

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

MAINE MANAGEMENT AND COST SURVEY



MAINE MANAGEMENT AND COST SURVEY



Copyright, September 1973 by the Maine Management and Cost Survey Inc. No part of this report may be reproduced in any manner without written permission. \$15.

MAINE MANAGEMENT AND COST SURVEY
COMMISSION

September 1973

To: Governor Kenneth M. Curtis,
Members of the 106th Legislature, and
Citizens of Maine.

Enclosed herewith are the documented findings and specific recommendations of the volunteer study effort of the Maine Management and Cost Survey Commission. This study of state government was the result of a Legislative Order and the initiative, endorsement, and implementation of this study concept by the Governor's Office.

The highest praise is due the brilliant and dedicated work of the survey teams who gathered the facts and the team leaders who unanimously reached the recommendations contained in this report. We should also recognize the outstanding financial support and donation of manpower made by the Maine business community and the guidance in policy matters that has been given by members of the Commission. The sincerity of government officials and their desire to improve government has been evidenced by their complete cooperation with our entire study effort.

As a personal note, it has been both a pleasure and a great challenge to serve the Commission and the Management Committee as Chairman of the study effort. This report is only the beginning of our implementation effort but hopefully, it will have lasting consequences of substantial value to all Maine people for many years to come.

There has been, over the last decade, an erosion of confidence in government at all levels. It arises in part from the increasing number and complexity of the areas in which we expect government to research, plan, and then act. We have, in this study effort, been concerned not with convincing government to adopt different goals but rather with forming a partnership that will make available to government the experience and technical expertise of business. Our recommendations are offered not in a critical sense but in the spirit of mutual cooperation aimed at improving the institutions through which we govern ourselves.

We sincerely hope that the work of the Maine Management and Cost Survey will lead to an implementation that will strengthen the confidence of the citizens of Maine in their government and convince them that it is to our mutual advantage to strive toward the most efficient possible service and maximum value from tax dollars.

Respectfully submitted by the
MANAGEMENT COMMITTEE:
Irving M. Bell Galen L. Cole
John M. Daigle William E. Haggett
A. J. Ben Haug P. Andrews Nixon
Maxwell A. H. Wakely



James B. Longley,
Chairman

Introduction

In recent years, state government operations have faced problems of growing complexity, increasing demands for services, and mounting costs. Employment reached an estimated 12,500 in fiscal 1972, making the state the largest employer in Maine. Total expenditures in fiscal 1972 amounted to almost \$483-million, nearly double the 1968 level. Yet, during this period, the state's population remained stable at approximately 1-million.

The need for an unbiased professional study to recommend approaches to improve the state's management and administration was recognized. After considering many alternatives, the Governor and the Legislature asked the business community to form a task force of loaned executives, and provide funds to defray costs of conducting a study.

The sole objective was to carry out the mandate of Legislative Order H.P. 1564 as amended, which reads, in part:

"... that there shall be a study and analysis of the offices, departments, boards, commissions, and other agencies of the State and of the

functions of State Government to ascertain the means by which and the manner in which the services of the State of Maine may be afforded to its citizens in the most efficient, expeditious, and economical manner...."

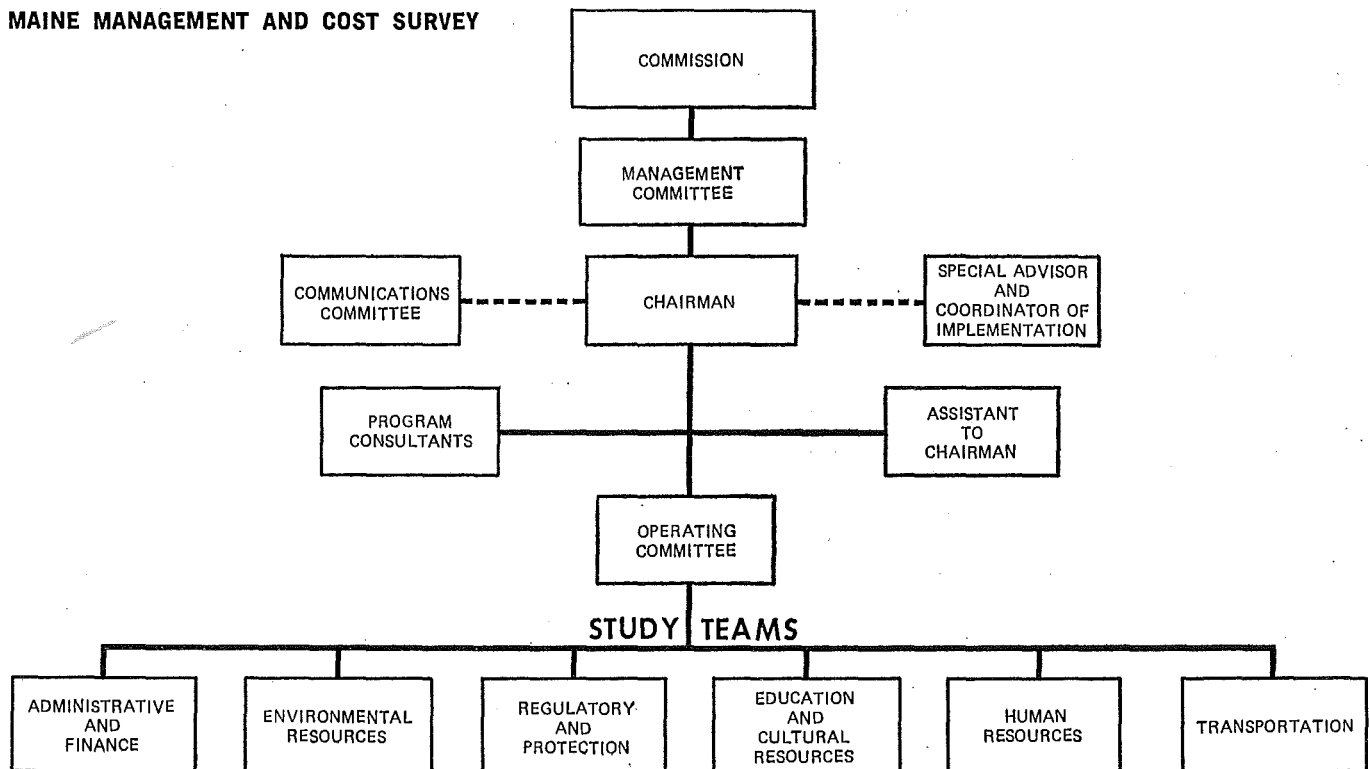
This order was completely endorsed and supported by Governor Kenneth M. Curtis. Consequently, the Maine Management and Cost Survey, Inc., a non-profit corporation, was formed to carry out the study objectives.

How the Study was Conducted

The organization of the study is shown in the organization chart directly below.

Commission: The members of the Commission are dedicated citizens who represent the initial response to the Governor's call. Their original role was to assist in funding and guiding the framework of the volunteer study effort. The duties and responsibilities of the Commission members during the study period have been those of a board of directors concerned with general policy and financial management of the study effort. They have not been responsible for, nor

MAINE MANAGEMENT AND COST SURVEY



actively involved in, the day to day conduct of the study or the formulation of the study's individual recommendations. Members of the Commission are listed below.

Irving M. Bell	Shepard Lee
Rosalyn Bernstein	Regis LePage
Carmaline Bolduc	James B. Longley
Paul Buckley	Robert R. Masterton
Virginia T. Chaplin	William Mendelson
Fred A. Clough	James Moody
Galen L. Cole	P. Andrews Nixon
James R. Costello	Kathryn Norbury
John M. Daigle	Nicholas Pulia
John DiMatteo	Charles A. Phillips
Benjamin Dorsky	James A. Phillips
William Dunham	T. Hedley Reynolds
James Goodrich	John Robinson
John Grant	Michael J. Salter
Lloyd Greenlaw	Donald K. Saunders
William Haggett	John Sinclair
James Halkett	Anita Stickney
Colin Hampton	Rand Stowell
Daniel Hanley	Mary Thompson
Wallace Haselton	Kenneth Tipper
A. J. Ben Haug	Maxwell A. H. Wakely
Jean Gannett Hawley	Daniel Wellehan, Sr.
P. Hayward James, Jr.	Rita Willis
Irving Kagan	

Management Committee: Seven Commission members served in the capacity of an Executive Committee, called the Management Committee. They met frequently with the Chairman to deal primarily with matters of finance, manpower needs, and general policy. Their contributions on questions of general management and counsel were invaluable in helping to achieve the study's objectives. Members of the Management Committee are listed below.

James B. Longley, Chairman	John M. Daigle, Treasurer
William Haggett, Co-chairman,	and Chairman, Finance
Manpower	Maxwell A. H. Wakely,
P. Andrews Nixon, Co-chairman,	Special Advisor
Manpower	Irving M. Bell
A. J. Ben Haug	Galen L. Cole

Communications Committee: The members of the Communications Committee are responsible members of the public news media. They served in an advisory capacity, giving guidance in the proper and timely dissemination of information regarding study progress to the public. Their names are listed directly below.

Edward C. Schlick, Chairman	Norman Gallant
Jack Atwood	H. L. Gosselin
A. B. Brook	Dermot T. Healey
James Costello	Willis Johnson
Peter Cox	Campbell Niven
John DiMatteo	Robert H. Reny
Gordon Dunn	Richard K. Warren

Operating Committee: The Operating Committee consisted of those volunteer study team members who served as leaders of the individual study teams. Their responsibilities included daily management of the study effort. The successful completion of the study in the limited time available is due to their hard work and dedication. Their names follow.

William F. Bott	Thomas H. Lohman
James A. Burbank	James B. Longley
Bernard R. Carpenter	Donald R. Muir
John J. Egan	Thomas O. Williams

Study Team Members: The volunteer task force consisted of 42 members including team leaders. All but a few volunteers spent 12 weeks on a full-time basis. Total man-hours invested exceeded 22,000. Their contributions truly made the survey possible. Study team members are listed below.

Lawson M. Aldrich	Robert T. Jones
Hayden L. V. Anderson	Charles G. Kast
George H. Bass	Lionel D. Kelley
Stephen R. Bishop	Patrick S. Lydon
William Boudreau	J. Bruce McKinley
Wilson F. Cain	Arthur H. Porter, Jr.
Roland J. Carbonneau	René R. Poulin
Frank M. Carter	Max L. Powell, III
Ernest Cinq-Mars	Harold N. Purdy
Michael W. Cutler	Deane R. Quinton
Russell R. Day	Adam Rhodes
Charles M. Dewey	Edward T. Richards
Alexander Ervin	Arthur H. Schlosser
Richard A. Estep	Stephen R. Thompson
Lincoln B. Fiske	Albert K. Wagner
Peter J. Gorman	Richard Waite
H. Scott Harrison	Duane Wakefield
Keith E. Hunt	Paul A. Webb

Additionally, assistance was provided by several individuals when certain expertise was required. Their names are listed below.

D. Craig Canedy	Crystal D. Jones
Robert C. Crane	James B. Longley, Jr.
Otis Gates	David Murray
Betty Ann Hamlin	Roger F. Woodman

Grateful acknowledgement is also made to the sponsoring organizations for their contributions of manpower, funds, equipment, and supplies. They are listed at the end of this report. Warren King and Associates, Inc. of Chicago served as consultants.

The loaned executives were divided into six teams, each of which investigated specific departments or functions. Assignments were made on the basis of skill required and care was taken to avoid conflicts of interest. Teams were instructed to concern themselves with management and administrative matters. No attempt was made to evaluate program content.

Government operations were analyzed using proven management techniques. Ideas from state employees, together with objective analysis, statistical data, and background material, formed the basis for suggestions. Proposals in this report were unanimously approved by the Operating Committee.

Findings

A summary of the financial benefits to the state of the 807 recommendations is contained in the table shown below. In addition, annual savings amounting to approximately \$2,417,600 in federal funds are recommended. Every effort has been made to be conservative in estimating financial impact — to underestimate savings, income, and cost avoidance — and to overestimate costs. In recommendations involving elimination of positions, efforts should be made to accomplish them through attrition.

SUMMARY OF POTENTIAL FINANCIAL BENEFITS

	ANNUAL	ONE-TIME
Savings	\$23,835,100	\$ 100,000
Cost Avoidance	909,700	788,700
Income	4,688,200	2,914,200
Cost	(607,700)	(2,779,800)
Funds Transfers	529,500	3,381,000

In general, Maine is fortunate in being served by dedicated and competent employees. Many of the recommendations, in fact, originated in suggestions made to team members by state personnel. Their cooperation and assistance is deeply appreciated.

The nature of a report such as this is to highlight areas that need improvement, and therefore, its content may appear overly critical and negative. It does not, of course, focus on the many areas of state government that are efficiently and effectively managed. In addition to the specific departmental recommendations identified in the following pages, there are several general areas where management improvement is needed. These include:

- ▶ Specific long-range state goals and corresponding administrative action plans are needed.
- ▶ Too many administrative details which could be resolved by management action within an executive department are left to the Legislature.
- ▶ Greater control over the selection and retention of department heads should be given the Governor.
- ▶ Salary programs and personnel policies are not conducive to attracting and retaining people with administrative skills. Management incentives and career development programs are

lacking. Members of the survey strongly urge review of situations in which state officials are receiving substantially lower salaries than their counterparts in private industry.

- ▶ Staff services to departments are deficient.
- ▶ Control of program expenditures and measurement of achievements is inadequate.
- ▶ The accounting system does not provide variance or exception reports.
- ▶ No organizational entity is charged with improving personnel safety.
- ▶ There are too many separate boards and commissions, often lacking supervision by or accountability to any state department.

Conclusion

Each recommendation has been carefully researched and checked to the fullest extent possible given time constraints and the tight schedule for report preparation. Study team members unanimously believe that the recommendations represent practical, workable proposals. Many, in fact, are already being implemented. But this report is neither infallible nor all-inclusive. Suggestions will be most welcome.

Presentation of this report is the beginning, not the end, of the work of the Maine Management and Cost Survey. Implementation of the recommendations is the key to achieving the ultimate benefits of this study. The Governor and the legislative leadership have frequently expressed their support of the study and their commitment to implement the recommendations. Representatives from the business community will provide continued assistance during implementation. A full-time coordinator of implementation has been appointed. Also, unique in a study of this kind, a management consulting firm, Management Analysis Center, Inc., has been retained to provide technical assistance during implementation. Progress will be monitored and results periodically reported as implementation proceeds.

In the final analysis, success depends on a collaborative management improvement effort by the Executive and Legislative branches of government. Although this report deals in the main with opportunities to achieve dollar savings, its emphasis on efficiency and economy should not obscure the ultimate objective of improved public service. Improving management practices of government will, however, significantly enhance the state's ability to respond effectively to the needs of its citizens. This is the underlying theme, purpose, and spirit of the report which is submitted to the Governor, the Legislature, and the citizens of Maine.

Table of Contents

Section I

Departmental Reports

1. Executive Branch
 4. Office of the Governor
 5. State Planning Office
8. Department of Secretary of State
 9. Motor Vehicle Division
11. Maine State Archives
13. Attorney General
14. Law Enforcement Planning and Assistance Agency
15. Treasurer of State
17. Department of Audit
20. Department of Finance and Administration
 21. Bureau of Taxation
 23. Bureau of the Budget
 25. Bureau of Public Improvements
 28. Bureau of Purchases
 33. Bureau of Accounts and Control
 35. Maine Insurance Advisory Board
 36. Bureau of Alcoholic Beverages
38. State Liquor Commission
39. Department of Personnel
43. Maine State Retirement System
46. Department of Agriculture
47. Maine Recreation Authority
48. Board of Pesticides Control
48. Department of Inland Fisheries and Game
51. Department of Environmental Protection
54. Maine Land Use Regulation Commission
55. Maine Mining Bureau
56. Department of Parks and Recreation
57. Department of Sea and Shore Fisheries
59. Forestry Department
61. Department of Commerce and Industry
64. Department of Military, Civil Defense and Veterans Services
 65. Military Bureau
 66. Bureau of Civil Defense
 67. Bureau of Veterans Services
69. Department of Public Safety
 70. Bureau of State Police
 72. Liquor Enforcement Bureau
 73. Fire Prevention Bureau
 76. Vehicle Equipment Safety Commission
77. Department of Banks and Banking
77. Department of Insurance
78. Real Estate Commission
79. Boxing Commission
80. Harness Racing Commission
81. Running Horse Racing Commission
81. Maine Industrial Building Authority
82. Maine Municipal Securities Approval Board
83. Public Utilities Commission
84. Industrial Accident Commission
85. Chief Medical Examiner
86. Examining and Certifying Boards

88. Public Education in Maine
90. Department of Educational and Cultural Services
 95. Bureau of Continuing Educational Resources
 97. Bureau of Educational Resources
 99. Bureau of Educational Management Resources
 102. Bureau of Special Resources
 107. Bureau of Vocational Education
 109. Maine State Library Bureau
 110. State Museum Bureau
 111. Arts and Humanities Bureau
 113. Historic Preservation Commission
 113. University of Maine
 118. Orono/Bangor Campus
 121. Portland-Gorham Campus
 122. Farmington Campus
 124. Augusta Campus
 125. Machias Campus
 126. Presque Isle Campus
 127. Fort Kent Campus
 128. Maine Maritime Academy
 129. Department of Health and Welfare
 131. Bureau of Social Welfare
 132. Bureau of Rehabilitation
 133. Bureau of Medical Care
 134. Bureau of Health
 136. Bureau of Administration
 139. Comprehensive Health Planning Services
 139. Public Information and Education
 140. Department of Indian Affairs
 141. Department of Mental Health and Corrections
 142. Hospital Facilities
 144. Correctional Facilities
 146. Administrative Services
 146. Division of Probation and Parole
 147. Institutional Feeding
 149. Maine Commission on Drug Abuse
 149. Department of Manpower Affairs
 150. Maine Employment Security Commission
 151. Bureau of Labor and Industry
 152. Cooperative Area Manpower Planning System
 153. Department of Transportation
 156. Bureau of Administration
 158. Bureau of Transportation Planning and Services
 164. Bureau of Aeronautics
 166. Bureau of Waterways
 167. Bureau of Highways
 172. Land Damage Board

Section II

Statewide Functions

175. Printing and Duplicating

- 176. Telecommunications
- 177. Data Processing

Section III

Digest of Recommendations

- 181. Executive Branch
- 181. Office of the Governor
- 182. State Planning Office
- 183. Department of Secretary of State
- 183. Motor Vehicle Division
- 184. Maine State Archives
- 184. Attorney General
- 185. Law Enforcement Planning and Assistance Agency
- 185. Treasurer of State
- 185. Department of Audit
- 187. Department of Finance and Administration
- 187. Bureau of Taxation
- 187. Bureau of the Budget
- 188. Bureau of Public Improvements
- 189. Bureau of Purchases
- 190. Bureau of Accounts and Control
- 190. Maine Insurance Advisory Board
- 191. Bureau of Alcoholic Beverages
- 191. State Liquor Commission
- 191. Department of Personnel
- 192. Maine State Retirement System
- 192. Department of Agriculture
- 193. Maine Recreation Authority
- 193. Board of Pesticides Control
- 193. Department of Inland Fisheries and Game
- 194. Department of Environmental Protection
- 195. Maine Land Use Regulation Commission
- 195. Maine Mining Bureau
- 195. Department of Parks and Recreation
- 195. Department of Sea and Shore Fisheries
- 196. Forestry Department
- 196. Department of Commerce and Industry
- 197. Department of Military, Civil Defense and Veterans Services
- 197. Military Bureau
- 198. Bureau of Civil Defense
- 198. Bureau of Veterans Services
- 198. Department of Public Safety
- 198. Bureau of State Police
- 199. Liquor Enforcement Bureau
- 199. Fire Prevention Bureau
- 200. Vehicle Equipment Safety Commission
- 200. Department of Banks and Banking
- 200. Department of Insurance
- 200. Real Estate Commission
- 200. Boxing Commission
- 201. Harness Racing Commission
- 201. Running Horse Racing Commission
- 201. Maine Industrial Building Authority
- 201. Maine Municipal Securities Approval Board
- 201. Public Utilities Commission
- 201. Industrial Accident Commission
- 202. Chief Medical Examiner

- 202. Examining and Certifying Boards
- 203. Public Education in Maine
- 203. Department of Educational and Cultural Services
- 204. Bureau of Continuing Educational Resources
- 205. Bureau of Educational Resources
- 206. Bureau of Educational Management Resources
- 207. Bureau of Special Resources
- 208. Bureau of Vocational Education
- 209. Maine State Library Bureau
- 210. State Museum Bureau
- 210. Arts and Humanities Bureau
- 210. Historic Preservation Commission
- 211. University of Maine
- 212. Orono/Bangor Campus
- 212. Portland-Gorham Campus
- 213. Farmington Campus
- 213. Augusta Campus
- 213. Machias Campus
- 214. Presque Isle Campus
- 214. Fort Kent Campus
- 214. Maine Maritime Academy
- 214. Department of Health and Welfare
- 215. Bureau of Social Welfare
- 215. Bureau of Rehabilitation
- 216. Bureau of Medical Care
- 216. Bureau of Health
- 217. Bureau of Administration
- 217. Comprehensive Health Planning Services
- 218. Public Information and Education
- 218. Department of Indian Affairs
- 218. Department of Mental Health and Corrections
- 218. Hospital Facilities
- 219. Correctional Facilities
- 219. Administrative Services
- 219. Division of Probation and Parole
- 220. Institutional Feeding
- 220. Maine Commission on Drug Abuse
- 220. Department of Manpower Affairs
- 221. Maine Employment Security Commission
- 221. Bureau of Labor and Industry
- 221. Cooperative Area Manpower Planning System
- 221. Department of Transportation
- 222. Bureau of Administration
- 222. Bureau of Transportation Planning and Services
- 223. Bureau of Aeronautics
- 223. Bureau of Waterways
- 223. Bureau of Highways
- 224. Land Damage Board
- 224. Printing and Duplicating
- 225. Telecommunications
- 225. Data Processing

Section IV

Sponsoring Organizations

- 227. Sponsoring Organizations

MAINE MANAGEMENT AND COST SURVEY



**DEPARTMENTAL
REPORTS**

Executive Branch

The Executive Branch is headed by the Governor who is elected for no more than two 4-year terms.

CURRENT PRACTICES

The Executive Branch is organized into departments headed by Commissioners who report to the Governor. In addition, there are many commissions, committees, and boards which are semiautonomous. In 1972, a major attempt at reorganization was commenced. At that time, 10 umbrella departments were proposed and seven were created. Over 100 agencies are still unassigned and independent.

EVALUATION

Reorganization is far from complete. There are still too many agencies reporting to the Governor to allow him to exercise effective control over their activities. The chief executive lacks statutory authority to effectively manage the Executive Branch. The Governor's Office is frequently constricted by the Legislature which writes detailed legislation to take away prerogatives. His authority to manage many departments is limited by the concept of dedicated funds. With few exceptions, the Governor has no authority to dismiss subordinates.

Commissioners, for the most part, are selected on criteria other than experience in management. There is no central agency offering management expertise and skills. As is true in many other states, insufficient effort has been made to develop management systems including overall goals, objectives, reports, evaluations, or controls. Also, organizational nomenclature has not been standardized.

RECOMMENDATIONS

1. Convene the Legislature annually.

The Legislature meets biennially in odd years. Recently, it has been necessary to reconvene it in special session during even years to consider vital questions relating to education, social consciousness, elderly, environment, and so on.

The Legislature should be convened annually to provide a continuity of legislation in areas of annual budgeting, planning, program reactions, environmental needs, federal revenue sharing, and new federal programs. (Constitutional)

2. Apply business organization and management practices to state government whenever and wherever possible.

There are many examples of excessive costs due to the need to organize the state in a manner to en-

courage sound management practices. Improved management skills should be developed in many areas. There should be increased efforts to recruit and retain professional managers with proven records of accomplishment. Typical needs are:

- ▶ Detailed long-range objectives in the Executive and Legislative Branches.
- ▶ Long-term plans for achieving objectives.
- ▶ Personnel performance measurement.
- ▶ Program expenditure control or performance evaluation.
- ▶ Challenging assignments for managers.
- ▶ Unified cost controls.
- ▶ Accounting systems which provide timely, relevant details on variances and exceptions.
- ▶ Central staff services.
- ▶ Salary scales to attract and retain competent managers.
- ▶ Interdepartmental coordination.
- ▶ Uniform organizational nomenclature.

The Legislature often becomes involved in short-range details rather than concentrating on establishing policy emphasis to guide agency management. The Legislature should concern itself with policies and goals and the Executive Branch should present plans and budgets to accomplish them. Reduction in funds should be accompanied by corresponding curtailments in scope of affected programs.

The departments of the Executive Branch should be given work which can be measured in order that good performance by individual managers can be rewarded and poor performance disciplined and corrected.

Implementation would require revised responsibility, authority, and accountability agreements between the Legislature and the Executive Branch. Benefits would include lower costs to operate state government, higher chance of accomplishing specific programs, and greater ease in attracting and retaining accomplishment-oriented managers. Implementation would also provide meaningful measurement of individual and program performance, more freedom for the Executive Branch to make operating decisions on day-to-day administrative items, and salary scales commensurate with responsibilities. If implemented to the fullest extent, potential savings could amount to \$50-million. How-

ever, this is only an illustrative figure. The savings would take at least 3 years to achieve and be annual as long as aggressive management is continued. (Legislative/Executive)

3. Make the Treasurer of State appointive.

Historical reasons for making the Treasurer of State an elective officer are no longer germane. Responsibilities of the Treasurer are financial in nature, and efficient performance demands a high degree of career competence. He should be made appointive, with responsibility for his selection resting with the Governor. (Constitutional)

4. Make the Attorney General appointive by the Governor.

Currently, the Attorney General is selected by, and reports to the Legislature. He is charged with responsibility of providing legal counsel to all agencies. Due to the present method of appointment, he is most responsive to the Legislative Branch. This creates a conflict with the Executive Branch because of varying objectives and priorities. As a result, the Governor and executive agencies do not always receive the benefit of objective and timely counsel.

The Governor needs assistance from the Attorney General in areas such as bill drafting, rendering opinions, and representing the state in litigation. At times, it is also necessary for the Attorney General to serve as chief law enforcement officer to assist with special functions such as consumer protection and drug abuse. The Attorney General should be appointed by the Governor subject to approval by the Legislature and report to him. The Governor should have full power of his removal from office for cause. (Constitutional)

5. Amend the laws to make executive positions appointive by the Governor.

The Governor, in many cases, does not have the power of selection or removal of his top executives. This severely limits his ability to effectively manage the state. Executive positions should be made appointive. Terms of office should not be set and appointees would serve at the pleasure of the Governor. Confirmation by the Council would be required for appointments of Commissioners.

Implementation would allow the Governor to select his executive team on the basis of ability and capacity to work in consonance with him. It would also give him the power to replace them when necessary. (Legislative)

6. Make boards, commissions, and councils advisory in nature, wherever possible.

The content and control of many government programs are now vested in independent boards, commissions, and councils. The Governor, as chief ex-

ecutive, has little control or authority over their activities. They should, wherever possible, be made advisory in nature. Their advice in areas where special knowledge is needed is valuable but as a general principle, line authority for government programs should be solely vested in the Governor. (Legislative)

7. Reorganize central staff and management support functions to enhance the policy analysis, business management, and administrative capabilities of state government.

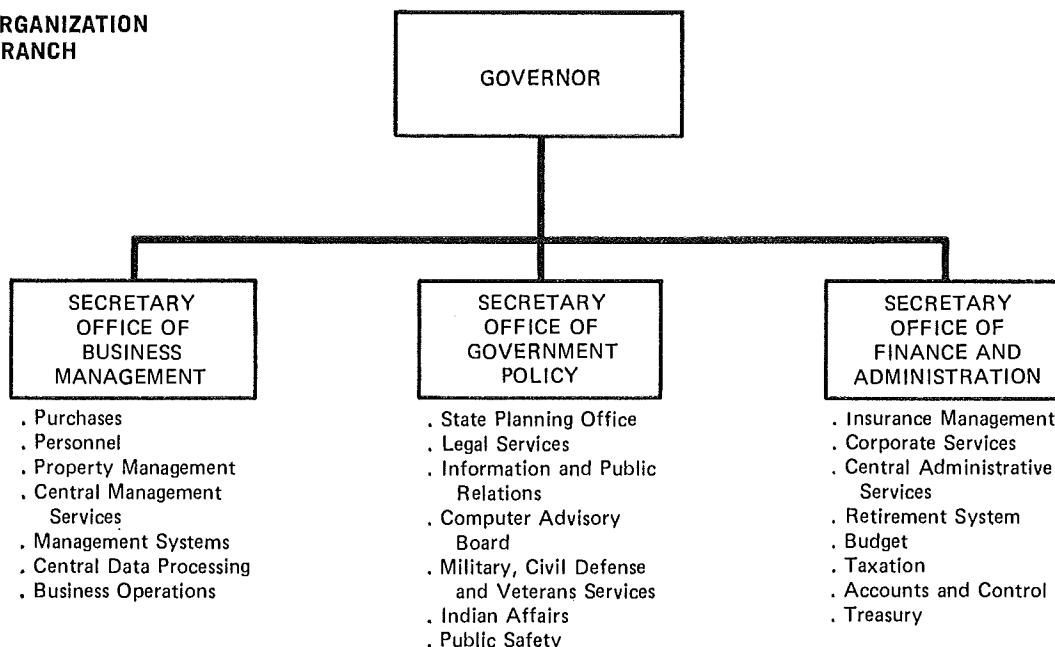
The management of government at all levels needs improvement. Modern business practices, techniques, expertise, and specialized disciplines should be available to individual agencies. Also, there is a dispersion of policy-making responsibility in all levels of state government. The number of individuals reporting to the Governor is too large for effective control.

Central staff and management support functions should be realigned to fulfill these needs. The precise organizational arrangement to accomplish this objective will require further careful study. One possible organizational arrangement would be to create three principal offices reporting to the Governor, each headed by a Secretary, as shown in the proposed organization chart to the right. This would establish the Office of Business Management, the Office of Government Policy, and the Office of Finance and Administration.

Office of Business Management— This office will have functional authority relative to all government agencies and be headed by the Secretary of Business Management who would become the Governor's chief business management aide. As constituted:

- ▶ The Bureau of Purchases would be transferred, as is, from the present Department of Finance and Administration. It is responsible for purchasing goods and services required by the state on a centralized basis. This action will enhance the overall effectiveness of purchasing.
- ▶ The Department of Personnel, reporting to the Governor, would become the Bureau of Personnel. This department is responsible for the state's Personnel Law which relates to employment by the state government.
- ▶ The Bureau of Property Management, presently the Bureau of Public Improvements under the Department of Finance and Administration, would be assigned to this office. This bureau is responsible for development of long-range public improvement programs for state departments and agencies.
- ▶ A Bureau of Central Management Services would be created to manage centralized serv-

**PROPOSED ORGANIZATION
EXECUTIVE BRANCH**



ices such as a laboratory, motor pool, printing, and similar activities.

- ▶ A Bureau of Management Systems would be created. It would be responsible for statewide work measurements, manuals, systems design, forms control, records management, management development and training, accounting systems, management engineering, as well as cost/benefit, make/buy, and build/lease justification analysis. In addition, the records management of Maine State Archives and the management analysis functions of the Bureau of the Budget will be assigned to this bureau.
- ▶ Central Computer Services, presently under Finance and Administration, would be transferred here. A new Bureau of Central Data Processing is recommended which would coordinate all facilities, operations, systems analysis, and programming. More details are contained in the Data Processing report.
- ▶ A Bureau of Business Operations would be established, and assigned responsibility for managing various state businesses including the sale of alcoholic beverages, the state ferry system, and the Maine State Pier in Portland.

Office of Government Policy — This office would be headed by the Secretary of Government Policy reporting to the Governor and becoming his chief policy aide. It will have functional authority relative to all government agencies and act as liaison be-

tween the Governor and various commissioners. Further, it would promulgate and coordinate the Governor's policies and also assume responsibility for some of the special agencies. This office would consist of:

- ▶ The State Planning Office, which now reports to the Governor. This office is responsible for providing technical assistance in identifying long-range goals and policies for the state as well as preparing plans for physical development of the state.
- ▶ Create the Bureau of Legal Services, headed by an attorney, and transfer to it the in-house legal services presently provided by the Attorney General.
- ▶ A Bureau of Information and Public Relations, which centralizes the current public relations activities of various agencies. Its responsibilities would include promotion and marketing of the state and its products, provision of an ombudsman who would operate a Citizens Assistance Office with toll-free incoming phone service charged with helping the public by answering questions or directing them to the cognizant agency, and centralized production service for the creation of public relations materials.
- ▶ Reporting responsibility of the Computer Advisory Board, created elsewhere, which would be assigned to the Secretary of Government Policy.

- ▶ The Department of Military, Civil Defense and Veterans Services, which presently reports to the Governor.
- ▶ The Department of Indian Affairs, which presently reports to the Governor.
- ▶ The Department of Public Safety, which presently reports to the Governor.

Office of Finance and Administration — The mission of the Department of Finance and Administration is different from other departments of government in that it serves them while they work for the public. Its reporting relationship should reflect this difference. The department should be placed under the Governor in a staff position, and its name changed to Office of Finance and Administration. It would have functional authority relative to all government agencies and be headed by a Secretary who would be the chief fiscal and administrative aide to the Governor. The following changes will be necessary:

- ▶ Locate the newly created Bureau of Insurance Management in the proposed Office of Finance and Administration. Duties of this bureau are the same as those previously performed by the Maine Insurance Advisory Board in the Department of Finance and Administration.
- ▶ Transfer the Corporations Section of the Secretary of State to the proposed Office of Finance and Administration and rename it the Bureau of Corporate Services.
- ▶ Create the Bureau of Central Administrative Services. It would be responsible for providing centralized functions such as mail service and designated licensing operations.
- ▶ Transfer the Division of Motor Vehicles, presently directed by the Secretary of State, to the newly created Bureau of Central Administrative Services.
- ▶ Transfer responsibility for administration of the Maine State Retirement System to the proposed Office of Finance and Administration.
- ▶ Absorb the duties, responsibilities, and staffs of the Bureaus of the Budget, Taxation, and Accounts and Control as presently constituted in the Department of Finance and Administration into the Office of Finance and Administration. (Legislative)

8. Establish an executive committee, consisting of the Governor and the Secretaries of Finance and Administration, Government Policy, and Business Management.

Business management of government and the implementation of policies and programs of the Governor

and the Legislature are hampered by the lack of a cohesive policy-making body. An executive committee of state government should be established with implementation helping to ensure that the business of government will be effectively managed and policies and programs of the Governor and Legislature are carried out. (Legislative)

9. Transfer the duties of the Treasurer of State to the Office of Finance and Administration.

The duties of the Treasurer are closely aligned with those of the Office of Finance and Administration. The present separation promotes inefficiency. The Treasurer of State should be transferred to the Office of Finance and Administration. (Constitutional)

Office of the Governor

This office is headed by the Governor, whose executive powers are specifically outlined by the Constitution of the State of Maine.

