

# MAINE STATE LEGISLATURE

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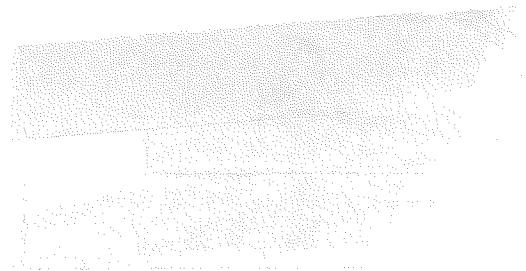


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SURVEY  
of  
CLERICAL AND DATA PROCESSING ACTIVITIES  
of the  
STATE GOVERNMENT  
—  
STATE OF MAINE  
—  
October 1962

FRANK C. BROWN & COMPANY, INC.  
*Management Consultants*  
NEW YORK • BOSTON • MIAMI

Reid  
Nov 14, 1962



# FRANK C. BROWN & COMPANY

INCORPORATED

*Business Surveys · Management Counsel*

30 ROCKEFELLER PLAZA · NEW YORK 20, N.Y.

PLAZA 7-5860

NEW YORK  
MIAMI  
BOSTON

October 16, 1962

Legislative Research Committee  
of the 100th Legislature  
State of Maine  
Augusta, Maine

Gentlemen:

We submit herewith a report of our Survey of Clerical and Data Processing Activities of the State Government undertaken for the Legislative Research Committee.

This report has been prepared to record an account of our work, our conclusions and recommendations and to propose a plan of action.

The statements, conclusions and recommendations contained in this report reflect our thoughtful and objective judgment based on discussions with members of the State Government, and appraisal of facts provided to the extent possible within the time available. We believe that, by following the steps recommended in this report, a sound plan has been provided for clerical and data processing activities of the State Government.

We are looking forward to meeting with the Legislative Research Committee, when we will have the opportunity to elaborate personally on the conclusions and recommendations of this report, and answer questions with respect to it.

We are grateful to those State employees who have assisted directly in making this report more complete. We have appreciated this opportunity to be of service to the State of Maine, and wish to express our thanks for the cooperation and courtesy which has been extended by the Legislative Research Committee and other individuals and departments in the State Government.

Respectfully submitted,

FRANK C. BROWN & COMPANY, INC.



Frank C. Brown  
President

FCB:mb

SURVEY OF  
CLERICAL AND DATA PROCESSING ACTIVITIES  
of the  
STATE GOVERNMENT

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STATE OF MAINE

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October 1962

SURVEY OF  
CLERICAL AND DATA PROCESSING ACTIVITIES  
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STATE GOVERNMENT

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STATE OF MAINE  
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October 1962  
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VIII ADDENDA

- Exhibit I - Form FCB 383-1
- Exhibit II - Form FCB 383-2
- Exhibit III - IBM Equipment Rental as  
of September 1962

I

**SURVEY OBJECTIVE**



I

SURVEY OBJECTIVE

A. ORIGINAL PROPOSAL

On October 18, 1961, the Legislative Research Committee, through the office of its Director, Mr. Samuel H. Slosberg, forwarded a letter to Frank C. Brown & Company, Inc. This letter asked for our company's proposal for consulting services for the Study of Clerical and Data Processing of the State authorized under Resolves 1961 Chapter 109, as follows:

LEGISLATIVE RESOLVE 1961 - Chapter 109

STATE CLERICAL AND DATA PROCESSING ACTIVITIES RESOLVE,  
Providing that the Legislative Research Committee Study the Clerical and Data Processing Activities of the State Government.

Legislative Research Committee authorized to study the clerical and data processing activities of the State Government.

Resolved: That the Legislative Research Committee be authorized to study and review the clerical, accounting and data processing activities of the several departments of State Government for possible increased efficiency and economy through the elimination of duplication of personnel and equipment use. Said study

shall include the feasibility of establishing a service division within the Bureau of Accounts and Control to supply state departments and agencies up-to-date statistical and financial information. Said committee shall have the authority to employ such expert and professional advisors and such clerical personnel as its judgment may determine within the limits of the funds provided. The officers and staff of the Department of Finance and Administration and others shall cooperate with the committee by supplying information pertinent to the study. The committee shall report its findings to the 101st Legislature and said report shall contain recommendations for any legislation believed necessary to carry out its conclusions; and be it further Resolved: That the sum of \$25,000 be appropriated from the Unappropriated Surplus of the General Fund to carry out the purposes of this resolve. Any balance of this fund as of June 30, 1962. shall not lapse but be carried forward into the 1962-63 year to be used for the same purposes.

SP 222  
Stanley  
Penobscot

Chapter 109  
Resolves  
1961

Approved  
June 17, 1961  
By Governor

On November 10, 1961, Frank C. Brown & Company, Inc. submitted its proposal. This proposal was in accordance with the specific requests made in the Legislative Research Committee's letter of October 18, 1961. However, it was our belief that preliminary study was necessary to properly evaluate the scope of the complete survey.

**B. PRELIMINARY SURVEY**

On February 20, 1962, Frank C. Brown & Company, Inc., was asked by the Legislative Research Committee to conduct a Preliminary Survey of the Clerical and Data Processing Activities of the State Government.

The objective of this preliminary survey was to develop data and information on which to base a sound and definite proposal for the complete study. This proposal for the complete study was to:

1. Develop a long range program.
2. Suggest overall goals.
3. List present staff of state capable of assisting in the final study.
4. Develop final program and cost estimate.

On March 21, 1962, Frank C. Brown & Company, Inc. submitted its Preliminary Survey Report. This Report was received by the Legislative Research Committee,

which on that date verbally authorized Frank C. Brown & Company, Inc., to proceed with the complete survey.

On April 3, 1962, a letter from Frank C. Brown & Company, Inc. confirming the verbal authorization of the Committee was forwarded to Chairman Representative Harold Bragdon, and was approved and returned to Frank C. Brown & Company, Inc. on April 19, 1962.

This letter proposed that we carry out the complete survey as defined in pages 26 to 31 of the Frank C. Brown & Company, Inc. Preliminary Survey of Clerical and Data Processing Activities of the State Government, State of Maine, March 21, 1962.

#### C. THE ASSIGNMENT

The assignment portion of this proposal is to satisfy Resolves 1961 - Chapter 109 and is in accordance with pages 26 to 28 of the above proposal, which reads as follows:

- "1. Examine the procedures of all offices employing large clerical forces, to determine if they are following efficient methods of data handling. Assist these offices, where necessary, in making internal changes to achieve further efficiencies, or recommend necessary procedures for this purpose.

2. Determine if the data handling of these offices above may be more efficiently done by mechanical means, either by their own installation or by a centralized installation.
3. Examine the offices equipped with data handling equipment and determine the degree of efficiency, helping them to improve their operations.
4. Determine if these offices could be served by a centralized installation, without any real loss in their own efficiency, and a better efficiency to the state as a whole.
5. Study the overall collection of data in the offices of the State Government, its storage, use and output to determine the feasibility of a centralized data processing installation.
6. Determine the general type of equipment necessary to perform the functions of the State Government in centralized data processing installation or de-centralized, as determined, and outline specifications upon which manufacturers may prepare proposals.
7. Review and evaluate manufacturers proposals covering such equipment.
8. Determine the desirability of setting up a centralized systems and procedures office to pro-

mote continuing efficiency in the State Government.

9. Assist the Legislative Research Committee in the drafting of any legislative action necessary as a result of this study.
  10. Submit a written report to the Legislative Research Committee with conclusions and recommendations on each of the above steps, together with a description of our work and how we arrived at these conclusions. This report is to, in any event, include our recommendation relative to increased efficiency and economy that may be effected through the elimination of duplication of personnel and equipment use, and our recommendation resulting from our feasibility study of a data processing center within the State Government."
-

**II**

**BACKGROUND**

## II

### BACKGROUND

From Maine's first year of statehood in 1820 until 1900, practically no mechanical office equipment was available, or needed to perform the services of the State Government. Since 1900 things have changed, and the decade of 1930 really started the greatest period for the need of individual services, such as unemployment insurance, social security, sales of alcoholic beverage, state relief, sales tax, etc. This individual type of service greatly increased the state's need of personnel to handle the multiple of transactions. In 1932, the state acquired its first piece of major data processing equipment as a step toward better efficiency in the handling of these transactions. Since 1932, thirteen departments rent eighty-seven pieces of data processing equipment.

The method of adding this data processing equipment has been based largely on individual department needs and requirements. The State of Maine recognized that this type of equipment growth, on an individual departmental need basis, may be the cause of some inefficiencies. In an effort to re-evaluate the past thirty years of acquisition and use of data



processing equipment, the Legislative Research Committee contracted to have a survey conducted. This survey is to ascertain the feasibility of increasing clerical and equipment efficiency by applying a concept of centralization and control.

The statistics and charts on the next four pages reflect the increase of cost and of personnel in the state government. The figures and graphs show the constant increase of both the number of employees and the state's expenditures. When these statistics are related to population, it is readily recognized that the cost of Maine's State Government on a per person basis went from \$65.80 per person in 1950 to \$147.20 per person in 1962.

The estimated figures for the future show a straight progression and the likelihood of these estimates rising faster is possible in the light of proposed Federal Programs. It is recognized that some of this money may come from Federal funds, nevertheless the increased cost is alarming and every step toward better efficiency is warranted.

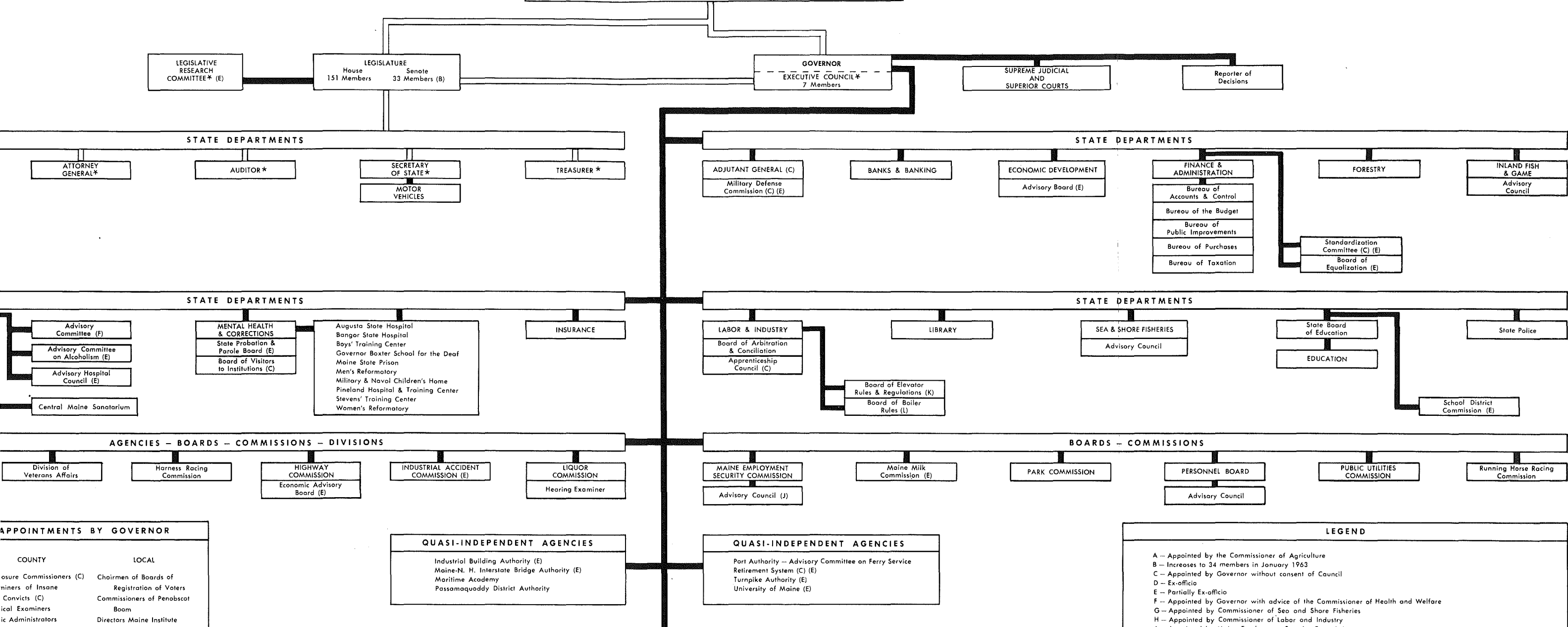
**NOTE:**

Source of statistics - Selected and re-arranged from Fred E. Jewett, Financial History of Maine, N. Y., 1937. Later data, 1940 to 1962, from unpublished reports of the Department of Finance and Administration and published report of the U. S. Bureau of the Census.

