigations and evaluations of preventive health care techniques designed to improve public health.

C. Grants for nonmedical and health services research shall be awarded on a competitive basis and shall be used only to support activities which are consistent with state health priorities established by the SHCC and listed in part 4310.8660. Applications shall be evaluated in terms of:

(1) demonstrated past performance of the applicant organization, institution, or agency in doing health-related research;

(2) proposed subject for study;

(3) clarity of the project goal and objectives;

(4) the project work plan;

(5) the project budget; and

(6) qualifications of the professional research staff who will carry out the research. The experience of the assigned personnel will be given greater weight than will the demonstrated past performance of the applicant organization, institution, or agency.

D. The amount and nature of the grant shall be determined by the SHCC, which shall take into consideration the amount of funds requested and available; the demonstrated ability of the eligible applicant to perform research in the areas set forth in item B; and the technical assistance to health planners, state agencies, and the legislature which may be generated by the proposed research.

**Subp. 5. Health policy study grants.** Items A to C apply to health policy study grants:

A. An eligible applicant is any individual or organization that proposes a study relevant to the formulation of state health policy.

B. Grants for health policy studies shall be awarded on a competitive basis and shall be consistent with health policy issues of priority concern as established by the SHCC and listed in part 4310.8660. Applications shall be evaluated in terms of:

(1) the applicant's professional credentials, where the applicant is an individual, or, where the applicant is an organization, institution, or agency, the demonstrated past performance of the entity in doing health policy research;

(2) demonstrated past performance in doing health-related research;

(3) proposed subject for study;

(4) clarity of the project goal and objectives;

(5) the project work plan;

(6) the project budget; and

(7) qualifications of the professional research staff who will carry out the research. Where the applicant is an organization, institution, or agency,

the experience of the assigned personnel will be given greater weight than will the demonstrated past performance of the organization, institution, or agency.

C. The nature and size of the grant shall be determined by the SHCC, which shall take into consideration the amount of funds requested and available, the importance of the proposed subject of study to the state, and its consistency with the purpose of the HRP as defined in part 4310.8600 and the priorities established by the SHCC and listed in part 4310.8660.

**Statutory Authority:** *MS s 116K.07*

#### **4310.8660 PRIORITY CONSIDERATIONS IN THE DISBURSEMENT OF HEALTH RESEARCH PROGRAM FUNDS.**

In evaluating applications for HRP grants, the SHCC will consider the proposed subject of study in terms of the following priorities:

A. the provision of primary care services for medically underserved populations located in rural or economically depressed areas;

B. the development of multi-institutional systems for coordinating or consolidating institutional health services, including obstetric, pediatric, emergency medical, intensive and coronary care, radiation therapy, and mental health services;

C. the development of multi-institutional arrangements for the sharing of support services necessary to all health service institutions;

D. the development of medical group practices (especially those whose services are appropriately coordinated or integrated with institutional health services), health maintenance organizations, and other organized systems for the provision of health care;

E. the training and increased utilization of physician extenders, especially nurse clinicians;

F. the promotion of activities to achieve needed improvements in the quality of health services;

G. the development by health service institutions of the capacity to provide various levels of care (including intensive care, acute general care, and extended care) on a geographically integrated basis;

H. the promotion of activities for the prevention of disease, including studies of nutritional and environmental factors affecting health and the provision of preventive health care services;

I. the development of effective methods of educating the general public concerning proper personal (including preventive) health care and methods for effective use of available health services;

J. basic biomedical research into the causes of disease and disability, and the development of methods to reduce their incidence and prevalence in Minnesota; and

K. the development of improved methodologies for health planning.

**Statutory Authority:** *MS s 116K.07*

#### **4310.8670 CONFLICT OF INTEREST.**

**Subpart 1. Disclosure required; conflict of interest defined.** When any member of the SHCC or the CHRP has any conflict of interest with respect to a health research program grant application under consideration by the SHCC, that member shall, prior to consideration of the application, voluntarily disclose such interest to the CHRP and SHCC, either verbally or in writing, and shall be disqualified from voting on that particular grant application. A conflict of interest shall be deemed to exist where a SHCC member:

A. has a material financial interest, whether direct or indirect, in the proposed research or study;

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B. is a director, trustee, or officer of any organization or institution applying for health research program funds;

C. is an employee of any applicant; or

D. is the spouse, child, parent, or sibling of any individual applicant.

Subp. 2. **Challenge.** Any member of the SHCC may challenge any other member by means of a properly recorded vote which shall determine the status of the challenged member concerning any possible conflict of interest before further voting on the proposed grant application under consideration.