The Governor's Office has a staff of 17, consisting of 13 state and four federally funded employees. Expenditures for fiscal 1972 amounted to \$201,788. Of this, \$136,911 was for salaries and \$1,756 for capital expenditures. The estimated appropriation for fiscal 1973 amounts to \$219,872 of which \$148,052 is for salaries. Included in the totals are \$22,873 for the Council in fiscal 1972 and about \$43,930 for fiscal 1973.

The Governor meets monthly with an informal cabinet of his department heads and staff. He delegates many items. Reports from department heads are due monthly. Being informal, they mainly contain items requiring current action. Each day, the Governor's Office handles approximately 100 incoming phone calls and 40 to 100 pieces of mail requiring answers.

An office was opened in Washington, D. C., in April 1973 to provide better liaison with Augusta on federal matters. Its estimated annual cost is \$45,000. Additionally, a Canadian office was established in Augusta in October 1972 to provide closer liaison and action with Canada's provinces. The annual cost for this office is estimated at \$25,000.

Blaine House, which is adjacent to the Capitol, is provided as the Governor's residence. This house is staffed by seven employees and its operating expenditures for fiscal 1972 totaled \$67,044. Appropriations for fiscal 1973 amount to \$66,765.

The state's Executive Department includes the Division of Economic Opportunity, which provides technical assistance for administration of the federally sponsored community action programs. This func-

tion had a state appropriation of \$15,000 for fiscal 1973 and a federal grant of \$199,000. As a result of recent federal cutbacks, some of its functions were terminated on June 30, 1973. The department also includes a seven-member Executive Council appointed each 4 years by the Legislature.

The Governor's staff appears to be appropriate except for the Secretary in Augusta assigned to the Washington, D. C. office. The need is questioned for one of the four secretaries assigned to appointments and correspondence. Office functions appear informal, accountability is limited with day-to-day problems consuming most of the time.

Reporting by the staff and department heads is limited. The value of the Council has been questioned for many years and several unsuccessful legislative attempts have been made to eliminate it.

RECOMMENDATIONS

10. Eliminate the secretary to the Washington, D. C. office assistant.

In April 1973, the Governor's special assistant assigned to liaison with Washington was transferred there. He is federally funded and his secretary remained in Augusta. Her functions could be absorbed by the Governor's staff, resulting in an annual saving of \$7,900. (Executive)

11. Formalize monthly departmental and staff reports to the Governor.

Informal monthly reporting practices do not appear to provide up-to-date status on major areas of government operations. Problems should be brought to light and corrective actions planned before conditions develop to serious stages. (Executive)

12. Develop a formalized program with an action timetable for the Governor.

Day-to-day administration does not provide for, or ensure the allocation of specific time and effort to major areas or functions. A program with follow-up, would provide a basis for accomplishing the objectives and goals of the Governor. (Executive)

13. Appoint capable managers rather than specialists as department heads.

A specialist appointed to head a department or function involving overall administration generally has difficulty in controlling or managing the activity. A capable management generalist could normally produce an effective operation. (Executive)

14. Grant the Governor the right to make minor appointments.

Many appointments to minor offices take up considerable time of the Governor and the Council in

submitting names for approval, discussion, resubmission, and the like. Therefore, the Governor should be granted authority to appoint and approve candidates for minor positions. This would save time and leave all major appointments subject to approval by the Council. (Legislative)

15. Centralize records involving appointments.

The Governor, department heads, and others maintain manual records of appointees, names, addresses, titles, date appointed, party affiliation, and so on, to ensure compliance with statutes. This represents a costly duplication of records. A centralized records listing, produced once a month, would ensure up-to-date information. Automatic data processing techniques should be considered as a means of processing these records. (Executive)

16. Reduce frequency of Council meetings during legislative sessions.

The Council meets nearly every day during legislative sessions. However, its regular work load does not increase in this period. Functions could be managed effectively by meeting less frequently. (Executive)

17. Use a part-time secretary for the Council.

A secretary is needed only when the Council is in session. Therefore, provision for a full-time employee should be discontinued. Implementation will save \$3,000 annually. (Executive)

State Planning Office

This office coordinates and develops the planning responsibilities of Maine's government. The State Planning Act gave it responsibility to provide technical assistance to local and regional planning groups to identify long-range goals and policies, prepare comprehensive plans for the state's physical development, conduct continuing economic analyses, as well as establish a data center.

The State Planning Office is headed by a director who is appointed for a 5-year term by the Governor with the Council's approval. At present, there are a total of 29 employees. Annual payroll costs are derived from \$136,000 of state and \$79,000 of federal funds. Its appropriation for fiscal 1973 amounts to \$271,000. Of this, \$120,000 is for administration and \$151,000 for matching federal contributions of \$583,000. With unexpended balances from prior years, about \$1.09-million is available for fiscal 1973.

Basically, the office has concentrated its efforts on major areas including planning for state government reorganization. An effort was initiated to develop

a state policies plan, and assist the Departments of Inland Fisheries and Game and Sea and Shore Fisheries in developing the Maine Information Display Analysis System (MIDAS). In addition, coordination of regional and local planning groups is a function of the office's regional planning assistance group which reviews applications for federal assistance.

Initial efforts directed toward state government reorganization provide a framework to reverse the proliferation of independent groups which achieve limited objectives. Departmental endeavor in formulating programs in the State Policies Plan has not been uniform. Some progress in data standardization has been achieved with a Standard Geographic Code and a statewide system of official planning and development districts. Availability and retrievability remain restricted as they are tied to the development of MIDAS and its acceptance by data generators and users. Little has been done to develop the Maine Comprehensive Plan. There is only slight evidence that budgeting takes into account long-range plans.

Because the state has only made a limited monetary commitment to planning, priorities are set by the availability of outside funds. This has led to fragmentation of the planning effort, duplication of research, and curtailment of ongoing programs.

Additionally, efficiency is impaired because units of the office are dispersed throughout Augusta. Fees paid to outside attorneys are high compared to equivalent services furnished by the Attorney General's Office.

RECOMMENDATIONS

18. Continue efforts to complete state government reorganization.

Several major departments remain to be created and an indeterminate number of independent agencies have not been assigned within the new organization structure. Continuing effort is necessary to complete the reorganization. The resulting structure will alleviate administrative overburden on the Governor, and group current independent agencies into functional units. (Executive)

19. Redefine the mission of this office.

As set forth in the State Planning Act, the mission of the office is broad and encompasses all planning activities. Responsibilities of the State Planning Office should be limited to those functions which cannot be performed effectively at the departmental level. These would include development of a state plan, generation of a management information system, coordination of departmental planners' activities, and coordination of solicitation and distribution

of federal funding for planning activities. This limitation should allow the office to reassign many of its activities and functions to other governmental departments. (Executive)

20. Establish a planning policy advisory committee to generate support for and understanding of the planning process.

Benefits to be derived from effective planning are not being realized. This office can do a good job only if it is given adequate direction, guidance, and support. Because of this, a bipartisan committee, consisting of leaders of the Legislative and Executive Branches, should be established. It should decide on a description of Maine's future, using staff support of the office to construct models, identify parameters, and articulate its findings into a working document. (Legislative/Executive)

21. Create a working committee of departmental planners.

Many of the gaps and overlaps in the present planning process are due to lack of communications. A working committee of departmental planners should be established by the Governor with an initial mission to take inventory of planning being performed at the departmental level, examine statistical information being developed, contribute to the development of a statewide information system, and work toward standardization of techniques and data base. (Executive)

22. Redesign the Maine Information Display Analysis System (MIDAS) so it will function as a statewide management information system.

In its present design, the Maine Information Display Analysis System (MIDAS) has limited application. Its programs are unwieldy, undependable, and do not take advantage of third-generation computer technology. Conceptually, MIDAS is suitable as the basis for a statewide management information system. However, it must be redesigned to fulfill this function and reprogrammed to ensure dependability and responsiveness to user needs. The initial cost of design and programming is estimated at \$50,000 or less. (Executive)

23. Amend the State Planning Act to read "coordinate development of a Maine Comprehensive Plan" instead of "develop a Maine Comprehensive Plan."

The definition of the plan is a description of the desired result of the state's entire planning process. Much of the input should be at the departmental level. By amending the language, the mission of the office will be put in its proper perspective. Further, cooperation will be enhanced by working toward a common goal. (Legislative)

24. Develop economic, demographic and geographic models of the state against which the effects of alternative actions can be tested.

Currently, many policy decisions are made without the benefit of scientific testing techniques. Furthermore, no efforts have been made to agree on basic assumptions such as growth factors in projections. Development of scientific models would provide uniformity of basic assumptions and offer decision-makers a valuable tool to test the effects of various alternatives. These models need not be computerized or sophisticated. The one-time cost to establish this program is estimated at approximately \$100,000. (Executive)

25. Transfer the economist assigned to the Department of Commerce and Industry.

The State Planning Office is charged with conducting continuing analyses of the economy and resources of the state. However, no one on its staff is qualified to do so. The addition of an economist would enable the office to conduct economic analyses which would produce information vital to the planning process. (Executive)

26. Participate in development of a comprehensive program-oriented long- and short-range budgeting system.

The chain between overall planning and short-range budgeting is missing several links. This makes it virtually impossible to tie the two together and identify long-term effects of programs and long-range cost commitments. This office should cooperate with the Budget Office in the development of a program-oriented long- and short-range budgeting system. No tangible savings may result. However, the ability to assess effectiveness of the programs and their long-range costs would give the state greater control over its spending and provide better value for the money expended. (Executive)

27. Orient the current State Policies Plan toward programming.

Format of the State Policies Plan requires each department to set forth its major policies, goals, and objectives. The present situation is described, accomplishments are summarized, and proposals to achieve objectives are formulated. No timetables or figures are required.

This document should require well-defined program-oriented 5- to 10-year plans including timetables and estimates on costs, capital investments, employment, and results expected. Implementation will form the link between overall planning and budgeting, aid in establishing program priorities, and provide the basis for qualitative performance review. (Executive)

28. Make the State Planning Director a member of the Part II Budget Review Committee.

Insufficient consideration is given to the long-range aspects of new programs being reviewed in the Part II budget. Inclusion of the State Planning Director on this committee would provide a long-range perspective to deliberations by verifying that proposed programs are in the state's best interest and compatible with the department's 5- to 10-year plans. (Executive)

29. Merge the Urban Planning and Regional Planning Assistance units.

Functions of these units are similar in that they deal with programs at the local level. By merging them and relocating the Director of Urban Planning in the State Planning Office Building, a more coordinated approach to local assistance could be attained. A secretarial position could be eliminated at an annual saving of \$6,000. Rented space at an annual cost of \$2,100 would be released. Of these savings, \$1,900 will be realized by the state and \$6,200 by the federal government. (Executive)

30. Assign a lawyer from the Attorney General's staff to this office.

Frequently, the State Planning Office is involved in drafting legislation. In fiscal 1972, \$23,000 was paid to private attorneys at a minimum fee of \$35 per hour to draft bills. The full cost of lawyers from the Attorney General's Office is \$10 per hour, based on median salary. Therefore, assignment of an attorney from that office would reduce costs by 71%. Applied to fiscal 1972 costs, this would represent an annual saving of \$16,400 to the federal government. (Executive)

31. Transfer the responsibility and staff of the Coastal Planning unit to the Department of Environmental Protection.

This unit performs resources planning. However, overall responsibility for this function is assigned to the Department of Environmental Protection. The unit should be transferred to align function with responsibility. Rented space, costing \$2,100 per year, can be released. (Executive)

32. Transfer the responsibility and research staff of the Water Resources Planning unit.

This unit performs resources planning. However, overall responsibility for this function is assigned to the Department of Environmental Protection. The unit should be transferred to align function with responsibility. Rented space, costing \$2,700 per year, can be released. Duplication of administration can be avoided by eliminating the head of the Water Resources Planning unit at annual savings of approximately \$15,500. (Executive)

Department of Secretary of State

The Secretary of State is elected biennially by the Legislature for a term of 2 years. Principal duties of this department are to administer ballot preparation and delivery for statewide elections, referendums, and primaries, as well as engross legislative bills.

Also, it operates the Corporation Section, commissions notaries and justices, files annual corporate reports, and articles of incorporation. In addition, the Secretary has responsibility for the Bureau of Archives and the Motor Vehicle Division.

CURRENT PRACTICES

The staff of the department consists of 20 persons. Additional seasonal help is required at election time. Its total estimated expenditures for fiscal 1973 amount to \$264,611 as compared to \$262,976 in fiscal 1972.

The Election Division, headed by the Deputy Secretary, is responsible for preparing and maintaining all material for state elections and primaries. This division is also responsible for engrossing legislative bills and maintaining files of passed legislation for distribution.

The Administrative Division, supervised by the Secretary of State, is operating on a fiscal 1973 budget of \$124,500. It consists of the Secretary's staff and the Corporations Section. This section's revenue amounted to \$354,020 in fiscal 1972 and an estimated \$380,000 for fiscal 1973. Corporations maintains files on and collected \$94,000 in annual filing fees from 12,465 domestic and foreign firms in fiscal 1972. In addition, it processed 1,318 articles of corporation which resulted in fee revenues of \$21,000.

Fees in the amount of \$148,362 were collected in fiscal 1972 from the maintenance of Uniform Commercial Code lien files and the numerical index book by corporations. Additionally, fees of \$26,020 were received in fiscal 1972 from the commissioning of 2,757 notaries and justices.

EVALUATION

The Election Division is staffed on the theory of elections being held every 2 years. It does not consider the present-day stress of referendums, court decisions, and regulations affecting election work loads.

In Corporations, processing and mailing of over 12,000 corporate annual reports has only been computerized to the extent of preparation of gummed

address labels. Overlap occurs in duplicate mailings to collect corporate franchise taxes by the Bureau of Taxation.

Under statute, a corporation becomes liable for a \$25 fine if the filing fee has not been paid by June 1. Corporations failed to prepare and forward the list of about 2,125 delinquents to the Attorney General until October 9, 1972.

The commissioning of notaries and justices requires an elaborate 10 by 15-inch certificate with a blue seal. Each must be approved by the Council as well as signed by the Governor and the Secretary of State. Economies would result from reducing the size of the renewal form and only requiring the signature of the Secretary.

RECOMMENDATIONS

1. Permit the Secretary of State to issue renewal commissions to notaries and justices without approval from the Governor and Council.

Presently, the procedure of issuing renewal commissions to notaries and justices is the same as for the original. On renewals, the Secretary should be permitted to issue a small 3 by 6-inch renewal card. The reverse side would record instructions and the oath of office. The attest form would note the date of renewal.

When implemented, the time of two commission clerks would be reduced by 33% and use of forms curtailed. This would result in estimated annual savings of \$4,000. (Legislative)

2. Preaddress, machine stuff, and stamp the annual report form mailed to corporations in the state.

Preaddressed gummed labels for each corporation are now prepared by computer from punched cards. Labels must be attached to envelopes before they are hand-stuffed for mailing.

To permit desk audit of returned reports without reference to the file, the authorized capital stock should be coded on the annual report. To eliminate application of gummed labels, the report and filing instructions should be machine-stuffed into window envelopes and stamped by equipment in the Motor Vehicle Division.

Returned reports will be desk audited. The only reference to the file would be to note the fee payment date. Savings in clerical work and labels are estimated at \$4,400 annually. (Executive)

3. Amend the statute concerning a \$25 fine to be recovered by the Attorney General through civil action for late filing of a corporation's annual report to a \$25 penalty assessable by the Secretary of State.

Effective January 1, 1972, corporations became, through statute, liable for a \$25 fine to be recovered in civil action by Attorney General for reports not filed by June 1. The 1972 delinquent list was not furnished the Attorney General until October 1972, at which time it included the names of approximately 2,100 corporations.

Since then, about 50% of the delinquents have paid, but no fines have been collected. At present, some 1,000 delinquents are subject to the \$25 fine. By making the fine a penalty, automatically assessable by the Secretary of State after June 1, it would be possible to tighten up on delinquent payments and collect an estimated revenue from penalties of \$42,000. (Legislative)

4. Repeal the present corporate franchise tax and recover revenue losses by an adjustment in the proposed annual report fee.

At present, collections of corporate franchise taxes and annual corporate fees are performed by the Bureau of Taxation and the Secretary of State, respectively. Legislative Document 1251 proposes elimination of the duplicate effort of double mailings and follow-up on delinquents. However, the suggested increase in corporate report fees to \$20 will only provide additional revenues of approximately \$120,000 as compared with franchise tax income for fiscal 1972 of over \$320,000. The annual corporate report fee schedule should be adjusted upward to eliminate the resulting \$200,000 loss of revenue. This can be accomplished by a flat fee of \$35 for each corporation or by adding the present corporate report fee of \$10 to the annual franchise tax schedule. The latter would produce a sliding scale of annual fees of \$20 to \$110. (Legislative)

5. Institute prepackaging of ballots.

The Election Division presently contracts with an outside publisher to print ballots. When received they are checked and packaged for mailing to municipal clerks. Seasonal help for this operation in fiscal 1972 cost \$13,958. The printer should prepackage the ballots in bundles of 75 with a copy pasted on the outside for checking. This should decrease the need for seasonal employees by 66% and produce annual savings of \$9,300. (Executive)

6. Mechanize municipal clerk information filing and addressing.

Presently, the Election Division maintains two identical index card files of municipal clerks. All ma-

terial is hand-addressed. These files should be maintained on data-entry cards and each municipality assigned a numeric designator for ease of filing and automatic label addressing. Implementation would reduce the time of a seasonal employee by 50% and provide annual cost savings of approximately \$2,000. (Executive)

Motor Vehicle Division

This division processes applications; issues and controls automotive registrations, operators' licenses, new and used car dealer certifications; accumulates court records; suspends licenses and registrations; holds hearings; and conducts driver's tests.

This division has 202 permanent and 39 part-time employees. Expenditures for fiscal 1972 amounted to \$2,617,446 and fee revenues totaled \$15.5-million. In fiscal 1973, it is operating on a budget of \$2,230,192, of which \$1,225,896 is for payrolls. Operations are managed by the Bureaus of Finance and Administration, Public Services, Data Processing, and Driver Licensing.

Finance and Administration receives, accounts for, and deposits revenue received at the main office. It prepares monthly reports of registration sales, licenses, permits, and examinations, and procures forms, supplies, and equipment. In addition, it maintains ledgers of expenditures and revenues and prepares budgets and allotments. Public Services maintains a numeric file of registrations by plate number; manages registrations of automobile dealers, and keeps records of sales, temporary plates, insurance and place of business. Data Processing provides the division with processing and systems service and maintains the motor vehicle driver history and licensing system. Driver Licensing receives and processes applications for motor vehicle driver examinations, and schedules and conducts eye, written, and road tests at 26 locations. It also receives, processes, evaluates, and files 48-hour motor vehicle accident reports, as well as prepares and executes suspension notices whenever required.

The organizational structure of this division has resulted in duplication of effort and files as well as unclear lines of functional authority and responsibility. With improved manual procedures, the work load would be reduced. This could allow reduction of personnel or assumption of similar activities being performed by other departments.

The division's work load is unbalanced because too many types of licenses and registrations are renewable on a certain date. Records retention schedules are unrealistic and are not followed. Fees charged

for many services are insufficient to cover activity costs and the lack of performance standards has resulted in overstaffing.

RECOMMENDATIONS

7. Transfer the registration of airplanes to the Motor Vehicle Division.

Motor Vehicle offices have the equipment, facilities, and personnel necessary to process airplane registration. They could do this with minor increases in current operating expenses and at a substantial reduction in the present registration cost of the Bureau of Aeronautics. This function, therefore, should be transferred to the Motor Vehicle Division.

All other activities relating to airplanes should remain within the present organization. It would receive all revenue less operating expenses incurred. (Legislative)

8. Schedule driver examinations to make maximum use of field examiners.

The division's field examiners, under present procedures, are not working at full capacity. An efficient system of scheduling driver examinations should be instituted. This would enable the division to eliminate a supervisor and four field examiners for annual savings of \$46,000. Also, five automobiles can be released to provide one-time savings of \$10,000. Operating costs of these vehicles, at \$9,000 per year, will also be saved. (Executive)

9. Stagger the expiration date for motor vehicle registrations.

Presently, all motor vehicle registrations expire on February 28 of each year. This single date causes a concentrated work load and requires employment of 20 temporary clerks from January 10 to February 28. Registration periods of motor vehicles should be staggered. They should be determined by using the last digit of the registration number or, in the case of lettered plates, by the last letter. This method would spread the work and eliminate the necessity of employing temporary help at an annual cost of \$12,000. (Legislative)

10. Place the division's copy of operator licenses in a bulk file for storage after it has been entered into the computer.

At present, after an operator's license has been entered into the computer, the copy is filed and kept for 2 years before being stored. This duplication is of questionable value. Copies should be stored in bulk immediately after information has been entered into the computer. Filing hard copies occupies a clerk, whose position can be eliminated at an annual saving of \$4,900. (Executive)

11. Increase the fees for drivers' examinations to recover costs.

About 60,000 drivers' examinations were given during calendar 1972. At current fees of \$3, the revenue produced amounted to \$180,000. However, salary costs for fiscal 1973 amount to \$625,000. The fee should be increased to recover costs. If the fee were set at an amount sufficient to recover current costs, an increase of \$445,000 would result. (Legislative)

12. Validate registration plates issued to municipalities by certificate so they will be good for a 6-year period.

At present, plates are issued for a period of 1 year. The cost of manufacturing and handling 5,000 municipal plates is approximately \$2 each. However, certificate costs would be \$0.50 or a saving of \$1.50 a year except when new plates are issued. Annual savings of \$7,500 are claimed. (Legislative)

13. Assess a fee of \$25 for investigating an application for new car or used car dealer plates and loaner or equipment plates.

An automobile dealer applies to this division for dealer plates. If his request looks reasonable, the Dealer Licensing Department refers the application to an inspector who calls at the dealer's place of business and completes a form. In fiscal 1972, 238 examinations were conducted. If a fee of \$25 each were imposed, the approximate salary of the inspector would be recouped. An annual income of \$5,900 would result. (Legislative)

14. Charge for reserved numbered registration plates.

Reserved registration plates consist of those with four figures and certain others which are selected out of sequence. In each case, special handling is required. To cover the extra cost, a charge of \$5 should be made. Since there are 9,999 four-figure plates and some 500 higher numbers reserved, the increased income to be derived would be about \$52,500. (Legislative)

15. Conduct a work measurement study to develop standards of performance and optimum staffing levels.

The major part of the division's operation is a repetitive manual activity. Each year, approximately 1.5-million items are handled. Because of this volume, work methods are of primary importance. About 100 clerks are involved at a payroll cost of \$500,000.

A work measurement study should be conducted to develop performance standards and optimum staffing levels. Benefits are estimated at a 10% reduction or \$50,000 in salaries. Such a study might have a one-time cost of \$25,000. (Executive)

16. Establish fee schedules which recover the costs of services.

Fees and charges are established or continued without regard to the cost of the item or service concerned. In many cases, present fees are insufficient to recover costs. A cost analysis of each service should be made. Fee schedules should be based on these analyses to recover costs. These analyses can be performed internally at no additional cost to the state. (Legislative)

17. Initiate records retention schedules and purge files of all unused, unnecessary, and duplicate records.

Too many records are maintained for periods longer than necessary. They occupy space which could be better utilized for other purposes. Records retention schedules should be established and enforced. When implemented, useless and redundant files will be disposed of and the space they occupy released for better use. (Executive)

18. Discontinue receiving and filing teletype information regarding stolen cars.

The Communication Section receives teletype reports on all cars stolen or recovered. More than 40 such reports—in duplicate—were processed on April 23, 1973. One copy goes to the numerical file and another to the Registration Section. When received, they are filed and no use is made of them. The practice of distributing and filing these reports should be discontinued. Some savings will be attained but none are claimed. (Executive)

19. Transfer the activities of six investigators to other departments and eliminate the vacated positions.

Investigators check driving complaints, petitions for restoration of a suspended license or regulation, serve notice of suspension, pick up drivers' licenses or registrations following suspension, attend hearings, and so on. Such functions, which consume about 85% of their time, could be performed more effectively and efficiently by the State Police. Investigators also collect dishonored checks. This activity, which consumes 10% of their time, could be managed more efficiently by the Attorney General. Furthermore, they examine new and used car dealers and transporter and equipment dealers. This activity, which takes only 5% of their time, should be transferred to the Public Services Examiners Section. Reassignment of duties to other units will enable these six positions to be eliminated at an annual saving of \$60,100. In addition, travel expenses of \$11,700 will be saved. Automobiles assigned to these investigators can be disposed of to provide a one-time income of \$12,000. (Executive)

20. Restudy the feasibility of automating the motor vehicle licensing records system.

The present manual records system is not efficient and does not have good cross-referencing capabilities. During the peak registration period, it takes 3 months to update the files. In 1972, there were 700,000 motor vehicles registered. Computers can handle this data base effectively and efficiently.

Accurate recordkeeping and rapid response to inquiries will contribute to improved service to the highway safety program, police, and public. A recent study indicated such automation could be accomplished, but implementation costs appeared excessive. This proposal should be restudied. (Executive)

Maine State Archives

Maine State Archives is a staff agency which plans and administers a government-wide program to promote record management and disposal practices. It provides assistance to state agencies, selects, manages, preserves, and services valuable records.

This unit had operating expenditures of \$265,000 in fiscal 1972 and has 17 employees in fiscal 1973. Currently, it is comprised of the Bureaus of Archives Services, Administrative Services, and Records Management Services.

Archives Services manages the Processing Projects, Reference Services, and Research and Publication Divisions, as well as field services. Administrative Services is responsible for Staff Services, Repair and Reproduction, and the Training Information Education Divisions. Records Management Services is accountable for retention and disposal, audits and surveys, technical assistance, and preservation of essential records.

Maine State Archives occupies approximately 24,800 square feet of space, two-thirds underground, in the Cultural Building. Of this, 15,300 square feet is used for storage and the remainder for administration, laboratory, and public area. In addition, the agency recently acquired 6,000 square feet to house records until they can be destroyed or moved.

Only documents of historical or continuing legal significance are placed in permanent storage. There they are treated, preserved, restored, or duplicated in the laboratory.

Since early 1972, when its storage facilities were activated, over 50,000 cubic feet of records from state agencies have been taken in, boxed, labeled, and stored. Over 60,000 cubic feet of noncurrent material remains in generating departments.

This agency is organizationally misplaced. It has a good internal organization and professional staff.

However, the clerical and manual staff is inadequate. Space is available, but some renovation is required in the records center.

Maine State Archives has been unable, due to lack of personnel, to eliminate a considerable backlog of noncurrent records lodged in government agencies. Much sophisticated equipment exists, but is underused due to lack of demand and competent operators.

RECOMMENDATIONS

21. Review the law regarding destruction of records.

Present statutes prohibit destruction of any record without written approval of the head of the generating department, the State Archivist, and the Archives Advisory Board. Others prescribe specific retention schedules for certain types of documents. These laws are unnecessarily restrictive and their existence has impeded development of realistic retention schedules.

The general law regarding destruction of records should be amended to enable the adoption of realistic retention schedules. In particular, the laws prescribing specific retention schedules for certain documents should be reviewed. (Legislative)

22. Establish an internal records management service.

Few government agencies have efficient records management systems. They need expert help in installing them. A records management service should be established within state government. It would work with agencies in establishing retention schedules and developing procedures so they can dispose of unneeded records and manage those which are retained. (Executive)

23. Abandon the program of providing a half-way house for records on the way to destruction or the Archives.

Establishment of a records management service has been suggested elsewhere. Upon its implementation, the maintenance of a central records management program becomes unnecessary. This program should be abandoned and the records center closed. The staff of the Bureau of Records Management Services would then be available to devote full-time to designing records management systems. (Executive)

24. Institute a program with temporary or contractual help to dispose of records in the records center.

The Archives has a large backlog of records which have not been processed and earmarked for eventual destruction or permanent retention. A crash

program to process and dispose of these records should be instituted. Temporary or contractual help should be employed to implement the program. The one-time cost is estimated at approximately \$150,000. (Executive)

25. Accept only material which must be retained.

Much material finds its way to the Archives which will eventually be destroyed. With the installation of efficient records management systems, such data will be retained in the generating agency until they can be destroyed. Archives should accept only those records which must be retained permanently. This would significantly reduce space requirements and obviate the need for acquiring additional space. (Executive)

26. Transfer responsibilities and personnel of the Bureau of Archives Services to the Maine State Library Bureau.

The function of this bureau is similar in nature to that of the library. Its responsibilities should be transferred to the Maine State Library Bureau to provide administrative economies. (Legislative)

27. Establish a schedule of laboratory fees based on cost of service.

This laboratory charges government agencies and others for performing work only on the basis of materials used. Charges should be revised and based on the full cost, including labor, materials, and overhead. (Executive)

28. Transfer microfilming equipment and operating personnel to the proposed Bureau of Central Management Services.

In the proposed reorganization of the Executive Branch, the Bureau of Central Management Services is given responsibility for providing centralized microfilming services. Therefore, the microfilming equipment of Maine State Archives should be transferred along with operating personnel to that bureau. (Executive)

29. Abolish the Bureau of Administrative Services.

With transfer of the records management services and the Archives services functions to other government agencies, this bureau is no longer necessary. It should be abolished. Five positions can, thereby, be eliminated at annual savings of about \$39,400. (Executive)

30. Abolish the Maine State Archives as an organizational entity.

All functions of Archives have been transferred to other government agencies and its continued existence is no longer necessary. Therefore, it should be abolished. Implementation would eliminate the position of State Archivist and provide annual savings of \$19,200. (Legislative)

Attorney General

The Attorney General is elected biennially by Legislature. He is empowered to appoint such assistant attorneys general and detectives as required. His broad responsibility is to represent Maine in all civil actions and proceedings in which the state may have an interest. Additionally, he is responsible for coordinating criminal investigation and prosecution and rendering written opinions on questions of law raised by members of state government.

CURRENT PRACTICES

The Attorney General's staff is comprised of 39 positions which include three deputy attorneys general, 22 assistant attorneys general, and other support personnel. During fiscal 1972, this office expended \$704,000 from general funds and approximately \$41,000 in federal funds appropriations. Federal expenditures are related primarily to the employment of assistant attorneys general to work in the Alcohol Safety Action Program (ASAP) and a Law Enforcement Education Section. Organizationally, the office consists of the Civil, Administration, and Criminal Divisions. Each is headed by a deputy attorney general.

Civil is primarily responsible for taking care of litigations pertaining to the state. Its 13 assistant attorneys, two law clerks, and one clerk-steno assist the deputy attorney general. Case and opinion assignments are controlled and supervised by the deputy for those attorneys located in the Attorney General's Office. Administration consists of a deputy attorney, a law clerk, an accountant, and an assistant attorney who works in the Department of Health and Welfare. Criminal coordinates all criminal investigation and prosecution, with specific responsibility for homicides and other major crimes. It consists of a deputy attorney general, six assistant attorneys general, and six support staff members. This division's Consumer Protection Section is responsible for investigating consumer complaints and bringing prosecution where appropriate. Its Law Enforcement Education Section provides to improve the educational services provided to criminal justice personnel. The Alcohol Safety Action Program within this division prosecutes drunken driving cases in York and Cumberland Counties.

EVALUATION

The Attorney General is committed to accept nearly any legal matter brought to his attention by a member of state government. Although the organizational structure is effective, the deputy attorneys are charged with excessive office responsibilities. In

addition, the lack of time reporting and work load reporting hinders a full understanding of attorney utilization and scheduling. Similarly, the office lacks an adequate personnel review system, and does not provide for salary increases on the basis of merit.

The staff attorneys generally appear to be highly motivated in their work, often working under poor conditions. However, the office has historically suffered a high turnover of attorneys after 3 or 4 years of employment.

RECOMMENDATIONS

1. Fill the budgeted position of clerk.

Many administrative duties, involving daily routines of the office, are carried by the deputy attorneys general. This burden detracts from their ability to adequately supervise the assistant attorneys.

The office should fill its budgeted position of clerk to act as an office manager and relieve the deputy attorneys of their nonlegal duties. This person would be responsible for timely preparation and analysis of monthly management reports. (Executive)

2. Develop monthly time reports.

Prior to May 1973, this office did not require attorneys to record their time. Each is now obligated to record time on a daily basis. However, no plan has been established for summarizing this information and reporting it to the deputy attorneys on a timely basis. Development and use of reports will provide the deputies with a basis for supervising activities of their assistants. (Executive)

3. Establish monthly backlog reports in the Civil Division.

With the exception of attorneys working in the Bureau of Taxation, the Civil Division does not prepare any formal report of its work load activity. Such a report should be prepared on a monthly basis to illustrate the work load of each attorney. Implementation would improve awareness of work loads, aid scheduling efforts, indicate areas of increasing work, and assist in supervision (Executive)

4. Establish a system to provide a continuing evaluation of attorney performance.

The office lacks an adequate system for recording a continuing evaluation of attorney performance. An appropriate system should be developed which will provide an effective and periodic evaluation. It should be performed at least quarterly and discussed with the attorney to provide an opportunity for feedback. This evaluation should be documented in writing to provide a continuing record of the at-

torney's performance and be filed in his personnel folder. (Executive)

5. Initiate a system for merit salary increases.

Historically, all attorneys have received the same rate of salary increases. This procedure does not reward outstanding performance. A system of salary increases should be initiated which considers performance as a basis for financial rewards. (Executive)

6. Investigate attorney retention problems.

Within the past 10 years, the Attorney General has lost 31 assistant attorneys. Over 75% of these professionals left before spending 4 years with the office. Rapid turnover hinders effectiveness due to training costs, scant expertise development, and lack of continuity. Conversely, the cost of higher salary levels and retirement benefits are avoided. The state should recognize the effects of this turnover problem and take steps to investigate the situation. (Executive)

7. Establish a policy of timely staff meetings.

The office lacks a formal policy concerning staff meetings to bring the attorneys together. In the past, meetings have not taken place on a regular basis although they are tentatively scheduled. The office should establish a policy of timely staff meetings with meaningful agendas. (Executive)

8. Discontinue the practice of departments other than the Attorney General employing assistant attorneys general.

Currently, four assistant attorneys general are maintained by departments other than the Office of Attorney General. Although cooperation between these departments and the office appears to be good, this practice detracts from the professional stature of the assistant attorneys and creates a question as to whom they are responsible.

Funds budgeted to support these positions should be transferred to the Attorney General, and the practice of hiring assistant attorneys general by

other departments should be discontinued. Implementation will centralize the Attorney General's control over employment of assistant attorneys general. (Legislative)

9. Provide better office space.

Several attorneys work under highly undesirable conditions. Their desks are located at secondary levels over the main office and are subject to high noise levels. Access to some of these offices is rather perilous, requiring negotiation of a steep, narrow, circular staircase. Better working conditions should be provided to increase efficiency and effectiveness. (Executive)

10. Issue monthly reports to the Attorney General summarizing legal expenditures by departments and agencies.

The Attorney General lacks a control whereby he could determine the economics of increasing his staff to meet the rising demands of departments. Since expenses for legal services are recorded in special accounts, the Bureau of Accounts and Control should submit a monthly report to the Attorney General summarizing these expenditures. This information would provide an objective basis for determining the economics of increasing the Attorney General's staff or continuing the use of private counsel. (Executive)

11. Increase the Civil Division staff by three assistant attorneys general.

This division is responsible for providing legal services to departments. However, it has been unable to accept all work due to inadequate staffing. Expenditures by departments for outside legal counsel during fiscal 1972 amounted to at least \$165,000. To reduce these expenses, the state should provide funds to expand the staff by three. The increased level would allow the division to accept work performed by private attorneys at \$35 an hour. The cost of hiring these additional attorneys is estimated to be \$45,000. Net annual savings are estimated at \$120,000. (Legislative)

Law Enforcement Planning and Assistance Agency

This agency is responsible for developing plans to coordinate the efforts of state, county, and local agencies for improving the statewide system of law enforcement.