# STATE OF MAINE

## ORGANIZATION CHART OF STATE GOVERNMENT

VOTERS OF THE STATE



APPOINTMENTS BY GOVERNOR	
COUNTY	LOCAL
Assessors (C)	Chairmen of Boards of
Commissioners of Insane	Registration of Voters
Commissioners of Penobscot	Commissioners of Penobscot
County Examiners	Boam
County Administrators	Directors Maine Institute
Judges (S)	for Blind (E)
	Greater Portland Public
	Development Commission
	Justices of the Peace
	Municipal Court Clerks (S)
	Municipal Court Judges (S)
	Municipal Court Recorders (S)
	Notaries Public
	Pilots
	Portland Harbor
	Commissioners

QUASI-INDEPENDENT AGENCIES	
Industrial Building Authority (E)	Port Authority - Advisory Committee on Ferry Service
Maine-N. H. Interstate Bridge Authority (E)	Retirement System (C) (E)
Maritime Academy	Turnpike Authority (E)
Passamaquoddy District Authority	University of Maine (E)

MISCELLANEOUS AND PART TIME BOARDS, COMMISSIONS, COMMITTEES, ETC.			
Advisory Committee on Education (C)	Commission on Probate Rules and Blanks (C)	Constitutional Commission (C)	New England Interstate Water Pollution Control Commission (E)
Aeronautics Commission	Commission on Uniform State Laws	Emergency Municipal Finance Board (D)	Panel of Mediators
Arbiter Licensing Board (M)	Commission to Commemorate the Centennial of the American Civil War (N)	Examining Boards (21) (C-3) (E-6)	Passenger Tramway Safety Board (E)
Art Commission	Committee on Aging	Highway Safety Committee (C) (E)	Real Estate Commission (C)
Atlantic Sea Run Salmon Commission (E)	Committee on Children and Youth (C)	Historian	Sardine Council (G)
Atlantic States Marine Fisheries Commission (E)	Committee on Educational Television (E)	Interdepartmental Board on Mental Retardation (E)	School Building Authority (C) (E)
Baxter State Park Authority (D)	Committee on Mental Health	Judicial Council	Seed Potato Board (E)
Board of Construction Safety Rules & Regulations (E) (H)	Committee on Problems of the Mentally Retarded	Land Damage Board (E)	Soil Conservation Committee (E)
Board of Sanitation, Licensing & Inspection (D)	Committee to plan for an Institution serving as a Reception and Treatment Center (P)	Mining Bureau (R)	Tri-State Regional Medical Needs Board (D)
Boxing Commission		Motor Vehicle Dealer Registration Board	Water Improvement Commission (E)
Commission on Interstate Cooperation (C) (E)		New England Board of Higher Education (E)	

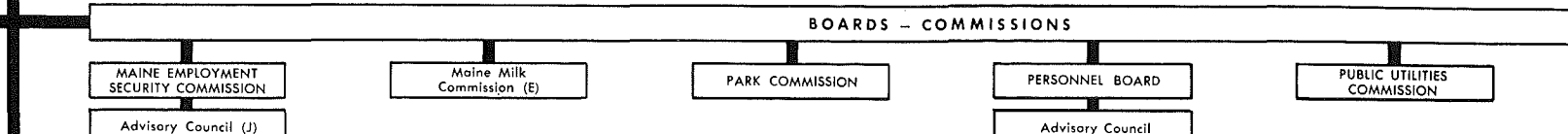
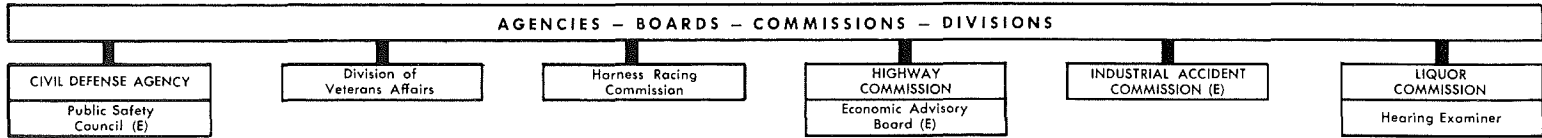
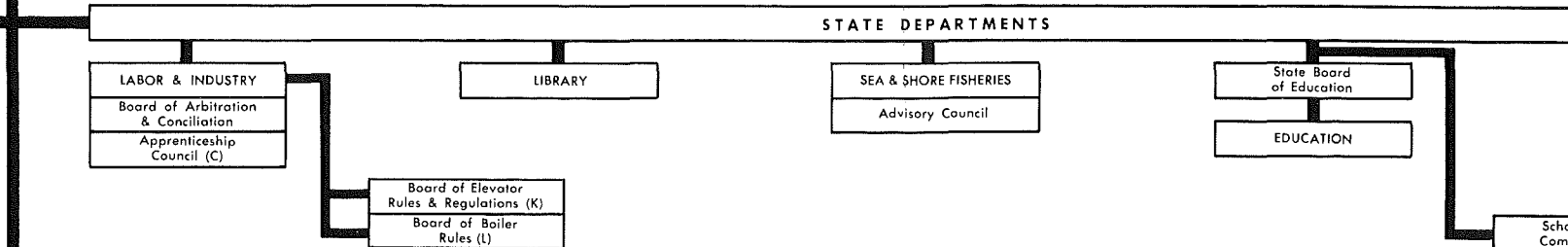
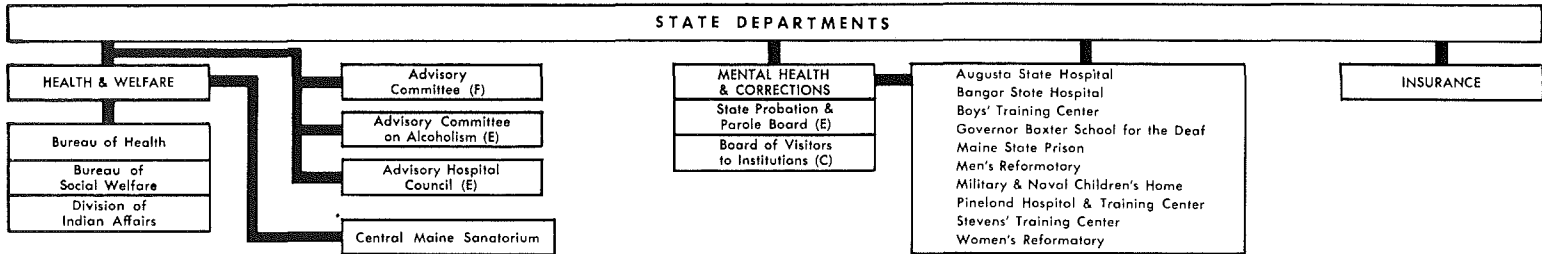
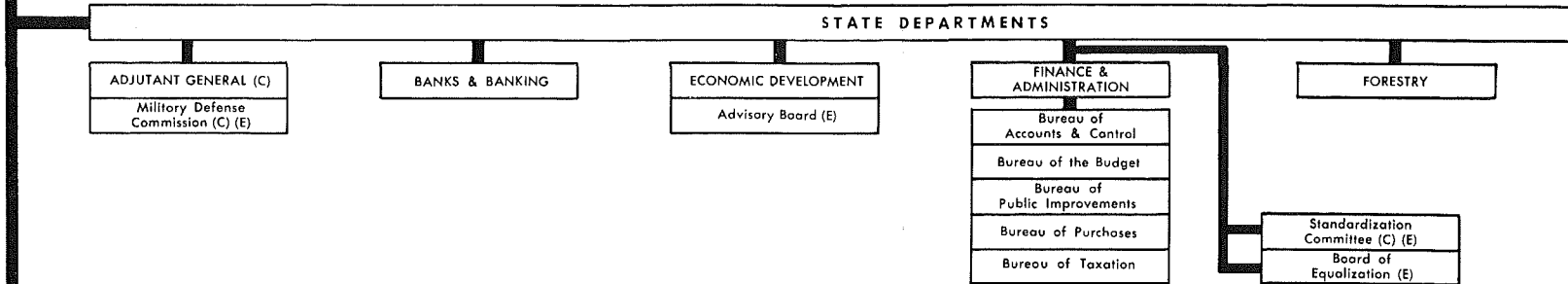
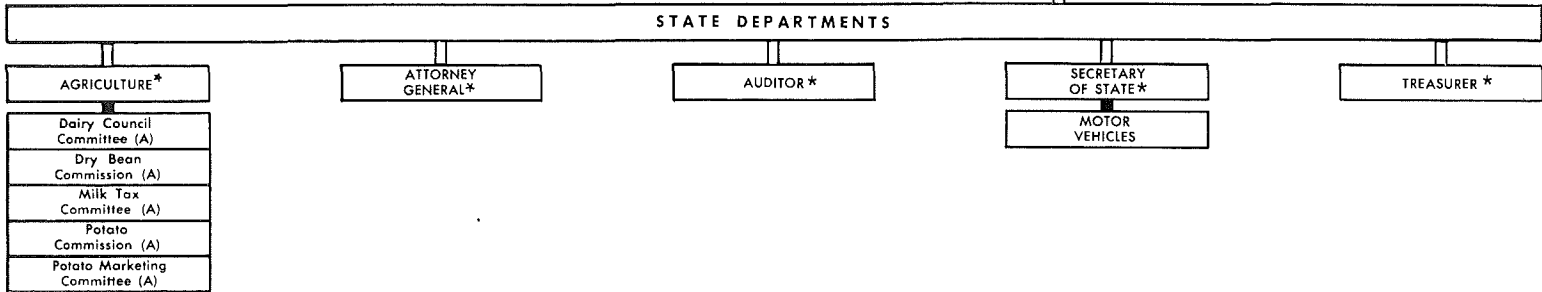
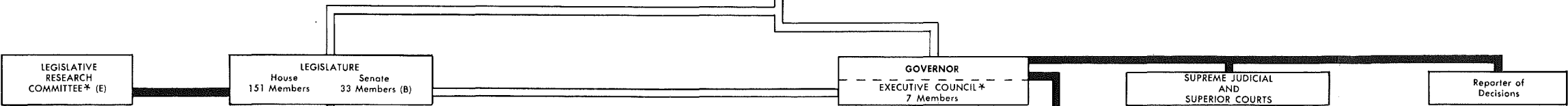
LEGEND
A - Appointed by the Commissioner of Agriculture
B - Increases to 34 members in January 1963
C - Appointed by Governor without consent of Council
D - Ex-officio
E - Partially Ex-officio
F - Appointed by Governor with advice of the Commissioner of Health and Welfare
G - Appointed by Commissioner of Sea and Shore Fisheries
H - Appointed by Commissioner of Labor and Industry
J - Appointed by Maine Employment Security Commission
K - Three members appointed by Commissioner of Labor and Industry subject to approval of Governor and Council, plus Insurance Commissioner and Commissioner of Labor and Industry
L - Four members appointed by Commissioner of Labor and Industry with approval of the Governor and Council
M - Three members appointed by the Forest Commissioner plus the Forest Commissioner and the State Entomologist
N - Governor, President of Senate and Speaker of House plus five members appointed by the Governor plus four members appointed by President of the Senate plus eight members appointed by the Speaker of the House
P - Three Senators appointed by the President of the Senate plus three Representatives appointed by the Speaker of the House
R - One member each from the State Departments of Agriculture, Forestry, State, Economic Development, Inland Fisheries and Game and the Water Improvement Commission, each of whom is appointed by the head of his respective department, plus the State Geologist
S - Offices automatically abolished as terms of Trial Justices and Municipal Court Judges expire and District Court System is established

Absence of Legend letter indicates appointment by the Governor with the advice and consent of the Council  
\* Indicates Election or Appointment by the Legislature