Subp. 3. **Disqualifications.** No member of the Minnesota legislature shall serve on the CHRP. No member of the CHRP, the SHCC, or the Minnesota legislature shall be eligible to receive a grant under the health research program.

**Statutory Authority:** *MS s 116K.07*

### HUMAN RESOURCES PLANNING

#### 4310.9100 DEFINITIONS.

Subpart 1. **Scope.** The following terms as used in these parts have the following meanings.

Subp. 2. **Agency.** "Agency" means the State Planning Agency.

Subp. 3. **Division.** "Division" means the Human Resources Planning Division of the agency.

Subp. 4. **Grant agreement.** "Grant agreement" means a signed written agreement between the state, acting by and through the SPA, and the county that specifies the terms of the funding to the county.

Subp. 5. **Human services.** "Human services" shall have the meaning established in Minnesota Statutes, section 402.02, subdivision 2, clause (d).

Subp. 6. **Management and planning improvement.** "Management and planning improvement" means those activities focused at providing procedures, methods of actions, and guidance for the administration of human services programs.

**Statutory Authority:** *MS s 116K.07*

#### 4310.9110 AUTHORITY AND PURPOSE.

Subpart 1. **Authority.** The rules contained herein are prescribed pursuant to authority granted in Minnesota Statutes, section 116K.07 and Laws of Minnesota 1979, chapter 333, section 16, subdivision 3, and subsequent applicable laws.

Subp. 2. **Purpose.** These parts are set forth to provide the procedures for awarding human services management and planning improvement grants.

**Statutory Authority:** *MS s 116K.07*

#### 4310.9120 APPLICATION PROCESS.

Subpart 1. **Eligibility.** Any Minnesota county is eligible to apply for the grants described herein.

Subp. 2. **Notice.** Annually, the division shall provide notice of the time period during which applications will be accepted. The duration of the application period shall not be less than 30 days. Notices will be sent to:

A. chairman of county boards;

B. directors of human services boards established pursuant to Minnesota Statutes, chapter 402;

C. directors of community health services programs established pursuant to Minnesota Statutes, sections 145.911 to 145.922;

D. directors of community social services programs established pursuant to Minnesota Statutes, sections 256E.01 to 256E.12;

E. administrators of community corrections programs established pursuant to Minnesota Statutes, chapter 401;

F. directors of regional development commissions established pursuant to Minnesota Statutes, sections 462.381 to 462.396; and

G. others who request notification.

Subp. 3. **Eligible projects.** A project whose goals are to improve the management or planning capacity of a county to deliver human services programs is eligible for funding.

Subp. 4. **Deadline.** Applications, on forms supplied by the SPA, must be received by the division before 5:00 p.m. on the last day of the application period or be postmarked not later than the last day of the application period.

**Statutory Authority:** *MS s 116K.07*

#### 4310.9130 DISTRIBUTION OF GRANTS.

Subpart 1. **Priority counties.** Consistent with priorities established in applicable appropriations law, priority status shall be given counties who have not previously received funding for the improvement of their management or planning capacity.

The following criteria, each carrying equal weight, shall be used by the division to evaluate projects for funding:

A. the extent to which the project is likely to be transferable to other counties;

B. the extent to which the project is likely to result in a significant improvement in management systems, organization or services integration;

C. a project that is undertaken by a group of counties or by multiple disciplines or programs within a single county; and

D. the extent to which the project can demonstrate a high cost-effectiveness result.

Subp. 2. **Ranking of applications.** The division will rank applications from highest to lowest based on the stated criteria and will award funds in order of ranking.

Subp. 3. **Applications from other counties.** If funds remain after awards are made to counties who have priority status as specified in subpart 1, the remaining money shall be available to other counties and will be evaluated and distributed on the basis of criteria stated in subpart 1, items A to D, and subpart 2.

Subp. 4. **Limit on grants.** Total grants to any county during the biennium shall not exceed the limit set in applicable appropriations laws.

Subp. 5. **Grant disbursement.** The agency shall disburse the grants according to the following procedures:

A. A grant agreement shall be entered into by the SPA and the county once the grants are awarded.

B. The grant agreement shall specify the amount of the funding to be awarded the county for the management and planning improvement; the manner and process for making payments to the county; and the requirements for accounting, auditing, and reporting required of the county by the SPA.