CURRENT PRACTICES

The Maine Law Enforcement Planning and Assistance Agency (MLEPAA) is operated under the direc-

tion of a Board of Directors, whose members are appointed by the Governor. Administration is supervised by the Executive Director. This agency receives block-grant funding from the federal Law Enforcement Assistance Administration (LEAA). The federal government assumes 90% of the planning costs and 75% of the cost and of implementation of programs, with the balance from state or local sources.

The agency, with a staff of 23, has shown a rapid growth due to increased reporting requirements of the federal government. Also, its planning fund base has been increased from \$100,000 to \$200,000 per year for fiscal 1973.

State expenditures for fiscal 1972 amounted to \$60,000. As a result of the new cash matching requirements which became effective July 1, 1972, expenditures for fiscal 1973 are estimated at \$200,000. Federal funding for fiscal 1972 amounted to \$2.3-million and is expected to approach \$3-million for fiscal 1973.

EVALUATION

The agency is staffed by professionals who display a high level of motivation toward improving law enforcement systems. As a result of additional federal funding for planning purposes, efforts are underway to develop more effective grant management and evaluation procedures. However, financial reporting is somewhat lax due to staff changes and concentration of efforts to establish a statewide planning base. The agency maintains duplicating and printing capabilities far in excess of current or anticipated requirements.

RECOMMENDATIONS

1. Develop a timely financial reporting system.

There is a lack of financial reporting on either a timely or readily understandable basis. The staff has recognized this weakness and is recruiting an independent public accountant to prepare receipts and disbursements reports for fiscal 1972. A schedule of reporting should be established and reports should include statements of committed federal funds available and obligations outstanding on grants. This would provide the board with information to base management decisions on. (Executive)

2. Eliminate the duplicating equipment.

Currently, the agency is leasing a duplicating unit at a monthly cost of \$621. It is used at approximately 30% capacity. The lease should be terminated and the agency use other facilities. (Executive)

3. Study the feasibility of downgrading the copying equipment.

At present, the agency leases a copying machine at a minimum monthly cost of \$450. Because it is not used at capacity, a determination should be made as to whether a less expensive unit would satisfy requirements. Savings are claimed in the report on Printing and Duplicating. (Executive)

Treasurer of State

The State Treasurer is elected by joint ballot of the Legislature every 2 years. He maintains custody of, and is responsible for receipt and disbursement of state funds. Other functions include investing trust and regular funds, processing bond issues, as well as protecting and servicing negotiable securities.

CURRENT PRACTICES

The State Treasurer's department operated on an appropriation of \$170,000 in fiscal 1972. Of this, \$87,000 was for salaries. Administrative functions provide for overall department control, estimate of cash flow requirements for servicing the state debt, and regulation of balances in depositories. Investments are limited by legislation to U. S. Government obligations, certificates of deposit, time deposits, and repurchase agreements. As of February 28, 1973, these investments totaled \$115-million and were recorded at cost.

Routines require delinquent accounts be processed in a timely manner. However, accounts are frequently in excess of 120 days old when received. Cash receipt functions involve intake and subsequent deposit of revenue collected by local departments.

Income summaries submitted by all departments are reconciled to respective deposit slips.

Principal disbursement functions involve sorting, mailing, and distribution of checks including payroll disbursements prepared by the State Controller's Office. Check requests are also prepared for department disbursements and various municipalities.

EVALUATION

Present cash-management routines have resulted in excessive balances remaining idle. Balances are allowed to build up and are withdrawn only at the month's end. With the exception of debt service requirements, cash flow forecasts are not prepared to facilitate investment of available cash. The limitations on permissible investments, and lack of policy encouraging maximization of investment income, have prevented the State Treasurer from taking advantage of yield curves and differential interest rates.

Detailed recordkeeping of investments by fund for income allocation has little value as they are made on a pooled basis. The department's function of sorting and distributing payroll checks is unneces-

sary, as is folding and mailing of accounts payable checks. Also, efforts to collect delinquent accounts are perfunctory. They result in duplication of departmental receivable records and delay forwarding to the Attorney General's Office for action.

RECOMMENDATIONS

1. Invest a portion of idle cash balances generated by floats in the bank accounts.

Idle cash balances in three noninterest-bearing accounts exceeded a daily average of \$10.5-million during the 6-month period ending January 31, 1973. At least 75% of this amount should be invested in U. S. Treasury Bills or similar items at 6% interest to realize an annual income of approximately \$472,500. (Executive)

2. Reduce balance levels in other demand depositories and invest excess cash.

Idle cash balances in 38 noninterest-bearing accounts aggregated \$1.29-million on February 28, 1973. Department employees are instructed to reduce balances to \$525,000 at the end of each month for approximately 2 days and then increase them to substantially higher levels during the remainder.

A review was made of book balances at the fifteenth day and the end of each month during a 6-month period ending February 28, 1973. It disclosed average idle cash balances of about \$1.64-million and \$1.85-million, respectively. At least \$1.1-million should be withdrawn and invested at 6% to realize an income of approximately \$66,000 annually. (Executive)

3. Repeal the statute allowing contractors to substitute securities for cash retainers.

Prior to 1967, retainers held by the state in connection with highway contracts were in the form of cash. Because of the new statute, security deposits in-lieu-of cash retainers amounted to about \$2.97-million on February 28, 1973. Maine banking executives estimated that security retainers averaged \$3-million on a continuing basis.

Income earned by the securities is remitted to contractors. Therefore, legislative efforts should be made to provide optional forms of retainers which would be dependent upon terms of the contract. If \$1.2-million of retainers were in the form of cash, its investment at 6% would develop an annual income of \$72,000. (Legislative)

4. Establish a routine requiring revenue collected to be deposited directly.

A total of 58 of the 83 local agencies processing cash receipts submit daily remittances to the department's central personnel. These funds are deposited the day after receipt. A random selection of 9 days during a 9-month period disclosed daily collections averaged \$287,000. Local agencies should deposit all revenue without delay. This would yield an annual income estimated at \$17,000. (Executive)

5. Invest unclaimed coupon funds held by the fiscal agent.

Unclaimed bond coupon funds averaged \$165,000 for the 6-month period ending February 28, 1973. At least \$82,000 worth of outstanding coupons were more than 6 months old and redemption appeared unlikely. Of these unclaimed funds, \$100,000 should be invested at 6% to realize an income of \$6,000 annually. (Executive)

6. Maintain investment records on a pooled or consolidated basis.

Detailed records of investments, principally U. S. Treasury Bills, are maintained by fund for income allocation. However, excess cash is generally invested on a pooled basis. As an estimated 12 clerical hours per week are required to maintain these records, income generated by investments should be allocated to appropriate funds by an average cash balances technique. (Executive)

7. Eliminate manual effort involved with subsidiary cash records.

Maintenance of subsidiary cash records involves manual posting operations which require about 28 hours of clerical effort every week. Additionally, detailed cash transactions are keypunched on a daily basis for general ledger input. These data should be summarized utilizing data processing facilities. Implementation, in conjunction with a previous recommendation, should result in the elimination of one clerk for an annual saving of \$6,800. (Executive)

8. Eliminate collecting delinquent accounts, sorting, and distributing payroll checks.

Primary responsibilities of a full-time clerk include sorting and distributing payroll checks to appropriate agencies. Manual efforts to sort and distribute payroll checks appear to be unnecessary. Checks should be sorted and batched by data processing facilities. Collection activities should be eliminated because accounts receivable records are duplicated. These services could be accomplished by each department. Implementation could result in annual savings of approximately \$6,800. (Executive)

9. Reconcile protested check receivable amounts as soon as possible.

Protested checks, principally those returned to the department because of insufficient funds, are not

reconciled to general ledger balances for a 22-month period. The general ledger account on February 28, 1973, totaled approximately \$20,000. This account should be reconciled at an early date to facilitate collection. (Executive)

10. Develop current cash flow forecasts to maximize income.

With exception of debt service, cash flow forecasts are not prepared to facilitate investment and disposition of available cash. Significant increases in revenue can be realized through investment of excessive floats in operating accounts, reduction of levels in demand depositories, and earlier deposits of cash receipts. An additional person has been

budgeted for fiscal 1974. He will be designated as chief accountant. Inasmuch as general accounting functions are performed adequately with existing personnel, this position should be reclassified to include cash management functions. (Executive)

11. Solicit competitive bids when investing excess funds.

Competitive bids are not solicited from financial institutions. As of February 28, 1973, amounts totaling \$29,810,000 were invested in certificates of deposit in 41 commercial banks. To maximize yields, competitive bids should be solicited from at least three financial institutions prior to selection. Income is claimed elsewhere. (Executive)

Department of Audit

This department is directed by the State Auditor who is elected by the Legislature for a term of 4 years. Its principal duties are to perform:

- ▶ Financial audits of most state departments.
- ▶ Audits, for a fee, of counties, courts, probation offices, as well as municipalities.
- ▶ Investigations of reported incidents to defraud the state.

CURRENT PRACTICES

The Department of Audit has a staff of 36 and an annual payroll of \$402,257. Other appropriations for fiscal 1973 amount to \$68,100 for expenditures of \$470,357. It is comprised of the Departmental, Municipal, and Fraud Investigation Divisions.

Personnel in the Departmental Division have 155 annual audits to complete for state departments and agencies. Completion of fiscal 1972 audits extended to July 1973. Its auditors must travel for approximately 40% of their assignments. The State Auditor reports annually to the Governor and the Legislature on audits of state government agencies.

A staff of 11 accountants and two clerk-typists in the Municipal Division completed 115 municipal audits and 270 other audits of counties, school districts, and the like in fiscal 1972. Revenue from audit fees amounted to \$254,223 as compared with expenses of \$203,263. Net accumulated dedicated revenues amounted to \$137,091 on June 30, 1972.

The Fraud Investigation Division has completed or obtained commitments on over 30 cases with potential restitutions amounting to \$31,728. This division

has a backlog of 197 cases. Most of its investigations of fraud have been conducted in the Department of Health and Welfare.

EVALUATION

Stronger supervisory direction appears necessary. A one-over-one organizational reporting relationship exists. Morale and incentive of personnel appear to be weak.

The Departmental Division should suggest improvements in the control of state finances. Technical evaluations or explanations of changes in financial condition and performance are not, as a rule, reported. Time spent on assignments might be reduced if computer time were engaged for various income and expenditure analyses and portfolio schedules. Staff training is minimal except for on-the-job supervision of junior members.

Audits for no fee of municipal disaster relief claims represent a portion of the state's contribution to the processing for reimbursement by the federal Office of Emergency Preparedness. At present, this audit time which amounted to 1,700 hours in fiscal 1972 is absorbed by the department to the detriment of its other work.

The Municipal Division's staff appears to perform competent audits at rates comparable to those charged by public accountants.

The staff of the Fraud Investigation Division is strongly motivated and appears well qualified. Because of its limited personnel and appropriations, this division has been unable to render sufficient audit support to state agencies.

RECOMMENDATIONS

1. Request additional travel funds to enable investigators of the Fraud Investigation Division to perform assigned functions.

Effective investigation of fraud is not being accomplished because the present budget for travel covers less than 75% of costs. Appropriation of an additional \$2,000 annually would enable the division to reimburse its investigators for necessary travel costs. (Executive)

2. Review the salary classification of the fraud investigators.

The present salary range of \$8,000 to \$8,500 a year for the two fraud investigators does not properly reflect the responsibilities and requirements of the job. It is inadequate to attract and retain qualified individuals. A review should be made to determine proper compensation. This will probably result in increasing the annual base pay for each investigator by approximately \$2,200, for a total annual cost of \$4,400. (Executive)

3. Enact legislation to permit tax commitments of municipalities to be collected at two or more periodic dates.

Present legislation stipulates April 1 as municipal assessment date and on or before July 1 for tax commitment. The full commitment must be made on or before July 1 with no alternative for more frequent periods of collection. Municipalities should be permitted to collect taxes on a more frequent basis. Legislation should permit the full tax levy to be committed not later than January 1 and for collections to be due and payable at two or more periodic dates. (Legislative)

4. Encourage municipalities to collect tax revenues on a more frequent basis.

Municipalities and counties must borrow and pay interest charges on funds required to finance the first 6 or more months of operations. Presently, borrowing consists of short-term tax anticipation notes sold to banks at the beginning of each fiscal year. Municipal tax due dates should be established so 50% of the taxes will be payable on the first day of the fiscal year, and the balance on the first day of the seventh month.

This procedure will produce tax revenues for the first half-year's spending. It would also permit the same advantage from short-term investing of unexpended funds while eliminating the continued incurrance of interest expense on anticipatory borrowing. If implemented without a transition period, this would increase taxes to 150% of the norm for 1 year. To ease the burden, a transition period of 5 years should be established. In first year of adoption,

a taxpayer would pay 10% of his taxes on January 1 and the municipality would borrow 40% of the tax levy. On July 1, the taxpayer would pay the remaining 90%. In the second year, the first payment would be 20%, borrowing 30%, and the second payment 80%. This would continue to the fifth year when the first and second payments would be 50%.

If all municipalities adopted this practice, potential annual savings in interest charges of \$1.5-million could be realized by the end of the fifth year. These savings would accrue to individual municipalities. (Executive)

5. Transfer idle, unexpended, dedicated funds accumulated by the Municipal Audit Division to the general fund at the end of fiscal 1973.

This division's unexpended balance, carried forward on June 30, 1973, amounted to an estimated \$188,000. The unexpended balance is idle, and continues to grow. Therefore, the unexpended total should be transferred to the general fund. Implementation will provide a one-time benefit of \$188,000. (Legislative)

6. Commit all income generated by the Municipal Audit Division to the general fund and finance it from this working capital.

The division's dedicated revenue for fiscal 1972 was \$254,223 while expenditures totaled \$203,363. Thus, an excess of \$50,860 was generated. Changing its source of appropriations to the general fund will permit the division's fees to become part of this fund's revenues. This change will create an annual funds transfer amounting to approximately \$51,000. (Legislative)

7. Revise the Municipal Audit Procedural Form to include suggestions where recommendations by auditors should be considered.

Auditors of municipalities have not been encouraged to include operational suggestions in their audit reports. Questions of the following or similar nature should be included in the form shown below. If action has been taken, an X should be marked in the appropriate column.

SUGGESTED QUESTIONS		Yes	No
Was there discussion of elimination of anticipatory borrowing by setting up tax due dates in the first and seventh months of the fiscal year?		_____	_____
Were transitional procedures explained to eliminate anticipatory borrowing?		_____	_____
Was attention directed to state purchase contracts as available for use by municipalities?		_____	_____
Have computer applications been recommended?		_____	_____
Are there advantages to placing securities in bank custody?		_____	_____
Are there advantages to consolidation of the Cemetery Trust Fund?		_____	_____

Discussion of these questions with municipal officials will ensure their awareness of potential savings. (Executive)

8. Revise legislation to strengthen the State Auditor's authority to make evaluations and recommendations.

Statutes authorize postaudits and instruct that reports to the Governor will be made when evidences have been found of improper transactions, incompetence in keeping accounts . . . or any other improper practice of financial administration. Under present authority, these have limited the initiative taken by the State Auditor to make constructive recommendations.

A change in the statutes to include authority to make technical evaluations and recommendations would put commissioners on notice of new responsibilities for the State Auditor. It would allow him to move beyond his present guardianship duties. This technique will develop additional economies of at least 0.1% of the \$250-million annual general fund budget, or \$250,000. Other special funds amounting to about \$330-million annually will probably also be affected. (Legislative)

9. Establish standards of experience and technical qualification for the position of State Auditor.

The proposed increase in responsibilities and scope of the department demands a person who has technical and administrative skills. In addition, he should have extensive supervisory experience. By requiring all candidates for the position to meet established standards of experience and training, adequate leadership would be ensured. (Legislative)

10. Review the salary level of State Auditor.

The present salary appears to be inadequate to attract an auditor with accounting and auditing experience. By offering adequate compensation, competent leadership can be secured to enable the department to carry out its present and proposed responsibilities. A base salary increase of about \$8,800 might be needed. (Legislative)

11. Eliminate the position of deputy state auditor.

A one-over-one organizational reporting structure now exists on the table of organization. Elimination of this position will permit the division directors to report to the State Auditor. Implementation will result in an annual saving of \$18,200. (Executive)

12. Upgrade required qualifications for the position of Departmental Division Director of Audits and reassess the salary range.

The expanded authority of State Auditor to make technical evaluations, as well as operating recom-

mendations and the apparent need to improve internal control and audit procedures demands a high degree of competence.

This person should be a certified public accountant with minimum of 1-year's experience in governmental auditing or have a college degree and over 6 years of employment as an accountant or auditor. Experience should then include 5 years in auditing, with four of these in a supervisory capacity, of which one was spent in governmental auditing. Anticipated savings resulting from reduced audit time is estimated at \$22,500. These savings will be offset by an estimated salary increase of \$4,500. (Executive)

13. Create the position of staff assistant to the Director of Audits.

When the proposals suggested elsewhere are implemented, the director will be overloaded with his new responsibilities of revising existing audit procedures and training methods. He will need the services of a staff assistant with qualifications equivalent to his own. However, 2 years in a supervisory capacity will be sufficient. An annual salary of \$17,000 is estimated. (Executive)

14. Prepare a work paper retention schedule for Maine State Archives.

Audit work papers for the Departmental and Municipal Audit Divisions are stored indefinitely in the Archives. A retention schedule should be established for a period not to exceed 3 years, after which they should be destroyed. Copies of audit reports should be preserved. Annual savings from releasing space are estimated at \$1,100. (Executive)

15. Eliminate publication of financial statements in the annual report of the State Auditor.

The Controller's fiscal 1972 report was ready for publication on October 25, 1972, and released January 12, 1973. However, the State Auditor's report was ready for printing on April 1, 1973. As of late April, it had not been published.

The differences between the Controller's and State Auditor's presentation should be reconciled. Also, inclusion of duplicate statements in the annual report of the State Auditor should be discontinued. Printing costs of this report should be cut in half to provide annual savings of \$1,250 as well as reduce preparation time by the department estimated at \$4,600. The one-time cost of coordination is approximately \$6,000. (Executive)

16. Obtain federal reimbursement of 50% of Fraud Investigation Division expenditures related to health and welfare programs.

Since its inception, principal activities of the division have been investigating fraud claims of welfare

recipients. In fiscal 1973, the agency will spend \$44,000 for this function. Were this activity under the Department of Health and Welfare, 50% of its expenditures would be paid by federal government. As in other states, it is desirable to keep fraud investigation separate from welfare. The expenses of those investigations, which are directed towards obtaining recoveries from recipients, should be shared by the federal government. On this basis, implementation would provide an annual income of \$22,000. (Executive)

17. Finance the audit expense of municipal disaster relief claims from the state's civil defense emergency appropriation.

Costs of auditing municipal disaster relief claims are not reimbursable as part of expenses to the federal government's Office of Emergency Preparedness (OEP). Under OEP regulations, the Bureau of Civil Defense appoints the State Auditor as the examiner for relief claims.

In fiscal 1972, some 1,700 audit hours were spent on such claims without an emergency appropriation increase. When Civil Defense requests emergency appropriations for this purpose, estimated audit time for claims should be included. This would permit the department to add necessary personnel so normal responsibilities will not be disrupted by emergency audits. This will result in a \$9,000 annual funds transfer. (Executive)

18. Increase personnel in the Fraud Investigation Division to reduce or recover benefits paid to ineligible recipients.

A federal survey in the field of welfare indicates the extent to which ineligible recipients are on welfare

rolls. To reduce the state's backlog of over 100 cases as well as the anticipated potential of 700 more, appropriations should be increased to add two investigators. Also, the division should coordinate with the Department of Health and Welfare to tighten controls over ineligible recipients. Based on statistics for welfare and Medicaid, potential fraud recoveries are estimated at \$250,000 annually. Of this, the state's share is estimated at \$75,000. Cost to implement this expanded program is estimated at \$26,000 for salaries and supporting expenses of which half should be shared with the federal government. Annual income to the state and federal government is estimated at \$62,000 and \$162,000, respectively. (Executive)

19. Require postaudits of special sanitary and water districts to be identical to those required of municipalities.

No postaudits are required for sanitary districts. For special water districts, it depends on enabling legislation. Since these activities are closely related to municipal operations and, in many instances, are departments of a municipality subject to audit, the state's interest would be protected by imposition of a blanket requirement for postaudit of all special municipal districts. (Legislative)

20. Expand the requirements governing contents of annual reports by municipalities.

Municipal annual reports should be required to include certain financial information which is contained in annual postaudit reports. The additional data should cover analysis of fund balance, statement of cash receipts and disbursements, disclosure of property valuation, assessment and collection of taxes, as well as declaration of debts. (Legislative)

Department of Finance and Administration

This department is the central fiscal and administrative agency of state government. It is accountable for developing and implementing sound financial and administrative practices, and providing many services required by other agencies. Through its various bureaus, it is responsible for financial and capital planning, budgeting, accounting and statistical reporting, purchasing, collecting taxes, operating central computer services, and administering laws relating to alcoholic beverages.

CURRENT PRACTICES

The department is headed by a Commissioner who is appointed by the Governor to serve conterminous with him. It is organized into the Bureaus of Taxa-

tion, Budget, Public Improvements, Purchases, Accounts and Control, Alcoholic Beverages, and Central Computer Services. In addition, the department administers activities of the Maine Insurance Advisory Board and the Bureau of Alcoholic Beverages. All bureau chiefs are appointed by the Commissioner, and serve at his pleasure with the exception of the Director of the Bureau of Alcoholic Beverages whose selection must be approved by the State Liquor Commission.

Total expenditures in fiscal 1972 amounted to \$5,138,000, of which salaries accounted for \$3,394,000. Employees numbered 497. Each bureau is reported on individually. Central Computer Services is included in the report on Data Processing.

EVALUATION

This department, acting as the Governor's nerve center for analysis, information and control, as well as providing centralized services to other government agencies, is not doing either function effectively. Management information is deficient and management analysis is lacking. Many of the tasks for which it is responsible are performed or duplicated at agency levels.

The department is misplaced organizationally within state government. It is a service, not a line organization. Bureaus need to be given the responsibility and direction required to develop a coordinated approach toward serving other government agencies and departments.

There are several central service functions of government which are scattered through other agencies. Some of those assigned to this department are, in fact, controlled by independent boards and commissions. Staff meetings are infrequent and unproductive and no objectives have been set.

RECOMMENDATIONS

1. Establish overall departmental objectives.

The department has no objectives to be used in developing programs and setting priorities. As a result, there is a deficiency of coordination among various bureaus, a high degree of autonomy, and a lack of responsiveness to the needs of government and its various agencies. Establishment of a set of objectives would focus the efforts of the department on developing those services which are needed on a centralized basis. (Executive)

2. Develop necessary management tools to bring about effective performance.

Management tools would assist the department from anticipating problems before they have become serious enough to produce complaints. Such information should be developed to enable the department to become more reactive to problems in their formative stages. These tools would include regular reports giving performance against objectives, formal staff meetings to generate cooperation among the bureaus, and a system of follow-up of variances. (Executive)

Bureau of Taxation

This bureau supervises and controls the assessment and collection of assigned taxes and licenses. It is headed by the State Tax Assessor.

The bureau has a staff of 181 and a fiscal 1973 appropriation of \$2,055,100 as compared to expenditures of \$2,030,000 in fiscal 1972. In addition, \$2,-

841,420 has been appropriated in fiscal 1973 for tax relief to the elderly. Revenue generated from all taxes during fiscal 1972 totaled approximately \$230-million. It is organized into the Divisions of Administrative Services, Sales and Use Tax, Property Tax, Income Tax, Excise Tax, and Inheritance Tax.

Primary responsibilities of Administrative Services include maintenance of account records, collection and subsequent deposit of most tax revenues, verification of tax returns, and collection of delinquent accounts. Sales and Use Tax is responsible for close to 35,700 active sales and use tax accounts. Principal functions of Property Tax are billing and assessing real estate taxes, determining valuation by political subdivisions within the state, and instructing tax assessors. Responsibilities of Income Tax include reviewing corporate tax allocations submitted by multistate corporations, examining tax refunds, rendering taxpayer assistance, and checking discrepant returns. Major functions of Excise Tax and Inheritance Tax employees are auditing and billing.

Operations required to process sales and use tax remittances received by Administrative Services appear to be improperly sequenced and cause unnecessary delays in depositing funds. Review of assignments related to sales and use tax examiners disclosed hours not assigned to audit work were excessive and represent unproductive time.

Billing functions related to collection of at least two excise taxes appear to be unnecessary. Calculations of telephone taxes are performed by personnel prior to billing the taxpayer and result in unnecessary administrative costs. Although similar to sales tax collections, telephone and insurance levies are collected on an annual basis and preclude early utilization of generated revenue. There appears to be some duplication of effort in connection with assessment and collection of corporation franchise taxes and the annual corporation report fee.

RECOMMENDATIONS

3. Send checks and other forms of sales tax remittances to the bank upon receipt to facilitate cash flow.

Review of 30 sales tax returns and remittances totaling \$24,000 received on April 17, 1973, disclosed deposits of \$19,699 relating to 22 returns were delayed from 4 to 5 days subsequent to receipt. In addition, examination of aggregate daily deposits made during a 4-month period revealed sales taxes averaging \$4,164,414 were collected 2 to 6 days following the fifteenth of each month when they are payable.

Checks and returns should be coded and cross-referenced upon receipt so funds could be de-

posited the day of receipt. This action should increase income by \$18,000 annually, based upon an interest rate of 6%, through more current utilization of cash. (Executive)

4. Reduce the number of sales and use tax examiners.

A comparison of average audit and review hours per examiner for fiscal 1972 disclosed an average of 294 hours per man — an equivalent of five employees — was not accounted for and appeared to be unproductive. Reviews of pertinent job description and discussions with the Department of Personnel revealed approximately 5% of total hours is to be used for work other than auditing. The number of sales and use tax examiners should be reduced by five. Implementation would realize an annual saving of \$46,000. (Executive)

5. Collect telephone and telegraph taxes on a monthly basis.

Telephone and telegraph companies are taxed on gross receipts received from customers during the calendar year and the levy is payable by June 1. Inasmuch as this tax is similar to the sales tax, it should be paid monthly, and calculation and billing functions performed by the bureau discontinued.

Monthly taxes paid by telephone company subscribers are held by the utility for 5 to 16 months before they are paid to the state, the average delay in payment being 10.5 months. Implementation will accelerate payments to the state, reduce the average outstanding months from 10.5 to 1 and enable the state to invest the proceeds earlier. Additional annual earnings of \$332,000 will be realized from the investment of the equivalent of \$7.1-million at an assumed rate of 6% for an average of 9.5 months. (Legislative)

6. Collect the tax on insurance premiums quarterly.

Insurance companies are taxed on gross premiums received during the calendar year and the levy is payable on May 1. Because this tax is similar to the sales tax, it should be remitted quarterly and the billing functions performed by the bureau's personnel discontinued.

Currently, gross premium taxes are paid to the insurance companies and are held for periods of 4 to 15 months before they are remitted to the state, the average delay in payment being 9.5 months. Implementation will reduce the average outstanding months from 9.5 to 2 and enable the state to invest the proceeds earlier. Additional annual earnings of \$213,000 will be realized from the investment of the equivalent of \$5.7-million for an average of 7.5 months at an assumed rate of 6%. (Legislative)

7. Provide for administration and collection of state income tax in conjunction with the federal tax.

A review disclosed collections of state withholdings are deposited as late as 27 days subsequent to deposits of federal withholding for identical periods. Approximately \$188,000 annually is required to operate and administer the Income Tax Division. Necessary conforming changes in income tax laws should be made to facilitate adoption of federal collection and administration services which should be available in 1974. Assuming a 3-day delay for processing by the federal government, implementation should reduce annual operating costs by \$188,000 through elimination of the Income Tax Division and increase revenue by about \$100,000 from the acceleration of receipt of cash by about 24 days investing — \$25-million of individual income taxes collected annually at 6% for 24 days. (Legislative)

8. Require collection of previous month's gasoline taxes by the fifteenth day of each month.

Gasoline taxes are paid by the consumer and distributors act as collection agents for the state. These taxes, averaging approximately \$3,718,000 per month, are currently payable to the state by the thirtieth day of the following month. As current month sales statistics should be available early in the following period, the due date should be changed to require payments 15 days earlier. This should result in estimated additional income of \$111,000 annually through better utilization of the equivalent of \$44.6-million invested at 6% for 15 days. (Legislative)

9. Utilize sampling techniques to determine a new state valuation for unorganized townships to ensure tax revenue uniformity.

A state valuation is determined biennially for all organized municipalities and selected unorganized townships. Each of 15,000 parcels, within unorganized territories, is appraised prior to revaluation. These appraisals are never completed within the 2-year cycle. Approximately \$21,184,000 of unorganized state valuation for fiscal 1973 represented properties which had not been appraised or revalued by the bureau.

Failure to appraise all parcels within unorganized townships result in taxpayer inequities. Changes of valuation for organized municipalities are determined by conducting field ratio studies, a sampling technique to ensure uniform tax adjustments. Market value of selected properties is compared to assessed value to determine a ratio which is applied to the municipality's total assessed value to calculate state valuation. The fiscal 1973 state valuation increased 15% over 1971 levels was attributed to those properties which had been revalued or ap-

praised. Therefore, sampling techniques should be employed. Implementation will increase revenue by an estimated \$105,000 annually. (Executive)

10. Perform a work simplification study within the Property Tax Division.

Approximately \$3-million or 1.3% of tax revenue earned by the Bureau of Taxation was collected by this division. However, 24 of 121 nonadministrative employees were assigned. As discussed elsewhere, biennial revaluations of unorganized townships are never completed for each parcel. Clerks are performing manual clerical functions to maintain various property and statistical records. Manual operations performed by clerks and other employees should be analyzed and mechanized data processing techniques should be employed where appropriate. Additionally, work effectiveness of property assessors should be evaluated and systems modified where needed. Benefits to be derived include increased efficiency and improved employee productivity. (Executive)

11. Assess state withholding agents for failure to file returns within prescribed periods.

Routines have not been established to collect penalties and interest for delinquent returns and payments received from state withholding agents. Review of quarterly and monthly returns and related payments processed during the first 15 days of May 1973 disclosed amounts totaling \$163,000 were received from 9 to 35 days past due. The delinquent withholding agents should be assessed a penalty of 5% per month for late filing and interest at the rate of 0.5% per month for delinquent payments. This action should increase revenue by an estimated \$47,000 annually. (Executive)

Bureau of the Budget

This bureau is responsible for preparing the biennial budget document. It reviews work programs and quarterly allotments of each agency before they are recommended for approval by the Governor and the Council.

The bureau, headed by the State Budget Officer, had expenditures of \$105,000 in fiscal 1972. Its estimated expenses for fiscal 1973 amount to \$124,000.

The budget cycle starts in May of even-dated years when agencies are directed to submit budget requests for the next biennium by August. These are prepared as current services (Part I) and expansion and new activities (Part II). From August to December, budget examiners review submissions, and prepare recommendations for the Governor. When approved, they are incorporated in the budget document, and proposed legislation is written. In prac-

tice, only Part I budgets are examined and Part II is reviewed by a staff appointed by the Governor. The Legislature acts on the budget after review by its Appropriations Committee and the resultant law sets the appropriations for the next biennium.

Not later than June 1 of each year, every agency receiving an appropriation must submit a work program and quarterly allotment request for the ensuing fiscal year. These are reviewed by the bureau and approved by the Governor and the Council. State agencies may request revisions of their quarterly allotments.

Major activities of this bureau are clerical in nature. Review of budget submissions consists of reconciling the figures and comparing them to prior year's figures. No managerial or qualitative analysis is performed and judgments are not made on the quality or success of programs. No marginal analysis techniques of budgeting such as the use of zero-base or partial-base approaches are employed. Also, there is no requirement for long-range or life-cycle forecasting. Furthermore, none of its operations have been automated.

Work programs and quarterly allotments are submitted and broken down in detail by character and object. However, the detail is not used thereafter. Accountability toward the budget is maintained only in the three line categories. Apparently no performance against budget reports are given to the agencies of state government.

The bureau, which is understaffed, has statutory authority to review activities of all departments, study their organization and administration, investigate duplication of work, and formulate plans for more efficient management. Nothing is being done in these areas.

RECOMMENDATIONS

12. Utilize program budgeting to control general fund expenditures.

Under the present budgeting system, there is no way to judge the quality or success of programs. The ability of program budgeting to categorize and provide management information necessary for control should be utilized. Utilization of a program budgeting technique will provide the basis for:

- ▶ Setting realistic priorities for allocation of funds.
- ▶ Identifying and eliminating ineffective and duplicate programs.
- ▶ Reducing program expenditure overruns.
- ▶ Evaluating program performance.
- ▶ Managing ongoing programs.

Savings from the ability to analyze program performance are conservatively estimated at 1% of the state's general fund budget. This could amount to \$2.64-million. (Executive)

13. Coordinate development of an accounting system with Accounts and Control which will allow activity and program review.

The current accounting system is based on appropriation. Although there is provision for accounting by activity, this is not a requirement. It is not possible to accumulate activity accounting into programs. This bureau should coordinate with Accounts and Control to develop an accounting system which would report by activity and program as well as by appropriation. (Executive)

14. Institute ratio analysis to measure performance results against quantifiable objectives.

Many operations of state government are susceptible to quantification. However, quantitative results are not being used to measure the success or efficiency of programs. Use of ratio analysis to measure performance will identify agencies which are performing inefficiently. (Executive)

15. Require submission of a detailed program statement with results to be achieved.

There is no way to compare dollars expended with results achieved, or to evaluate Part I budget requests against expected performance. Detailed program statements would allow performance analysis and review. It would aid in identifying programs which are inefficient, or of low priority. (Executive)

16. Use marginal analysis techniques as supplementary aids in reviewing the Part I budget.

No review is being made of ongoing programs to determine their continued usefulness or importance in competition with alternative applications of scarce money. Modified zero-base or partial-base budgeting techniques would aid in identifying low priority programs to be reduced or eliminated. (Executive)

17. Require submission of a long-range or life-cycle forecast for each program requested in Part II.

When the state institutes a program, there is an inherent commitment to seeing it through. However, there is no way of identifying long-range cost implications. A long-range or life-cycle forecast would enable the state to go into new programs with better foreknowledge. (Executive)

18. Charge all agencies to summarize Part II requests at start of budget cycle.

The types of programs being requested and the short- and long-term expenses entailed are not

available to the Governor until detailed Part II budget submissions are received. Much work is expended by agencies in detailing expenses of programs of low priority. The Governor and the committee reviewing Part II requests have insufficient time to assess priorities. A summary of program requests at the start of the budget cycle would enable the Governor to perform a more meaningful and thorough review. (Executive)

19. Coordinate activities with the State Planning Office to establish uniform assumptions for use in preparing budgets.

Many aspects of budgets are dependent upon assumptions regarding the economy and demography of the state. Currently, there is no uniformity. A uniform set of assumptions should be agreed upon and made available to all agencies in advance of budget preparation. (Executive)

20. Move the date for submission of the budget to March.

The Governor-elect does not have sufficient time to review the budget before submission to the Legislature in January. As a result, he is forced to accept much of the program of his predecessor. By moving the required submission date to March, the new Governor would have time to institute his own programs. (Legislative)

21. Lapse all dedicated fund surpluses in excess of current needs to the general fund at end of each fiscal year.

The practice of allowing dedicated fund surpluses to accumulate has resulted in inequities and inefficiencies. Departments operating on dedicated funds have developed a need for improved administrative practices. As of June 30, 1972, nearly \$43-million of surpluses had accumulated.