# STATE OF MAINE

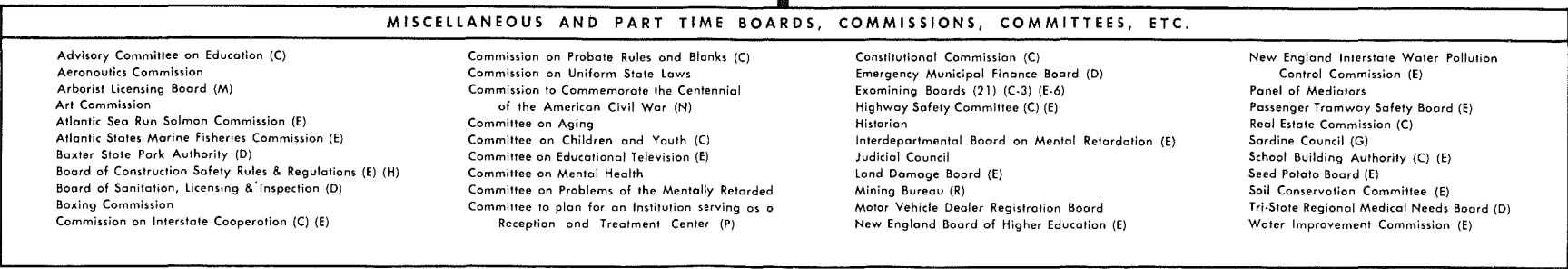
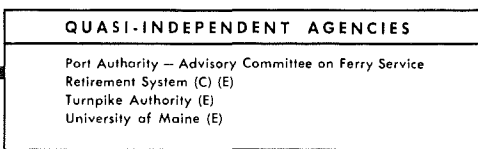
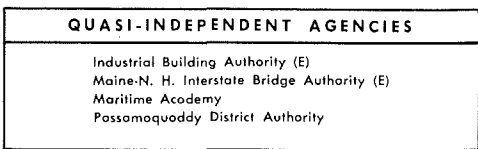
## ORGANIZATION CHART OF STATE GOVERNMENT

VOTERS OF THE STATE



**MISCELLANEOUS APPOINTMENTS BY GOVERNOR**

STATE	COUNTY	LOCAL
Administrator of the Uniform Act for out of State Parolee Supervision (C)	Disclosure Commissioners (C)	Chairmen of Boards of Registration of Voters
Administrator of the Interstate Compact on Mental Health (C)	Examiners of Insane Convicts (C)	Commissioners of Penobscot Boom
Administrator of the Interstate Compact on Placement of Children (C)	Medical Examiners	Directors Maine Institute for Blind (E)
Coordinator of Atomic Development Activities	Public Administrators	Greater Portland Public Development Commission
Dedimus Justices	Trial Justices (S)	Justices of the Peace
District Court Judges		Municipal Court Clerks (S)
Inspector of Dams and Reservoirs		Municipal Court Judges (S)
Licensed Detectives		Municipal Court Recorders (S)
		Notaries Public
		Pilots
		Portland Harbor Commissioners



**LEGEND**

- A - Appointed by the Commissioner of Agriculture
- B - Increases to 34 members in January 1963
- C - Appointed by Governor without consent of Council
- D - Ex-officio
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- F - Appointed by Governor with advice of the Commissioner of Health and Welfare
- G - Appointed by Commissioner of Sea and Shore Fisheries
- H - Appointed by Commissioner of Labor and Industry
- J - Appointed by Maine Employment Security Commission
- K - Three members appointed by Commissioner of Labor and Industry subject to approval of Council, plus Insurance Commissioner and Commissioner of Labor and Industry
- L - Four members appointed by Commissioner of Labor and Industry with approval of the Council, plus Insurance Commissioner and Commissioner of Labor and Industry
- M - Three members appointed by the Forest Commissioner plus the Forest Commissioner'sologist
- N - Governor, President of Senate and Speaker of House plus five members appointed by the House
- P - Three Senators appointed by the President of the Senate plus three Representatives appointed by the Speaker of the House
- R - One member each from the State Departments of Agriculture, Forestry, State, Economic and Fisheries and Game and the Water Improvement Commission, each of whom is head of his respective department, plus the State Geologist
- S - Offices automatically abolished as terms of Trial Justices and Municipal Court Judges Court System is established

Absence of Legend letter indicates appointment by the Governor with the advice and consent of the Council  
\* Indicates Election or Appointment by the Legislature

Prepared by State Budget Office  
Based on Elective or Appointive Line of Authority  
December 1961

## STATE OF MAINE

STATISTICS

Year	Popu- lation (Thous)	State Employees	Employees Per/Thous. Residents	Fiscal Yr. Current Expenditures (Thous)	Dollars per Resident
1920	768	NA	NA	\$ 13,059.	17.0
1930	797	2007 X	2.51	24,871.	31.2
1940	847	3579	4.22	31,037.	36.7
1950	914	4634	5.07	60,137.	65.8
1960	969	6558	6.77	136,504.	140.9
1961	*974	6786	*6.97	133,271.	*136.8
1962	*979	7067	*7.22	144,038.	*147.2
*1963	984	7286	7.41	151,000.	153.5
*1964	989	7511	7.59	158,000.	159.8
*1965	994	7743	7.79	166,000.	167.0
*1970	1017	8853	8.70	205,000.	201.5

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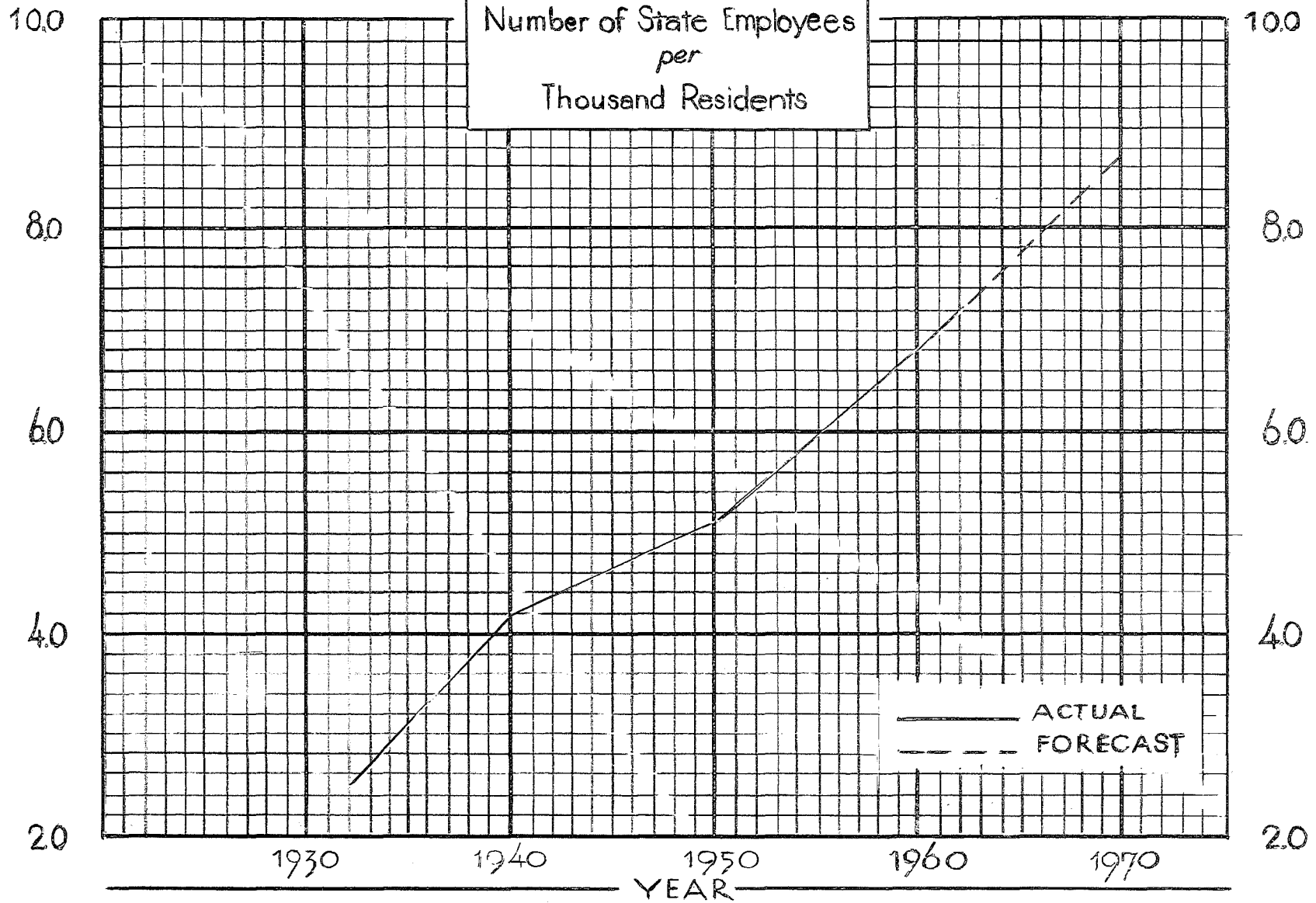
\* - Estimated

NA - Not Available

Employees

Employees

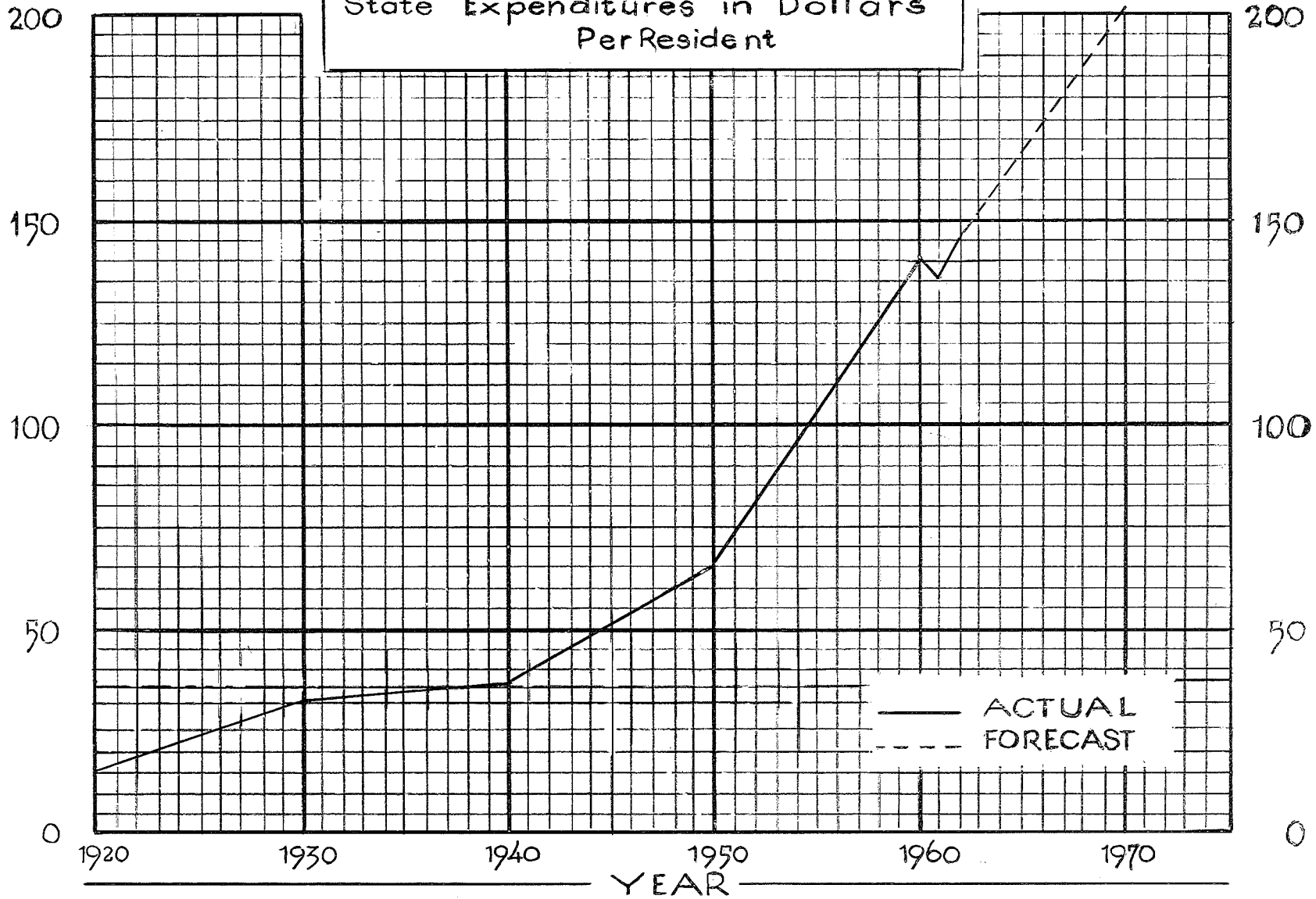
State of Maine  
Number of State Employees  
per  
Thousand Residents



Dollars

Dollars

State of Maine  
State Expenditures in Dollars  
Per Resident



**III**

**SURVEY APPROACH**

### III

#### SURVEY APPROACH

##### A. FACT FINDING

In accordance with our proposal and assignment, we defined the areas that would come under the scope of this survey as:

Departments containing a large clerical staff; major processing equipment; or where there was a multiple of statistics or data.