**Statutory Authority:** *MS s 116K.07*

#### 4310.9140 FINAL REPORT.

Within 60 days of completion of the project, each grantee shall submit to the division a final report. The report shall address the following:

A. description of the project;

B. participants in the project;

C. staffing of the project, including consultants;

D. results of the project;

E. an assessment of the effect of the project on future events of issues in the county;

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F. plans for continuation of the project, if any; and

G. source and amount of funds, if any, used in addition to state grant.

**Statutory Authority:** *MS s 116K.07*

### 4310.9150 AVAILABILITY OF FUNDING.

Grants under the rule are subject to continuing availability of funds appropriated for such purposes.

**Statutory Authority:** *MS s 116K.07*

## INTERGOVERNMENTAL AFFAIRS

### 4310.9500 DEFINITIONS.

Subpart 1. **Scope.** As used in these parts, the following terms have the meanings given them.

Subp. 2. **Agency.** "Agency" means the State Planning Agency.

Subp. 3. **Base grants.** "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.

Subp. 4. **Comprehensive plan.** "Comprehensive plan" means a regional comprehensive development plan that RDCs are required to prepare and adopt under Minnesota Statutes 1978, section 462.39, subdivision 3.

Subp. 5. **Consultation process.** "Consultation process" means a meeting during which the agency consults with the RDC for the purpose of obtaining input on the allocation of state financial assistance to RDCs.

Subp. 6. **Final work program.** "Final work program" means a work program that has been reviewed by the agency and submitted and adopted by the RDC under the provisions of these parts.

Subp. 7. **Fiscal year.** "Fiscal year" means the operational program year of the RDC.

Subp. 8. **Grant agreement.** "Grant agreement" means a signed written agreement between the state acting by and through the agency, and the RDC that specifies the terms of agency's allocation of state financial assistance to the RDC.

Subp. 9. **Overall program design; OPD.** "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.

Subp. 10. **Planning subcategories.** "Planning subcategories" means a specific planning or management activity that subdivides the program's categories of an RDC's work program into specific objectives, work elements, and evaluation criteria.

Subp. 11. **Preliminary funding allocation.** "Preliminary funding allocation" means a forecast of the potential amount of state financial assistance available to each RDC for the ensuing fiscal year.

Subp. 12. **Preliminary work program.** "Preliminary work program" means a draft work program prepared and submitted by the RDCs to the agency under the provisions of these parts.

Subp. 13. **Program categories.** "Program categories" means a work program classification for a general planning or management activity of a RDC.

Subp. 14. **Progress report.** "Progress report" means a written report that is submitted by the RDC to the agency on a quarterly basis which indicates the progress which the RDC is making in completing its work program.

Subp. 15. **Regional development commission; RDC.** "Regional development commission (RDC)" means any commission organized under the Regional Development Act.

Subp. 16. **Regional Development Act.** "Regional Development Act" means Minnesota Statutes 1978, sections 462.381 to 462.396.

Subp. 17. **Review session.** "Review session" means a meeting between the RDC and the agency 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 parts.

Subp. 18. **State financial assistance.** "State financial assistance" means grants made to RDCs, under Minnesota Statutes 1978, section 462.396, subdivision 1, from appropriations made available by the legislature.

Subp. 19. **Work program.** "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.

Subp. 20. **Technical assistance.** "Technical assistance" means any planning or management assistance that an RDC renders to a local government.

**Statutory Authority:** *MS s 116K.07*

#### 4310.9510 AUTHORITY AND PURPOSE.

Subpart 1. **Authority.** The rules contained herein are prescribed by the Office of Local and Urban Affairs, pursuant to authority granted in Minnesota Statutes 1978, sections 4.13, 4.17, and 462.396, and Executive Order No. 79-33.

Subp. 2. **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.

**Statutory Authority:** *MS s 116K.07*

#### 4310.9520 APPLICATION PROCESS.

Subpart 1. **Consultation process.** No later than 120 days prior to the start of the fiscal year, RDCs shall be invited to consult with the agency in determining the amount of preliminary funding allocations of state financial assistance to RDCs.

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

Factors to be considered by the agency in determining the preliminary funding allocations shall include: base grants; the population of the region; and consideration of an amount of funds to be reserved for future funding of RDC work programs that are amended under this subpart.

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

Subp. 2. **Submission of preliminary work program.** No later than 30 days after the consultation process each RDC shall submit to the agency a preliminary work program that shall be consistent with the content requirements prescribed under part 4310.9530.

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 this part and part 4310.9530. The procedures set forth below for approving RDC work programs shall apply equally to OPDs.

Subp. 3. **The agency review of preliminary work programs.** No later than 30 days after receipt of the RDC preliminary work programs, the agency shall transmit written comments to each RDC based on its review of the RDC's preliminary work program.