All surpluses in excess of current needs should be lapsed yearly. It would subject operations supported by dedicated funds to identical efficiency constraints and policies as those applying to general fund activities. (Legislative)

22. Subject dedicated fund budgets to program review, budgeting, and control.

Dedicated fund budgets are approved without critical review. This lack of exacting appraisal and justification has caused inefficiencies in programs. These budgets should be scrutinized as carefully as general fund requests. It is conservatively estimated that 1% of dedicated fund expenditures, amounting to approximately \$330-million in fiscal 1974, could be saved in ongoing programs by such scrutiny. While under the present system, savings in dedicated funds do not accrue to the general fund, such a review would allow fees to be reduced or addi-

tional programs initiated. Implementation should provide estimated annual savings of \$3.3-million. (Executive)

23. Automate budget processing.

Each biennium, approximately 1,100 budgets are submitted for review. Many are further broken down by activity. Calculations must be verified for accuracy against prior year's figures. This operation is clerical in nature and susceptible to automation.

Budget submission information should be automated and calculations and comparisons performed by the computer. This would allow budget examiners to provide more sophisticated analyses. Much of the information, such as last year's figures, has already been stored in the computer. While a true value of implementation is hard to estimate, the 800 biennial hours of overtime expended by the bureau might be saved. At a biennial cost of \$4,000, this will save \$2,000 per year. (Executive)

24. Delegate quarterly allotment controls to the agencies.

The bureau now approves quarterly allotments and Accounts and Control regulates expenditures against them. This system represents overcontrol. Quarterly allotment controls should be delegated and each agency manager held responsible for staying within his appropriations. A suitable budget monitoring system should be provided. Large annual savings could be realized, but cannot be quantified or estimated. (Legislative)

25. Produce monthly variance reports comparing agency performance with budget.

Agencies do not receive sufficient data now to enable them, without keeping their own records, to control expenditures. This has resulted in proliferation of hand-posted ledgers and attendant labor. A monthly report comparing expenditures and encumbrances against budget, with variances noted, should be furnished to each agency manager. It should enable them to perform their managerial functions more expertly and eliminate all but the most minimal bookkeeping functions. The cost of developing this additional subroutine is estimated at no more than \$3,000. (Executive)

26. Appoint a competent State Budget Officer.

At the time of the survey, the position of State Budget Officer, Bureau of the Budget was vacant. With its added responsibilities, the bureau will become a focal point for the efficient management of government. In order for the bureau to perform its mission effectively, it must be directed by a person who has experience in developing and applying modern budgeting techniques. Such an individual should be appointed. (Executive)

27. Require annual state budget preparation and review.

Under the present biennial system, budgets would be prepared for events which will happen up to 3 years in the future. This lead time discourages flexibility and reaction to changing conditions. Annual budgeting will allow better control of expenditures and greater receptivity to government operations. (Legislative)

28. Require simultaneous review of Parts I and II budget submissions.

Parts I and II are reviewed separately. As a result, Part II is considered out of context of total program content. Responsibility for review of current and new activities for a given appropriation should be assigned to the same analyst. His understanding of current and proposed activities would make budget review more meaningful. (Executive)

Bureau of Public Improvements

This bureau is responsible for fiscal accountability of the state's physical assets, as well as construction, alteration, or repair of its owned or leased buildings. In addition, it is responsible for long-range capital improvement planning programs for state agencies and school administrative units. A notable exception applies to the construction, improvement, or repair of roads and bridges which are supervised by the Department of Transportation.

This bureau is divided into the Divisions of Planning and Development, Construction, Property Records, and Property Management, with a staff of 227. In fiscal 1972, its expenditures amounted to \$1,630,523. Planning and Development is, by law, authorized to require development of long-range public improvement programs for all departments and agencies as well as coordinate and present recommendations to the Governor and the Legislature. It prepares contracts for architectural services and construction.

There were 50 architectural agreements processed for public schools in fiscal 1972 having a value of \$1,047,750. During that period, 30 construction contracts were initiated with a dollar value of \$9,402,784. It also approves all proposals, plans, specifications, and contracts for public improvements at the University of Maine.

Construction inspects state-owned and leased buildings and provides reports detailing necessary construction, repairs, and alterations. It examines materials, equipment, methods used, and changes in plans in making public improvements.

Property Records maintains an inventory of removable equipment belonging to the state and keeps it

current from lists furnished quarterly by all agencies. The division requires the listing of real estate belonging to or under lease to the state showing controlling agency, location, boundaries, cost or rental rate, and when acquired.

Property Management supervises the State House and public grounds, buildings, and property utilized by the state. Also, it controls and maintains that portion of state lands situated in Augusta and lying between State Street on the west and the Maine Central RR Company on the east. This division incorporates the Building Maintenance, Security and Janitorial, Ground Maintenance, Telephone and Utilities, and Supplies and Equipment Storerooms sections.

Development of long-range planning for public improvement programs for all departments and agencies, in addition to other responsibilities, is beyond the bureau's scope of practical realization. Recommendations based on lease/build analyses should be developed and utilized.

There are no building codes established by the state which can be used by the Construction Division as guidelines. Records of the Property Records Division relating to removable equipment and real estate, whether leased or owned, are being maintained manually.

In general, housekeeping of grounds, buildings, and related properties is in good order. However, procedures relating to space alterations are not, for the most part, being followed. The economics of obtaining janitorial services from state employees versus contracting with private firms have not been determined. Insufficient use is made of mechanical and electronic security systems.

RECOMMENDATIONS

29. Develop and maintain standards of design, construction, and materials.

Much of the initial planning for new buildings is completed by agencies or departments before the bureau becomes involved. There is need for standards and specifications in areas of architectural, structural, electrical, civil, and mechanical engineering. By establishing an effective standardization program, design and review time will be reduced.

In fiscal 1972, the dollar value of construction contracts was \$9,402,784. Estimated savings of 5% or \$479,000 should be achieved annually in construction costs. One-time cost to establish standards and specifications is estimated to be \$100,000 through the addition of nine unclassified personnel for the period of the project. Annual costs will amount to \$22,000 for two additional employees. (Executive)

30. Require comparison of space needs with existing availability before any design work is started.

When an agency needs additional accommodations, it decides whether to lease, construct, or use existing space. For building additions, outline specifications and drawings are generally obtained from a private firm and submitted to the bureau. Contract language in lease arrangements is not standardized. Use of existing space is limited to that available at that agency.

In order that each agency can be assisted in meeting its needs, the bureau must assume control over decisions whether existing space, lease, or construction alternatives will be utilized. Centralization would assure optimum use of existing space, reasonableness of lease terms, or benefits of a state-owned building. The position of Property and Space Manager should be established to ensure proper utilization of existing space prior to any determination of lease or construction. Costs and responsibilities are shown elsewhere. (Executive)

31. Assume control of all construction and acquisition of real estate whether owned or leased.

The bureau has limited control in the determination of lease versus construction or selection of the architect. To achieve a program of maintaining quality of construction materials by specifying standards to be used, the bureau should develop outline specifications and site drawings. In addition, no lease arrangement should be entered into until Planning and Development has determined the economics of lease versus buy. (Executive)

32. Establish a Division of Property and Space Management.

Currently, the state is expending \$962,000 annually for leased space and is responsible for \$2,928,000 in rental equivalent of owned accommodations in the Augusta area. Each agency determines its own needs which results in less than optimum space utilization.

A division should be created to assist each agency to determine its needs, provide professional servicing of owned or leased space, inspect premises prior to lease arrangement, measure and record space, and make appropriate recommendations to Planning and Development. Space assignment, now the responsibility of Property Management, should be reassigned to the manager of this division.

Final drawings showing plans of location and situation of all public improvements and functions of Planning and Development should be assigned to the Property and Space Manager. Considering cur-

rent rental rates as well as value of state-owned space, estimated annual savings of 5% through maximum utilization of space needs would be achieved. Annual savings of \$199,500 are claimed. Personnel costs would amount to \$52,000 per year. (Executive)

33. Eliminate Property Records and reassign responsibilities to other divisions.

Property records is a support function to the duties of the Property and Space Manager and should, therefore, be under his supervision. The division should be eliminated as a separate entity, and its recordkeeping function assigned to the Property and Space Manager. Utilities, presently an assignment of Property Records, should be shifted to Property Management. When implemented, responsibilities would be properly aligned. (Executive)

34. Control the use of personal electrical appliances in state buildings.

The use of personal electrical appliances in state buildings is not controlled. Some are authorized by department heads, and others are not. They constitute potential safety hazards. The bureau should, through the Superintendent of Buildings, control their use to minimize safety hazards. (Executive)

35. Reevaluate work standards and training for custodial personnel.

At present, an average of 6,368 square feet per person is cleaned by each of 115 employees at a cost of \$495,000 or \$0.67 per square foot. In the Portland area, approximately 12,000 square feet are cleaned per person either by in-house or contractual employees. Immediate steps should be taken to establish work standards. With standardization and training, at least 9,500 square feet could be cleaned per employee. This level would reduce the cleaning cost to \$0.45 per square foot and enable the force to be reduced by 38, yielding an annual saving of \$165,000. (Executive)

36. Utilize monitoring devices to provide better coverage.

Currently, 32 men are charged with security for state-owned buildings in the capitol. The complex is so large that employees cannot always provide complete coverage. Installation of additional closed circuit TV and more heat and smoke detection devices would reduce the need for watchmen by 10 as well as furnish better coverage. One-time costs for these devices would equate to \$150,000. Annual salary savings will amount to \$40,000. (Executive)

37. Install a sprinkler systems in the State Office Building.

This building is unsafe. There are no fire exits at the north and south ends of the structure and those

offices beyond existing fire exits provide no means of escape. A sprinkler system should be installed to help ensure the safety of state employees as well as the building and contents. The reduction in liability for injury and loss of life would be enough to justify the installation cost of \$81,700. In addition, it is estimated the fire insurance rate could be reduced. (Executive)

38. Establish a building code for the construction of buildings and additions.

There is no set of building code standards upon which an architect or contractor can base design specifications for buildings or subparts nor is there a code which establishes roof load, floor load, or cement strength standards. Establishing such standards would prevent state buildings or schools from being overdesigned and overpriced, or underdesigned and unsafe. There are four national codes in existence, one of which could be modified to Maine's needs. This code could also be used by local municipalities. (Legislative)

39. Apply standards and specifications developed in the previous recommendation to owned or leased state buildings.

There are many state-owned and leased buildings which do not meet the proposed standards. With the creation of a Property and Space Manager, acquisition of all state controlled space will be his responsibility. He should use the standards developed by the bureau to ensure all state buildings meet these specifications. Buildings currently not qualifying under these standards should be updated or phased out. (Executive)

40. Develop a mechanized Capital Assets Accounting System (CAAS).

Recently, such a mechanized system was developed at the Augusta State Hospital for controlling real and personal property to take advantage of federal depreciation allowances. No other agency records depreciation, and except for the Department of Transportation, all property records are maintained manually. The system should be expanded on a statewide basis to:

- ▶ Receive allowances for depreciation where federal funds are involved.
- ▶ Justify replacement of equipment.
- ▶ Establish more accurate values of building contents for insurance purposes.
- ▶ Reduce clerical effort in preparing property and capital equipment reports required on a quarterly and annual basis.
- ▶ Eliminate capital equipment card files in all agencies.

- Initiate a master list of surplus or obsolete equipment for the Bureau of Purchases.

Based on an estimate of 300,000 capital equipment and real property items, one-time costs to input these data into the system would amount to \$15,000. Also, annual operating costs to update information would be approximately \$9,000. (Executive)

Bureau of Purchases

This bureau is authorized to purchase goods and services required by the state. Major exceptions are alcoholic beverages, architectural and construction contracts, as well as materials acquired by the University of Maine. Other primary functions include providing central duplicating service, procuring certain printing requirements, selling surplus equipment, and maintaining a central mailroom.

Under the supervision of the State Purchasing Agent, it is divided into Purchasing, Inspection, Printing, and Mailroom. It employs 32 persons and had general fund operating expenditures in fiscal 1972 of \$275,033, while purchases approximated \$20-million in goods and services.

In-house printing currently costs \$0.0065 per copy. Copying machines produce about 27,000 copies per month at an average cost of \$0.03 each. The mail-

room serves the state buildings in Augusta. In fiscal 1972, postage amounted to \$560,443.

The bureau needs organizational planning and control. Methods and procedures for buying need improvement. Also, clerical routines, expediting, and filing of damage claims need improvement. There are no records of the number of emergency requisitions, open-market orders, dollar values of purchase orders, average number of days to process a requisition, and so on. The University of Maine and the state's municipalities are not required to take advantage of the contracts established by the bureau. There is lack of centralized control for state-owned printing and copying facilities.

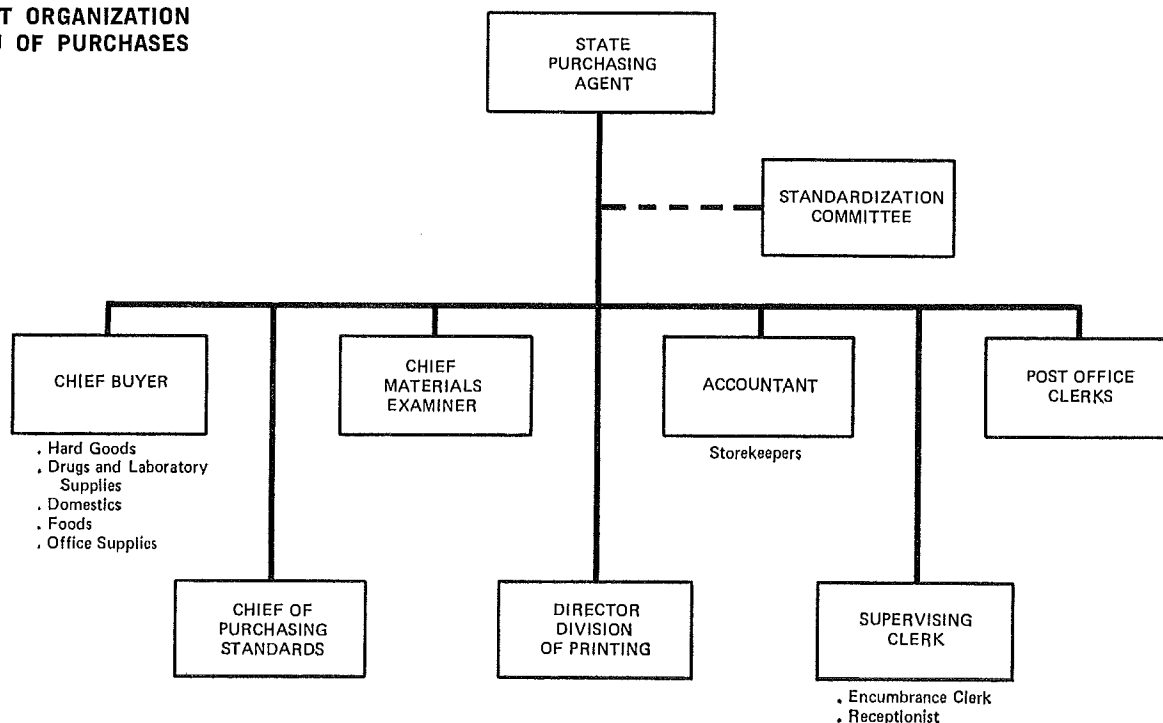
Purchases from independent printers appear too costly, and inefficient use is made of printing equipment and personnel. In addition, the Secretary of State and the Bureau of Taxation have their own mail room facilities.

RECOMMENDATIONS

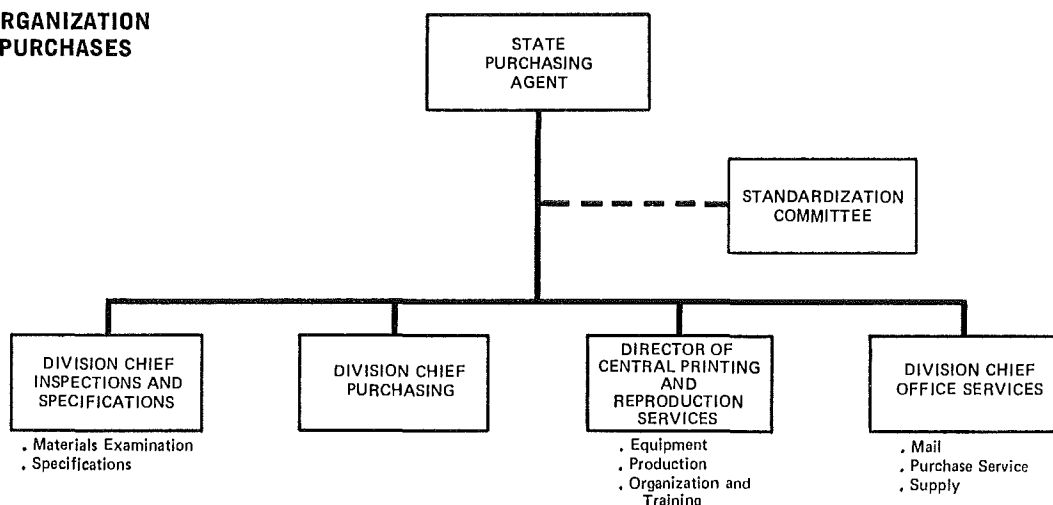
41. Reorganize the bureau.

The Bureau of Purchases, as illustrated in the present chart shown below, is not organized with carefully defined duties and responsibilities. As a result, it is not able to get materials at the right quantity, prices, and time.

PRESENT ORGANIZATION BUREAU OF PURCHASES



**PROPOSED ORGANIZATION
BUREAU OF PURCHASES**



The proposed organization, as depicted in the chart shown above, will provide optimum efficiency and managerial control. In the new organization, three division chiefs and a Director of Central Printing and Reproduction Services would report to the State Purchasing Agent.

The Chief of Inspections and Specifications would ensure that purchases of materials are in accordance with specifications. Additional responsibilities would include value analysis, as well as standardization and research into improved and less costly products or materials. Inspection and specifications are currently divided between two division chiefs. The proposed organization brings these closely related functions under one chief. The overall net reduction in salaries by eliminating one of the chiefs and adding an assistant is estimated at approximately \$4,100. Value analysis and specifications are interrelated and properly belong under the control of this chief. Reorganization of the buying function, through the addition of one buyer and two assistants at an annual cost of \$20,600, now make cost and value analysis possible.

An office service division chief position has been created to provide an orderly and planned approach to gathering information and proper balancing of work load. This is attained by distributing tasks among clerical personnel. His annual salary is estimated at \$10,100. Implementation will entail annual costs of \$26,600. (Executive)

42. Restructure the Standardization Committee.

This committee has been used in an advisory capacity when a contract award decision is uncertain because of factors such as quality, timely delivery, FOB point, unit price, and the like. It should be re-

structured to give assistance to the State Purchasing Agent in matters concerning specifications. Members from industry should be selected on the basis of expertise in purchasing matters so they can provide an interchange of ideas in the area of value analysis. To avoid possible conflict of interest, neither the representatives nor their companies should have more than nominal dealing with state agencies. Department heads might be called upon for advice when deemed necessary. (Executive)

43. Incorporate uniform purchasing policies and procedures in a new buyers manual.

There is no current manual setting forth policies and the one dated October 1, 1952, describing procedures is obsolete. A new buyers manual should be produced and maintained as an aid in establishing purchasing policies and procedures. Basic purchasing policies should consider the interest of the state by acting with honesty, care, and skill, encourage development of standards covering regularly purchased items, obtain adequate competition, select reliable sources of supply, and develop multiple sources to reduce the effect of work stoppages.

In addition, they should allocate business without favoritism, evaluate new materials, products, and processes, and prohibit personal obligation to a vendor as well as use of purchasing affiliation to buy for personal use and for other employees.

This manual should also cover selecting vendors; soliciting, receiving, and handling quotations; establishing contracts; when to use FOB destination; and the like. A separate section, which could be disseminated to user departments, would include data on how and when to use a requisition, open market, and contract release purchase orders. (Executive)

44. Establish departmental objectives.

Currently, there are no written objectives concerning performance or achievement. The State Purchasing Agent must provide leadership in setting forth objectives which will enhance total effectiveness. The issuance of results-oriented reports, detailing achievements against objectives, should be used for administrative control. (Executive)

45. Create a requisition and purchase order log and issue purchasing result reports.

These monthly reports will enable management to compare period results as well as make projections. They will indicate current work loads, and act as a basis for improving efficiency in purchase order costs and operating expenses. A report should consist of measurements such as time required to place purchase orders, quantity and value of orders placed per buyer, savings due to individual buying initiative, and number and value of open-market orders. Data collection would require one full-time clerk. Better application of existing clerical personnel will be attained. (Executive)

46. Institute a program to improve the bureau's buying techniques.

Industrial and other state government data indicate it is reasonable to achieve a minimum saving of 5% from long-term acquisition arrangements, consolidated buying, and utilization of cost and value analysis techniques. About 48% of the \$20-million of commodities for which the bureau is responsible lend themselves to such buying techniques.

To accomplish savings, the bureau must first be reorganized and the buyers relieved of clerical duties. Then, a commodity code must be established and incorporated on purchase orders to identify annual quantity and dollar value for each item. Also, buying personnel must be trained as to when to use various types of purchase arrangements, terms and conditions, and cost and value analysis techniques. When implemented, potential annual savings would equate to \$480,400. (Executive)

47. Require state vehicles on official business to use gasoline from state-manned facilities when feasible.

Approximately 1-million gallons of gasoline were purchased at retail less a discount of \$0.02 per gallon in fiscal 1972. This is higher than the state's contract price. Employees should be required, whenever possible, to buy gasoline at state facilities. There are 42 manned units which have storage tanks with electric pumps. If only 75% of credit card purchases were made at the state's bulk-quantity contract price, annual savings of \$102,000 would be achieved. Where one agency uses the facilities of another, the

transaction should be handled through interdepartmental billing, utilizing an imprinter and a snap-out form. Their associated costs would amount to about \$5,600 per year. (Executive)

48. Purchase merchandise for dependent children through currently established contractual arrangements.

Social workers and guardians of dependent children purchased \$258,067 of merchandise in fiscal 1972. The bureau should establish contractual arrangements with retail stores to obtain quantity and value discounts. For example, when purchases during any year exceed \$25,000, an additional discount on future orders should be given. Under this arrangement, the average discount would be about 10%. If 75% of all buying were negotiated under contractual arrangements, annual saving of \$19,300 would be realized. (Executive)

49. Combine delivery requirements of small purchasers of food staples with those of large institutional users.

Some small users of items such as luncheon meats, butter, margarine, cheese, and the like, are penalized additional transportation costs for direct deliveries. Requirements of these users should be combined with shipments to larger institutions to eliminate surcharges. (Executive)

50. Provide greater utilization of public auctions to dispose of surplus items.

The bureau has final authority to dispose of surplus property in any manner deemed advisable. Many items such as beds, mattresses, and the like are stored at a rental rate of \$300 per month or at state-owned facilities.

A public auction should be held to sell such material. This would allow over 9,000 square feet of space to be used to better advantage. Thereafter, a central storage facility of 1,000 square feet should be maintained for such purposes.

Also, the bureau should be allowed to consider the use of public auctions for vehicles. Its present method is by advertised bids. In fiscal 1972, a total of 238 bid requests were forwarded to vendors covering 91 items. The time required to mail them and post responses, covered approximately 2 weeks. Space savings equate to \$39,600 annually, of which \$3,600 is claimed. (Executive)

51. Evaluate the use of state-owned warehouse facilities for bulk purchases.

Significant reductions in costs can be obtained through the use of central warehousing, which would permit volume purchases, central inspection, and carload shipments. The bureau has entered into

a pilot program with 7,000 square feet of floor space at the Augusta State Hospital.

This project is conditioned upon documentation of costs versus benefits to be derived. Charges of processing bulk items through this facility should be carefully compared against costs of small drop shipments to agencies. Also to be considered are costs of storage, distribution, interest on invested capital, and insurance. (Executive)

52. Require the contractual review committee to verify needs for special service contracts.

This committee is responsible for determining the need for special contracts about to be entered into by any state agency except those excluded by statutes. Special contracts include those with management consultants, research organizations, data processing software firms, and the like. It has approved arrangements based upon the agency using the proper type of contract and reasonableness of prices to be charged. However, it has not determined the need. In fiscal 1972, professional and consultant contracts amounted to \$7.7-million.

This committee should meet on an as-needed basis to review and approve requests for consultant services. Justification, as well as need to have such service within a particular time frame, should be made mandatory. If it is of a periodic nature, development of a cost study should also be obligatory. In addition, if the committee approves the need, consideration should be given to determine whether the contractual arrangements, or others made by the Department of Transportation, Bureau of Public Improvements, and so on, would be more appropriately regulated by the Bureau of Purchases. An estimated 5% reduction, amounting to \$385,000 annually in the value of such services should be achieved through utilization of administrative controls. (Executive)

53. Purge the bidders lists and reduce suppliers on the request for bid listings.

A review of the bidders lists indicates there is a norm of 20 companies per commodity or bid list. In addition, the average number of companies requested to bid was approximately 15. In some cases, over 100 companies were asked to bid on a commodity. A letter should be sent to all vendors asking if they wish to remain on the lists.

Statutes should be revised, leaving removal of a bidder to the discretion of the purchasing agent. Additional criteria should be established including deletion of those companies who have, in the last three consecutive bids, quoted 10% or more above the low bidder. Any bidder whose name is removed from these lists may request reinstatement by letter. (Legislative/Executive)

54. Develop a commodity code system.

There is no method to accurately determine the amount of money spent for a given commodity. By establishing codes, the buying organization could readily identify commodities to be purchased in quantity through contract arrangements. Efficiency gained will allow this system to be put into effect without additional personnel. (Executive)

55. Standardize order procedures on a bid basis.

A statute stipulates the State Purchasing Agent shall make purchases by competitive bid except when:

- ▶ The procurement of services and equipment is required in an emergency and the expenditure is less than \$100.
- ▶ An emergency exists which requires immediate procurement. The agent may then be authorized by the Governor to make acquisitions.
- ▶ After reasonable investigation, it appears the required item is procurable from only one source.

In order for the State Purchasing Agent to perform more effectively, the following procedures should be standardized:

- ▶ Sealed bids should be required on acquisitions having a value of over \$2,500.
- ▶ Informal bidding by way of telephone bids, requests for quotation, and the like would be permitted for commodities having a value of \$500 to \$2,500.
- ▶ Purchases of \$500 or less may be made without competition where reasonableness can be established by comparisons with previous prices.
- ▶ Open market buying by agencies other than the bureau would continue to be made on purchases of less than \$100 subject to control of the State Purchasing Agent.

Implementation of the first, second, and fourth procedures can be accomplished by administrative action, while the third will require legislative measures. These procedures would reduce the costly and time-consuming effort of processing low-value orders. In addition, they will shorten the procurement cycle significantly. Implementation will eliminate one buyer and one clerk-typist for annual savings of \$13,200. (Legislative/Executive)

56. Issue a single order to a supplier for items common to requisitioning agencies.

A separate purchase order is issued for identical or similar items to the same vendor because each agency has a different appropriation number. Where there are multiple destinations for the same or simi-

lar items, the words "see rider" should be entered for point of delivery and appropriation number. Then, a separate preprinted page can be attached showing description, delivery location, and appropriation number. The quantities desired would be written with unit prices and forwarded to the vendor. This revised procedure will reduce the number of purchase orders by approximately 25% and relieve 50% of a clerk-typist's time. (Executive)

57. Modify signature controls.

Purchase order signing authority has not been delegated to individuals within the bureau. To provide control and facilitate timely processing of orders, Accounts and Control should have signature cards to verify those authorized to requisition goods and services. Buying personnel should have authority to sign purchase orders based on total value. Possible levels could be buyer I, \$200; buyer II, \$2,000; chief buyer, \$15,000; State Purchasing Agent, \$100,000; and the Commissioner, unlimited. (Executive)

58. Establish a system for expediting orders and damaged goods claims.

Each agency is allowed to expedite its own orders. This is undesirable because the bureau does not become aware of vendor delivery performance. Two assistant buyers should be assigned the tasks of expediting and processing damaged goods claims. Costs are shown elsewhere. (Executive)

59. Develop a combination purchase requisition, and bid order form.

Approximately 50% of the time of four buyers and five clerk-typists is devoted to typing redundant information from a requisition to a bid and then to a purchase order. With proper training, ordering personnel can incorporate like commodity items on the combination requisition and snap-out form to achieve significant reductions of clerical effort. The cost of these forms will be approximately \$1,100 annually. However, a reduction of two buyer and two clerk-typists can be made at annual salary savings of \$32,800. (Executive)

60. Determine fund availability prior to processing requisitions.

Purchasing for the state involves special consideration to protect use of tax dollars. Controls over these monies require purchase orders be certified by Accounts and Control and funds encumbered before they are forwarded to a vendor.

Steps should be taken to reduce the operating expense of processing the requisition and having it canceled because of lack of funds. They should, therefore, be forwarded to Accounts and Control for encumbering before going to the Bureau of Purchases. (Executive)

61. Eliminate duplicate filing of requisitions and purchase orders.

Currently, the bureau files the requisition numerically by department number and the purchase order by its number. By assigning separate blocks of requisition numbers to each agency or department and recording them when received by the bureau, there will be no need to retain the requisition. The original requisition, with a copy of the purchase order, should be forwarded to Accounts and Control to match the quantity received and the price. This will reduce the clerical effort by 12 hours per week. (Executive)

62. Simplify the procedure for paying invoices.

A vendor invoices the receiving agency which then approves the invoice and forwards it to Accounts and Control for payment. To ensure timely payment, the invoice should be forwarded from the vendor to Accounts and Control. (Executive)

63. Create a purchase service group.

Buying personnel spend too much time on clerical duties. The creation of a purchase service group would centralize clerical activities to allow better work load allocation and relieve buying personnel of clerical responsibilities. Its function would comprise filing, requisition log, management reports extending unit prices to total values on purchase orders, and the like. By having the group extend unit prices, and process the requisitions after fund availability has been ascertained, a reduction of an encumbrance clerk will be achieved. Implementation will provide annual savings of \$4,700. (Executive)

64. Assign bookkeeping responsibilities to the office manager.

An accountant maintains records of inventories and a revolving fund for office supplies and postage. These duties should be assigned to the office manager. Manual appropriation ledgers are kept for printing administration and mail room services. This is a duplication of the Controller's reports. Introducing better accounting techniques will eliminate an accountant at an annual saving of \$9,300. (Executive)

65. Study the feasibility of automating certain purchasing functions.

Purchasing volume warrants consideration of automating basic purchasing data. A feasibility study should be performed for collecting purchasing statistics. As an initial effort, a basic sort-and-list program should be devised to furnish payment to suppliers from information in the computer. One-time costs are estimated at \$5,000. (Executive)

66. Restructure the bureau's central mail room.

Centralized facilities are maintained by the Department of Health and Welfare, and the Bureaus of Tax-

ation and Purchases for processing mail. Approximately 7-million pieces are received annually by the Bureau of Purchases' mail room. This mail is distributed to the Department of Health and Welfare and the Bureau of Taxation for processing. In the case of Health and Welfare, much of it is redirected by truck to other locations. This service should be performed by the Bureau of Purchases.

In addition, processing of mail by three separate mail rooms should be studied to optimize deliveries and pickups, equipment, layout, and schedules. Industrial firms have experienced cost reductions of 11% to 30% from work measurement studies. However, labor savings of only 10% are claimed. This equates to \$11,100 annually. (Executive)

Bureau of Accounts and Control

This bureau, by statute, is charged with responsibility for operating and maintaining the financial accounting and reporting systems for state government. Under the direction of the State Controller, the bureau preaudits invoices, expense accounts, payrolls, and other evidence of claims, demands, or charges. It makes monthly reports to the Governor, State Auditor, and the head of the agency concerned. Further, it maintains accounts of funds received for designated purposes from the federal government.

For fiscal 1973, the bureau had a staff of 70 and salary costs of \$490,006. Added to this is the cost of data processing time of \$153,796, supplies at \$41,744, and capital at \$4,412 for a total of \$689,958. It is comprised of the Administration, Accounting and Records, Alcoholic Beverage Accounting, PreAudit Payroll, and the PreAudit Accounts Payable sections.

Administration is headed by the State Controller. Accounting and Records is responsible for preparing general ledger trial balances, monthly financial reports, dedicated monthly income and expenditure analyses, monthly summaries of income and expenditures, weekly payrolls, daily warrant sheets of bills paid, monthly listings of encumbrances by activity, quarterly summaries of dedicated income, as well as monthly reports of undedicated income.

Auditors of Alcoholic Beverage Accounting make continuous surprise inspections of the state's 88 retail liquor outlets. Inventory control by brand for each unit provides evidence for analysis of shortages. PreAudit Payroll verifies updated weekly payroll changes to authorizations from the Personnel Department. Employees are primarily concerned with providing data processing with correct punched cards for weekly payroll preparation. PreAudit Ac-

counts Payable processes an average of 1,000 vendor's invoices and 350 expense accounts daily.

The six liaison programmers scattered through sections of the bureau are not concerned with improving or extending data processing capabilities. For several years, their efforts have been directed to reissuing programs to fit machine conversions.

Expenditures do not include encumbrances so each agency will have a data-processed run providing information kept on encumbrance records for specified activities within an appropriation.

Another weak area is in the manual payroll record-keeping required of each agency for payrolls. Few efforts have been made to reduce agency responsibility to PreAudit Payroll for payroll update and vacation and sick pay accruals.

Bulky data-processed payrolls, in triplicate, are retained long after the employee's year-to-date earnings records have been run. Likewise, other data-processed runs for control purposes are retained even though information, such as income tax refund data, are available in taxpayer files.

Payroll hours are submitted to PreAudit Payroll from 2 to 3 days before the end of a week so payrolls may be paid on the following Wednesday. This involves estimating about 50% of a week's payroll hours which may result in overpayment or undue clerical effort to correct or adjust the pay check.