It was the belief that these defined areas contained the greatest possibilities for increased efficiency and more effective use of the present personnel.

During the survey, interviews were conducted by members of Frank C. Brown & Company, Inc., augmented by the equivalent of two employees of the state government, in accordance with our proposal submitted on March 21, 1962. The employees who assisted in collecting data at different periods of the survey were Messrs. George A. Davala and Donald F. Lynch from the Bureau of Accounts and Control, and Messrs. William G. Blodgett and Lowell C. Hawes from the Department of Audit. We wish to thank these gentlemen for their services.

One hundred and twenty people were interviewed in twenty-



four departments. These departments employ approximately 6200 employees out of a total in the state of 7067.

Of the one hundred and twenty people interviewed, most of these were department heads, directors, assistants or employees in some manner connected with data processing or forms control. Many people were interviewed several times and by different people from the staff of Frank C. Brown & Company, Inc. Interviews were conducted both formally and informally to assist in gathering facts upon which we could arrive at sound conclusions and recommendations.

During most of the personal interviews two forms, FCB 383-1 and FCB 383-2, were used to gather general information. Form FCB 383-2 was usually filled out by the interviewer with the department head furnishing the information and data. Where applicable Form FCB 383-1 was made out with a copy of the form used by the department. The analysis of the data from these two FCB forms was used to aid in our conclusions and recommendations, and to ascertain the type of equipment needed to perform the various tasks. Samples of these FCB forms are to be found in the Addenda marked Exhibits I and II.

B. TYPE AND LOCATION OF PUNCHED CARD DATA PROCESSING EQUIPMENT

Early in our survey, all data processing equipment was examined and its use recorded.

There are thirteen departments in the state paying rental for twelve installations of IBM punched card equipment. These vary from single key punches to multiple tabulators or a computer. The functions performed in these various departments are summarized below.

1. The Bureau of Accounts and Control

This Bureau has the largest installation consisting of six tabulators, plus suitable auxiliary equipment, but without any calculating machines.

The chief functions performed here are:

- a. Maintenance of a centralized state payroll.
- b. Making of state welfare payments.
- c. Maintenance of centralized accounts payable, including analysis.
- d. Preparation of liquor analysis and warehouse inventory control.
- e. Preparation of income and expenditure analysis reports.

2. The Highway Commission

This Commission has the only computer currently in

use in the State Government and two tabulators plus necessary auxiliary equipment. Some of the Department's functions include:

- a. Computation of engineering data for road construction projects.
- b. Preparation of analysis of cost of road projects and maintenance.
- c. Preparation of income and expenditure detail for Highway funds.

This computer is also available to other departments when not in use by the Highway Commission.

3. The Employment Security Commission

This Commission has an installation of equipment centered around two tabulators. Its output is largely of a statistical and reporting nature, or analytical. This work is primarily done to fill out required governmental reports.

4. The Education Department

This Department has an installation built around one tabulator. The center has been built up as a result of federal government programs under the National Defense Education Act. The current program under Title Ten involves the development of centralized recording and class programming for the schools of Maine.

5. The Health and Welfare Department

This Department has a small machine installation using one tabulator plus support equipment. The chief functions are statistical and analytical and are used primarily for information needed to complete government reports.

6. The Department for Economic Development and the Labor & Industry Department

These Departments jointly support a small installation including a tabulator. These are used to prepare statistical data and analyze material for both Departments. When they need other equipment they use that of the Education Department.

7. The Department of State Police

This Department has a key punch and counting sorter that are used largely to analyze accident data.

8. The Bureau of Taxation, Bureau of Motor Vehicles, Personnel Board and Liquor Commission

Each Department has card originating equipment - punching cards for use in the Bureau of Accounts and Control for report generation or order preparation. These are satellite installations of a suitable nature.

9. An installation of equipment which includes a tabulator is located at the Sardine Council at Bangor. Due to its location and the small size of the operation, no visit was made and no comments result.

Our observation of utilization of the equipment in these installations ranges from very low to almost full time usage. This latter condition is true of the computer in the Highway Commission, whereas the key punches installed in Liquor, Motor Vehicle, Personnel and Taxation Departments have a low utilization factor. An estimate of overall utilization of equipment would be around 60% of the basic 176 hours per month (22 work days @ 8 hours per day).

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IV

GENERAL DISCUSSION

IV

GENERAL DISCUSSION

There are certain parts of a survey of this kind that become part facts, part observation and part conclusions. This can be well called "General Discussion". Here, we are tying this "General Discussion" to the ten proposed steps of our preliminary survey, as restated on pages 4 to 6 of this report.

1. All departments using large clerical forces were examined to the depth and degree that time allowed and records made of the procedures. As discussions were held with supervisors, points of potential improvements were discussed with them and means of accomplishing the points were put forward. In some cases this was merely supporting the supervisor in plans already formulated. One area for possible improvement, and of particular importance, was the issuance of employment security checks. Suggestions were made of a different and simpler method of performing this operation, using their present tabulating equipment.
2. As procedures pertaining to forms were noted, each was listed as to volume and multiplicity of use of

data. When either heavy usage or multiple use was noted it became a subject for potential mechanization. This total of multiple usage resulted in our recommendations for eventual operation of a computer system as contained in our report.

3. Our criteria for the examination of departments' paper work functions brought us into those that were using data processing equipment. The data processing programs were noted and many observations made that we believe were of value to these departments, and often confirmed ideas already implanted by other sources.

An example of the suggestions made was in the Bureau of Accounts and Control. There, it was suggested that they use continuous form checks in place of card checks. Also suggested was the elimination of facsimile posting equipment in favor of a tab card file on the state payroll.

4. The results of our study pertaining to types of data processing equipment presently used, and to be utilized in the future, points toward centralization. We are of the opinion that if the present pattern of placing data processing equipment in individual



departments were continued it would prove too costly. Centralization of data processing would allow the use of more sophisticated equipment and all the inherent economies attached thereto. Other sections of this report give more details on the methods of implementing the data processing portion of the proposed centralization.

5. The data collection, storage, and disposal problem is not an overall problem but a problem for each department, and has been treated as such. There is very little similarity of rules or application of record destruction principles between departments. This is a problem of proper procedures.

In almost every case, a department designs its own data collection form and puts it in use, very often requesting more data than necessary.

The standardization of procedures pertaining to forms will be of great value to all departments, and should reduce printing and clerical cost. These same procedures will also aid in the problems of filing space and obsolete records destruction. There exists a nucleus of departments that have good controls of their files and destruction

procedures and could be used as a pattern for a procedure manual.

6. An overall analysis of the problem of centralization showed that the first step should be the creation of a systems and procedures section. Considerable procedure work must be done before any plans for use of a computer is finally formulated.

A program of development of proper systems and procedures will reward the state with a considerable reduction in effort and cost. It is imperative that this program be well established before an installation of a central computer becomes a fact.

The analysis of the present forms and statistics needed in the foreseeable future were reduced to a specification. This specification contained the basic facts necessary to ascertain the type of equipment needed for the proposed centralized data processing section.

These specifications were presented to six manufacturers of equipment, not as a detailed data processing system, but to merely develop an estimate of equipment cost for our recommendations. A copy of the specification is shown on the next three pages.

STATE OF MAINE

DATA PROCESSING PROBLEM

Daily Records

Revenue:

300 items by Account # with distribution and budget comparison.

Expenditures:

Encumbrances - 1500 items by Account # with relief to encumbrance amount and check preparation.

Inventory:

70 Liquor stores reporting daily sales by item, cash received, adjustments, prepare warehouse order weekly on usage projection (average 350 items per store with daily usage - all stores - 2500 items).

Payroll:

Hourly paid Highway Department personnel - about 440 per day - keeps accumulative records and deductions.

Licenses:

Daily renewal of about 1500 - (record keeping problems).

Weekly

Payroll:

9000 employees - on an exception reporting basis - about 10% change each week - keep all records of deductions, bonds (call for issuance), retirement, withholding, build data for W 2's etc. Build retirement records for monthly operation - below.

Monthly

Retirement:

Posting retirement credits and computing earned interest to about 30,000 active accounts - mostly reported by other than regular state payrolls (such as school districts, municipal offices, etc.)

General:

Prepare overall P & L and balance sheets, detail for each department, records for each liquor store. Prepare department statements showing budget, encumbrances and payments with balance available for each account by type (personal services, capital and all other - all other detailed to 25 sub-accounts).

Payroll:

Prepare payroll type operation for all social service (welfare) payments - on an exception basis - about 25,000 recipients per month.

Taxes:

Sales tax returns of 20,000 licensees checking for pattern for follow-ups - overdue, etc.

Other

Retirement:

Annual statement to each member of system showing story of his account for past year and total to date.

Motor Vehicle:

Annual registration and re-registration of about 400,000 vehicles of all types.

DEFINITIONS OF TERMS USED

Account Numbers:	Department or control - 5 digits Detail - 5 digits
Liquor:	3 digit identification # 2 digit store #
Payroll:	employee # - 6 digits Name and address allowance SS # etc.
License:	8 digit identification
Registration:	6 digit (Alphabet and/or number)
Department:	about 100 with an average of 3 controls per department
Taxes:	Sales tax license # - 6 digits
Values:	Maximum figure is 11 digits - (hundred million dollars)

7. The estimates from the equipment manufacturers were informal as no producer would formally give a proposal unless they made the detailed study. All except one company informally suggested a medium sized computer costing in the range of \$6,000 to \$8,000 per month rental and operating at 40% to 60% of available first shift capacity (176 hours per month). The one estimate was for a high speed printer with modified computing abilities at \$3,000 to \$4,000 per month rental.

Our evaluation of the estimated equipment is that the high speed printer might prove useful as a step in the eventual acquisition of a medium sized computer for centralized usage. As far as the estimates for a medium sized computer, the decision as to its exact size and specifications will have to await further work of a systems and procedures group. The probable date of installation of the computer would be two or more years after adoption of our recommendations. With a decision on the type of data processing system, about one year after adoption of our proposals.

8. Our examination of the departments' functions, the collection of forms and data served to point the need for further work in the systems and procedures area.

Most forms examined appeared to be produced without a systematic means of control. It was apparent that many forms could be made more meaningful, be combined or be eliminated with proper control. With these facts, the need for systems and procedures work became very clear, as the possible savings are quite evident.

9. We have prepared an outline of the legislative change that, in our opinion, may be necessary. This outline appears in Section VII of this report. We are prepared to assist in the drafting of final legislative changes.
  10. This report conveys the conclusions and recommendations we have reached together with a description of our work and how we arrived at these conclusions.
-

V

**CONCLUSIONS AND RECOMMENDATIONS**



V

CONCLUSIONS AND RECOMMENDATIONS

A. ECONOMY IN GOVERNMENT

1. Present Status

Most of the government personnel in the State of Maine are aware of the importance of economy. During our survey efforts of individual employees in the area of saving money and time for the State were apparent. Many departments have plans for or are actively working on increasing the efficiency of their functions. However, with all this effort being put forth, it does not appear to be enough.

The increase in state government employees since 1940 has just about doubled and the expenditures more than quadrupled. From the latter part of the decade of 1930, government services have been more individualistic. The early and present day method of coping with the problems of handling the more complex functions of government continues in practically the same administrative manner. Data processing equipment was bought and placed in various departments in a similar manner as adding any other piece of office equip-

ment. Since no attempt was made to forecast the total problem, this method of administration and of adding equipment appeared logical.

## 2. Future Possibilities

The manufacturers of data processing equipment are continually improving their equipment to deal with the current demands.

The present data processing equipment is considerably ahead of the art of administering it in many government agencies and companies.