The agency review shall include an examination of the RDC's compliance

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with the content requirements set forth under part 4310.9530; and an evaluation of the scope and content of the preliminary work program in respect to the proposed work program budget.

The agency 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.

**Subp. 4. Submission of final work program.** No later than 45 days after the agency transmits its preliminary work program review comments to the RDCs, each RDC shall submit to the agency a final work program that has been adopted by the RDC under procedures set forth by the RDC. The final work program shall contain the following:

A. the content described under part 4310.9530;

B. responses to the agency's comments on the RDC's preliminary work program; and

C. inclusion of the following attachments:

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

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

(3) 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.

**Subp. 5. Acceptance of final work programs.** If the RDC's final work program is found to be consistent with the requirements set forth under these rules, the agency shall notify the RDC that its final work program is acceptable and that a grant agreement between the RDC and the agency shall be entered into as described under part 4310.9540, subpart 2.

If an RDC's final work program is found to be inconsistent with the requirements set forth under these parts, the agency shall schedule a review session to resolve the problems identified. The review session shall be attended by RDC representatives, the agency representatives, and representatives of any other organizations that the RDC and the agency mutually determine should be present to ensure complete input and understanding of the specific problems identified. Following the review session, the agency 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 the agency of the required changes to the RDC's work program, the agency shall notify the RDC that its work program is acceptable and a grant agreement shall be executed as described under part 4310.9540, subpart 2. If the RDC fails to change its work program in accordance with the agency's requirements, the work program shall not be accepted and a grant agreement shall not be executed.

**Subp. 6. Amendments to acceptable work program.** A final work program may be amended any time by the RDC after it has been accepted by the agency, provided that the amendment is accepted by the agency.

An amendment to an RDC work program shall be accepted by the agency if:

A. the RDC submits to the agency a detailed description of the proposed amendments in the manner prescribed under part 4310.9530; or

B. the proposed amendments are determined by the agency to be consistent with the requirements set forth under subpart 5.

An amendment to an RDC work program shall not be accepted by the agency if the proposed amendment is inconsistent with the requirements set forth under subpart 5.

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

**Statutory Authority:** *MS s 116K.07*

**4310.9530 CONTENT OF WORK PROGRAM AND OPD.**

**Subpart 1. Final work order.** 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 that 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 that 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 that the RDC is using to carry out its comprehensive planning responsibilities as enumerated under Minnesota Statutes 1978, section 462.39, subdivision 3;

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 that 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 Minnesota Statutes 1978, section 462.396 shall be identified as to its specific use by the RDC.

**Subp. 2. OPDs.** 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 parts;

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; this schedule for the self-evaluation process shall include activities listed in subitems (1) to (7), unless the agency and the RDC mutually agree on an alternative self-evaluation process that 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

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

E. a schedule for addressing the comprehensive planning requirements enumerated under Minnesota Statutes 1978, section 462.39, subdivision 3.

**Subp. 3. Modification.** The content of the work program or OPD as specified in subparts 1 and 2 shall be modified by the agency as may be necessary to accommodate the requirements of other state and federal agencies that provide assistance to RDCs.

**Statutory Authority:** *MS s 116K.07*

### **4310.9540 PROCEDURES FOR ADMINISTERING STATE FINANCIAL ASSISTANCE TO RDCS.**

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

- A. The agency's acceptance of the RDC's final work program;
- B. The agency'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. The agency's approval of an amended RDC work program or OPD as authorized under part 4310.9520, subpart 6, provided that such funds were reserved for that purpose under part 4310.9520, subpart 1.

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

**Subp. 2. Grant disbursements.** The agency shall make grant allocations and disburse such grant allocations to RDCs according to the following procedures:

A. 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 the agency, provided that funds have been appropriated for such purposes.

B. the grant agreement shall specify:

(1) the amount of financial assistance to be awarded to the RDC in anticipation of the RDC's completion of the work program activities;

(2) the consideration due to the agency if the RDC does not complete the work program in an acceptable manner;

(3) the manner and process of making grant allocation payments to the RDC; and

(4) all RDC financial reporting, accounting, and auditing requirements necessary for the administration of state financial assistance to RDCs.

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

**Subp. 3. Evaluation.** The agency shall monitor each RDC's performance under its grant agreement according to the following procedures:

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

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

C. Each RDC shall submit to the agency a completion report at the end

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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.

D. No sooner than 30 days after the completion of the fiscal year, the agency 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 the agency and the RDC has been fulfilled.

**Statutory Authority:** *MS s 116K.07*