RECOMMENDATIONS

67. Include encumbrance accounting on the monthly data processing reports and eliminate manual accounting.

Currently, data processing provides information to agencies on a basis which is not suitable or timely. The result is a vast duplication of accounting effort, one by EDP at Accounts and Control level and the other by manual methods in all agencies.

Institution of a weekly allotment status report by appropriation should provide each agency with up-to-date balances for each appropriation. Also, monthly data processing analysis of expenditures should give them identical accounting information. With a report of this nature, the only recording needed by each agency would be a register to list authorized expenditures.

This reporting would eliminate the need for an estimated 105 clerical and accounting positions and achieve annual savings of \$800,000, less savings of \$75,000 claimed in other reports. There will be a one-time data processing application cost of \$60,000. Annual savings will amount to \$650,000 because of an increase of \$75,000 in operating costs. (Executive)

68. Institute biweekly payrolls.

Statutes provide for weekly payrolls, yet most other states have adopted biweekly periods to realize significant economies. Weekly payrolls almost double data processing activities and substantially increase clerical time.

Adoption of biweekly payrolls will reduce data processing and clerical functions. To ease the adjustment for employees, a transition period should be initiated whereby the pay period would be increased by one working day each week until the period reached a 2-week interval. For full savings, 50% of the agencies start on a first and third week pay period and the remainder on the second and fourth. Implementation should provide annual savings of \$60,000 for data processing and preaudit functions and \$140,000 through reduction of personnel. (Legislative)

69. Institute a system of pay cards.

Extensive clerical effort is expended to carry out payroll functions. Many man-hours are used annually to maintain records of presence, absence by cause, earned leave hours, as well as authorize weekly pay. An individual employee should report his own time on a pay card and centralized data processing used to maintain records and write payroll checks.

Implementation would permit a reduction in individual agency accounting staffs. Once installed, such a central system would incur minor costs to accommodate additional users. (Executive)

70. Reduce recording payroll information by using data processing techniques.

Currently, agencies must maintain records of hours worked, vacation and sick pay accruals, changes in employee deductions, and pertinent dates of employment. The punched card file in PreAudit Payroll should be changed to disk storage with updating performed by this section from authorization forms.

Each agency will then only have to report changes from previous payroll in hours by employee, compensatory time, and the control total of the gross. Savings should amount to \$310,000 from the reduction of clerical effort. Annual rental charges for disks are estimated at \$8,500 and a one-time program expense of \$25,000 is anticipated. (Executive)

71. Eliminate three positions in the Control Section and merge remaining personnel into Accounting and Records.

The amount of verification work performed is based on prior experience gained on tabulating equipment. Controls on tape and disk data processing equipment can be better determined by the section

responsible for accuracy of the accounting records. Elimination of the supervisor of tabulating equipment and two keypunch operators would reduce extent of payroll, interdepartment, and journal controls, as well as place supervision with Accounting and Records. Implementation would provide annual savings of \$27,000. (Executive)

72. Prepare retention schedule for payroll and other data-processed records.

Bulky weekly payroll tab-runs, in triplicate, are kept indefinitely. Retention in Archives long after the employee's year-to-date earning records have been run, seems unnecessary. Accumulation of payroll records in storage over the past 40 years takes up about 2,000 square feet of space at an annual cost of \$8,000. This could be saved by destruction of these data. (Executive)

73. Change the payday so payroll hours will be submitted at end of a work week.

To meet Wednesday payday, hours worked must be submitted to PreAudit Payroll by the previous Thursday or Friday. At least two days' hours are estimated. Failure of an employee to work these days results in extra payment and excess clerical time in correcting or adjusting the payroll.

This practice should be discontinued. Payroll hours should be submitted at the end of the work week, presumably on Monday. The actual payday would be extended from Wednesday to Friday to accomplish this. Implementation will permit remuneration on the basis of actual hours worked. Annual savings in clerical time are estimated at \$6,000. (Executive)

74. Discontinue the parallel program of general ledger-machine bookkeeping once conversion to data processing is complete.

The present goal of liaison programmers is to data process all monthly financial statements. When the trial period has elapsed with the parallel program, discontinuance of machine bookkeeping would be in order. Annual savings of \$21,000 would be realized, less the cost of keypunch rental and an operator at \$7,500. (Executive)

75. Revamp the expenditure coding system.

The present coding system for expenditures does not allow capturing the cost of specific programs and/or personnel classifications. Expanding the expenditure code identification to include agency and program, as well as personnel classifications will allow operational cost evaluation by category to pinpoint overexpenditures, duplication, and waste. The cost should be minimal. (Executive)

76. Develop standard payment dates for vendor invoices.

Vendor invoices are processed on a daily basis. This precludes effective utilization of available cash.

To reduce clerical processing expense and prevent premature payment of invoices, standard dates should be developed for payments on a weekly basis. (Executive)

Maine Insurance Advisory Board

The Maine Insurance Advisory Board (MIAB) consists of a five member committee appointed by the Governor. Each serves staggered terms of 5 years. Its purpose is to recommend and purchase specific types and amounts of insurance for all state-owned property.

This board recommends and purchases fire insurance on buildings owned by or loaned to the state, the University of Maine, and the Maine Maritime Academy, liability insurance for all vehicles, airplane and ocean marine coverages, and fidelity bonds. Its administrative costs for fiscal 1972 amounted to \$38,262.

In fiscal 1972, it recommended a state-funded insurance program. The fund, amounting to approximately \$1.67-million, is maintained by legislative appropriation, investment income, and a portion of the premium applied to the deductible amount the state would pay. This fund, invested by the State Treasurer, cannot exceed 2% of the current value of state-owned property. Premiums paid out for insurance coverage in fiscal 1972 amounted to about \$462,000.

Currently, the fire schedule covers \$330-million and the policy is put out to bid. Premiums paid to the insurer in fiscal 1972 amounted to \$211,609, and \$256,288 was allocated to the self-insurance fund. Liability insurance for all vehicles is put out to bid for a 3-year term. The total audited premium in fiscal 1972 amounted to \$119,543.

Airplane and ocean marine insurance is also purchased by bid. Premium costs in fiscal 1972 were \$22,711. Hull protection and indemnity, with a \$1-million limit, is acquired for the Maine Maritime Academy, the Ferry Service, the University of Maine, and the Departments of Sea and Shore Fisheries and Parks and Recreation. In fiscal 1972, the premium totaled \$83,200. Additionally, the board purchases a comprehensive commercial blanket bond which covers state employees and the University of Maine.

Total premium costs for fiscal 1972 were about \$18,500. Adequacy of coverage was not evaluated. The state also maintains builders risk insurance for all construction and reconstruction projects. This policy cost \$7,195 in fiscal 1972. Such items as workmen's compensation, employee health benefits, and life insurance are not the responsibility of this board.

Appraisals of structures are kept up-to-date and inspections are performed on a regular basis. Endorsements for additions and contents are added as necessary but the state seems to be overinsured. Duplicate safety files of appraisals, policies, and the like are not maintained against the possibility of loss of original documents.

RECOMMENDATIONS

77. File a duplicate set of appraisals and records of insurance policy numbers in a safe alternate location.

There are no duplicate files of pertinent records maintained against the possibility originals may be destroyed by fire or other calamity.

The file cabinet utilized for storage does not provide adequate protection. Duplicate copies should be maintained in a safe alternate place. This will have the effect of protecting the state in the event of fire or similar loss. Costs of implementation would be negligible. (Executive)

78. Abolish the Maine Insurance Advisory Board.

The Insurance Advisory Board, which meets only once a month, does not adequately oversee all state insurance needs. It should be abolished. Currently, \$30 per meeting per man is paid to the members, plus expenses and monthly costs have averaged \$225. Annual savings are estimated at about \$2,700. (Executive)

79. Establish the Bureau of Insurance Management to oversee insurance programs.

Fire insurance and fleet liability coverages are purchased by the Maine Insurance Advisory Board. Workmen's compensation is not controlled. Health and accident, group life, and other insured fringes are purchased by employee and retired groups. The proposed bureau would oversee purchases, claims, and administration. In fiscal 1972, premiums for casualty, liability, surety bonds, and workmen's compensation totaled approximately \$1-million. Consolidated, professional insurance management and improved administration should save an estimated \$50,000 annually. (Executive)

80. Centralize processing of loss claims in the proposed Bureau of Insurance Management and maintain loss control statistics.

Claims of loss are not centralized. Records of workmen's compensation pay are not maintained and liability claims on automobile accidents are only kept by the departments involved. Loss control statistics would help this office know how to buy and administer all insurance. Centralization would reduce insurance costs and minimize payouts and maximize collections where third parties are involved. (Executive)

81. Consider adoption of a self-insured program against fire.

With continuance of the established loss-ratio record, improved fire inspection practices, and better building standards, the state should systematically proceed to a self-insured status. The deductible amount should be increased as the fund grows. By the time the statutory limit is reached, the state could be adequately self-insured. (Legislative)

82. Authorize the Bureau of Insurance Management to pay liability claims up to a maximum of \$2,500 each.

Small claims are now settled by legislative document. Anyone having a claim against the state must go to his legislator to sponsor a document to authorize payment. The state should maintain its immunity on major claims, and a ceiling would continue this practice. However, settlements could be much faster and more equitable.

Clerical and printing costs of document preparation would be reduced and legislative requirements would be minimized. Cost savings of \$5,000 could be realized but are not claimed. (Legislative)

83. Assign responsibility for initiation of subrogation claims to the Bureau of Insurance Management.

Responsibility and procedures for subrogation claims must be established. It is estimated at least \$10,000 a year could be collected. (Legislative)

84. Utilize the services of the Fire Prevention Bureau to control and eliminate losses.

One man in the department checks buildings for fire risks. Inspections by this bureau could be used as an insurance examination. This would assure adequate coverage. (Executive)

85. Increase the deductible on fire insurance for and consider self-insurance.

There is a \$250,000 deductible on insurance purchased for state-owned buildings. This should be increased to \$500,000 immediately. Raising the deductible would decrease premium payments by an estimated \$50,000 annually. (Executive)

Bureau of Alcoholic Beverages

This bureau has responsibility to control, warehouse, distribute, and sell alcoholic beverages in Maine. It operates a system of state liquor stores and licenses establishments serving liquor by the drink or selling beer and wine. Policies are set by the State Liquor Commission.

The bureau is headed by a director appointed by the Commissioner of Finance and Administration

with the consent of the State Liquor Commission. It is divided into an administrative area and five operating units. During fiscal 1972, the bureau contributed over \$19-million to the general fund.

The Administrative section has accountability for records, personnel, and clerical support to the operating units. It had expenditures of \$168,000 in fiscal 1972. The bureau's purchasing unit buys liquors and fortified wines from manufacturers and distillers. It had expenses of \$51,000 and responsibility for purchases totaling \$23-million in fiscal 1972. Inventory information is generated by computerized, punched-tape cash registers in all 88 stores.

Warehousing receives, stores, and distributes liquors and administrative supplies for the outlets. There is only one warehouse, a state-owned facility of 72,800 square feet. Warehouse expenses for fiscal 1972 amounted to \$166,000. Its current inventory is worth approximately \$2.25-million.

The Stores unit operates 88 outlets selling liquor and fortified wine. Ten of these stores are self-service and more are planned. In fiscal 1972, store operating expenses were \$2.6-million, the major categories being salaries of \$1.92-million, rent of \$240,000, and trucking of \$166,000. Net profit amounted to about \$12.8 million.

Licensing processes applications and issues licenses for the bureau. In fiscal 1972, there were 732 liquor, 4,086 malt beverage and wine licenses, 539 amusement, and 1,171 machine permits issued. An income of approximately \$1-million was derived. This section had expenses of \$64,000 during fiscal 1972.

The Malt-Wine unit conducts audits of beer and wine wholesaler books as well as accepts and records payments of excise taxes on malt liquors and wines. Its revenues exceed \$5-million and fiscal 1972 expenses were about \$25,000.

The operation is a monopoly and has developed inefficiencies. Lack of incentives and communications together with ineffective purchase schedules have caused inventories to be higher than desirable. Revenue is needlessly lost to other states with lower prices, and customer needs are not being met. Economies can be achieved in distribution and over-the-counter operations require excessive staffing.

RECOMMENDATIONS

86. Institute performance incentives.

In fiscal 1972, operating expenses amounted to over \$2.5-million. All store managers receive the same salary regardless of efficiency or sales volume. As a result, there is no motivation for improvement. Selling costs per bottle vary from \$0.175 to \$0.682 and

operating expenses, as a percentage of net sales, range from 3.8% to 16%. Also, inventory turnovers vary from 16.5 to 41.5 times annually. This large variance suggests performance improvement.

The bureau should establish an incentive system for managers dependent on volume, efficiency, and profit. This would motivate them to improve performance. The added costs of incentives would be more than offset by increased efficiency. Savings, resulting from improvement of margins of low-efficiency stores, could amount to \$125,000 annually if operating expenses, as a percentage of net sales, were reduced by only 5%. (Legislative)

87. Use state trucks to make palletized deliveries to large stores.

About 57% of liquor sales are within 60 miles of the warehouse in Augusta and deliveries to stores are made by a common carrier at an average cost of \$0.236 per case. The Motor Transport Service reports the state could make case deliveries in its trucks for \$0.182. State-owned trucks should be used in the area between Portland and Bangor. Based on an average of 400,000 cases per year, savings of \$21,600 could be obtained. Palletized deliveries, where practical, will create savings in the warehouse and outlets. A one-time cost of \$45,000 for three trucks will be incurred. (Executive)

88. Institute controls to reduce inventories.

Current inventory levels of over 5 weeks' supply tie up working capital. Through the use of a properly designed control system, inventory could be reduced to 3 weeks' supply. Elements in determining an inventory level are previous usage, seasonal patterns, quantity discounts, vendor's shipping interval, transportation, cost to issue a purchase order, and safety stock level. A reduction in inventory would release \$1.8-million of capital. If this were invested at 6%, it would produce an annual income of \$108,000. (Executive)

89. Establish an agency system to replace low-volume stores.

Nine stores have sales volumes of less than \$150,000 annually. These outlets had an average net income of 29% of sales versus 35% for the state. Agency stores should replace these units. Such a store can return over 35% to the state after the agency is given a 5% discount from retail price and free delivery to its location. By converting these units, the state would earn an additional 6% on sales of \$1,037,000, or \$62,000. (Legislative)

90. Convert the present stores to self-service.

Of the state's outlets, 10 self-service units are operated. This program should be expanded to all stores. After creating nine agency stores, the remaining 69 units could be converted at an average

cost of \$5,000 each, or \$345,000. If a reduction of one employee at \$5,400 per year were gained in these 69 stores with two or more personnel, annual savings of approximately \$372,600 would result. (Executive)

91. Establish more flexible store hours.

Shopping trends have changed in the last decade. Today, people do their shopping as late as 10 p.m. However, no liquor stores are open beyond 8:30 p.m. Many outlets are located in shopping centers. Wherever this situation exists, store hours should be changed to coincide with others in the shopping centers. This can be accomplished at no additional cost through provision of an offsetting later opening time. (Executive)

92. Enforce laws regarding interstate transport of liquor.

Maine laws prohibit interstate transportation of liquor without proper authorization. Because of lower prices in another state, large amounts are purchased and illegally transported into Maine. For example, one store on the border sells an estimated \$7-million of liquor per year which is brought into Maine. This costs the state over \$2.5-million in lost income. Laws regarding interstate transport of liquor should be enforced by the Liquor Enforcement Bureau which has sufficient manpower to accomplish this function. If only 10% of lost business were brought back, it could mean additional income of \$250,000. No income is claimed. (Executive)

93. Require supervisors to adjust slow-moving stock.

In most state liquor stores, there are some slow-moving items. It is not unusual to find an item in one store to be a better seller in another. Much of this stock is not returned to the warehouse for redistribution. Store supervisors should check for slow items and transfer them to the warehouse or other outlets. This would serve to reduce inventories. (Executive)

94. Prepare manuals of management procedures.

On-the-job training exists at the bureau and store level. However, there are no written operations manuals. They should be prepared for each job classification or position to facilitate continuity. Their cost will be offset by a reduction in training expenses. These manuals will be valuable to store managers on a sales incentive program. (Executive)

95. Study the feasibility of having suppliers provide warehousing and delivery to individual stores.

More than \$2.25-million is tied up in liquor inventory in the warehouse. Under present operations, the state must assume distribution to individual stores. The feasibility of having suppliers provide

warehousing and delivery should be studied. Potential areas of saving would be in salaries, trucking charges, cost of maintaining the warehouse, and reduction of working capital. (Executive)

96. Change the licensee discount method to apply to unbroken cases only.

Fiscal 1972 sales to licensees exceeded \$5-million. Under the state's laws, licensees are allowed a 10%

discount on purchases. The discount should be made applicable to unbroken case lots only. This would create a larger flow of cash for the state and save time on the part of the clerks in processing orders. Of the sales volume, it is estimated by store and warehouse personnel that only 20% represented sales of full cases. Assuming 30% convert to case-lot buying, the state would realize annual savings of approximately \$250,000. (Executive)

State Liquor Commission

This commission has responsibility for the supervision and regulation of matters pertaining to the sale of alcoholic beverages, including beer and wine.

CURRENT PRACTICES

It is composed of three commissioners who are appointed by the Governor for terms of 3 years with the approval of the Council. One commission member is designated as chairman and no more than two may be from the same political party. It meets at least once a month and the commissioners are paid \$50 per day plus travel expenses. Fiscal 1972 expenditures amounted to \$27,447. Acting in five areas, the commission:

- ▶ Decides the annual listing and delisting of liquor brands and fortified wines to be carried in state stores.
- ▶ Issues regulations pertaining to distribution of alcoholic beverages including beer and wine.
- ▶ Licenses establishments serving liquor as well as vendors of beer and wine. It also hears appeals of rulings affecting licenses.
- ▶ Collects excise taxes on beer and wine manufactured or sold in the state. In fiscal 1972, the value of such taxes amounted to approximately \$5-million.
- ▶ Approves appointment of the bureau's director and sets general policies.

EVALUATION

Present procedures for listing and delisting of brands are cumbersome. It takes up to a year to remove the listing of a slow-moving brand. Although the establishments serving alcoholic beverages are licensed, the servers are not. Because of the procedures under which it operates, the commission meets more often than necessary. Between July 1972 and March 1973, 14 meetings were held.

RECOMMENDATIONS

1. Streamline and systematize listings.

Under present procedures, any manufacturer or distributor may apply to have a brand listed. Information to justify a listing is presented at a public hearing. In fiscal 1972, 45 brands were accepted and 23 applications were turned down.

The commission should publish criteria for listing and develop an application form which would provide information to make a decision without public hearings in most cases. Applicants would be notified of decisions in advance and provision made for public hearings of those who wished to appeal a rejection. Implementation would eliminate two commission meetings each year. (Executive)

2. Charge a listing fee.

Each application to list a brand entails certain charges. Once passed, it must be processed and added to the computer listing. Stores must be notified, signs posted, and initial stock distributed. The cost of introducing a new brand, therefore, is approximately \$100. A fee of \$100 should be required for each application. If it is turned down, the fee would be returned. On the basis of fiscal 1972 applications, implementation of this fee would generate an annual income of \$4,500 and discourage applications for marginal brands. (Executive)

3. Establish and circulate a written policy for delisting.

Statutes specify the commission must give the vendor reasonable notice in writing of its intention to remove a listed brand. At present, the commission issues a warning to the vendor when sales fall below reasonable levels. If there is no improvement, a second warning is issued during the next month. The item continues to be carried until the annual May meeting when, after a hearing, it may be removed. This procedure is cumbersome and ties up working capital in slow-moving inventories.

A test of sales performance, comparing products in the same price range, should be formulated and computerized. If a brand did not pass the test for a period of two consecutive months, for example, a warning would be issued. Should sales continue to be below the minimum requirement for two additional months, the brand would be automatically delisted. Implementation would reduce the maximum time slow-moving items may be carried from 14 to 4 months. (Executive)

4. Delegate managerial responsibility for the Bureau of Alcoholic Beverages to its director.

Presently, the commission is engaged in activities such as listing and delisting brands, establishing store hours, locations, negotiating leases, and the like. The public would be better served if the commission were to assign management responsibility to the director. This would free the commission to devote itself to monitor the manner in which the bureau discharges its responsibilities. (Executive)

Department of Personnel

This department's function is to provide qualified persons to fill employee requirements of various state agencies.

CURRENT PRACTICES

It is headed by a director who is responsible to the Personnel Board. The Personnel Board is responsible for administration of the Personnel Law. It also serves as an appeals committee to adjudicate complaints of permanent employees on classification and compensation matters. The board is also empowered to appoint a state advisory council on personnel.

The department administers placement and compensation of classified personnel. It is comprised of the Classification and Pay, Examination and Recruitment, and Certification and Records Divisions. Expenditures totaled \$199,383 for fiscal 1972. Of this, \$181,508 was allocated for personal services.

Classification and Pay audits classified positions, makes job evaluations, prepares class specifications, assigns rate ranges, as well as conducts compensation surveys, and the like. The division maintains some 11,500 job specifications for over 1,100 classifications. Examination and Recruitment has responsibility for recruiting personnel and providing a means for qualified applicants to compete for classified service vacancies. Announcements of examinations and job availability are prepared and distributed to various state agencies and individuals. Certification and Records maintains eligibility registers and makes referrals to requisitioning departments. It prepares and maintains payroll certifications and employment records of present and former state employees.

EVALUATION

Present personnel procedures are time-consuming and do not permit prompt service which departments require and expect. This is partially due to

provisions of the law, as well as cumbersome rules and repetitive activity of manual operations.

The expanding level of state employment and the laws demanding equal opportunities for underprivileged groups impose greater responsibilities upon the department. Job specifications and ratings are in need of review. The manual nature of operations also prevents this department from providing quick and reliable statistical data on employment strength, absenteeism, turnover, and the like.

A large volume of files and reports are retained for indefinite periods. Utilization of office space and equipment and records retention should be reviewed. Statistical data on personnel and employment are incomplete and are not properly consolidated on a statewide basis.

The Personnel Board concerns itself mostly with administration of its rules, rather than their propriety. Proper use of the department's staff for administration of rules through delegation of authority and operating responsibility has not been accomplished.

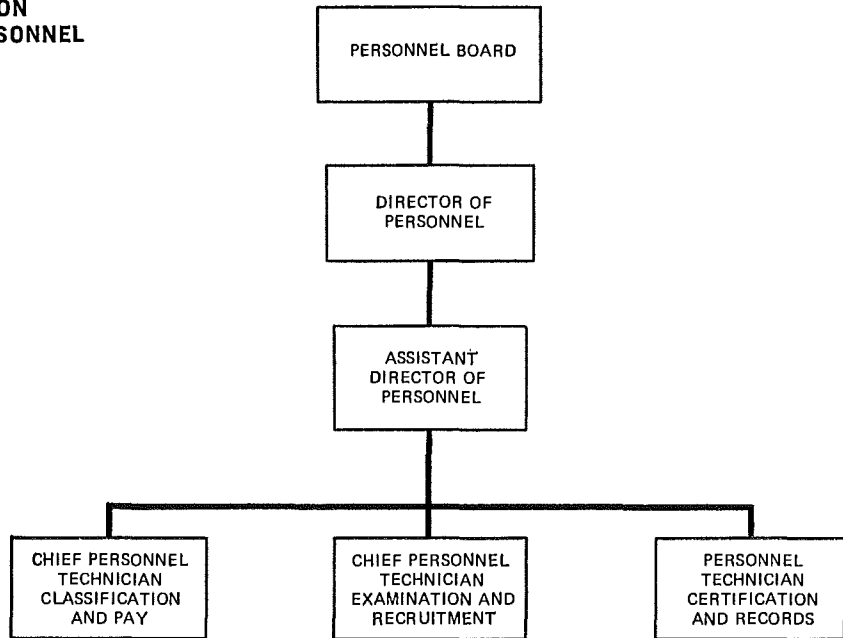
It has not produced the means or resources required to effectively administer the rules. There are no effective plans for supervisory or employee training programs nor a salary administration plan for unclassified personnel. Additionally, it has not exercised its prerogative to appoint an advisory council on personnel.

RECOMMENDATIONS

1. Revise organizational authority and personnel functions.

This department is required to provide the means whereby manpower in the state's employment is best utilized. Its present organization chart is shown at the top of the next page. The Personnel Board, partly because of its nonprofessional composition

**PRESENT ORGANIZATION
DEPARTMENT OF PERSONNEL**



and inflexibility, should be restructured to gain general acceptance and respect for its efforts.

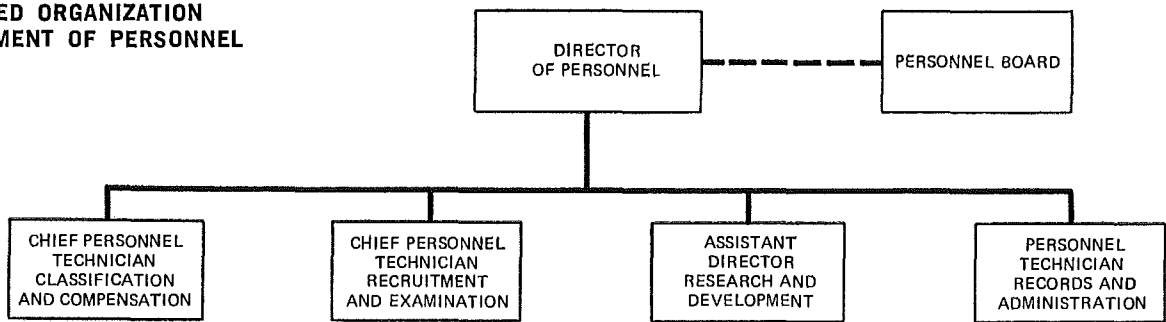
Administration of the state's personnel system must be improved to fully provide the policies and procedures needed to satisfy user needs. Personnel administration can be made more effective through changes in organizational authority and decentralization of certain personnel functions. Proper leadership also demands that personnel programs for training and evaluation, as well as control of absenteeism and turnover be established.

As illustrated in the proposed organization chart shown below, the department should be comprised of the Classification and Compensation, Recruitment and Examination, Research and Development, and Records and Administration Divisions. The reconstituted Personnel Board will provide professional advice and indirectly augment the staff.

The Director of Personnel should be solely responsible for management of the state's personnel activities. A major duty should be to assist the Governor in formulating policies and procedures to aid in personnel management. In addition, he should serve them in a staff capacity and aid them in carrying out their responsibilities. The position of Assistant Director of Personnel should be eliminated. The Personnel Board would evaluate personnel administrative practices and policies as well as make recommendations to the director.

Classification and Compensation would be responsible for developing job specifications, classifications, and ratings. It should determine the standards for each, conduct a review of present classifications, and recommend the manner in which a reduction can be accomplished. Furthermore, the division should establish standards for salary and wage ad-

**PROPOSED ORGANIZATION
DEPARTMENT OF PERSONNEL**



ministration programs to cover employees in the classified and unclassified services. A realistic compensation structure and a proper procedure for its administration will aid significantly in improving the state's ability to attract and retain high-caliber employees. It is essential that an employee evaluation appraisal and incentive program be made an integral part of the salary and wage administration program.

Examination and Recruitment would be responsible for creating standards and procedures for recruitment, examination, and selection of candidates for employment. Its primary purpose should be to attract competent people to seek a career in state employment. Much of the specialized recruitment and examination process should be delegated to authorized agencies. Research and Development would design research techniques for evaluating personnel practices and improve effectiveness of overall management.

The division should have the responsibility of keeping informed on federal and state legislation relating to employment practices. It should also prepare instruction manuals. Interpretive bulletins explaining a personnel procedure or the like should be issued as necessary, but only in letter form. Therefore, separate, complete and concise, instructional manuals, one for personnel forms and instructions, and another containing employee relations policies are suggested.

Records and Statistics would have accountability for maintaining departmental files and employee records. Also, it should retain and keep current, eligible registers of qualified persons for employment, re-employment, or reinstatement.

In general, for the present, personnel functions and management should be centralized. Decentralization of classification, recruitment, examination, and placement will take time. Agencies, whose staffs are large enough to warrant an employee relations representative, will require instruction from the department on matters not performed by them. (Legislative)

2. Restructure the Personnel Board.

This board needs to demonstrate the ability to create an acceptable system of personnel administration conducive to sound employee relations. By reason of the board's nonprofessional status, criticisms have been made against it and the department. Prompt service in recruiting, expected and needed by the agencies, must be forthcoming.

As constituted under the Personnel Law, the board should be revamped and its line authority eliminated. The restructured board should consist of three members. Each should be the head of the

personnel department of a major corporation or business enterprise in the state.

Its professional status should reflect a respected image. This board would be expected to review personnel practices and procedures of the state's personnel administration and make recommendations to the Director of Personnel. It would, however, have no responsibility for carrying out provisions of the Personnel Law. (Legislative)

3. Repeal provisions of the Personnel Act relating to appointment of an advisory council.

The function of this council is to act as a liaison between state agencies and the board. However, no such committee has existed for more than 17 years.

About 3 years ago, an attempt was made to convene the council. For some reason, this did not occur. The restructured authority of the department will permit the Director of Personnel to accomplish objectives anticipated in the law. Therefore, provisions relating to formation of this council should be repealed. (Legislative)

4. Change tests and examinations from a credentials-oriented to a job content basis.

Many of the tests and examinations conducted by Examination and Recruitment may not comply with the laws prohibiting discrimination in employment. They are too oriented to education instead of job content. Several tests are old and contain irrelevant material.

The work of updating tests and examinations should be expedited. Present progress is much too slow and violations of laws may be charged on the basis that tests are invalid or discriminatory. (Executive)

5. Update job specifications.

A job specification is available for each of the more than 11,500 classified positions. Many are outdated. The recent reorganization, consolidating many separate units into seven major departments, had an effect on positions in nearly every agency.

Personnel should expedite its updating of these specifications by adopting a position classification questionnaire. The technician position requested in the department's (Part II) budget will provide the means of updating without incurring additional costs. (Executive)

6. Require monthly reconciliation reports of employment strength.

Statistics should be available on the size of the state's labor force, other than by a manual count of payroll record cards, subject to change because of daily turnover. However, position cards are maintained by Classification and Pay. From these, a

manual count of filled and unfilled positions can be made. When checked against the records of an agency with an authorized strength of 789, a total of 192 unfilled positions had either been abolished or reclassified.

The department should require a monthly report from each agency of employment strength by actual versus authorized position. This will permit the department to maintain accurate rosters of classified and unclassified employees as required by law, confirm the number of employees, and have current information on unfilled positions.

Implementation will enable the department to plan recruitment of personnel in advance and enable it to make recommendations to the Bureau of the Budget to delete positions and forfeit budgeted funds for jobs which remain unfilled for more than a predetermined period of time. Activities resulting from reconciliation reporting could be accomplished by the present staff. (Executive)

7. Formulate policies to control absenteeism.

The only record of absenteeism is kept within each agency and is used as a check for payroll purposes. Sick leave earned, used, accumulated, and lapsed is recorded by each agency. There is no reporting requirement to permit this department to consolidate information on sick leave. Information is needed about sickness and absenteeism which reportedly costs the state approximately \$2.6-million annually.

Reporting should be required on a monthly basis. A form should be designed to show department, division, location, class code and title, reason for absence, period of absence, hours or days away, pay status, and pay rate. Its design should anticipate automation. Analysis will reveal areas where corrective measures should be taken. (Executive)

8. Establish control over and reduce costs of employee turnover.

Consolidation of information involving day-to-day employment activity should be developed. Turnover statistics are not available, but are estimated at 25% annually.

Basic data would come from regular personnel activity forms. An annual statistical record of turnover by department, division, location, reason, and extent should be prepared. Analysis will pinpoint areas where improvements could be realized so follow-up can be effected.

Only negligible expense is entailed to produce viable information. This should bring about a correction in working conditions and provide better employment stability. A payroll saving estimated at \$20,000 annually in regained productivity could be effected for

each 1% of turnover rate reduction. With good control, the rate could reasonably be expected to reach 15%. This could provide an annual saving of \$200,000. (Executive)

9. Provide urgently needed computerization of operations.

The department's operations should be attuned to progress. It still performs functions manually and cannot provide prompt reliable service. Electronic techniques should be adopted.

This system should maintain employment data on a current, retrievable basis. It should provide programs for data on payroll, retirement systems, job requisitioning, performance appraisals, service credits, absenteeism, turnover, and the like.

To produce a basic system, personnel needs of state agencies would have to be assessed. Such a study was made by a firm of management consultants in June 1969. It was not implemented. Complementing it are results of an examination of paper flow procedures on classified positions made in 1972 by the Department of Finance and Administration.

A basic automated personnel system could cost approximately \$100,000. Automation, in parallel with manual operation, would continue until reliability is proven. About 18 months would be needed before abandonment of present manual procedures. Development should be financed by participating agencies. (Executive)

10. Establish a 4-year period following termination for retention of personnel records.

Records of terminated employees are retained for an indefinite period. They are stored in 40 cabinets in the State Office Building and in 18 boxes in the Maine State Archives. The only material pertinent after 4 years is a record of service and pay. These serve as a basis for retirement benefits, if applicable employee contributions are made before age 70. Such records could be microfilmed at the end of the 4-year period. This retention period, together with microfilming, will permit the destruction of 30,000 to 40,000 files and release 30 cabinets, as well as more than 100 square feet of office and storage space. (Executive)

11. Establish schedules for retention of other forms and files.

A program is needed for controlling forms issued and received. The department retains forms and files indefinitely. Uncontrolled distribution and retention leads to unnecessary and costly file cabinet and space utilization. Retention schedules should be adopted. Once implemented, approximately 10 file cabinets will become available. (Executive)

12. Combine employment activities forms.

There are 10 different forms and approximately 250,000 are used annually. They should be combined into a standard unit with provision for all activities. Form design should anticipate conformity with electronic data processing requirements. A comprehensive form will lower storage and printing costs, and improve clerical performance. Annual savings of \$1,600 will result from reductions in printing costs. (Executive)

13. Dispose of 10 manual typewriters.

Personnel has 27 typewriters. The six manual typewriters in the examination room are never used because of their condition. They should be discarded and replaced by the six best manual typewriters available. Four manual machines not needed should also be removed or sold. (Executive)

14. Dispose of excess office furniture.

The office is crowded with old furniture. Working space is confined, and the location of equipment causes hazardous conditions.