The basic reasons for the State of Maine's asking for this survey was in the belief that some data handling concept other than the present one is needed.

We concur that changes in the present method of handling multiple data are needed. We recommend that a central Data Processing unit be established. However, to be effective, the whole approach to data processing and its administration also must be changed. The very size of the present and future problems of cost of government services make mandatory, and we recommend that an unencumbered administrative bureau be established to control

this data processing and other administrative functions needed to make this an integral unit.

The Department of Finance and Administration has under its control most of the functions that could be used as a starting point for the proposed bureau.

We recommend that a Bureau of Administration under the Department of Finance and Administration be established for the efficient carrying out of this important function of centralization of data processing and associated systems and procedures.

The proposed organization and functions of this Bureau of Administration are described in the following paragraphs.

## B. ORGANIZATION

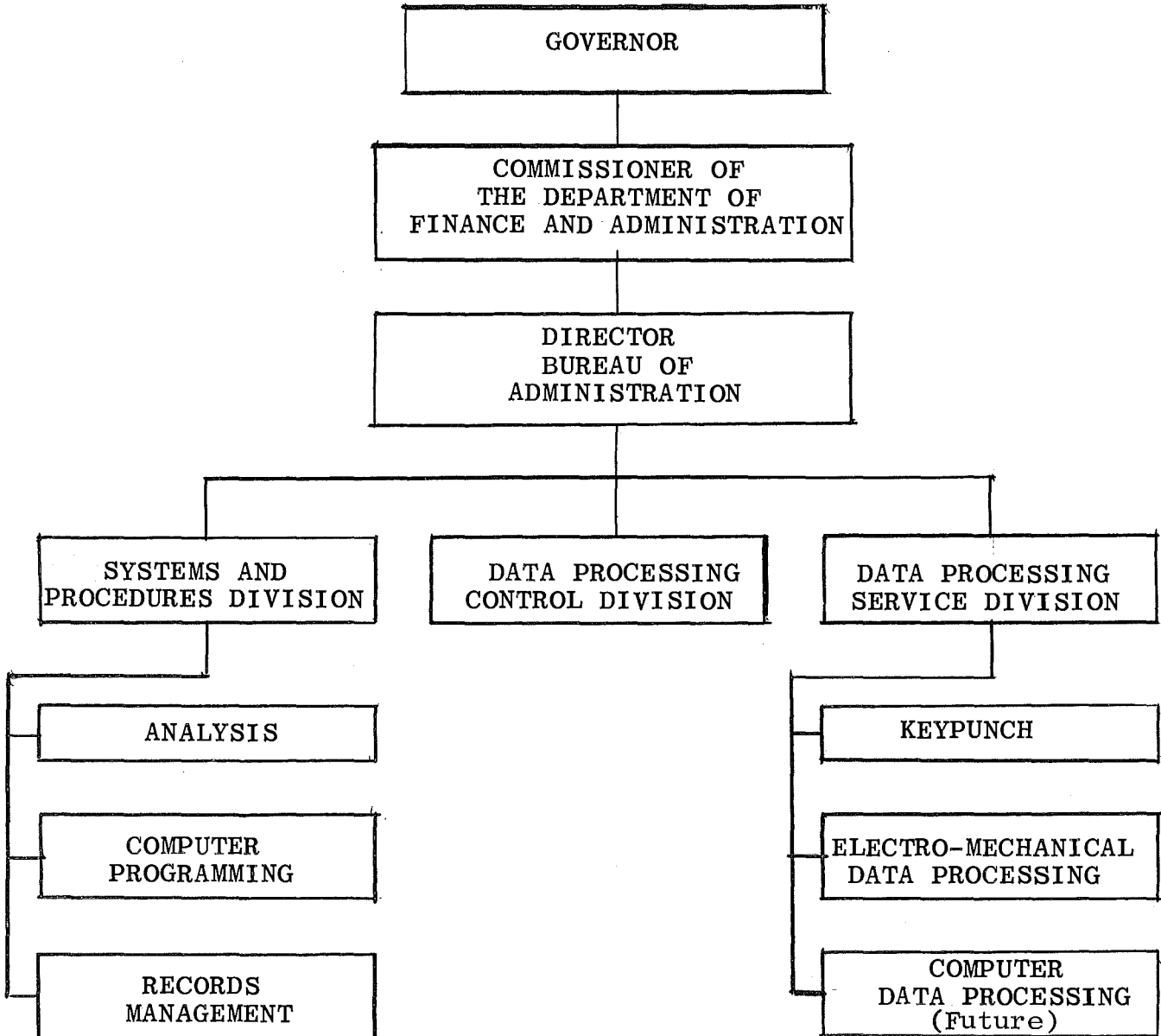
### 1. Structure

The creation of a Bureau of Administration in the Department of Finance and Administration is recommended. This Bureau will be headed by a Director of Administration reporting to the Commissioner of Finance and Administration.

See chart following page

STATE OF MAINE

PROPOSED  
ORGANIZATION  
of  
BUREAU OF ADMINISTRATION



The Bureau of Administration will be divided into three Divisions:

- a. Systems and Procedures Division
- b. Data Processing Control Division
- c. Data Processing Service Division

2. Function

It shall be the responsibility of the Director of the Bureau of Administration to provide needed data processing services for units of the State Government and control the utilization of all of its data processing equipment, whether or not such facilities are centralized at the time.

The specific functions of the divisions of this Bureau will be:

- a. The Systems and Procedures Division will work with the various departments of the state government to improve their work flow and data processing efficiency. This is to be accomplished by applying standard rules of organization, forms control, work analysis, work simplification and overall records management. It will promote efficient use of file space and equipment by working with the Committee on Destruction of Old Records. This

division will also prepare feasibility studies for use in determining future data processing programs.

- b. The Data Processing Control Division will be responsible for coordinating the activities for the Bureau and between the Data Processing Service Division and other departments of the state government. This division will control the flow of input and output data. It will also control the utilization and scheduling of data processing equipment in the state government.
- c. The Data Processing Service Division will operate the centralized data processing equipment. It will process data for other departments to the extent of its initial capabilities. It will also operate all additional data processing equipment for which the Bureau of Administration may assume operating responsibility in the future, whether this equipment be located at the center or separate physical location.

### C. IMPLEMENTATION

#### 1. Systems and Procedures Section

This function exists today within the government organization in fragments. Each department endeavors to do a part of the work entailed by this

function. Due to its technical nature, and there being no central direction, it operates neither efficiently nor systematically.

By putting these various functions together and giving firm objectives there should be overall improvements effected in government operations. Since the people required for this function already exist within the framework of state government and are familiar with their current department operations, the results of this activity should become apparent within a short time. This effort should be of great assistance in slowing down the increase in costs of government.

Proper design of procedures and efficient flow of work accounts for much of the cost reduction effected by computers. This leaves the chief effect of the computer in promoting timeliness of historical reporting and projection of future paths. The planned use of a computer will force the application of systems and procedures work.

## 2. Centralized Data Processing Section

One of the advantages to be gained from centralizing data processing operations is greater

flexibility in the use of the equipment and the possible elimination of machines that operated at a fraction of capacity. A secondary advantage is to corrolate data allowing for a greater degree of needed sophistication. It is obvious from the present trend of decentralization many departments will be attempting to secure computers which necessarily must be small. It is our belief that a centralized operation using a larger computer would be more advantageous to all departments and at lesser cost, both in equipment and manpower.

3. Proposed Timetable for Activating Recommendations for the Bureau of Administration.

Starting with the fiscal year of July 1, 1963

Appoint Director of proposed Bureau of Administration. Select Systems and Procedures staff. Systems and Procedures work to start immediately to serve as a training area for other proposed functions.

Personnel to be secured.

One Director

Three Division Supervisors



September 1, 1963 to January 1, 1964

Add to staff personnel for future analysts and programmers.

Three Junior Analysts

Two Analysts

Two Programmers

January 1, 1964

Transfer Data Processing function and Control personnel to proposed Bureau of Administration.

This may be done sooner.

July 1, 1964

Systems and Procedures studies completed on basic programs. Survey and select further areas for study.

September 1, 1964

Submit formal specification to data processing equipment companies for machines needed for program.

November 1, 1964

Receive proposal from data processing equipment manufacturers. Select equipment suited to program within cost requirements.

December 1, 1964

Contract for data processing equipment. Detail programming to be compatible with specified equipment.

August 1, 1965

Install data processing equipment and proceed with program adopted.

December 1, 1965

Equipment under schedule control. Bureau of Administration in control of basic problem of its functions.

See revised page -  
Supplemental  
notes

Proposed Budget for Bureau of Administration

Personal Services

<u>No. of Employees</u>	<u>Title</u>	<u>Annual Salary</u>	<u>Budget Estimate 1963-4</u>	<u>Estimate 1964-5</u>
<u>Systems &amp; Procedures Div.</u>				
1	Director	\$12,000	\$12,000	\$12,000
1	Chief Analyst	10,000	10,000	10,000
2	Analysts	7,500	10,000 (2/3 yr.)	15,000
2	Programmers	6,500	6,500 (1/2 yr.)	13,000
3	Jr. Analysts	5,200	7,800 (1/2 yr.)	15,600
<u>Data Processing Control Div.</u>				
1	Control Supervisor	9,000	9,000	9,000
2	Clerks		Transferred from Bureau of Accts. & Control	
<u>Data Processing Service Div.</u>				
1	Chief Operator	9,000	9,000	9,000
2	Console Operators	6,500	--	6,500 (1/2 yr.)
4	Assistants	4,650	--	9,300 (1/2 yr.)
1	Librarian	5,200	--	1,300 (1/4 yr.)
	Key Punch Operators		Transfer from Bureau of Accts. & Control	
Tabulator and other data processing personnel transferred in accordance with timetable of absorbing functions from other areas.				
TOTALS			\$ 64,300	\$100,700

D. ACTIVITIES WHERE ECONOMIES WILL BE REALIZED

1. While economies should be substantial, they depend directly on how well and timely the implementation of our recommendations are carried out.

This effort will result in savings directly in:

- a. Cost of storage of multiple copies of the same form.
- b. Reduction in number of minor clerical operations - thus removing, by attrition, the difficult to fill, high turnover employees used for this type of operation.
- c. Release of duplicate equipment - where equipment is consolidated, the utilization of some machines will be increased, thus allowing the disposition of other equipment.
- d. The effort of the proposed systems and procedures section should immediately show a saving on the use of data processing equipment now in the state government.
- e. Increased space made available by release of machines and needless duplicate files. This is important since all departments continue to demand more space.
- f. The need for a continued growth in state personnel will be slowed. The highly repet-

itive task type of personnel will be greatly eliminated. Normally, this group of employees show the highest percentage of turnover, further decreasing the cost of training.

- g. Slowing the employment of additional personnel will decrease the costs of state government. This also will tend to delay the need for further facilities to house personnel.
  - h. Centralized information will speed the locating and determining of any data needed by both executives and legislative personnel. This would make reports to this group more current and meaningful.
-

VI

DETAILED DISCUSSION

VI

DETAILED DISCUSSION

A. DEPARTMENT AND INTERDEPARTMENTAL RELATIONSHIPS

1. Bureau of Accounts & Control

a. General Accounting Division

This Division performs the general accounting functions of the state, such as issuing of financial reports, controlling budgeted funds and other related items. The work is performed by 15 employees. The equipment used in this department consists of four National Cash Register bookkeeping machines. In business practice general accounting is usually the last operation to be put on mechanical equipment.

There is no pressure today to eliminate the duplication of the encumbrance accounting function by every department. If this function's data was more timely and currently available to the departments, duplication could be eliminated. By centralizing the encumbrance data, many people currently tied down to this accounting function in the various departments could be freed either for

more pressing work or not replaced upon separation.

b. Payroll Division

This division consists of a group of five employees performing a pre-audit control of payroll data ahead of a tabulating operation. It appears to be an efficient group and would still be a necessity even ahead of a computer operation. In the event a computer is installed this group's work may need some refinements and should eventually become a part of the Pre-Audit Division.

c. Pre-Audit Division

In this division 13 employees are performing a pre-audit function on all state disbursements except state payrolls, welfare and employment security payments. To maintain control over the expenditure of state monies the function of pre-audit must be maintained.

d. Liquor Accounting Division

This division performs all accounting for the Liquor Commission. It is manned by 11 employees organized functionally to do a manual operation with some support by the Machine



Services Division. There appears to be much room for improvement in this department. However, this cannot be realized until changes have been made by the Liquor Commission. These will be discussed in the section under that commission. The Liquor Accounting Department could largely be automated when the proper type of equipment becomes available. This equipment should be able to process a large volume of data on a daily basis. Much of the work here is actually of the highly repetitive nature which lends itself to automated data processing. The use of the computer would hold inventories in balance and calculate proper amounts of goods for orders and shipments.

e. Microfilm Division

This is an operation manned by 4 employees. It microfilms large files of data for permanent storage, thus allowing destruction of the bulky records. Its services are available to all departments, but not too many departments appear to use its services. We do not see where data processing would be of any advantage to this department. This group could indirectly

assist a good records disposal program.