There are 69 chairs for 28 employees. Six good chairs should be transferred to the examination room to replace its worthless swivel chairs. The better of the remaining ones should be assigned for visitors, releasing about 25 for alternate use. The three unused desks should also be released. (Executive)

15. Improve utilization of historical payroll files.

Certification and Records maintains historical payroll records of 12,500 classified and unclassified active

employees in 11 two-drawer filing cabinets. Only the upper drawer is used. Additional capital expenditures are made as increased employment requires more files. Both drawers should be used. This will release five cabinets valued at \$250 for other purposes, and recover approximately 15 square feet of space. (Executive)

16. Reproduce job classifications as required.

Classification and Pay reproduces up to 100 copies of each of the 1,108 job classifications, using an old mimeograph machine. Approximately 400 job classifications cover positions having fewer than 10 persons in them. These should be reproduced as needed. Only the original or a minimum quantity need be retained. This will release three filing cabinets. Also, the mimeograph machine should be sold or released. (Executive)

17. Institute an alcoholism rehabilitation program based on job performance.

National figures on alcoholism indicate 5% of the work force has an alcoholism problem. With over 12,500 employees, approximately 650 could theoretically benefit from a program whose results have been found to double the cure rate of voluntary rehabilitation. It would not be unreasonable to salvage 50% of the potential 650 alcoholics. Savings will result from lowered absenteeism, reduced sick pay and medical premiums. The state's payroll exceeds \$100-million per year and industrial alcoholic program savings are usually targeted for a 1% of gross payroll. Thus, annual savings of \$1-million are possible but none are claimed. (Executive)

Maine State Retirement System

This system provides retirement and survivors' allowances as well as life insurance benefits for state personnel, public school teachers, and employees of participating local political subdivisions. It also collects and reports taxes for municipal districts which elect benefits under social security.

CURRENT PRACTICES

General responsibility for the retirement system rests with a part-time, seven-member Board of Trustees. Administrative duties are vested in an executive director. Three professional advisory firms manage investments and a bank has accountability for custody and servicing of negotiable securities. Life insurance benefits are provided under a contract. A board of three physicians determines eligibility for disability retirement and survivors' allowances.

The retirement system has a complement of 32 in its Divisions of Accounting, Retirement Claims, and Actuarial. For fiscal 1972, administrative expenditures totaled \$264,701. The system maintains six funds. They are Membership Contribution, Retirement Allowance, Retirement Allowance Adjustment, Survivor's Benefit, Expense, and Group Life Insurance. As of June 30, 1972, reserves amounted to \$188,089,986. For fiscal 1972, participating members contributed \$16,074,283. Payments by the state, teachers, and participating local districts for funding, payment of allowances, as well as group insurance, totaled \$19,545,934.

Accounting processes payroll reports, makes distribution and deposits of all contributions, and administers local district elections for social security benefits. Retirement Claims maintains individual

member files, verifies prior service credits, and conducts all correspondence with employee groups. Actuarial performs services required by the consulting actuary and acts as liaison with departments in computing benefits.

Programs are divided into retirement and insurance benefits. The former comprises retirement allowances, adjustments, and survivorship benefits which apply to state employees and teachers. Retirement allowances are available to local participating districts who may also elect one or both of the other benefits.

The system is contributory. A member's contribution may be 5%, 7.5%, or 8% of earnings depending on employment class. Balance required to fully fund normal and accrued liabilities is provided from investment earnings and contributions by the state, teachers, and local participating districts. During fiscal 1972, contributions totaled \$32,812,010 as shown in the table below.

PROGRAM	MEMBER	EMPLOYER
State	\$ 5,042,995	\$ 6,846,961
Teacher	6,203,025	9,667,528
District	2,332,488	2,719,013
	<u>\$13,578,508</u>	<u>\$19,233,502</u>

Contributions are periodically transmitted to the custodian bank for allocation to the three investment advisors and subsequent investment. As of June 30, 1972, monthly retirement and survivor benefit payments to beneficiaries exceeded \$2.5-million. Assets, at book value, totaled more than \$185.08-million.

EVALUATION

A data processing program was established for actuarial purposes. However, insufficient control is exercised to keep it up to date. Over 1,600 entries are without date of birth. With the addition of essential data required for benefit calculation, automatic computation of retirement benefits for state employees and teachers is possible.

Contributions and salaries of members are posted on ledger cards which are used for retirement and insurance purposes. Payroll records submitted often have no uniform format. The group life insurance contract covers employees of the state, teachers, and local participating districts. Even though one covenant, experience is not pooled.

RECOMMENDATIONS

1. Renegotiate fee agreements.

The market values of portfolios of the system's investment advisors were substantially equal when

agreements were executed. After more than 9 months of performance, these portfolios have increased by approximately the same degree and remain nearly equal in value. During that period, investment fees varied from \$6,385 to \$13,867 per month. Fee agreements should be reviewed to establish proper relativity. Renegotiation should produce annual savings of \$75,000. (Executive)

2. Make retirement at 65 mandatory.

The mandatory retirement age of state employees is 70. Retention, under certain conditions of employment, is permitted after this age. It is recognized some employees past 65 may make valuable contributions. However, they frequently become less effective and prevent advancement of younger people.

Employees should be retired from service upon attaining the age of 65. Those in appointed or elected positions would be permitted to remain members of the retirement system until expiration of their current assignment but, in no event, for more than 2 years following age 65.

There are 452 employees who are over 65 and of these, 67 are over 70. Their salaries total approximately \$3.9-million annually. About 10% of the positions held by employees 70 years old and over, and 15% by those 65 to 70 would be eliminated. The principal advantage is to be able to better recruit and retain able managers in the future as well as obtain savings in pension and other benefit costs. Total long-range annual savings could amount to at least \$850,000 per year. However, only 50% or \$425,000 is claimed. (Legislative)

3. Establish the first day of a calendar month as a uniform retirement date.

Provisions of the law relating to an employee's selection of retirement date should be modified. It should stipulate that the first day of any month be made uniform for retirement. With the proposed automation of personnel record maintenance and benefit calculations, it is essential this uniform date be established. (Executive)

4. Obtain larger advance rate discounts.

Over the past 5 years, losses under the group life insurance plan averaged 49.3% of earned premiums. Retention charges averaged 4.3% and dividends of approximately 25% were generated. For fiscal 1972, these same items were 52%, 4.4%, and 21.2%, respectively.

The high rate of dividends results from excessive premium payments. Insurers should grant a larger advance rate discount instead of the approximately 30% presently allowed. This will reduce dividends.

Had a 40% discount been in effect in fiscal 1972, employers' premium payments of over \$437,000 would not have been necessary. For state employee coverage, the saving is \$16,700 per year. A \$2.5-million dividend reserve reported should be reviewed and negotiated. (Executive)

5. Pool group life insurance.

Group life insurance is premium-rated annually for each local participating district on the basis of its own membership. Rates are determined by the insurer for each of 104 districts for basic insurance and 24 districts for supplemental insurance. An advance rate discount of 10% is allowed 102 districts and 15% to two. Premium rating is not undertaken for state employees and teachers.

Insurance coverages of all employees and covered units should be on a pooled basis. In addition, a uniform total premium rate should be developed to replace the 130 separate charges. Also, a fixed monthly premium should be established for each unit on the basis of insurance in force at the beginning of each fiscal year. Employer costs should be the difference between the fixed monthly rate and employee contributions. Year-end dividend payment will automatically reflect experience on this basis. Savings would be substantial but cannot be determined. An independent actuarial study is recommended. (Executive)

6. Establish control over group life insurance premium requirements.

The insurance carrier determines the manual monthly premium rates for group life insurance coverage. The department does not know, nor does it have a program to determine the amounts of insurance in force at any time. Nevertheless, census information is submitted to the insurer. Verification of the accuracy of the insurer's calculations of rates and charges reportedly is not made. An insurance distribution program should be instituted whereby annual computations of rates are determined. (Executive)

7. Provide data processing programs for maintenance of payroll and benefit records.

Each participating member's payroll and benefit contribution is machine-posted from payroll records to his ledger card once a month. Much of each member's historical and personal record is also set up in a data processing program. This program is primarily utilized to provide the consulting actuary with data to evaluate fund needs.

Posting of individual ledger cards would be eliminated by recording periodic data directly from payrolls to each employee's master record in the data

processing program. Historical data to permit application of the appropriate benefit formula should also be transferred. Provision should be made for current and retirement insurance calculations. The existing program should be modified to interface with an automated personnel record to eliminate duplications.

All benefit calculations involving some 20 different basic formulas, are made manually and approved by the actuary. With input and periodic updating of data, the modified program should permit reliable automated benefit applications. Half or more of the bookkeeping machine staff of eight will become excessive and could be either released or assigned to related duties once program operation is perfected. Actuarial service charges should be reduced by at least \$1,000 annually and a person who calculates benefits could be released. Four bookkeeping machines, conservatively valued at \$500 each, can also be released to provide a one-time saving of \$2,000. Annual savings of approximately \$37,100 will result. (Legislative/Executive)

8. Require payroll reports to be submitted alphabetically with social security number no less than once a month.

Many payroll reports of teachers and local participating district groups are submitted twice a month. Some have names which are out of alphabetical order. Often, the required social security number is missing. Each reporting unit, regardless of identification or location, should be required to submit reports on a monthly basis with social security numbers shown and names listed alphabetically. Implementation should save an estimated 48 clerical man-days each year which could possibly be put to better use. (Executive)

9. Audit and update the Retirement System's membership.

A recent print-out of state employee membership in the Retirement System revealed 1,593 are without date of birth. Of these, 264 are regular and full-time seasonal employees and 963 are inactive with contributions to their credit.

This record should be audited and birth dates obtained. Inactive members should be deleted and kept separately if they are not vested. Those who are nonmembers, dead, or have cancelled should be purged. It should present membership statistics to permit a proper evaluation of liabilities by its consulting actuary. Record of teachers and employees of local participating districts should also be audited and updated to correctly reflect pertinent data of those with an equity in the Maine State Retirement System. (Executive)

Department of Agriculture

This department's mission is to protect, promote, and develop the social and economic well being of Maine's citizens by conservation and improvement of the soil and cropland. Other functions include advancement of animal husbandry and compilation and dissemination of knowledge pertaining to agriculture. It is also the enforcement agency for laws relating to agriculture.

CURRENT PRACTICES

The department is organized into the Divisions of Administration, Markets, Promotions, Animal Industry, Plant Industry, and Inspections as well as the Harness Racing Commission, Seed Potato Board, Milk Commission, Milk Tax Committee, Dairy Council, Soil and Water Conservation Committee, and the Maine Potato Commission. It has 247 full-time and 54 seasonal employees. The Division of Animal Industry uses the services of about 40 veterinarians.

For fiscal 1972, this department had \$3,449,204 available. Of this, \$1,147,052, was provided by general fund appropriations. The remainder came from services, fees, receipts from the Harness Racing Commission, grants, taxes, interest, and so on.

The Seed Potato Board functions on funds derived from the sale of potatoes for seed. In fiscal 1972, these amounted to \$266,025. The Milk Commission, Milk Tax Committee, and Maine Dairy Council conduct operations on dedicated revenues, which amounted to \$66,718, \$314,743, and \$109,527, respectively, for fiscal 1972. The Soil and Water Conservation Commission operates primarily on appropriated funds. The Maine Potato Commission is virtually exempt from control by the Commissioner. It runs on dedicated revenues which totaled \$304,099 in fiscal 1972.

EVALUATION

There are wide differences in the degree of authority and supervision granted to the Commissioner over the various commissions, boards, and committees for which he is accountable. This is inconsistent with sound principles of management. The manner in which the Seed Potato Board is conducted should be a precedent for reforming the department's control of the Maine Dairy Council and the Maine Milk Tax Committee. Autonomy of the Maine Potato Commission is considered intolerable as long as its funding comes from taxation.

Because of the nature of enforcement responsibilities and the large area served there is much travel

expected. However, the department appears to exceed 1.9-million miles traveled annually on a reimbursement basis, and 100,000 miles in state-owned vehicles. The present print-out of the weekly salary analysis is difficult to interpret for control purposes.

RECOMMENDATIONS

1. Establish a car pool in Augusta.

In fiscal 1972, more than 1.9-million miles of private car usage were reimbursed. The use of state-owned vehicles would have reduced the cost per mile from \$0.10 to \$0.072 for annual savings of \$54,400. Of this, \$50,000 is claimed assuming 1.8-million miles could be driven with pool cars. An evaluation should be performed to determine if a car pool or a leasing agreement should be established in an area such as Presque Isle with air transportation provided from Augusta. The pool dispatcher should be authorized to recommend combined trips and be required to report abuses. (Executive)

2. Reduce salary and vehicle costs by maintaining closer controls.

About 44,000 man-hours are spent annually driving almost 2-million miles in state-owned and private vehicles. This generates an annual cost of \$180,000 lost to driving time plus \$198,000 for operating costs. Tighter controls should be established to reduce miles traveled. Savings of 15% to 25% have been achieved by industry through combining several activities into one trip and limiting the number of employees allowed to travel. If only 10% were saved, the cost reduction would amount to \$37,800. (Executive)

3. Provide financial analysis by program.

The department operates from many sources of funding. At present, there is no data analysis system to rapidly discern the income and costs associated with any revenue source or program expense. Analysis of cost effectiveness is lost because data cannot be reconciled.

The solution is to record income and expenditures, allocate personnel services, and charge materials by program. Once this is done, management can evaluate the cost effectiveness of programs.

Placing money under managerial control has, historically, resulted in improved cost effectiveness. If an improvement of 3% of the department's \$3,449,000 annual expenditures were saved, this would amount to over \$100,000. However, the saving is not claimed. (Executive)

Maine Recreation Authority

This authority, with a current legal loan capacity of \$17-million, was created to provide financing assistance for tourism attractions. It has power to guarantee up to 75% of a loan for recreation-oriented businesses when normal risk capital is unobtainable elsewhere.

CURRENT PRACTICES

The authority reports to the Governor. It is comprised of a chairman, vice chairman, and five members. They serve without pay except for a mileage allowance. In addition, it has a full-time manager and a clerk. The Commissioners of the Departments of Commerce and Industry and Parks and Recreation are ex officio members.

Guaranteed loan dollars have increased from a balance of \$1.2-million in fiscal 1968 to \$6-million in fiscal 1972. Projects under construction or awaiting closings have decreased from \$7.2-million to \$1.4-million during the same period. Total dollar commitments rose from \$7.2-million to \$8.2-million in fiscal 1972. Income from the 1% premium charged for guaranteeing loans has risen annually from \$2,965 in fiscal 1968 to \$71,000 in fiscal 1972. In fiscal 1970, default payments by the state were \$30,289. They increased to \$55,627 in fiscal 1971 and \$133,000 in fiscal 1972.

The manager travels approximately 23,000 miles per year to investigate loans and monitor the financial health of projects guaranteed by the authority. His recommendations are reviewed by the authority, and their vote determines whether the guarantee will be issued. This agency meets about once every 6 weeks. Salaries for the manager and his secretary amounted to \$22,083 in fiscal 1972, a 24% increase over fiscal 1968.

EVALUATION

The strength of this operation depends upon the thoroughness with which the manager investigates and evaluates the potential success of a project. Guaranteed projects are spread over various portions of the state and include ski areas, marinas, tennis courts, resorts, motels, and restaurants. As long as the tourist boom continues, the capital risk is diluted by such diversity.

This authority lacks integrated planning with other state departments. For example, new recreational developments are not coordinated with other tourist facilities or highway modifications. The manager is driving his car about 25% of his working hours.

Thus, only 75% of his time is available to examine sites, interview people, evaluate proposals, prepare recommendations for approval by the authority, and monitor program results.

RECOMMENDATIONS

1. **Combine the Maine Recreation Authority, the Maine Industrial Building Authority, and the Maine Municipal Approval Board into a single entity.**

The Maine Recreation Authority should be combined with the other authorities where similar work is being performed. Benefits would include creation of a reporting relationship with other authorities performing similar services to the public. It would have a minimum of impact on other departments. When implemented, pooling of secretarial services should save \$2,000 annually. These savings are claimed elsewhere. (Executive)

2. **Provide the manager with input to and output from long-range plans and economic data bases of the State Planning Office and the Department of Commerce and Industry.**

Decisions made by the authority are based upon existing conditions plus the manager's estimates of expected changes. Therefore, he should have access to long-term plans of all state departments to fit recreational developments into an integrated relationship with roads, industrial developments, forestry projects, state parks, and the like.

Benefits will include better loan decisions through the use of qualified raw data. Additionally, those departments which have to make decisions in ancillary areas of roads, industrial development, forestry projects, state parks, and so on will be able to make better judgments. (Executive)

3. **Install a system of management based on objective measurement of performance against goals.**

Evaluation of effectiveness of decisions by the authority in guaranteeing loans is hampered by a lack of clearly defined objectives and measurement of achievement. Objectives might include income to the state per dollar cost, number of new jobs created by tourism as the result of loan guaranteeing activities, and the default rate compared to the commercial bank loss experience. The reporting should be continued over a time base to permit trend evaluation or analysis. If implementation were to save only 10% of the 1972 default payments, annual savings would amount to \$13,000 per year. (Executive)

Board of Pesticides Control

This board was established to assure proper application of pesticides, investigate complaints about their application, as well as protect the public interest in soils, water, forests, wildlife, and other natural resources.

CURRENT PRACTICES

The board is comprised of the Commissioners of Agriculture, Health and Welfare, Inland Fisheries and Game, Sea and Shore Fisheries, Forestry, Highways, Public Utilities Commission, and Environmental Protection. This board convened nine times in 1972. Operating expenditures for fiscal 1972 amounted to \$22,556.

EVALUATION

The board is in organizational limbo as no executive accountability is provided by the Legislature. The supervisor is unable to investigate all complaints received during the summer season, and must rely upon and obtain assistance from the Departments of Environmental Protection and Inland Fisheries and Game.

RECOMMENDATION

1. Eliminate the board.

This board has no clear organizational relationship. Actions require a meeting of eight Commissioners before decisions can be made.

Legislative intent in establishing this agency was to provide maximum protection to people and the

environment, rather than economic benefit. Assigning its duties to the Department of Environmental Protection and providing the Commissioner of Environmental Protection with adequate objectives and ground rules which are endorsed by the other seven Commissioners, will allow administration of stated functions. When revision is required, an agreement should be solicited from the commissioners who made up the original board. Implementation will:

- ▶ Reduce the number of people reporting to the Governor.
- ▶ Improve accountability for actions taken.
- ▶ Eliminate meetings which take up the time of the eight Commissioners.
- ▶ Facilitate decision-making by having the Supervisor of Pesticide Control make judgments without convening a meeting.
- ▶ Provide an enlarged labor base from which to draw for peak work loads.
- ▶ Allow integration of pesticide control with other licensing and investigating functions for protecting the environment.

There will be obvious monetary savings by curtailing the time required for meetings of this board. Annual savings are estimated at \$1,200 but are not claimed. (Legislative)

Department of Inland Fisheries and Game

This department is responsible for administration and enforcement of inland fish and game laws, as well as conservation improvement of fish and game species and habitat.

CURRENT PRACTICES

Administrative control of the department is vested with the Commissioner who is appointed by the Governor with advice and consent of the Council for a term of 3 years. He is aided by an Advisory Council, consisting of seven members.

The department employs 300 people in the Divisions of Administration, Snowmobile Registration, Game Research and Management, Fisheries Research and Management, Engineering, Hatchery,

Warden Service, Warden Aircraft, Information and Education, and Planning and Coordinating.

Administration performs business management functions including coding and accountability of purchases and expenses charged to various projects, as well as issuance of about 390,000 annual fishing and hunting licenses and permits. Snowmobile Registration is primarily a seasonal revenue producing operation which returns \$6 of the current \$10 fee to the locality of snowmobile ownership. Both Game Research and Management and Fisheries Research and Management, in their efforts to preserve and improve resources, develop and carry out projects which are funded on a 25% state and 75% federal basis.

Hatchery maintains some 10 hatcheries and rearing stations. It produced and stocked 2-million fish during 1972. This division also operates a game farm which hatches and raises pheasants for a stocking program of Game Research and Management.

Warden Service is the largest organizational unit with 132 employees and 14 operating districts. Its responsibilities have increased to include areas of snowmobile and litter law enforcement. Warden Aircraft operates six float planes and a helicopter. Its enforcement activity is primarily concerned with transporting wardens to remote areas.

Information and Education develops and operates conservation and public information programs. It answers some 1,500 information requests a year. Planning and Coordinating is involved with establishment of a data base of fisheries and game resources, habitat, and user impact in cooperation with other departments.

At the start of fiscal 1972, the department had a balance of \$1,230,800 in dedicated funds. Revenues from license and permit sales in fiscal 1972 amounted to \$3,259,096. Federal grants totaled \$797,394, general fund contributions were \$10,000, and miscellaneous revenues, including funds from snowmobile and watercraft registrations, amounted to \$308,249.

EVALUATION

Legislative involvement in the decision-making process regarding opening of the season, bag limits, and the like tends to direct attention to short-range objectives involving only a small portion of fisheries and game management. This negatively influences long-term planning required for meaningful management of fish and game resources. The Commissioner serves on many commissions, bureaus, and activities creating confused reporting responsibilities and, often, a duplication of business functions.

New policies, adopted by the Legislature, have produced a growth of environmental protection programs. This has increased the department's biologists' work for other agencies and expanded the Warden Service duties to cover areas of litter and pesticide control. There is a lack of overall utilization of modern systems, techniques, controls, and evaluating methods. It results in much time spent in manual posting, summarizing, compiling statistics, and filing.

RECOMMENDATIONS

1. Initiate mechanized inventory accounting for capital equipment and property records.

Present procedures require personnel to perform a series of manual postings indicating item, location,

district, and so on which are summarized in a quarterly report. Duplication of records is in abundance. The solution would be a simple system initiated with an entry when the item is acquired. Sale, transfer, trade, or discontinuation of an item would initiate a change in status. A similar system, called Capital Asset Accounting System, is already in use at the Augusta State Hospital to meet federal accounting requirements. Savings of 33% of a clerk's time would be realized. A print-out of inventory by location would save time and solve many inventory-taking problems. (Executive)

2. Revise the method of taking physical inventory to provide exception reporting.

At present, a time-consuming inventory list of all commodities with a value of \$50 or more is made in the field manually. Much time and effort is spent recording unnecessary items. Detailed classification of these parts, combined with a mechanized print-out by location for use as a check list, would enable reporting of exceptions to property records. Implementation would eliminate over 50% of the time spent. (Executive)

3. Change the requirement of physical plant and equipment inventory from annual to biennial.

About 1,000 man-days are required to conduct physical inventories annually. With the adoption of a mechanized system, annual inventories of all items would not be necessary. In excess of 750 man-days could be saved in a year for annual savings of \$43,000. When combined with the clerical savings claimed in previous recommendations, a clerical position can be eliminated. In the event of an employee's termination, a physical inventory should be conducted on all items of accountability. This could be used as the biennial report in some cases. (Executive)

4. Establish a central accounting system to replace manual bookkeeping.

Each department keeps manual books to prevent overspending its allotments. A central accounting system, providing trial balances on a weekly basis, would eliminate the need for these books. These reports would, however, not supplant the monthly accounts. One person devotes approximately 66% of his time to bookkeeping. This time could be saved if the system were adopted. Annual savings are \$6,400. Savings in another recommendation will account for the remaining 34% of the employee's time. (Executive)

5. Centralize departmental purchasing, distribution, and control of expendable items.

Utilizing the existing Warden Service facilities and routines would enable better control and decrease

the number of purchase orders. It would reduce recordkeeping and provide a more flexible and efficient operation. (Executive)

6. Eliminate filing copies of resident hunting and fishing licenses.

Presently, three clerks of a four-employee group file copies of resident licenses phonetically. Filing is generally 2 months behind. Information contained in these records is not needed as it can be obtained from other sources. Nonresident licenses would still have to be filled alphabetically only until an electronic data processing method is available. When implemented, the equivalent of 2.5 clerks could be saved for annual savings of \$14,300. (Executive)

7. Establish a Licensing and Registration Division to assume licensing responsibilities for watercraft and snowmobiles.

There are 15 full-time, and 13 seasonal employees in the units involved with basic licensing and registration. All have work load peaks, some occurring at different times. This tends to tax the production capabilities of the work force.

Combining these work operations, together with mailing snowmobile registration applications and changing license expiration dates, would produce savings in administrative and clerical personnel. Assuming at least 66% of the seasonal help could be eliminated, the amount would be approximately \$12,650 per year. Additionally, it would provide a cost avoidance concerned with managing the anticipated doubling of watercraft licensing involving two full-time and three temporary employees. This would amount to \$15,300 annually. (Executive)

8. Initiate a study to provide a mechanized license and registration system for applications, renewals, revenue accounting, sampling, and reports.

Presently, 65 different licenses and permits are issued by the department. In fiscal 1972, the volume of 492,000 licenses and registrations produced \$3,912,000 in revenue.

Several methods have been considered for providing an overall system. Probably the most acceptable would be one based on an accreditation card system. Implementation would eliminate manual posting and filing, increase accuracy, provide statistical reports and sampling, allow earlier use of monies, lower losses due to nonresident purchase of resident licenses, phase out separate keypunch jobs, minimize large filing cabinet areas, curtail the duplication of information in several files, and reduce personnel.

Keypunching of 400,000 records, system analysis, programming, and computer time would cost about

\$100,000. Monthly maintenance of the licensing system, including computer time, programming, and supplies would run about \$3,500. Savings, yet to be determined, would far exceed costs. (Executive)

9. Modify hunting and fishing licensing methods to include mailing renewal applications.

Hunting and fishing licenses are issued by commercial agents or by a town clerk. An agent retains \$0.50 of the fee collected from both residents and nonresidents. In fiscal 1972, approximately 375,000 licenses were issued by agents.

Mailing of applications with return instructions would encourage renewals, reduce efforts by agents, provide earlier utilization of revenues, and assist in controlling sales. Assuming 60% would renew by mail, an additional income of \$112,500 would be realized. (Executive)

10. Initiate issuance of nonresident marine sports fishing licenses.

Nonresidents have the option of purchasing licenses for fishing above tidewaters or fishing in tidewaters with no license. This proposed license to cover tidewaters would cost the same as freshwater licenses. Using existing nonresident fishing license sales as a base, an estimated \$600,000 could be realized. In addition, a larger share of Dingell-Johnson funds amounting to \$63,000, would be available from the federal government. (Legislative)

11. Eliminate the Atlantic Sea Run Salmon Commission and incorporate its responsibilities into the Department of Inland Fisheries and Game.

There is a duplication of duties between the Department of Inland Fisheries and Game and the Atlantic Sea Run Salmon Commission. Benefits of implementation would include improved coordination, increased flexibility to accomplish common objectives, reduced administration time, and more efficient work assignment. Appropriations and organization structure would reflect the evolutions and give visibility to the state's contribution to the Atlantic Sea Run Salmon Commission. Since there is no reduction in cash flow, savings are not claimed. (Legislative)

12. Close the fish-producing facilities at Deblois and Phillips and transfer responsibilities to Enfield.

Operating costs during fiscal 1972 at Deblois and Phillips, exclusive of plant investment were, respectively, \$6.56 and \$5.09 per pound of fish produced. This compares to a low of \$0.80 to a high of \$3 in other hatcheries. The Hatchery Division stopped output of Atlantic Salmon in May 1973, thus freeing space at Enfield.

Assuming quantity requirements remain roughly the same for other types of fish, Enfield should be able to make up the production capacity lost by closing Deblois and Phillips. Salaries and other annual costs saved would amount to \$38,200 and \$21,500, respectively. Real property and equipment carried on the state's books at \$319,661 would be available for sale. (Executive)

13. Initiate a study to determine if the state should discontinue the raising and stocking of pheasants.

In fiscal 1972, some 13,220 pheasant chicks were hatched and turned over to cooperating sportsmen's clubs. Another 21,829 chicks were hatched, raised, and stocked from the game farm at a cost of \$3.37 each or \$82,705. In fiscal 1973, with feed prices up 56%, the cost per bird will approximate \$4.

If the program were discontinued, the remaining game farm functions of caring for injured and orphaned animals, as well as maintaining a small animal display, could be carried out by a full-time employee plus a helper during the summer. Im-

plementation would allow disposal of a major portion of the 110-acre farm and equipment. State books carry this at an amount of \$160,666 and with an insured value of \$239,400. Also, four full-time and three seasonal employees, plus the feed and maintenance associated with pheasants might be eliminated. Based on fiscal 1972 figures, annual savings could amount to \$75,800. (Executive)

14. Develop and implement a system of work standards and quantitative reports for field personnel.

Field personnel make out a detailed narrative report including about 44 possible entries. With 120 wardens and supervisors generating approximately 700 reports a week, it is difficult to evaluate them for control purposes. A system of work standards and quantitative reports should be adopted. Provision should be made to capture information for analysis of accomplishments and manpower required. Narratives should be included when necessary. Involved personnel would, as a result, have a reduced work load. (Executive)

Department of Environmental Protection

This department is charged with protecting and improving the quality of the natural environment of the State of Maine and the resources which constitute this environment.

CURRENT PRACTICES

The Department of Environmental Protection is comprised of the Bureaus of Air Quality Control, Water Quality Control, Land Quality Control, and the Offices of Administrative Services and Technical Services.

Air Quality Control is developing a comprehensive program for the protection and improvement of air quality. The bureau's primary responsibility is to establish and maintain an air monitoring network. This is accomplished through three regional offices where personnel gather data and maintain continuous monitoring equipment and manual test sites. Its fiscal 1973 budget request of \$169,693 will be supplemented by \$178,000 in federal funds. Another \$165,154 in state funds has been requested for a total of \$512,847. Of this, personal will cost \$195,691 in state and \$57,765 in federal funds.

Land Quality Control is responsible for administration and enforcement of the Great Ponds, Minimum Lot Size, Mining Reclamation, Shoreland Zoning,

Site Location, Solid Waste Management, and Wetlands Control Laws. Its principal duties include issuing licenses, permits, and certificates of compliance and preparing guidelines and standards. It had an annual payroll of \$82,400 in fiscal 1973. Personal service costs to the state amounted to \$61,700 and the balance was funded by the federal government. Functionally, the bureau is comprised of the Divisions of Review and Planning, Enforcement, and Solid Waste Management. Water Quality Control protects and improves water quality. Major duties include licensing of waste discharge and waste treatment plant operators, oil emission prevention, pollution control, formation of sanitary districts, and surveillance and enforcement programs. This bureau had a fiscal 1973 payroll of approximately \$165,000. It is divided into the Divisions of Water Quality Services, Municipal Services, Industrial Services, Oil Conveyance Services, and Licensing and Enforcement.

Administrative Services provides support for all functional areas within the department. Services include budget and accounting, personnel, purchasing, information programs, and recordkeeping. This office had a payroll of \$45,552 in fiscal 1973. The office is organized into the areas of Fiscal Control and Public Information.

Technical Services provides technical support for the three control bureaus. It performs field work connected with complaints, operates a control laboratory, serves as a central data-storage agency, coordinates computer services and research projects, and maintains technical equipment. This office had a payroll of \$165,400 in fiscal 1973. It is organized into the Divisions of Laboratory and Field Services, Biological Services, and Investigation Services. In addition, the office has a permanent laboratory in Augusta and two large mobile units. There is also a regional office in Presque Isle.

EVALUATION

This department was created in July 1972 as a part of the government reorganization. Prior to this, the nucleus of the agency existed as the Environmental Improvement Commission. The Office of Technical Services remains primarily water oriented, giving minimal aid to the Bureau of Land Quality Control and none to the Bureau of Air Quality Control.

There is need for control over the purchasing of supplies and capital equipment. Also, there is need for a clearer understanding of its mission. Priorities need to be initiated for various functions. The employees are too specialized. The availability of backup personnel has been eliminated.

Within the Bureau of Air Quality Control, there is a need for a functioning chain of command and for accountability of coordination of special projects. The Office of Administrative Services is doing a good job of managing expenditures. There is underutilization of equipment and personnel in the Office of Technical Services. Crowded physical quarters inhibit efficient flow of work in the main office. Communications within the department are hampered by location of the staff in the Vickery-Hill and Education Department Buildings. There is no consistent policy toward fees charged for various licenses, permits, certificates, and the like. Some bureaus charge nothing, others use a flat rate, or a sliding scale.

RECOMMENDATIONS

1. Establish a clerical pool for secretarial needs in Augusta.

Currently, 12 clerical employees are assigned to the Augusta staff. Methods of allocation have resulted in duplication of some functions, unnecessary specialization, lack of backup, as well as underutilization and overutilization of some individuals.

These problems can be solved by establishing a clerical pool under the Office of Administrative Services. The business manager would be responsible for handling clerical needs. Implementation

should bring about better utilization of the department's clerical employees and increase overall effectiveness. (Executive)

2. Organize a pool of technicians and lower-echelon scientists.

The department has 18 employees who are classified as technicians and lower-level scientists. They are assigned to various divisions within the three bureaus and the Office of Technical Services. They are carrying out similar functions in a particular specialty. As a result, there is no available backup during periods of absence. This can be avoided by establishing a technical pool and cross-training employees. Procedures can be standardized so one individual can take care of several functions in one geographical area. Back up in times of absence, can be provided.

The Chief Engineer seems to be the logical person to control this technical pool. He could establish standard procedures and see that cross-training is carried out. (Executive)

3. Cross-train field personnel so they can investigate and explain various laws.

The department has field personnel whose knowledge of the statutes is limited to one area. By cross-training, they should be able to increase their efficiency by 5% in areas of investigation, inspection, and enforcement. Assuming personnel are operating at a 70% performance level, implementation would result in the avoidance of hiring one more person at \$7,600 annually. (Executive)

4. Install a work measurement program in the clerical and technical pools.

There are no standards for employees in clerical and technical positions. By installing a work measurement program in the proposed clerical and technical pools, staffing requirements could be more easily ascertained. Actual performance levels may be determined. Once the level has been resolved, a program may be instituted to improve performance. Implementation would eliminate the need to hire three clerical and five technical employees. The annual cost avoidance will amount to \$62,100 per year. One-time costs to implement the work measurement program are estimated at approximately \$4,200. (Executive)

5. Limit new positions to the technician and clerical levels for the next biennium, and increase supervisory span.

Spans of control are extremely small, often, only two or three subordinates for a supervisor. Supervisory personnel spend a large portion of their time on nonsupervisory detail work. Consequently, some managerial work is delayed while routine technical and clerical duties are performed.

Additional work for the department will be of a technical and clerical nature. New positions should be at that level. Implementation should improve the utilization of supervisory and managerial personnel. An annual cost avoidance of \$40,000, will be achieved by having the existing positions perform more work. An additional cost avoidance of \$40,000 per year is anticipated by hiring new employees for lower paying nonsupervisory occupations. (Executive)

6. Establish guidelines for issuance of licenses and permits directly by the staff.

Any license or permit issued must be prepared and submitted to the Board of Environmental Protection. While valid for projects with a potentially large environmental impact, this process is disproportionately expensive for simple projects.