- f. The Machine Services Division of this department contains the largest tabulating installation in the state government. The 25 employees of this division use six tabulators and all necessary auxiliary equipment to turn out approximately 90,000 checks per month in payment of state expenses.

This division is now doing some data processing work for other sections of the government and should be the nucleus of the Data Processing Service Division of the proposed Bureau of Administration. The Machine Services Division is situated in the centralized state office building and in an area capable of ready conversion for our proposed Data Processing Service Division. Further, there is now in the Bureau of Accounts & Control the beginning of a systems and procedures operation. This function of systems and procedures is beginning to progress on a sound basis and will serve as one of the starting points for the expansion of our proposed Bureau of Administration.

2. Liquor Commission

This commission is charged with the responsibility of operating a system of stores for the selling of alcoholic beverages to the people of the state, and to issue licenses to sell malt beverages and drinks for on premises consumption. This commission has 346 employees. This function necessarily requires a large volume of paper work. The nature of the business demands the exact recording and accounting of information. To accomplish this end, a large clerical staff is required, with some support by mechanical equipment. This mechanical support is currently being furnished by the Bureau of Accounts & Control. This is done by the Liquor Accounting Division, acting on behalf of the Commission. There is a very heavy reporting schedule maintained here with large unweildy reports forwarded daily from the various stores. Further mechanization of manual paper work functions is highly desirable and practical, both to assist in keeping control on the inventory levels and to optimize the ordering system, thereby insuring economy.

3. Agriculture Department

Our survey showed that, although there are 274 employees involved in the department's operations, there did not appear to be any real application for

data processing except as noted in the general comments. A very large proportion of the time of a clerical nature is expended in the preparation of reports required or requested by the Federal Government. The nature of this department's reports and forms were singular in use and normally stored for short durations.

4. Bureau of the Budget

This is a small bureau but with an important position in the operation of the state. It supervises the preparation of the budget, as to income and expenditures for all departments and submits it to the Governor. It also examines and recommends the work program and quarterly allotments. Presently there are 6 employees performing these functions.

This bureau is also charged with the responsibility of a centralized systems and procedures function for the state. This appears to be currently a one man operation. A lack of funds appears to deter a program required to insure that duplication of work is eliminated and unnecessary equipment is disposed of at the earliest opportunity. This function is being

recommended for inclusion in a new Bureau of Administration where it will be the prime concern of those involved. This will result in the maximum emphasis being placed in the proper area, and where it does not conflict with a major function such as the budget responsibility.

5. Department of Economic Development

This department consists of 44 employees. In performing the department duties, many statistics and facts are required most of which are available in other departments of the state government. The centralization of data processing services would be very beneficial to this department. However, the operation of this department does not require the use of equipment with the exception of the normal bookkeeping functions.

6. Education Department

This department, with 626 employees, is large and growing fast due, in part, to the program of the National Defense Education Act. The Title Ten section of this act is aimed at enlarging the use of statistical and tabulating

methods. This further lends credence to the need for a centralized computer operation at some future date. Centralization of equipment would aid local schools in the record keeping functions and the annual scheduling of classes.

In addition to the work performed by the statistical section of the Education Department, there are many record keeping operations in such areas as teacher certification, school lunch program, etc. The acquisition of a computer by the Bureau of Administration would furnish the Education Department with equipment time to further the objectives of Title Ten and other programs.

7. Employment Security Commission

This commission has 350 employees. Our survey taken at this commission was rather limited due to the overall nature of its work. Currently this consists of Federal Government programs. It was felt that the data processing operations would be a good addition to the Bureau of Administration at some future time, little could be gained now. There is a large data processing problem here and the use of the proposed systems

and procedures section in the study of this area could do much to help. However, there is little advantage to the state as it would not result in any saving to the General Fund Budget. The eventual use of the Data Processing Service Division of the Bureau of Administration to service this department would help to spread the cost of the computer to other than General Fund departments.

8. Forest Service Department

This department consists of 118 employees. The comments for the Agriculture Department are almost equally applied here. The basic services performed are to the advantage of the state but very little of a data processing function appears needed with the exception of the items included under general comments.

9. Health and Welfare Department

This department of 733 employees is currently using data processing equipment of its own as well as using the data processing units of the Bureau of Accounts & Control to issue welfare checks. Some procedures in use in the data processing for this department were written

but a complete set was not available. As with all departments, this procedure work should be completed and would help in the reduction of costs.

10. Highway Commission

This commission has 690 employees. The only computer currently in use in the state government is located in this department. It is of a basically scientific type and it's prime use is for the preparation of engineering data for road construction. There is a suitable support equipment group to the computer and these machines are used for analysis of costs of projects and other similar items. The Education Department is using the computer in this area as an adjunct to their own efforts. However, they are largely using the computer on a when available or overtime basis. There are many voluminous records maintained here but not many seem to be of the type that would be benefited by reduction to a computer function. Their record keeping however, is extensive and the requirement for project costs is a character and object analysis in addition to the normal line and category analysis used in other departments.



11. Industrial Accident Commission

This is a commission of 19 employees that has many records. With the exception of a desire for some degree of analysis of the overall accident ratios or of the incidence factors and such other similar data, there is essentially no need for data processing in this section.

12. Labor and Industry Department

There are 25 employees in this department. This function is one with many records, most of which are of the single action type not requiring data processing or computer operations. The department has some data processing equipment that appears to have a normally low factor of usage. The products of the operation are in follow up records in use in the department. The larger part of the equipment employed is paid for by the Department of Economic Development. This was done to give the latter department the ability to use the services of the statistician of the Labor and Industry Department. This arrangement has apparently worked well for both areas.

13. Mental Health and Corrections Department

There are 2,162 employees throughout the state. Our observation here was largely concerned with the work performed in the central operation at the state office building. Located here are the basic controls of the entire group of institutions; however, there seems to be a large degree of autonomy and even a possible need of minor equipment in some of the larger institutions.

A proper organization would be one with a central records operation for all parts of the department, located in Augusta and controlled by the central authority of this department. To establish this will be a major undertaking and will be time consuming. The administrators of this department recognize the advantages that could be available to them in a centralized data processing function especially when it could combine the assembled records of various departments. The demand for more complete records for this department is becoming more evident. Records such as total arrests, welfare, treatment, or inmates complete dossier, lend

themselves to data processing equipment. While the immediate need is not too pressing, the future demands definitely should be included in any centralization concept. This is one of the state departments where the use of the functions of the proposed Bureau of Administration would be of considerable advantage in stemming the increase of the clerical staff.

14. Motor Vehicle Bureau (Secretary of State)

This is a department of 130 employees that uses considerable data and is continually referring to it. This operation should be placed on mechanical data processing equipment. The use here of the functions of the proposed Bureau of Administration should prove a substantial savings for the State.

The present storage of records in the Motor Vehicle building is consuming considerable floor space. At the rate of this record accumulation, it will soon become necessary to seek additional floor space in another building. The manual system now in use in this department is not very efficient.

The Motor Vehicle Bureau appears to be one which will benefit the state greatly through the use of modern methods and it is strongly recommended that an overall program for this department be surveyed by the proposed Bureau of Administration.

15. Personnel Board

This department of 21 employees was scrutinized to ascertain the completeness of the record keeping function as applied to the State personnel records. They are currently creating punched cards on all types of changes in the status of individuals, but using them only for a statistical record on a once a year basis. Since all of this material is now being prepared, it would fit nicely into an overall mechanical or electronic history record, should they be needed. Other functions in this department are not as likely to be considered for centralization as they do not fit into mechanical processes.

16. Bureau of Purchases

This is a bureau of 26 employees that is now under the concept of centralization. Central-

ized purchasing is backed by a procedure manual that is part of the Financial Procedures Manual issued to all agencies through the Bureau of the Budget. The extension of this principle of procedures publications to all departments in other areas should be continued.

The purchasing operation has practically no need for centralized data processing. Most of the purchasing functions of this department are not repetitive. There is however, a function in this department which is highly repetitive - the central stock room. This is a stocking of standard items that are used by several departments and as such are purchased in bulk and doled out on a demand basis. This is largely an inventory and charge problem which lends itself to data processing in a manner similar to the problems of the Liquor Commission. Therefore, this area should be considered as a possible user of centralized data processing.

17. Retirement System

This department has 25 employees. The employees of the State, including teachers and

subdivisional personnel are covered by a pension system administered by a board. These duties are carried out by a staff under an executive secretary. The functions of this department are one of constant repetitive posting and analysis of records.

There are about 30,000 records currently in use in this department both for posting of current earnings and payment of benefits. All records must be posted monthly. Even if there is no addition or other action, there must be a posting of the interest earned on the account. This monthly posting is required by law and allows a person to ascertain the exact amount in his account at any time. A problem here is the delay in getting the current earnings posted to the individual accounts. Payroll data from the field is on many different forms, making posting difficult and costly. The standardization of these field forms should prove advantageous. Since this is a highly repetitive type of operation, the application of data processing should prove favorable and is recommended. In addition to the pension function, there is also insuring

and Social Security functions carried out by this department. These also involve repetitive data that could be processed by the equipment used for the pension operations.

18. Department of State Police

This department is made up of 288 employees. A survey was made in this department primarily to see whether the data it needs could be combined with other available information in other departments.

We are of the opinion that certain records, such as those kept by the Motor Vehicle Bureau, would be advantageous to the efficient operation of the State Police. Under the concept of the proposed centralization, such information could be available at little or no cost.

19. Bureau of Taxation

This bureau of 123 employees has several sections dealing with many types of taxes levied by the State of Maine.

Within the Bureau of Taxation is one group which would be able to make good use of centralized services - the Sales Tax Section. This

section generally operates on a monthly cycle. However, a few reporting units are allowed to use other periods. The follow up and analysis of the tax returns could be accomplished with less cost and more accuracy on a computer when one becomes available. The proper setting up of the centralized computer program would tend to make the forecasting of these income items quicker and more accurate. It would further provide a faster follow up on delinquent reporting units.

20. Other Departments

The departments that were not surveyed did not have sufficient clerical forces to anticipate any real expectation of saving the state funds.

In general, these departments are regulatory or of types that would not lend themselves to the use of data processing techniques.

21. General Comments

Throughout our study, two items occurred within each department with regularity. They are:

a. Departmental budgetary control

Each department has somewhere within its confines an accountant or bookkeeper whose



function is to control the expenditures and commitments of its department. The general purpose of this function is to insure that the state laws regarding over-expenditures are observed. This group also assists in allocation of expenses by account. This work is duplicated in the General Accounting Division of the Bureau of Accounts and Control, where the similar records are maintained for the state.

The expenditure records for various departments in the general accounting division are not available on a current basis. With the proper type of equipment, this data could be made current. This is one of the places where a savings can be expected. A centralized computer could prepare timely printouts of budget - encumbrance - payment records by line and category to serve the various department's needs and eliminate the present duplication.

To perform these services for all the departments requires equipment that has a good speed of printing and ability to cal-

culate. These requirements can be handled suitably by any of the medium sized computers.

b. Departmental personnel records

Many departments maintaining duplicate files of the data now in the Personnel Board.

We suggest that this duplication of effort be resolved with complete records being maintained in the Personnel Board.

B. DATA PROCESSING EQUIPMENT USAGE

Our observation of the equipment used in the various areas of state government showed that none of these machines were used anywhere near their maximum capacity with the exception of the Highway Commission's computer. This computer appeared to be in demand over its allotted 176 hours per month. However, this was not always true since much of this excess demand was for trial runs.

The utilization of punched card equipment usages vary from a low of 20% on some key punches. A high of 60-70% utilization was found for a few pieces of equipment. Here some of the newer equipment is being used in preference to some older slower equipment.

Most changes to date have indicated an up-dating to faster equipment, but there has been no reduction in the total number of pieces of equipment. This method of using equipment should indicate an increase in the work scheduled or a lessening in the utilization of the present equipment.

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VII

PROPOSED LEGISLATION

VII

PROPOSED LEGISLATION

To implement the plan recommended by this report, the following legislative acts are recommended:

A. To amend Chapter 15-A Revised Statutes (1954) of Maine, as amended -

1. By adding:

Section 3 - Organization; Bureau Chiefs; Vacancy.  
VI Bureau of Administration, the head of which shall be the State Director of Administration.

2. By deleting from:

Section 5. the entire subsection III-A. To constantly review the administrative activities, etc.

3. By adding new section 61:

Section 61. Powers and duties relating to Bureau of Administration. The Department of Finance and Administration through the Bureau of Administration, shall have authority:

1. To constantly review the Administrative activities of the other departments and

agencies of the State; study organization and administration, investigate duplication of work and to formulate and install plans for better and more efficient management, and report periodically to the Governor and on request to the Legislature.

- II. To maintain a central service division to supply state departments and agencies with up-to-date statistical and financial information.
- III. To work with the other Departments and agencies of the State in creating, designing, maintaining and destroying reports and information forms.

VIII

ADDENDA

STATE OF MAINE

Exhibit I.

Department or Agency \_\_\_\_\_ Division or Bureau \_\_\_\_\_

Unit \_\_\_\_\_ Date \_\_\_\_\_ Form No. \_\_\_\_\_

Form Title \_\_\_\_\_

1. Is this form received from another department? \_\_\_\_\_ what dept.? \_\_\_\_\_

sent to another department? \_\_\_\_\_ what dept.? \_\_\_\_\_

(If the form is received, worked on and forwarded to another department for additional work, enter answers in both spaces above.)

Is this form prepared and kept in this department? \_\_\_\_\_

2. Briefly describe the steps in handling this form or data in your department, indicating the machines involved, number of persons, source of any miscellaneous information and any other pertinent information. Use the back of this sheet as a continuation sheet and then add other sheets as needed.

3. How often is this report prepared? Daily \_\_\_\_\_ Weekly \_\_\_\_\_ Monthly \_\_\_\_\_

Other \_\_\_\_\_ (specify frequency) \_\_\_\_\_

4. How many copies are prepared? \_\_\_\_\_ To what departments are they sent?

5. What is done with the copies retained in this department?

Where is it held \_\_\_\_\_ For how long \_\_\_\_\_

6. Approximately how much time is involved with this report each week? Estimate time to the nearest 1/4 hour if under 5 hours or the nearest hour if over 5.

Individual interviewed \_\_\_\_\_ Interviewed by \_\_\_\_\_



## STATE OF MAINE

Department or Agency \_\_\_\_\_ Division or Bureau \_\_\_\_\_

Unit \_\_\_\_\_ Date \_\_\_\_\_ Interviewer \_\_\_\_\_

Person Interviewed \_\_\_\_\_ Position \_\_\_\_\_

1. Obtain copy of Organization Chart.
2. What are duties of Department.
3. Is there a procedures manual for the department? If so, get copies, or arrange to use copy for needed period.
4. What mechanical equipment is available within the department other than adding machines and typewriters? Prepare a list and attach it, showing Manufacturer, model, type, capacity or speed and approximate number of hours used per week.
5. Prepare forms FCB 383.1 for the paper flow through the department.
6. Is this department using facilities of any other department in the processing of its normal work flow? What departments is it associated with?

## STATE OF MAINE

IBM Equipment Rental  
as of September 1962

	<u>Punch</u>	<u>Veri- fier</u>	<u>Sor- ter</u>	<u>Col- lator</u>	<u>Rep. Punch</u>	<u>Alph. Inter- pre- ter</u>	<u>Elec- tric Acct. Mach.</u>	<u>Sum- mary Punch</u>	<u>Post- ing Mach.</u>	<u>1620 Com- puter Sys- tem</u>	<u>Total Monthly Rental</u>
Highway	3	1	1	1	1	1	2			1	\$ 3,954.
Sardine Council	1	1	1				1				458.
Per- sonnel	1										120.
Economic Develop- ment	1		1				1				305.
State Police	1		1								78.
Health & Welfare	2	1	1	1			1	1			775.
Educa- tion	3	1	1	1	1	1	1				1,514.
Employ- ment Se- curity	6	4	3	1	1		2				1,665.
Taxation	1	1									80.
Labor & Industry	2										63.
Secretary of State	1										60.
Liquor Commission	1										55.
Accounts & Control	8	2	2	2	2	1	6	3	1		4,985
Total	31	11	11	6	5	3	14	4	1	1	\$14,112

## NOTES:

1. Source - Bureau of Accounts & Control.
2. Annual Rental at this rate - \$169,000.
3. Additional Equipment in use - Purchased: Bookkeeping Machines, Addressograph Equipment, IBM Tabulating Equipment - 2 pieces.



Notes for General Discussion with  
Legislative Research Committee  
November 13, 1962



## STATE OF MAINE

STATISTICS

Year	Popu- lation (Thous)	State Employees	Employees Per/Thous. Residents	Fiscal Yr. Current Expenditures (Thous)	Dollars per Resident
1920	768	NA	NA	\$ 13,059.	17.0
1930	797	2007 X	2.51	24,871.	31.2
1940	847	3579	4.22	31,037.	36.7
1950	914	4634	5.07	60,137.	65.8
1960	969	6558	6.77	136,504.	140.9
1961	*974	6786	*6.97	133,271.	*136.8
1962	*979	7067	*7.22	144,038.	*147.2
*1963	984	7286	7.41	151,000.	153.5
*1964	989	7511	7.59	158,000.	159.8
*1965	994	7743	7.79	166,000.	167.0
*1970	1017	8853	8.70	205,000.	201.5

X - 12/31/32 - First figure available

\* - Estimated

NA - Not Available

STATE OF MAINE  
Employee Count and Weekly Gross  
Exception Payrolls - January 1962

	Total Employee Count <u>1962 Actual (1)</u>	Clerical Count <u>Estimated (2)</u>	Total Weekly Payroll <u>Actual (1)</u>
Attorney General	19	3	\$2,543
Audit	30	4	3,419
Executive	14	0	1,350
Civil Defense	33	9	2,939
Finance and Administration:			
Administration	2	0	397
Accounts & Control	70	56	5,155
Budget	6	1	781
Public Improvements	17	5	2,026
Property Management	125	3	7,822
Purchases	26	10	2,203
Taxation	123	59	10,552
Personnel	21	11	1,935
Secretary of State	13	9	1,170
Motor Vehicle Division	136	74	8,563
Treasury	9	7	807
Legislative Research	5	0	634
Legislative Administration	2	0	79
Adjutant General	86	15	6,014
Agriculture	274	34	25,204
Banking	18	3	2,277
Boxing Commission	4	$\frac{1}{2}$	91
Apprenticeship Council	1	1	58
Administrative Hearing Officer	1	0	58
Liquor Hearing Examiner	2	0	210

	Total Employee Count <u>1962 Actual (1)</u>	Clerical Count <u>Estimated (2)</u>	Total Weekly Payroll <u>Actual (1)</u>
Industrial Accident Commission	19	13	\$ 1,510
Insurance	29	13	2,692
Labor & Industry	25	9	2,060
Public Utilities Commission	35	13	4,163
Harness Racing	4	$\frac{1}{2}$	132
Running Horse Racing	4	1	157
Economic Development	44	12	5,060
Forestry	80	9	7,582
Forestry District	33	0	3,172
Forestry-Federal Soil Bank	5	0	433
Sea and Shore Fisheries	62	10	5,894
Atlantic Sea Run Salmon Comm.	4	1	482
Health & Welfare	612	198	50,016
Central Maine Sanatorium	121	6	8,787
Mental Health and Correction:			
Administration	7	4	880
Bureau of Mental Health	17	1	2,254
Probation and Parole	46	14	4,387
Institutions	2,092	114	157,686
Education:			
Administration	189	49	15,741
Colleges & Institutes	437	38	34,406
Library	38	7	3,008
Park Commission	27	5	2,443
Baxter State Park	2	0	193
Aeronautics Commission	10	2	1,147

	Total Employee Count 1962 Actual (1)	Clerical Count Estimated (2)	Total Weekly Payroll Actual (1)
Inland Fisheries & Game	233	21	\$21,781
Employment Security Commission	350	146	27,378
Liquor Commission	346	13	25,195
Industrial Building Authority	2	1	251
Island Ferry Service	36	2	2,864
Retirement System	25	18	1,979
State Police	288	16	26,846
County Attorneys	23	0	1,540
Judicial	37	0	6,117
Veterans Affairs	19	10	1,606
Boards, Commissions, Committees, Etc.	39	17	2,830
Highway:			
Administration	87	50	9,172
Other	603	46	66,465
Totals	7,067	1,164	\$594,596

SOURCE:

- (1) - Bureau of Accounts and Controls  
(2) - Clerical Count estimated by Frank C. Brown & Company, Inc.

NOTE:

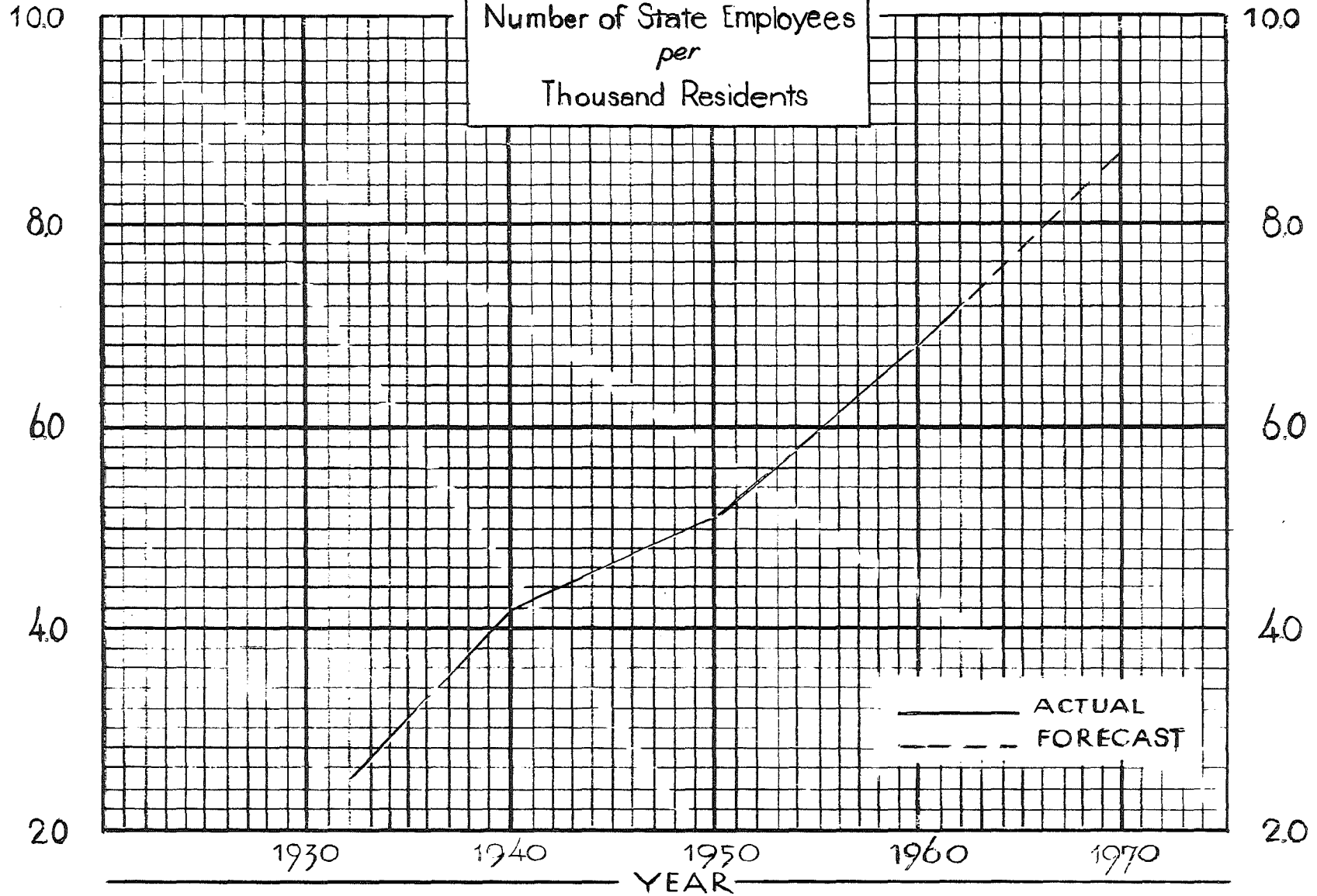
Exception Payroll consists of State employees whose time is reported only when it varies from normal.