Delegating authority to the staff to issue licenses and permits for projects with minor potential impact will reduce expenses, increase throughput and give the board more time to examine projects considered to have a greater potential impact on the environment. (Executive)

7. Create one environmental protection license and merge permit and certification functions.

Each bureau has its own licensing function with applications, forms, files, and so on. This leads to a confusing situation. Further, because all files are organized differently, clerical employees in one area cannot assist in another. The solution is to establish a multipurpose license. It will make it easier for the applicant, provide faster access to files, enable records to be merged, and allow for cross-training of clerical employees. (Executive)

8. Institute definite departmental objectives and assign priorities.

Projects within the department seem to be pursued with equal zeal. There appears to be a lack of priorities. The major problem appears to be lack of priorities or adherence to them if they exist. The solution revolves around establishment of priorities and adherence to them. If this is done, the department could perform a more effective job of cleaning up areas being polluted or preventing others from becoming contaminated. (Executive)

9. Establish a consistent and equitable policy of fees for licenses, permits, certifications, and other documents.

Some licenses, permits, and certificates which are issued have no fees. Other documents have a flat charge regardless of the scope of the application and some have a sliding fee schedule based on size or volume. A consistent fee policy should be established for these documents. The result should be a more favorable public reaction. (Legislative)

10. Provide adequate office space to house Augusta-based personnel under one roof.

Most of the Augusta-based personnel are located in the Department of Education Building. Its quarters are extremely inadequate for the number of employees. There is a noise problem and the distance between individuals makes communications cumbersome. The department's overall effectiveness and efficiency would be improved if it could be located in adequate office space. (Executive)

11. Limit purchases to priority needs.

Capital equipment and supplies appear to be purchased without proper evaluation of need through cost/benefit analysis. Availability of funds should not be the criterion for purchasing. (Executive)

12. Sell microfilm and microfiche equipment.

Fairly sophisticated microfilm and microfiche equipment was purchased with federal funds. At the time of acquisition, it was felt this equipment would be extremely helpful in file management. However, the equipment has not been used and should be sold immediately. Its sale will provide a one-time income of approximately \$7,100. (Executive)

13. Manage inventories more efficiently.

An efficient inventory management system for chemicals and office supplies does not exist. This causes excess inventories in some instances, and outages in others. A more efficient inventory management system should be adopted. Reorder points should be established for all materials to avoid outages in all but unusual circumstances. Implementation will eliminate excess inventories and outages, curtail expensive purchases of stopgap supplies, inefficient use of employees in picking up critical materials, and shutdowns of key equipment. (Executive)

14. Establish a standardized filing system and eliminate duplicate files.

A standardized filing system should be established for all locations. Implementation will eliminate the need for a duplicate set of data files which is maintained to prevent loss of information. (Executive)

15. Establish a central accounting system within the Office of Administrative Services.

Reports from the accounting system are provided once a month. They are normally late and only show total expenditures, not by activity codes. Therefore, each agency is required to keep a set of books for every appropriation under its control so the department will not overspend approved funds.

A central accounting system, providing timely reports on a weekly basis, would eliminate the need for manual bookkeeping. These summations would not supplant the monthly commentary. Further, they should not be binding. The user department would

have the capability to change the coding on all items but the final year-end information. Currently, the office has one person devoting approximately 60% of his time to bookkeeping functions. This time could be saved if the above system is implemented. (Executive)

16. Obtain reliable payroll and personnel service records and eliminate keeping them on a departmental basis.

The Office of Administrative Services must maintain a detailed file for each employee within the department. Upon implementation, clerical savings of 40% of a clerk-typist's time in this department would result. Also, there would be a saving in higher level time now spent ensuring use of proper procedures and forms. (Executive)

17. Set up definite reporting channels and assign responsibilities within Air Quality Control.

There is a need for a chain of command and delegation of responsibility or authority within this bureau. Only one position has written assignments of duties. Establishment of definite reporting channels and specific job responsibilities will eliminate these problems. A conservative 3% improvement in performance is likely. This estimate would be equivalent to \$2,000 in manpower being available for useful work, but is not claimed. (Executive)

18. Assign projects for Air Quality Control when normal duties permit such work.

At present, when bureau personnel have time, they work on unapproved projects. While most of these undertakings result in development of information which is helpful, there may be other endeavors with a higher priority. The solution is to assign to each office projects to be conducted when time is available. This will result in the channeling of time into higher priority work and elimination of duplication of effort. (Executive)

19. Assign the quantifying and recording of strip chart data to clerk-typists.

Assistant engineers, chemists, and engineering technicians — averaging approximately \$160 per week

— read strip chart data and record the results. Quantifying 1-week's data from a machine takes from 3 to 4 hours. Currently, there are 12 such units and 11 more will be installed in the near future. About 40 hours per week are now spent on this activity which will expand to about 80 hours when the new equipment is operational. The job should be delegated to clerk-typists who work at an average weekly rate of \$100.

The substitution of two clerk-typists for technicians will save the difference in their salaries. This amounts to \$6,300 annually. (Executive)

20. Eliminate the two chemist positions in Air Quality Control.

The bureau employs two chemists. Their duties are to prepare various solutions required in the monitoring equipment and standards used to evaluate test results. This appears to be simple and does not require a chemist. Only occasionally, a problem arises which requires a chemist.

The Office of Technical Services has four chemists. By utilizing these employees for occasional analysis problems, the positions in the regional offices could be eliminated. Implementation will provide annual state and federal savings of \$8,000 and \$9,300, respectively. (Executive)

21. Do not fill the planned addition of a chemist for Air Quality Control.

Plans call for the addition of another chemist to the regional office staff. By utilizing the chemists in the Office of Technical Services, the need for this employee can be eliminated. Implementation will avoid expending \$10,700 in annual salary. (Executive)

22. Install a standard filing system and eliminate all duplicate files within the Office of Administrative Services.

It appears there are several instances where the same information is kept in several files but in a slightly different order. By deciding upon a standardized filing system and cross-indexing, only one set needs to be maintained. (Executive)

Maine Land Use Regulation Commission

This commission acts as a zoning board for unorganized townships which make up approximately 50% of the state's total area. The Legislature charged it with preserving natural resources and environmental protection. The commission has power to promulgate and administer land-use regulations for townships under its jurisdiction.

CURRENT PRACTICES

The commission reports directly to the Governor and has seven members, including the Director of Parks and Recreation, the Forestry Commissioner, and the State Planning Director. The remaining four citizens are appointed by the Governor for staggered 4-year terms.

This commission was created in 1969 and a permanent staff was established in fiscal 1972. In that year, there were two employees and expenditures amounted to \$73,612. Its permanent staff was increased to six in fiscal 1973 and expenditures are estimated at \$111,364.

At present, the staff is developing both the Comprehensive Land Use Plan and interim standards to be used until the comprehensive plan is adopted. Currently, it has two part-time clerk-typists to expedite clerical functions.

EVALUATION

The strength of this commission appears to be in its staff. However, its chief weakness is a duplication of statutory and internal direction. For example, the staff and the commissioners are attempting to define interim as well as long-range plans and standards. It has overlapping functions with the Department of Environmental Protection in administration of Wetlands Control, Site Location, Minimum Lot Size, and Shore Zoning Acts as well as the State Planning Office and the Coastal and Water Resources Planning units. There is also an insufficient staff to inspect areas for permits.

RECOMMENDATION

1. Abolish this commission and transfer functions, funds, and staff to the Department of Environmental Protection.

The staff is suffering from a lack of direction. This has manifested itself in a budget overrun in fiscal 1973 and a large amount of negative publicity. The solution would be to abolish the commission and transfer its functions and staff to an area where it will receive direction and guidance. Benefits would include:

- ▶ Coordinating the approach to land-use planning and regulation.
- ▶ Improving morale on the part of staff members.
- ▶ Eliminating the duplicating machine at an estimated yearly rental of \$3,000.
- ▶ Discontinuing use of the state car which is assigned to the Executive Director.
- ▶ Ending commission meetings at a cost of about \$9,000 per year.
- ▶ Phasing out two part-time clerk-typists, saving \$6,700.

Action will save \$18,700 annually. (Legislative)

Maine Mining Bureau

This bureau administers, regulates, and controls dry-mineral development and mining on approximately 282 square miles of land owned or held in trust by the state. In recent years, the Legislature has increased its jurisdiction to cover offshore dry-mineral development and gas and oil development within the state and claimed offshore areas.

CURRENT PRACTICES

The bureau has seven members. They are the Commissioners of Agriculture, Commerce and Industry, Environmental Protection, Forestry, Inland Fisheries and Game, Sea and Shore Fisheries, and the State Geologist. Its chairman is elected on a rotating basis. The State Geologist is the administrator and is charged with recordkeeping functions. Maine Mining Bureau affairs take up about 20% of the time of this Geologist and his assistant.

The bureau, in its meetings, grants prospectors' permits, records claims, and issues licenses and leases to mine. Its primary concern is to make certain these permits, licenses, and the like are granted to sound ventures. Its fiscal 1972 expenditures of \$10,923 were financed from special revenues of \$23,693. The major source of such revenues is royalty pay-

ments from mines. As of June 30, 1972, there was a balance of \$60,193.

EVALUATION

The bureau lacks accountability. The State Geologist cannot act without the approval of other members. Control of funds is inadequate.

RECOMMENDATIONS

1. Transfer Maine Mining Bureau functions to the State Geologist.

This bureau has no clear organizational ties and performance accountability does not exist. Actions require a meeting of all members. Because of his technical knowledge, the State Geologist was made a member of the bureau and the administrator by the Legislature. All duties of the bureau should be assigned to the State Geologist. He should be given adequate guidelines and objectives. When implemented, functions of the bureau will have direct organizational ties to provide accountability for actions. The time the six commissioners spend in meetings, representing a cost of over \$800 per year, will be available to administer their respective departments. Savings are not claimed. (Legislative)

2. Place mining funds in the general fund.

The bureau's appropriation is approved with little review by either the Bureau of the Budget or the Legislature. For example, the bureau has no full-time employees but owns two vehicles. As of February 1973, there was a balance of \$68,600. Royalty payments from mines now amount to about \$18,000 annually and could increase in the future.

Since these funds are derived from a specialized use of state lands and there appears to be no external control over their use, they should revert to the general fund. Benefits to be obtained from this action are a one-time transfer of about \$68,600, an annual transfer of approximately \$7,000, as well as control over funds used to carry out its functions. (Legislative)

Department of Parks and Recreation

This department is responsible for developing lands to serve the outdoor recreation and historical appreciation needs of the public. It maintains 25 state parks, 18 historic sites, and the Allagash Wilderness Waterway.

CURRENT PRACTICES

The department is directed by the Commissioner who is appointed for a 4-year term by the Governor with the advice and consent of the Council. It is comprised of the Divisions of Finance and Personnel, Planning and Research, Information and Education, Federal Aid, Acquisition and Development, and Operation and Maintenance. The Commissioner is also responsible for activities of Community Recreation, Keep Maine Scenic, and the Passenger Tramway Safety Board. Fiscal 1972 expenditures of \$933,000 were divided, about 20% for headquarter's operations and 80% for field operations and maintenance functions.

Responsibilities of Finance and Personnel include budget preparation, expenditures control, personnel records, payroll and income reports of park fees. Planning and Research is responsible for long-range recreation planning. Divisional responsibilities of Information and Recreation include preparation, editing, and release of information, preparing a newsletter, as well as layout of brochures, maps, and related graphics.

Acquisition and Development is responsible for acquiring and developing land for use as parks, evaluating desirability of land, and designing facilities. Two allied activities of this division include the Waterways Section and the Passenger Tramway Safety Board. Present work of Acquisition and Development includes 11 acquisition and development projects slated for completion through 1976 and five yet to be scheduled. These projects are funded by a \$4-million bond issue involving federal matching funds. Future proposals include \$1.5-million for development through 1975 and \$4-million for combined acquisition and development through 1976.

Operation and Maintenance administers the operation of state parks, historic sites, and the Allagash Wilderness Waterway. Its supply depot is located at Camden Hill Park. The public use activity of the state parks, historical sites, and Allagash is comprised of 80% resident and 20% nonresident day use and 20% resident and 80% nonresident camping use. Other responsibilities include snowmobile and the Uniform Waterway Buoy Programs.

Community Recreation is responsible for providing technical assistance to municipalities interested in developing their recreational capabilities and encouraging formation of municipal recreation boards or committees. Responsibilities of Keep Maine Scenic include distribution of promotional materials designed to instigate an environmental awareness and a desire to retain the state's natural beauty.

EVALUATION

Field personnel receive no formalized or continuous training. They develop their skills through on-the-job experience. Operating deficiencies existing in Financial and Personnel include the lack of management procedures. In addition, there are delays in employee replacement and training, priority of deployment needs improvement, work volume forecasts are needed, communications should be improved, and employee recognition techniques should be instituted.

Operation and Maintenance and Acquisition and Development jointly share responsibility for maintaining effective expenditure control. Its director has developed high levels of rapport with his reporting management people through a series of educational seminars.

The department is confronted with a land acquisition and park development program involving the possibility of \$7-million to \$10-million in bond issues by 1980. An approved bond issue of \$4-million involves 15 work projects. The engineering requirements can be attended to by existing force levels. However, if the remaining bond issues are ap-

proved, scheduling demands would be beyond the capability of the work force. Decision-making authority needs to be improved.

RECOMMENDATIONS

1. Institute a work measurement study of administration personnel.

The department is unable to accurately gauge daily work volume demands to allow for prudent redeployment of clerical staff assignments during the seasonal peak work period. A work measurement study to establish performance standards would make data available and provide the means of coping with anticipated total work. This approach will eliminate the need for an additional employee at an annual salary of \$8,000. It is estimated such a study would cost \$5,000. (Executive)

2. Reorganize the navigational aids marking system.

The department is unable to provide adequate buoy maintenance treatment for 13 marked lakes and waterways. This prevents expansion of the program for marking the state's 28 unmarked, but charted, waterways. The department is using the concept of optimum marking. However, it is estimated that adequate navigational safety standards can be maintained with 50% fewer buoys. Contractual agreements could be developed between private boating associations and the department. The associations could agree to place and maintain state buoys.

By these means, the department could redistribute the recovered buoys and utilize 294 buoys in inventory. Appropriate color marking modifications of this inventory can be made. Implementation would allow the department to cancel a purchase request for 110 additional buoys at \$8,000. A cost avoidance of \$34,000 per year would be achieved by reducing the need for state employees to place and maintain buoys. (Executive)

3. Establish a course in public relations techniques for field personnel.

There is no available data to measure the quality of field personnel attitudes toward treatment of the general public. All people should develop a sense of serving private individuals. This could be achieved through a programmed course. The cost of this activity will be negligible. (Executive)

4. Assign inspection of passenger tramways to an engineering technician.

A registered professional engineer spends approximately 20% of his time on matters associated with the Passenger Tramway Safety Board. Examination indicates the major portion of his duties can be adequately carried out by an engineering technician who is currently on the staff. The engineer need only review the technician's evaluation of safety and structural matters involved for accuracy. This would allow him to devote about 95% of his time to acquisition and development work projects. (Executive)

Department of Sea and Shore Fisheries

This department is primarily responsible for serving the state's commercial fishing interests. It enforces laws which regulate and protect the industry, promotes and publicizes Maine's seafood products, as well as conducts research on the principal commercial species of fish and shell foods.

CURRENT PRACTICES

The department is directed by a Commissioner who is appointed for a 4-year term by the Governor with the consent of the Council. Its operating divisions are Administration, Enforcement, Marine Research, Marketing and Promotion, and Statistics. Also, the Atlantic Sea Run Salmon Commission and the Maine Sardine Council are closely affiliated.

Enforcement is performed by 36 wardens. Marine research is carried out by 35 scientists and technicians at the Boothbay Harbor laboratory. Departmental equipment includes 54 warden boats, one

airplane, four research and patrol boats, nine vehicles, and 28 trailers. Fiscal 1972 expenditures amounted to \$1,498,883. Of this, \$883,723 was derived from the general fund and the balance from special funds.

Functions of Administration are directed by a business manager. These duties include issuance of 18 types of licenses for the state's fishing industry; maintenance of license files, payroll and personnel records; preparation and review of departmental budgets and expenditure controls; purchasing and equipment control; and the federal/state project files. Expenditures of this division were approximately 8% of the department's total in fiscal 1972.

Enforcement, under the Chief Warden, is responsible for enforcing laws and regulations, providing field assistance to departmental divisions, assisting in public safety, and providing liaison to all segments of the fishing industry. Its staff includes five

supervisors who direct enforcement activities along the coast.

Responsibilities of Marine Research are assumed by the director. It is involved in more than 35 marine research projects, reflecting costs of approximately \$732,000. These projects are funded from dedicated state revenues combined with federal matching grants.

Responsibilities for Marketing and Promotion are assumed by the Director of Public Relations and Marketing. His duties include supervising domestic and foreign market development and producing promotion films, recipe booklets, posters, exhibits, and displays. Statistics has one employee who provides information to Marketing and Promotion.

EVALUATION

Since 1966, the department has doubled its personnel, work projects, and funding. Such rapid growth has created the need for evaluation of methods and controls. Its ability to provide maximum effective governmental assistance and management of marine resources is hindered by external complexities. The fishing industry is made up of independent distributors and fishermen who are guided by the persuasions of short-range economic incentives. Pressure by foreign fleets fishing for limited offshore stock compounds these problems.

RECOMMENDATIONS

1. Empower the deputy commissioner with authority for operation of the department.

Rapid growth of the department, the heightened public interest, and specialized nature of its divisions make it imperative that strong central authority be established. Review of operations of various divisions revealed indications of minimal interdivisional communication, goal setting, and coordinated activities. The Commissioner should direct his attention to setting goals and overall policy matters. His deputy should administer these policies and goals, exercise control over interdivisional activities to maximize work force utilization, and maintain fiscal control. (Executive)

2. Institute a work measurement study program for administrative personnel.

A program to establish work performance standards for administrative personnel is vital to improve operational efficiency. Action could provide a minimum reduction of a clerical position for an annual saving of \$5,000. Implementation can be accomplished by the office manager and professional time-study engineers. Availability of these data will assist in gauging the daily work volume demands. (Executive)

3. Establish an initial and continuing training program for coastal wardens.

The training methods for coastal wardens are inadequate to meet current needs. A formal, well-organized, training program should include department history, division personnel activities and goals, community and public relations techniques, effective communications, enforcement, and courtroom techniques. A check list should be developed to chart individual progress and as future training. It should be geared to maintain a professional coastal warden force. (Executive)

4. Redefine the responsibilities of the Director of Marine Research.

This director is responsible for assisting and representing the Commissioner before national and state legislative groups. He must judge the wisdom of continuing some 35 ongoing research projects with an estimated cost of \$732,000. Additionally, he is involved in his own research projects, documentation requirements, and technical writings. The increasing demands of Marine Research require the director to concentrate his efforts in managing the division to ensure maximum fiscal and research benefits. The present policy allows for a director who is part-time manager and part-time researcher. His responsibilities should be changed to enable him to concentrate his full-time efforts on administrative functions. (Executive)

5. Integrate the Marine Fisheries Extension Service into Marketing and Promotion.

This extension group has no formal status, and needs literally no administrative direction. It is loosely associated with Marine Research because of similar job descriptions. However, extension service work projects bring employees into continuous contact with marketing and promotion activities. The service's incorporation into Marketing and Promotion would provide needed administrative control and direction involving the public and the fishermen. (Executive)

6. Establish an Interdivisional Directors' Committee to improve communications.

Communications between the division directors and the Commissioner is limited to discussions regarding demand situations. This prevents thorough and complete commentary and exchange of viewpoints. An interdivisional committee, meeting on a regular basis under the direction of the deputy, could provide the vehicle to develop management by common objectives. (Executive)

7. Consolidate personnel and payroll record-keeping functions on a statewide basis.

Currently, the department must maintain a detailed personnel file for each employee. The only place

complete files are kept is at the local level. These data could be maintained on a statewide level and used for personnel and payroll action.

In this office, a saving of 40% of a clerk-typist would result if the functions were eliminated. Also, there would be savings in higher-level time now used in making certain that proper procedures and forms are utilized. (Executive)

8. Obtain central accounting services to allow this department to eliminate duplicate books.

Feedback from the accounting system is distributed once a month and is 15 or more days late. Therefore, each division keeps a manual set of books so as not to overspend its appropriations.

A centralized accounting system which provides timely reports on a weekly basis would eliminate the need for these manual books. The reports, by code, should show all activity since the last issuance. They would not supplant monthly accounts, but would be building blocks toward the monthly re-

ports. Also, they should not be binding. The user department would have the capability to change its coding on items on all but year-end reports.

Currently, two persons devote about 90% of their time to bookkeeping. This time could be saved if the above services are obtained. Implementation, in conjunction with a previous recommendation, will provide annual savings of \$13,200. (Executive)

9. Delay filling seven positions in the Marine Research Division.

Currently, this division employs 24 research personnel. The addition of seven research employees would constitute a 23% increase in staffing. These positions will not service new activities but will reinforce existing personnel or serve in place of federal inspections. Management should defer such action since efficiencies to be derived will generate quality reassessment of work project priorities and obviate adding some of these people. Implementation will provide a one-time cost avoidance of approximately \$73,500. (Executive)

Forestry Department

This department protects, maintains, and improves forest lands to ensure the greatest economic and social benefit for present and future generations of Maine's citizens.

CURRENT PRACTICES

Administrative control is vested with the Commissioner who is appointed by the Governor for a term of 4 years with the consent of the Council. The department employs approximately 200 permanent and 180 temporary people. It is organized into the Divisions of Fire Control, Forest Management, Insect-Disease Control, Geological Resources, Communication-Engineering, Information-Education, and Business Administration. Expenditures for fiscal 1972 amounted to \$3,872,425.

Fire Control deals with prevention and suppression of fires, management of campsites, operation of 13 aircraft, as well as training local fire wardens and support personnel, and carrying out law enforcement duties. Forest Management works primarily with approximately 100,000 woodland owners to maintain and improve the values of forests. It also operates a nursery, raises seedlings to encourage tree planting, and manages about 1,700 acres of state forestlands. Insect-Disease Control conducts detection and assessment surveys to protect forests,

shade trees, and forest products against insects, disease, and injuries. It operates a forest insect laboratory in Augusta.

Geological Resources supervises mapping programs as well as development of a retrieval data and map system of the physical environment. It assists in improving economic mineral deposits and supervises activities of the Maine Mining Bureau. Communications-Engineering provides a radio communication system. It maintains a radio service laboratory at Augusta and, as most vehicles are radio equipped, serves as a processing location for acquisition and disposal of motor vehicles. Information-Education keeps the public and department personnel informed concerning forest resources, their value to the state, and the need to protect as well as improve resources. It designs exhibits and prepares and distributes news releases. Business Administration manages financial and administrative services. It prepares budgets, maintains control records of expenditures, manages personnel and payroll operations, and keeps property and equipment records of the state and federal surplus goods, and the like.

Recently, changes have taken place in the department's funding. A productivity tax, based on utilization of woodland resources and requiring reports of all activities, has replaced a self-imposed landowner tax in unorganized township areas.

EVALUATION

The recent reorganization centralized various functional organizations under a director in each of the regions. Its intention was to enable him to exercise flexibility in work assignments, provide job opportunities for employees, and coordinate activities to carry out departmental objectives. This organization plan has been in effect for a short time. Although it is difficult to evaluate its potential effectiveness, there is a lack of understanding of some line-staff relationships. The changing requirements brought on by population movement in organized town areas, and land-use changes in unorganized areas, are presenting problems in fire control.

Technical advancements, through use of modern equipment, have been generally limited to what is available from federal surplus properties. Emphasis has, therefore, remained with widely spread use of personnel.

Considerable time is spent in operations which could be modified to produce more usable management tools. This is most visible in areas of capital equipment and property records, weekly narrative reports, separate programming and accountability required for organized towns, and unorganized township fire control.

RECOMMENDATIONS

1. Establish priorities and define responsibilities of supervisory personnel.

The department has just gone through a reorganization which made major line/staff changes. The relationship of the responsibility, authority, and accountability of all positions needs to be defined in writing. Priorities for all projects need to be established so departmental goals and timetables can be obtained with the efficiency which is possible by a well-directed line/staff organization. Benefits would include the ability to measure and evaluate performance at all levels of supervision. (Executive)

2. Implement a training for the application of modern management techniques.

With a few exceptions, supervisory personnel have received little managerial training. Some types of tools such as motor vehicle and activity reports are in use. Exposure of employees to a program of management techniques would result in improved performance. For the long-term, it would provide qualified, innovative personnel for future leadership. (Executive)

3. Develop and implement work standards and quantitative reports for field personnel.

Field personnel spend in excess of 2 hours preparing and typing a weekly narrative report detailing activi-

ties. The report serves as a rough indicator of productivity and accomplishment. However, it does not allow for establishment of manpower requirements for a project, comparison of individual performance, determination of the degree of completion of any particular project, or provision of a basis for modification to meet objectives.

A system should be developed whereby reporting might consist of a mark-sensed card which could be easily checked and processed. Narratives could be used in cases where more detail is needed. Implementation would improve control and performance and provide a basis for future planning requirements. Time savings for field personnel could amount to \$120,000 annually. However, they have not been claimed. (Executive)

4. Initiate a study to determine if highly mobile strike forces could be used more effectively to suppress fires.

In areas primarily consisting of organized towns, the department's role in fire control is mainly support. This consists of training, establishing and coordinating fire plans, providing equipment, and assisting at fires. Its functions in unorganized townships are total prevention, detection, and suppression.

Although personnel have not been increased in the last 5 years, there was a 40% rise in expenditures to more than \$2-million for fiscal 1972. Forest fire losses over the last 5 years have averaged about 2,000 acres. New methods have been successful in other states. Use of aircraft for detection in place of fire towers has resulted in on-the-spot estimating of manpower and equipment requirements. Also, helicopters and aircraft have been used to contain small fires by water bombing until crews arrived.

Establishment of highly mobile regional strike forces, utilizing operations research techniques to assist in the development of fire plans might provide even more efficient fire suppression. Centralizing of district rangers and others in regional locations would provide a pool of manpower.

Adoption would take time and require funds. However, much of the equipment, including larger helicopters, would be available from federal surplus. If necessary, funds could be acquired from the sale of some of the small pieces of property. Expenditures for equipment would replace expenses for seasonal labor. Annual savings in the order of \$500,-100 are envisioned but are not claimed. (Executive)

5. Combine programs and funding of the old Maine Forest District with that of Forest Fire Control-Organized Towns.

Presently, two programs are established with separate appropriation codes to provide fire control in

organized towns and unorganized townships. The recent realignment of fire control activity has resulted in three of the four operating regions having both types. This means time is spent keeping two sets of books.

With adoption of the Productivity Tax replacing the self-imposed Maine Forest District Tax and subsequent undedicating of funds used in both areas, there is no need to separate the requirements. Combining the two programs would eliminate duplication of effort at all levels, save time, reduce paper work, and simplify reporting procedures. (Legislative/Executive)

6. Initiate a mechanized inventory and accountability system.

Present procedures require the department to go through a series of manual postings by item, district, department, and so on to produce reports which are sent to the Bureau of Public Improvements. A simple system initiated or changed with a single entry should be provided when the item or property is acquired, transferred, or eliminated. The time of the property accountant and his assistant presently spend on maintaining these records could be put to other use. Additional benefits of accuracy and responsiveness would be of assistance in accountability of the large amount of federal surplus property. (Executive)

7. Revise the method of taking physical inventories and provide classification of items and exception reporting.

Time-consuming manual listings of items are made. Procedures call for inclusion of items worth over \$50. Much time is wasted in recording items below this value. Classification of these items by type and size, combined with a mechanized print-out by location for use as a check list, would enable simple reporting of items which are exceptions to existing

records. Implementation would eliminate over 50% of the time spent on this effort. (Executive)

8. Change the requirement of physical plant and cyclical equipment inventory from annual to biannual.

Over 1,000 man-days are spent each year in taking physical inventories. When a mechanized system is adopted, annual inventories would not be necessary. With the increased assistance capabilities—print-outs by location, classification, and exception reporting—the inventory job will be easier. About 750 man-days, or \$38,000 annually, would be saved. (Executive)

9. Implement a records management system.

Presently, there are approximately 200 forms, letters, reports, and memorandum blanks in use with few instructions. Additionally, there are no generally available routines on file arrangements or retention schedules. Examination would decrease forms and local routines which are no longer necessary and result in reduced clerical activities. (Executive)

10. Initiate a mechanized system to maintain personnel information and produce various outputs.

Presently, card files are kept to register information associated with employment records. These data are used for payrolls and preparing new or revised budgets. This system meets the department's needs, but requires detailed manual effort.

A system with a single method of authorization of insertion, change, or deletion should be initiated. Implementation could enable preparation of payroll changes, produce budget requirements, enable preparation of labels for mailings to employees, and eliminate manual files. Savings would be realized in time expended by the personnel officer and his secretary. (Executive)

Department of Commerce and Industry

This department's dual mission is to improve the quality and quantity of job opportunities and community services. These are accomplished by promoting and assisting economic and community development to encourage introduction of new enterprises and expand existing ones.

CURRENT PRACTICES

The department's staff of 33 includes the Commissioner who is appointed by the Governor with the

advice and consent of the Council. This agency is comprised of the Divisions of Administration, Information Services, Research and Analysis, Development, and Promotion. General fund expenditures for fiscal 1972 amounted to \$834,000. Salaries and advertising expenses accounted for \$521,000 of the total. Expenses for traveling within the state and outside the state amounted to \$33,000 and \$16,000, respectively. Federal expenditures during fiscal 1972 were approximately \$165,000. Federal grants contributed over \$200,000 during fiscal 1973. Potential

cutbacks on federal programs could eliminate at least \$150,000 for fiscal 1974.

Administration directs and controls activities of the department. Information Services controls the publication and distribution of published material as well as takes care of inquiries. Research and Analysis researches and develops information on all aspects of the state's economy which can be effectively applied towards raising Maine's per capita income. In addition, it was recently assigned the State Technical Services Program. Development has responsibilities to improve community services and job opportunities. Promotion is responsible to promote the state with emphasis upon Maine's industrial opportunities and tourist attractions.

EVALUATION

Programs and concepts appear to be responsive to the mission of creating and improving job opportunities and community services. Effectiveness and efficiency could be significantly improved by providing closer coordination with the Office of the Governor. Administration appears to be conducted on an informal basis without the benefit of a strong management control system. Creation of Information Services represents a significant effort to relieve the professional staff of clerical work and establish central processing of information requests. Activities of Research and Analysis parallel those of the State Planning Office. These activities should satisfy the long-range goals developed for the state.

Development is the operating arm of the department. Because of its daily contact with Maine communities and businesses, it is a primary catalyst for promulgating programs and concepts. However, activities of this division overlap those of the State Planning Office. This leads to a proliferation of the state's economic development goals which are not coordinated.

The activities of Promotion are geared toward furtherance of departmental programs rather than promoting the state. Its existence at the divisional level is not conducive to effective coordination and utilization of the specialized promotional capabilities of other state agencies.

RECOMMENDATIONS

1. Establish the state's goals concerning industrial development and tourism.

The state needs better-defined goals to determine what efforts will promote industrial development and tourism. Existing goals should be strengthened. These policies should be incorporated into long-range planning efforts of the state. (Executive)

2. Combine the Divisions of Promotion and Information Services and transfer them to the proposed Bureau of Information and Public Relations.

Primary responsibilities of these divisions center around the distribution of information to promote the state. However, neither can adequately discharge its functions at the divisional level. They should be combined under one director and moved to the Office of State Promotion and Information. Their transfer will imbue them with greater authority to control promotional activities of the state. Consolidation would result in elimination of one director for annual savings of \$11,600. (Executive)

3. Eliminate two clerical positions from the Division of Information Services.

Establishment of the Word Processing Center in February 1973 was justified on the basis of savings which would accrue from elimination of two clerks. These employees have not been phased out although one position is vacant. In accordance with prior intentions, action should be taken to eliminate them. Implementation will result in annual savings of \$10,800. (Executive)

4. Phase out the position of Exhibits and Display Manager.

The department no longer prepares exhibits and displays, yet the Division of Information Services maintains the position of Exhibits and Display Manager. It should be eliminated. Implementation would result in annual savings of \$9,200. (Executive)

5. Discontinue the position of photographic laboratory assistant.

The photography laboratory, presently used by the Division of Promotion, represents an inefficient operation. Film developing requirements are not adequate to support the investment required to modernize the equipment, nor are they able to maintain a laboratory technician at 100% productivity. The state could establish a central photography laboratory to process film requirements of all departments or use commercial photo services. By utilizing other facilities, the division could eliminate the photographic laboratory assistant for annual savings of \$5,200. Cost of providing commercial service would not exceed \$1,500 annually. (Executive)

6. Eliminate one copy machine.

The department leases two copy machines at \$640 and \$360 a month, respectively. Elimination of the higher-costing unit would avoid annual leasing charges of about \$7,700. (Executive)

7. Transfer responsibility for maintaining Maine's Eastern States Exposition site.

The department supports a facility in Springfield, Massachusetts, which is used primarily by the De-

partment of Agriculture during the Eastern States Exposition. Responsibility for maintaining this structure should be transferred to the Department of Agriculture to more properly match the benefits with costs. (Executive)

8. Minimize the expense of maintaining space in the Marden Building.

The Marden Building is under lease — until July 1, 1977 — at an annual cost of \$14,400 for 10,000 square feet. Nearly 7,000 square feet is not being effectively used, and can be considered an unnecessary annual expense of over \$10,000. Every attempt should be made to sublease a portion of this area or negotiate an escape clause with the lessor. Accomplishment will result in a one-time cost avoidance estimated at \$40,000. This assumes the department would pay nearly a full year's rent as a penalty. (Executive)

9. Resolve the status of the State Technical Services Program.

This program has been assigned to the Division of Research and Analysis without definition of responsibilities, funds, or personnel. Apparently, it is administered by the University of Maine. Its status should be resolved. A potential duplication of effort should be avoided. (Legislative)

10. Transfer the Division of Research and Analysis to the State Planning Office.

Activities of this division have not been effectively coordinated with efforts of the State Planning Office. It should be transferred to that office. Implementation would consolidate the economic planning functions, and provide effective control of short-range programs compatible with the long-range goals. Stronger control should eliminate at least 50% of contractual expenditures to provide annual savings of \$40,000. (Executive)

11. Eliminate five professionals and district offices from the Division of Development.

Activities of this division duplicate efforts of the State Planning Office in providing assistance to local and regional planning groups. These positions and the district offices should be phased out. Implementation would result in estimated annual savings of \$71,500 in salaries, approximately \$30,000 in their travel allowances, and \$10,600 for rent and utilities. (Executive)

12. Assign responsibility for coordinating assistance to business and industrial firms desiring to locate to Maine to an industrial development representative.

This responsibility has been shared by several development representatives. The lack of formal communication has hampered complete awareness of businesses which would potentially locate in Maine.

The function should be assigned to a single representative. (Executive)

13. Transfer a municipal coordinator and an industrial development representative from the Division of Development.

The municipal coordinator administers community programs and maintains community profiles which are significant to the economic planning process. However, the State Planning Office is responsible for this function. Furthermore, the industrial development representative has expertise and experience which this office does not have. These two positions should be transferred to the State Planning Office. Implementation would consolidate the development process in one office. (Executive)

14. Eliminate the Division of Administration.

This division is not necessary since various functions of the department have been transferred to staff positions within the Office of the Governor. The state should eliminate the division, including the positions of Commissioner and deputy commissioner, as well as the office space. Implementation will result in annual savings of \$92,400 in salaries, approximately \$6,600 in travel expenses, and \$23,000 for rent and utilities. (Executive)

15. Increase membership of the Economic Development Advisory Council to 10.

The state has a proliferation of economic advisors. One group is the seven-member Economic Development Advisory Council. Another is the Mark Maine organization of 250 members. Both consist of businessmen who are either appointed or invited by the Governor. Make up of this council should be changed to include one member of the Mark Maine organization from each of the state's eight economic districts and a representative from each legislative body.