Employees

Employees

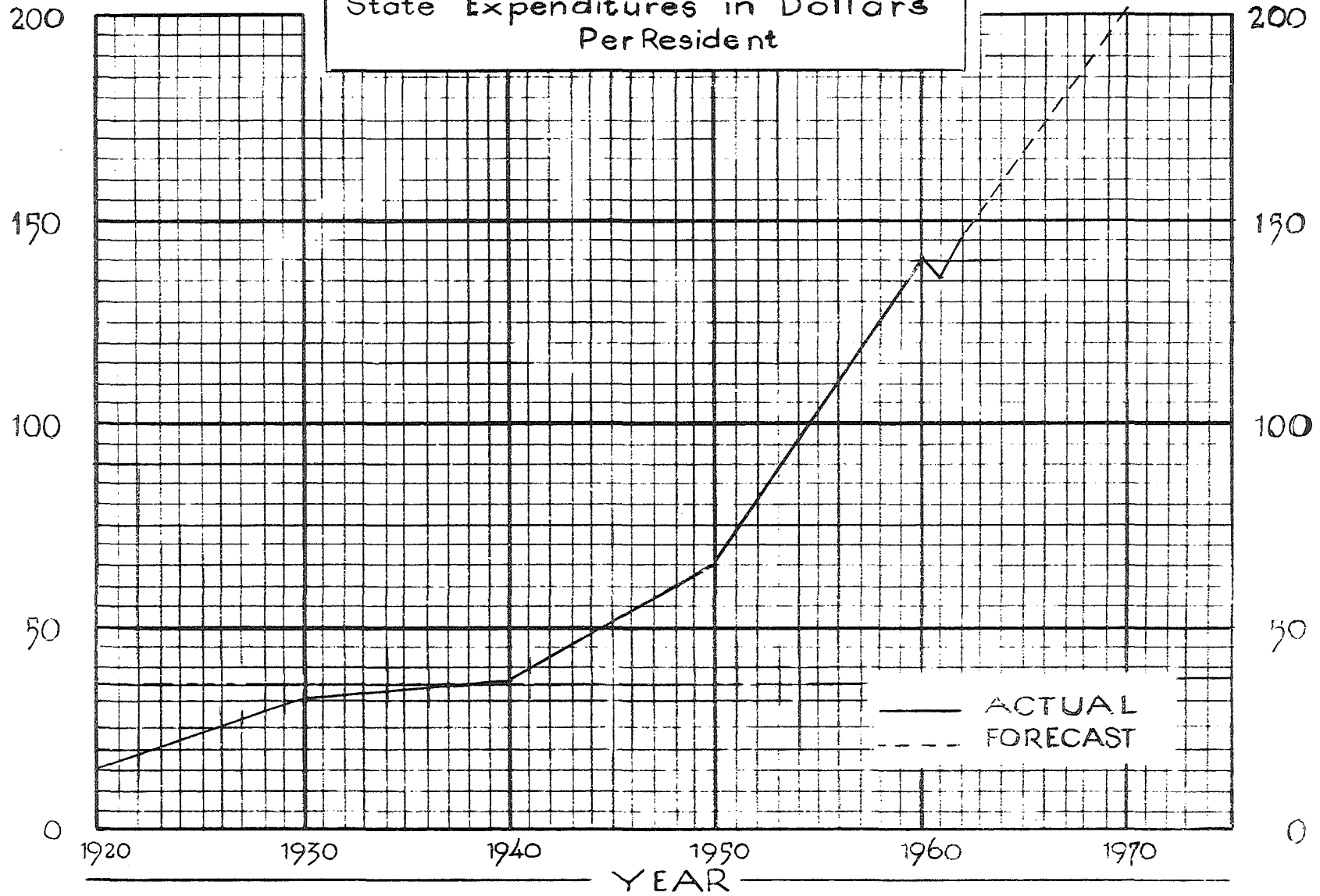
State of Maine  
Number of State Employees  
per  
Thousand Residents



Dollars

Dollars

State of Maine  
State Expenditures in Dollars  
Per Resident



STATE OF MAINE

Budget Estimate - Fiscal Year 1963-1964

Department of Finance & Administration  
Bureau of Administration

<u>PERSONNEL SERVICES</u>	<u>Suggested Annual Salary</u>	<u>Budget Fiscal Year 1963-1964</u>
1 Director	\$12,000.	\$ 9,000. (9 Mos.)
<u>Systems &amp; Procedures Division</u>		
1 Chief Analyst	10,000.	7,500. (9 Mos.)
2 Analysts	7,500.	6,250. (5 Mos.)
2 Programmers	6,500.	3,250. (3 Mos.)
3 Jr. Analysts	5,200.	3,900. (3 Mos.)
<u>Control Division</u>		
1 Control Supervisor	9,000.	6,750. (9 Mos.)
<u>Service Division</u>		
1 Chief Operator	9,000.	6,750. (9 Mos.)
		<u>\$43,400.</u>
 <u>ALL OTHER</u>		
Professional Fees & Services		\$ 7,500.
Travel - In State		750.
Travel - Out of State		1,000.
General Operating Expense		750.
Office Supplies		1,000.
		<u>\$11,000.</u>
 <u>CAPITAL EXPENDITURES</u>		
Equipment		<u>\$ 2,275.</u>
 TOTAL		 <u><u>\$56,675.</u></u>

STATE OF MAINE

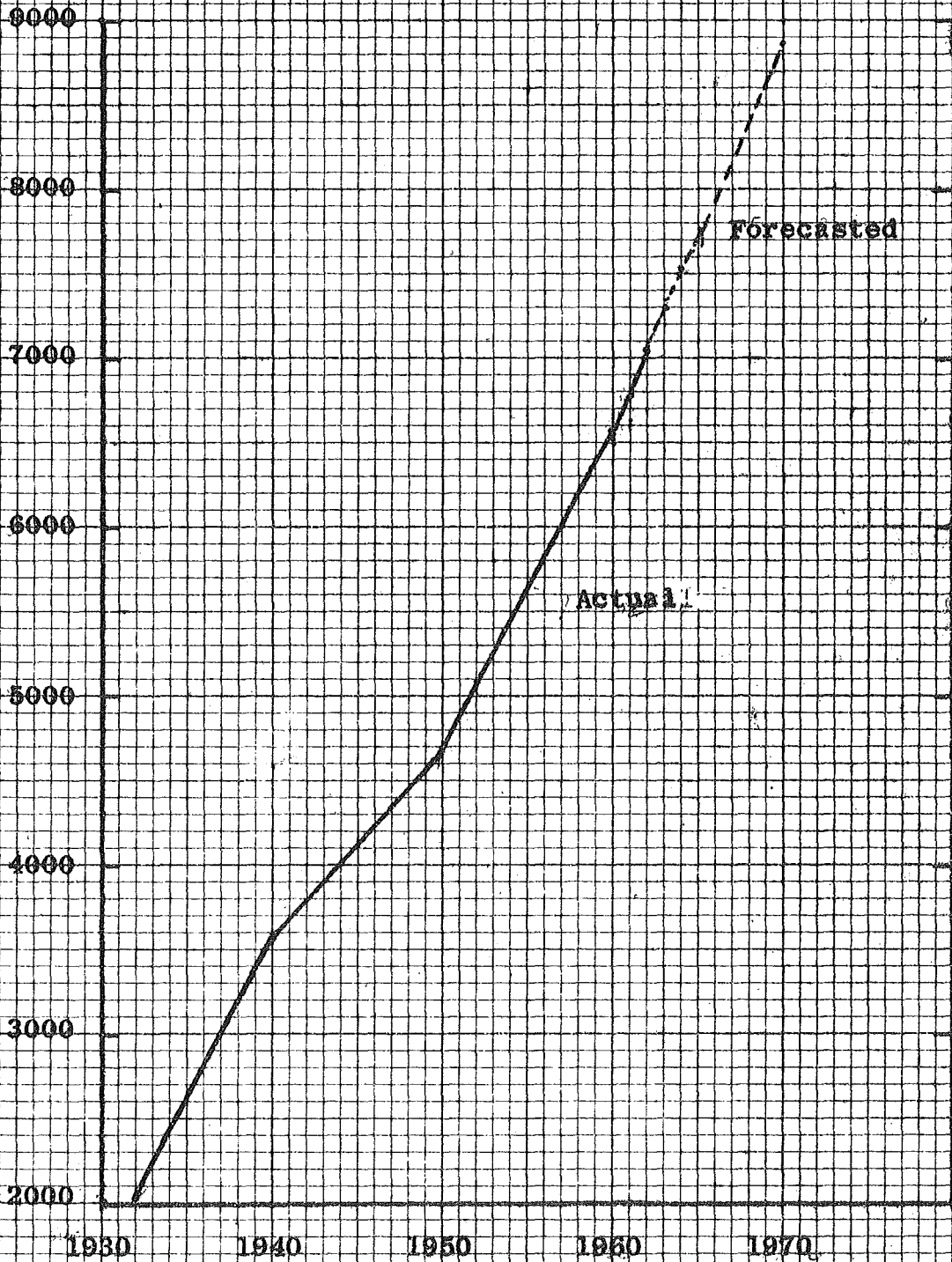
Budget Estimate - Fiscal Year 1964-1965

Department of Finance & Administration  
Bureau of Administration

(Does Not Include Fully Transferred Budget Items)

<u>PERSONNEL SERVICES</u>	<u>Suggested Annual Salary</u>	<u>Budget Fiscal Year 1964-1965</u>
1 Director	\$12,000.	\$12,000.
<u>Systems &amp; Procedures Division</u>		
1 Chief Analyst	10,000.	10,000.
2 Analysts	7,500.	15,000.
2 Programmers	6,500.	13,000.
3 Jr. Analysts	5,200.	15,600.
<u>Control Division</u>		
1 Control Supervisor	9,000.	9,000.
<u>Service Division</u>		
1 Chief Operator	9,000.	9,000.
2 Console Operators	6,500.	3,250. (3 Mos.)
4 Assistants	4,650.	4,650. (3 Mos.)
		<u>\$91,500.</u>
 <u>ALL OTHER</u>		
Professional Fees & Services		\$10,000.
Travel - In State		1,000.
Travel - Out of State		2,000.
General Operating Expense		1,000.
Office Supplies		1,500.
		<u>\$15,500.</u>
 <u>CAPITAL EXPENDITURES</u>		
Building Improvements		\$10,000.
 TOTAL		 <u>\$117,000.</u>

STATE OF MAINE  
Long Range Growth Rate  
of  
State Employees



STATE OF MAINE

Rate of Growth  
in  
State Government Employees

Fiscal Year	Actual Employees	Current Growth	
		Increase In Employees	Rate of Growth/Year
1960	6558	NA	NA
1961	6786	228	+3.5%
1962	7067	221	+4.1%
Projected Approximate Growth Trend			
1963	7286	221	3.0%
1964	7511	225	3.0%
1965	7743	232	3.0%
1966	7975	232	3.0%
1970	8859	884	3.0%

Conservative Savings Estimate  
By Retarding The Rate of Growth

Fiscal Year	Projected Trend Increase in Employees			Savings in Retarding Growth				
	Total	Clerical	Non-Clerical	Clerical		Non-Clerical		Total
				# People	\$ 000's	# People	\$ 000's	
1963	221	37	184	(9) 25%	\$ 25.7	(18) 10%	\$ 65.5	\$ 91.2
1964	225	37	188	(12) 33%	60.0	(19) 10%	134.7	285.9
1965	232	38	194	(19) 50%	114.3	(19) 10%	203.9	604.1
1966	232	38	194	(19) 50%	168.6	(19) 10%	273.0	1,045.1
1970	914	150	765	(75) 50%	411.6	(77) 10%	540.7	<del>1,997.4</del> 4,046.0