Implementation will consolidate economic advisory powers in one body. Addition of legislative members will promote the Legislature's awareness of the state's economic difficulties, and improve coordination of efforts to upgrade Maine's economy. The additional annual cost associated with the increase of three individuals is estimated at about \$1,500. (Executive)

16. Transfer the Economic Development Advisory Council.

This council was established to provide advice on economic development matters. It has no contact with the State Planning Office, which is responsible for developing the state's economic plan. The council should be transferred to the State Planning Office to provide advice concerning development of economic plans. Implementation will provide more effective coordination. (Executive)

Department of Military, Civil Defense and Veterans Services

This department is responsible for overall administration and logistical support of the state's military forces, civil defense operations, and veterans services functions.

CURRENT PRACTICES

The department operates under the supervision of the Adjutant General who is appointed by the Governor. The Deputy Adjutant General assumes these duties and responsibilities in his absence. Organizationally, it is divided into the Military Bureau and the Bureaus of Civil Defense and Veterans Services. The Adjutant General serves as Director of the Military Bureau as well as the department's administrative head. Civil Defense and Veterans Services are supervised by directors who are appointed by the Adjutant General with the advice and consent of the Governor and the Council. Within Military, two Assistant Adjutants General have separate responsibilities for the Army and the Air National Guards.

The department has 168 employees and its operations are funded primarily from general revenues. Total expenditures for fiscal 1972 amounted to \$2,112,445. Of this, the state's share was about \$1,607,000. Expenditures for fiscal 1973 are estimated at \$2,146,000. About \$2.2-million has been budgeted for each year of the fiscal biennium beginning July 1, 1973.

EVALUATION

There is an excellent management environment which generates a high level of motivation toward achieving goals and assignments. Economies have been effected by combining several functions such as vehicle maintenance and communications repair. However, Civil Defense and Military still maintain separate commodity storage areas. Efforts are underway to gradually consolidate accounting and personnel functions under the business manager.

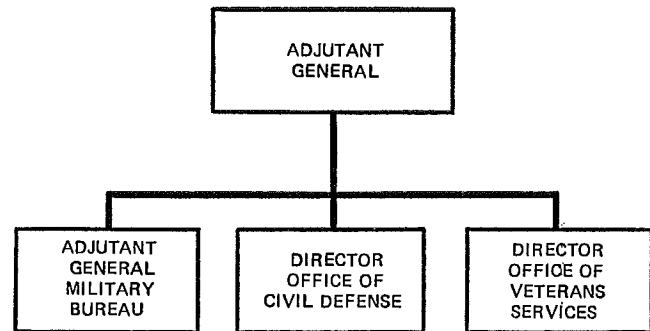
Reporting relationships between Civil Defense and Veterans Services are clearly defined. There is an intermix of federal and state employees who do not always carry military rank consistent with their organizational position. As a result, reporting relationships within Military are ambiguous.

RECOMMENDATIONS

1. Reorganize the department.

The present organization chart, shown directly below, reflects the department but does not necessarily show actual reporting relationships within the Military Bureau. Division heads within this bureau

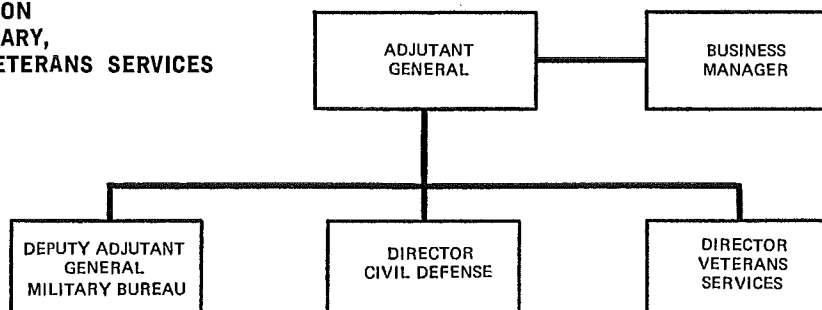
**PRESENT ORGANIZATION
DEPARTMENT OF MILITARY,
CIVIL DEFENSE AND VETERANS SERVICES**



report directly to the Adjutant General and the two Assistant Adjutants General function in staff rather than line positions.

The department should be reorganized as illustrated in the chart shown below. This will allow the Adjutant General to devote full-time efforts to supervision while delegating line responsibility to the

**PROPOSED ORGANIZATION
DEPARTMENT OF MILITARY,
CIVIL DEFENSE AND VETERANS SERVICES**



Deputy Adjutant General who is the Director of the Military Bureau. Because the business manager will assume responsibility for combined financial and personnel services, the proposed reorganization anticipates he will report to the Adjutant General.

This proposed reorganization does not reflect all reporting relationships, as these are dictated by the U. S. National Guard Bureau. It should be expected compensation levels of the Adjutant General and the Deputy Adjutant General will require review. When implemented, the Assistant Adjutants General can be phased out. Since the Assistant Adjutant General (Army) is serving as Deputy Adjutant General, the net effect is elimination of the position of Assistant Adjutant General (Air). This will provide an annual saving of \$13,700. (Legislative)

2. Consolidate storage areas of Military and Civil Defense into available space at Camp Keyes.

The department has already commenced planning to effect this consolidation and these plans should be followed through to completion. Implementation will make available 1,700 square feet of space now being utilized elsewhere. (Executive)

Military Bureau

This bureau is responsible for all armed forces of the state including the Army and Air National Guards. Its mission is to assure the readiness of trained and equipped units which would be available to supplement the armed forces of the United States in event of a national emergency, or to support civil authority during times of natural disaster or civil disturbance.

The Military Bureau operates under the supervision of Adjutant General. He is appointed by the Governor who is the Commander-in-Chief of the state's armed forces. The Deputy Adjutant General assumes powers of the adjutant during his absence or incapacity. It includes the Army and Air National Guards as well as state militia forces.

Operation of the National Guards is primarily federally financed. There are 572 federal employees who perform most of the daily functions and serve as a training cadre during drills. The Adjutant General and his deputy are state employees but may become active officers if the guards are mobilized.

Some 30 state employees are utilized in custodial work at the 27 armories. While these units are state-owned and maintained, they were constructed with 75% federal funds. Where feasible, they are rented for private and public functions. While operations are primarily federally funded, 110 state employees perform the leadership functions.

Expenditures for fiscal 1972 amounted to \$1,056,403. However, net cost to the state was \$746,064. Budgeted expenditures of the bureau for fiscal 1974 and 1975 amount to approximately \$1,233,000 and \$1,243,000, respectively.

Annual federal expenditures for operation of the National Guards is about \$9-million plus capital equipment, major construction, and the military payroll.

This bureau operates with a mixture of state and federal personnel at all levels of responsibility. However, because of significant difference between state and federal pay levels, turnover in state personnel is frequent. Federal staffing levels are governed by criteria published by the U. S. National Guard Bureau. Actual manpower levels are restricted by man-year expenditures. Thus, the current strength of personnel is somewhat less than authorized in the tables of organization.

In the administration and operations/training areas, state personnel are utilized to supplement the federal staff. The Division of State Property Officer utilizes its personnel and contracted services in the maintenance of state and certain federal buildings. It is questionable whether the employees used to perform functions in lieu of contractors is the most economical means of achieving this assignment.

The Air National Guard operates primarily in a federal mission and, therefore, is semiautonomous from state control. The Army National Guard has a very evident value to the state as its troops are trained to support the state police in the event of civil disorder or disaster.

RECOMMENDATIONS

3. Eliminate state funding the Air National Guard.

The Maine Air National Guard consists of the 101st Air Defense Wing, the 243rd Electronic Installation Squadron, and the 265th Mobile Communications Squadron. The 101st maintains 24-hour air defense alert facilities. Members of the 243rd and the 265th perform extensive out-of-state operations in support of the U. S. Air Force. Since there is no tangible evidence of availability of resources for state missions, state funding cannot be justified. Implementation will provide an annual saving of \$25,000 based on the state's share of expenses at Bangor International Airport and \$4,300 from its share of the cost at South Portland Air National Guard. (Executive)

4. Phase out the position of Military Operations Specialist.

This position was replaced by a federal technician on September 1, 1972, but has never been deleted

from the personnel authorization. It is the intent of the bureau to rehire the individual and place him temporarily in the Office of the State Property Officer. Since there is no demonstrated need for additional personnel in that area, the position should be eliminated. Implementation will provide an annual saving of \$5,500. (Executive)

5. Determine the feasibility of utilizing contracted services for the maintenance of state properties.

The Division Office of State Property Officer maintains a work force of 17 which performs maintenance functions at armories and Camp Keyes. Five vehicles are used to transport personnel and supplies. Considerable expense and nonproductive time are involved in moving personnel to perform insignificant tasks. Also, they frequently require overnight lodging. Because of seasonal peaks in work loads and the intermittent nature of major projects, there is an apparent availability of time utilized in make-work situations.

A study should be made to determine if more extensive use of contracted services would provide services at a cost lower than currently expended. (Executive)

6. Review the personnel policy to allow credit for active duty training.

State employees at the Military Bureau are frequently afforded an opportunity to attend military schools to advance job skills. At these schools, they are on active duty status and on leave of absence from state employment. During such period, they cease to accrue credits for retirement, vacation, sick leave, and salary increases. It should be modified. (Executive)

Bureau of Civil Defense

This bureau has responsibility for coordinating development and implementation of plans to respond to emergencies caused by actual and threatened attack or natural disasters. It is supervised by a director who is nominated by the Adjutant General and approved by the Governor and Council. Currently, it has 32 full-time employees. Total expenditures for fiscal 1972 amounted to \$393,848. Of this, the state's share was \$198,836. Expenditures for fiscal 1973 are estimated to be \$427,595, of which \$217,940 will be from state funds. The bureau is divided into the Operations, Communications, Public Affairs, and Administration Divisions. Operations is responsible for emergency plans to cope with impending, actual, nuclear, or natural disasters. Shelters have been located, mapped, and stocked with supplies to protect 624,367 people from nuclear fallout. Communications is accountable for main-

taining effective communications between federal and county civil defense agencies, as well as other departments. Public Affairs is essentially responsible for public relations, education on emergencies, and public information. Administration performs functions which support other divisions as well as local civil defense agencies.

Because its mission is preparedness to deal with disasters, there is some degree of redundancy in equipment and staffing levels. In performing its tasks, the bureau copes with public apathy created by lessening of international tensions as well as lack of authority to require compliance with standards of readiness.

The bureau is performing many functions of training, equipment procurement, maintenance, and development of plans which should be accomplished by county civil defense personnel. Specialization has created work load imbalances. The secretarial pool concept does not appear effective and supervision needs review.

Effective communication systems have been established between state, federal, county, and local agencies. Economies have been effected through extensive use of surplus equipment and volunteer technicians. However, full-time technicians have a large amount of nonproductive travel time. This bureau provides a service of coordinating resources and support of local agencies in emergencies.

Public Affairs generally functions well and disseminates valuable information on how to respond to emergencies. This division provides materials to the Department of Educational and Cultural Services which are distributed to local school systems under a federally sponsored program intended to assure instruction to students in emergency preparedness.

RECOMMENDATION

7. Reorganize the Bureau of Civil Defense.

The present organization does not effectively coordinate the resources of the bureau. A realignment of reporting relationships, coupled with streamlining of staffs will provide improvements with resultant savings to both the state and federal government. The bureau should be reorganized. The following enabling steps will be necessary:

- Place the Communications Division under the Operations Division. Communications is a vital function of emergency operations and should report to the operations officer. This will leave three major functional subunits of administration, operations, and public affairs.
- Dissolve the secretarial pool. It is not well supervised because of other obligations of its sup-

ervisor and there is an excess of personnel. After a reduction, the remainder of these positions should be reassigned. A steno should remain assigned to the administrative officer and the other assigned to the plans and training officer. One steno will report to the public affairs officer and another become the switchboard operator.

- ▶ Eliminate one typist from the staff. This will provide an annual saving of \$5,400.
- ▶ Phase out the laborer who is utilized as a truck driver for making general deliveries. Delivery duties would be transferred to the storekeeper who could maintain the warehouse and fill requests as required. Annual savings of \$5,000 will be attained. Of this, \$2,500 each will be accrued by the state and federal governments.
- ▶ Eliminate the position of matching fund-civil defense agent to provide annual savings of \$7,200.
- ▶ Remove the reporting relationship between the administrative secretary and the administration officer. The secretary should report to the bureau director.
- ▶ Combine the radiological and radio maintenance shops. These functions are performed at different locations under separate supervision. They should be combined under one supervisor who has authority to meet fluctuations in demand. Consolidation will eliminate one instrument maintenance officer and a radio maintenance vehicle. The radiological services contract with the federal government should be renegotiated. The truck to be eliminated contains testing equipment purchased for \$6,000. Its sale would provide a one-time income of \$2,000. Estimated annual savings in maintenance amount to \$800.
- ▶ Create the positions of inspector-northern region and inspector-southern region. Training and coordination of local civil defense entities should be divided into two geographical regions to make on-site program consultations more efficient. These positions can be staffed by the present supply officer and inspector-civil defense agent and report to the administration officer.
- ▶ Establish the positions of liaison-northern region and liaison-southern region. These two positions will supplement the regional inspectors in the coordination of local activities. They will report to the plans and training officer and could be staffed by the protective services officer and another position from the bureau.

- ▶ Combine the civil engineer and shelter officer positions into a new engineering and shelter officer position under the present civil engineer. This position would report to the operations officer.
- ▶ Create the position of disaster assistance officer reporting to the operations officer and staff it with the shelter officer.
- ▶ Initiate the position of maintenance supervisor reporting to the communications officer to oversee radio and radiological maintenance. This position can be staffed from the present electronics maintenance staff.
- ▶ Reduce in-state travel expense. Reorganization will allow personnel responsible for training and coordinating with other civil defense entities to perform more functions per visit by limiting responsibility into regions. In fiscal 1972, in-state travel costs amounted to \$18,200. When implemented, a saving of about 20% or \$2,600 annually can be attained.
- ▶ Phase out the position of deputy director. With consolidation into three divisions, there is no necessity for this management level. Provisions for continuity of management can be accomplished through a priority plan of control promulgated by the director. Implementation will provide savings of \$15,000. Total savings of \$36,000 will be equally shared by the state and federal government. (Executive)

Bureau of Veterans Services

This bureau has statutory responsibility to act as agent for resident veterans and their dependents having a claim against the United States. It administers state-funded grants-in-aid programs for veterans and their dependents and it maintains the Veterans Memorial Cemetery. It also preserves service records of 144,000 resident veterans.

The bureau is supervised by a director who is appointed by the Adjutant General with consent of the Governor and the Council. Currently, it has 26 permanent and two part-time employees.

Actual expenditures for fiscal 1972 amounted to \$673,519. Appropriations of approximately \$785,000 per year have been recommended for the next biennium. Overall administration of the bureau's activities is performed by the state office at Camp Keyes.

To date, 80 acres have been purchased for the Veterans Memorial Cemetery at a cost of \$41,400. For fiscal 1972, operating expenditures for the cemetery amounted to \$35,022. Those for fiscal 1973 are estimated at \$33,381. Approximately \$55,850 and

\$51,394, respectively, have been recommended for the next biennium. As of December 1972, 519 burials have been completed and an additional 333 reservations have been made for gravesites.

The bureau operates field offices in Augusta, Caribou, Machias, Bangor, Rockland, Lewiston, and Portland providing assistance to veterans and their dependents in filing claims for government benefits. An office is also maintained at the Veterans Administration Hospital in Togus. At present, 17 permanent employees and one part-time helper are utilized. For fiscal 1972, \$197,011 was expended on the activity. Expenditures for fiscal 1973 are estimated at \$198,138.

The number of requests for assistance has increased from 31,509 in 1967 to 51,665 in 1972. Likewise, annual new VA cash benefits to veterans and their dependents went from \$1.44-million to \$2.1-million. The World War Assistance Program provides benefits on the basis of a budget versus income formula for veterans. For fiscal 1972, \$428,997 was expended. In general, the bureau appears to be well organized and effectively supervised. However, the desire to provide maximum service has, in a few cases, resulted in overestimating manpower requirements.

In administration and supervision, effective mechanisms have been established for monitoring activities, work loads, and performance. Planning, for the most part, is based upon trends in current activities, rather than upon projections of available census data. There is no long-range work plan.

The Veterans Memorial Cemetery receives heavy emphasis in planning and budgeting. It is well laid out and expertly managed. Grounds are meticulous. Equipment is properly maintained and appears to be the minimum to do the job. There is, however, an absence of long-range planning. New land purchases are being negotiated and additional personnel budgeted without sufficient documentation. Further, there is little analysis of alternative methods such as contracted services to accomplish specific tasks.

Field offices are well placed to assure access by veterans. With the exception of Lewiston, where a new armory is now under construction, it does not appear possible to move the remaining rented offices into rent-free space. Current and budgeted personnel levels appear to be appropriate. The administration of grants-in-aid benefits is being conducted in an efficient manner.

RECOMMENDATIONS

8. Eliminate the position of assistant supervisor.

This position reports to the supervisor and acts in a line capacity in his absence. It is used to fill tem-

porary vacancies in field offices caused by vacations, sicknesses, and the like.

With the addition of two veterans counselors, the Bangor and Portland field units will become two-man offices. This will reduce the potential of leaving those offices vacant due to vacation or sick leave and provide assistance on a temporary basis.

Supervisory responsibilities can be assigned to one of the counselors whenever the supervisor is absent for prolonged periods. Therefore, the position can be eliminated at an annual saving of about \$10,600. (Executive)

9. Do not fill the position of secretary at the Veterans Memorial Cemetery.

Secretarial services are provided by the bureau's central office. About 10% of a secretary's time is required, of which approximately half is spent to verify eligibility. It is intended that this position would serve primarily as a receptionist, to allow publication of the cemetery's phone number. Telephone calls regarding the cemetery are currently directed to the central office. Filling this position would hinder rather than assist prompt response to the inquiry. Therefore, the addition of a full-time position cannot be justified. Implementation will effect an annual cost avoidance of \$4,600. (Executive)

10. Move the Lewiston field office to the newly constructed state armory.

The Lewiston office is located in the downtown area at a monthly rental of \$75. A newly constructed state armory, located some 4 miles from the city's center, has been ready for occupancy since May, 1973. Considering the severe downtown parking problems, moving this office to the new state armory should improve services to veterans. This move would result in annual rental savings of approximately \$900. (Executive)

11. Study the feasibility of utilizing contracted services to perform certain functions at the Veterans Memorial Cemetery.

The addition of a full-time laborer to the cemetery staff has been justified on the basis there are several projects to be completed during the summer of 1973. Major landscaping projects can only be accomplished during approximately 6 months of the year. It is highly questionable whether this increase is economical.

Landscaping, building renovation and maintenance, snowplowing, and grounds maintenance which could be performed on a contracted basis should be identified and cost estimates obtained. Comparisons can then be made between these costs and those of maintaining the full-time staff and equipment. (Executive)

Department of Public Safety

This department's function is to coordinate and manage law enforcement responsibilities of the state as well as promote the safety and well-being of its citizens. Also, it directs the Maine Law Enforcement and Criminal Justice Academy.

CURRENT PRACTICES

The Department of Public Safety is headed by a Commissioner, who is appointed by the Governor with the consent of the Council for a 4-year term. As of April 1973, it had 311 uniformed and 107 civilian employees. For fiscal 1972, approximately \$5.9-million in available funds were generated with operating expenses of \$5.8-million.

Basic functions are divided between law enforcement and staff support. Its direct line units include the Bureaus of State Police, Fire Prevention, Liquor Enforcement, Maine Law Enforcement and Criminal Justice Academy, and the Vehicle Equipment Safety Commission. Support is rendered by the following divisions:

- ▶ Administrative Services and Budget Control is responsible for accounting and fiscal control of commitments, receipts, disbursements, and budgeting.
- ▶ Communications has responsibility for maintaining the more than 600 field radios and 10 radio relay towers. The statewide communications network for law enforcement includes seven teletype units in the field barracks and headquarters buildings. An additional seven in the barracks are used for direct hookup to 48 law enforcement local and municipal police forces. Also, there is a teletype hookup to the F.B.I. in Washington, D. C., and an on-line unit to the Massachusetts Police network.
- ▶ Motor Vehicle Maintenance maintains a fleet of about 358 vehicles. Equipment repairs are performed in four field garages and at headquarters.
- ▶ Supply is accountable for stocking and maintaining auto parts, uniforms, required clothing, departmental supplies, and forms.
- ▶ Personnel maintains complete history records of all employees. Duties include processing actions regarding promotions, evaluations, time and leave records, transfers, and training.
- ▶ Planning-Research and Training is responsible for planning and application of federal grants, developing short- and long-term projects, con-

ducting operational and administrative research, and analyzing crime and traffic activities.

- ▶ Civilian Public Information is responsible for publicizing activities to the news media.

EVALUATION

The department is making progress in coordinating and managing law enforcement responsibilities. A problem exists in the inadequacy of headquarters space. Allocation of central office and storage space has not kept pace with departmental growth. Bureau management is not receiving reports of financial condition of current and year-to-date expenditures and income analysis. Several support divisions which only serviced the state police function, now serve all bureaus with no additional staff. Duplication of effort occurs between the department and other agencies in maintaining communications equipment and motor vehicle fleets. Garages at the many barracks are not equipped to service all vehicles.

The department is without a permanent and readily accessible legal advisor, although the Attorney General's Office is generally available for advice. Only limited use is made of the state's Central Computer Services. To remain eligible for access to the National Crime Informational Center in Washington, D. C., Maine must have on-line computer facilities by July 1975. The potential of the new training academy to train law enforcement agencies in the state will promote greater cooperation.

RECOMMENDATIONS

1. Reduce vehicle maintenance costs.

Field state troopers and civilian safety inspectors reside and perform their duties in areas which are in excess of 50 miles from the closest departmental garage. The maintenance policy for autos is to have personnel obtain a 2,000-mile oil change at local service stations and drive to the closest police barracks for 4,000-mile maintenance. The Department of Transportation has full-service garages located in nearly all areas served by the department.

Some 70 enforcement personnel receive maintenance work for assigned vehicles at private garages and the department pays market rates. These charges, if performed by state garages, would approximate 60% of outside costs. Based on an average annual mileage of 36,000, a total of 630 oil changes are obtained at a cost of \$3,780. About \$1,500 would be saved annually by utilizing services of the Department of Transportation's garages. (Executive)

2. Accelerate the utilization of automatic data processing.

Increasing complexities required of law enforcement services necessitate a consolidated data source, rapid retrieval of information, and statistical capabilities. The type of information system needed can only be supplied by automated equipment. A systems analyst, requested in the fiscal 1974 budget, should be employed as early as possible so planning can start on conversion of records. He would be responsible for complete mechanization of manual files and operations. (Executive)

3. Combine Supply with Administrative Services and Budget Control.

Both divisions have accountability and custodial responsibilities and perform related clerical and recordkeeping functions. Combining them under single supervision should increase their effectiveness. Consolidation will eliminate one officer and result in annual savings of \$13,500. (Executive)

4. Consider constructing an additional floor on the headquarters garage.

Cramped office space in the headquarters building is not adequate. The headquarters garage was designed for an additional floor. Cost of added office space of approximately 5,000 square feet is estimated at \$125,000. Maintenance charges would be \$6,250 annually. Obvious advantages of building additional office space would be better supervision capability and operating efficiency. A 5% increase in effectiveness in the civilian bureaus should occur. It is estimated that the gain in efficiency and future economies would partially offset the cost of the new floor. (Executive)

5. Hire a clerk to process Law Enforcement Planning and Assistance Agency (LEPAA) grants.

The department has federal grants exceeding \$600,000 for law enforcement purposes. They require considerable effort on the part of Administrative Services and Budget Control to process invoices, maintain accounting records, prepare interim reports and perform clerical tasks. The agency has approved funds providing the department with a full-time clerk to manage fiscal functions. This clerk should be hired. Costs will approximate \$6,000 annually. (Executive)

6. Supply each bureau director a monthly statement of the financial condition, income, and expenditure analysis.

Operating results of the past months are not readily available to ascertain accomplishments, objectives, plans for future needs, or changes in policy. These data are received only from telephone calls and are

not viable for current use. Administrative Services and Budget Control should prepare brief financial statements of current month-end conditions and current year-to-date analyses of income and expenditures within 5 working days, at the end of the month. Implementation would serve as a planning tool for evaluating results and action to be taken. (Executive)

7. Install personnel procedures.

Since reorganization, uniform evaluations and standard personnel history records have not been maintained. A properly administered performance review plan will contribute to improved effectiveness and morale. A formal promotion potential rating plan would be valuable for promotions and career planning. It would encourage a more thorough and systematic approach to recommending promotions. (Executive)

8. Review the policy regarding meal allowances.

The department's policy for reimbursable meal expenses does not reflect reasonable allowances. Under this policy, meals are not to exceed \$6 daily. Most departments have no stated limits and allow reasonable meal costs. (Executive)

Bureau of State Police

This bureau is responsible for prevention and detection of criminal and motor-vehicle law violations. In addition, it licenses and enforces the Beano laws.

The bureau is headed by the Chief of State Police who is appointed by the Governor with the consent of the Council for a period of 4 years. Its staff, in April 1973, included 299 enlisted police officers, 62 civilians, and 12 limited positions.

Most bureau activities, including highway patrol, take place out of troop barracks at Kittery, Scarborough, Thomaston, Skowhegan, Orono, Houlton, and Augusta. It also maintains the Divisions of Traffic, Criminal Investigation, Executive Security, Internal Affairs, and the Adjutant. Of its administration costs, 75% is appropriated from the highway fund. The balance is from the general fund.

Of the \$5,231,131 in expenditures, major categories were \$3,048,259 for salaries, \$689,000 for contractual services, \$890,202 for capital items, and \$599,175 for retirement contributions. The \$5,225,545 revenue included general funds of \$1,248,345, highway fund appropriations of \$3,810,887, federal grants of \$76,015, dedicated revenue of \$55,363, and \$34,935 from law enforcement grants.

Duties of Traffic include supervising and licensing of approximately 1,600 motor-vehicle inspection

stations, enforcing motor-vehicle inspection laws, developing programs of information on motor-vehicle safety, enforcing truck weight laws, micro-filming accident reports, and processing more than 1.14-million annual motor-vehicle inspections.

Criminal Investigation informs and advises the operating line units and administrative officers on criminal matters and is responsible for investigating homicides.

Executive Security provides continuing 24-hour surveillance for the Governor and his family. The bureau maintains and operates 325 motor vehicles. Service garages are maintained at most of the field branches and headquarters. It is well-managed and responsibilities are defined and understood. There is high morale, and the turnover rate is less than 4%. Increasing demands are being made to provide the state's law enforcement agencies with a centralized source of services, expertise, and coordination.

Security precautions in the branches need strengthening to safeguard equipment and prevent vandalism. Costs of patrolling the state highway complex, especially in rural areas, are borne solely by the state. A manpower shortage is partly created by assigning uniformed personnel to nonenforcement positions. Functions of the Adjutant are not sufficiently defined and serve neither operational nor administrative purposes. Communication of data, records, management, and general information is apparently ignored. Files have overflowed much of the bureau's floor space.

There are uneconomical practices such as assigning high-performance autos for nonpatrol functions and using premium gasoline in cars adaptable for regular grades. Duplication exists between recordkeeping activities of the Traffic Division and the Secretary of State. Beano laws require voluminous clerical work and recordkeeping. Fees charged for motor-vehicle inspections are outdated and do not provide for costs.

RECOMMENDATIONS

9. Review use of premium grade gasoline.

All patrol cars have engines which can operate on premium or regular gasoline. Presently, the bureau uses the premium grade. These patrol vehicles should use only lower octane gas for economy reasons. Based on 350 cars driven 30,000 miles annually, utilization of less expensive fuel would provide savings of \$42,000. (Executive)

10. Increase the staff of the Truck Weights Section of the Traffic Division.

This section is staffed by four troopers with portable weighing scales and panel trucks. Personnel are

inadequate to perform spot-checks of the increasing number of trucks. Assignment of three additional troopers would enable the bureau to patrol areas now receiving only token coverage. A one-time cost of \$11,500 for three trucks and portable scales for each unit and annual costs of \$30,000 for the added manpower would be incurred. According to fiscal 1972 data, revenue from fees presently being lost is approximately \$150,000. (Executive)

11. Discontinue assigning police officers as liaison to the Bureau of Civil Defense.

This bureau has an officer assigned as permanent liaison with Civil Defense. His principal duty is to coordinate police units in the event of an emergency. This position should be eliminated as the function could be performed on a part-time basis by State Police and Civil Defense personnel. Implementation would realize savings of \$16,500 annually. (Executive)

12. Furnish Criminal Investigation with small, economy-class cars.

Personnel in this division are furnished with cars similar to those used by state troopers. There is no need for such equipment. Substituting economy-class cars would provide a one-time saving of \$23,000 in reduced purchase price as well as annual savings of \$9,500 in operating costs. (Executive)

13. Discontinue assignment of police officers to nonenforcement duties.

The bureau has uniformed personnel performing clerical and other duties at its headquarters. Currently, two troopers and a lieutenant perform non-enforcement duties which could be completed by civilians. By hiring a civilian account clerk and accountant, the officers would be available for police work. Estimated annual costs of hiring the civilians would be \$17,500. (Executive)

14. Stop requiring 48-hour accident reports be mailed to the Traffic Division.

Duplication of efforts occurs between the Traffic Division and the Secretary of State. Reports from drivers involved in accidents are received by the Accident Section. They are matched to officer accident reports for compliance to the 48-hour law, batched, and forwarded on a daily basis to the Secretary of State. This department checks the drivers for financial responsibility, matches the driver's and the officer's reports, and determines noncompliance.

By requiring drivers to mail 48-hour reports to the Secretary of State, duplication of effort would be avoided. This would result in eliminating a clerk-typist in the Accident Section and provide annual savings of \$6,800. (Executive)

15. Eliminate a clerk-typist position in the Criminal Identification Division.

Statutes requiring the fingerprinting of school children for identification purposes have been repealed. This function required a fingerprint classifier and two clerk-typists. Because of the newly enacted law, only the fingerprint classifier and a clerk-typist will be needed. Elimination of one clerk-typist position will provide annual savings of \$5,100. (Executive)

16. Buy radial instead of bias-ply tires.

The bureau is testing radial tires for patrol cars. Average wear of the present bias-ply tire is 13,000 miles to 15,000 miles. The bureau incurs annual costs of \$45,000 for patrol-vehicle tires. Studies made in other states indicate radial tires can be used in excess of 35,000 miles. Although the purchase price of a radial is about twice that of a bias-ply tire, its endurance is about three times greater. Buying radial tires for police vehicles would provide estimated annual savings of \$9,000. (Executive)

17. Issue Beano licenses monthly.

Requirement of 6-day Beano licenses wastes time and expense. Of the approximately 11,000 licenses issued annually, about 10,400 are to 200 organizations administering the game once a week. By dispensing monthly licenses to them, paper work and mailing costs would be significantly reduced and a clerk-stenographer position eliminated. Annual savings of \$7,200 in salary and postage would be realized. (Legislative)

18. Hire civilian communications operators to free enlisted personnel for field work.

Assigning enlisted personnel to work as communications operators creates a shortage of manpower. By hiring 11 civilian operators at reasonable salaries, the equivalent of eight troopers would be made available for preventive police work. Annual costs of \$76,000 are estimated. (Executive)

19. Charge the Maine Turnpike Authority for actual costs of providing highway patrol.

Costs of providing state troopers to patrol the Maine Turnpike are borne by the general and highway funds. The Maine Turnpike Authority, an independent municipal corporation, does not provide enforcement of traffic laws on approximately 106 miles of toll highway. It operates on dedicated revenues, acts as a private enterprise with tax-exempt status, and is not required to reimburse the state for services rendered on its behalf.

Charge the authority to recover actual costs incurred in providing police patrols. Savings would result and turnpike toll charges would not be expected to increase. The annual recovery for the equivalent of

16 troopers and a sergeant for patrolling the turnpike is estimated at \$199,000, including travel expenses. (Executive)

20. Install a uniform crime-reporting system.

Need exists for a uniform crime-reporting system for all police agencies. The bureau has recognized the deficiency, but plans have not been formulated to coordinate this effort.

This proposal should receive high priority from the bureau and the Law Enforcement Planning and Administration Agency. A qualified officer should be assigned to coordinate the effort. Anticipated results will increase completeness of data for the Bureau of Identification, and, the summary and statistical reports generated by the State Police. (Executive)

Liquor Enforcement Bureau

This bureau is charged with enforcement of liquor laws. It is responsible for inspection of licensed premises, investigation of unlicensed sales and other illegal traffic in liquor, and gathering evidence for prosecution of violations. It is headed by a director appointed by the Commissioner of Public Safety. Actual expenditures for fiscal 1972 amounted to \$199,126 of which \$142,220 was for salaries. Expenditures for fiscal 1973 are budgeted at \$242,494. Of this, \$187,477 is for salaries and the balance for travel and miscellaneous expenses.

The bureau's 10 field inspectors and four senior inspector-supervisors are located throughout the state's 16 counties. Their duties related to enforcement include investigating liquor law violations and assisting the Liquor Commission in licensing activities. Violations of the liquor laws are reviewed before the Administrative Hearing Commissioner. This Commissioner has the power to suspend or revoke permits for the sale of liquor and deny new or renewal applications.

The bureau is attempting to cope with reorganizing and restructuring the inspection staff and generating information for management control and analysis. Employee morale is good despite difficult and demanding working conditions. The bureau has been understaffed for several years.

Control of field inspectors by senior inspector-supervisors should be improved. It is estimated that 15% of an inspector's time is spent writing various reports. Inspection reports provide minimal retrievable information on the premise's physical condition. Its work overlaps that of the Bureau of Alcoholic Beverages because, when requested, inspectors perform investigations of license applicants.

RECOMMENDATIONS

21. Consider requiring bartenders to register and obtain a license.

Liquor laws do not require a bartender to obtain a license. As a result, there is no control over quality of service. They should be required to register, obtain a license, and meet minimum standards. Licensing of bartenders will provide a minimum standard of service and some control over those preparing alcoholic beverages.

A nominal annual fee of \$5 for issuance or renewal of a license to practicing bartenders would generate an income of \$15,000. It is anticipated that clerical and material costs of \$5,000 per year would be incurred to administer the fee collections and issuance of licenses. No income is claimed. (Legislative)

22. Issue bartender licenses on a staggered 3-year renewal basis.

License renewal on an annual basis for approximately 3,000 bartenders would impose a severe administrative work load on the Bureau of Alcoholic Beverages. Initially, the bartenders could be split into anniversary groups of 1-, 2-, and 3-year licenses.

A 3-year license would spread the work load and minimize clerical tasks involved and be handled by the Licensing Division with no additional cost. If staggered license renewal is implemented, a one-time income of \$15,000 will be attained the first year. In addition, a \$5,000 annual saving will be realized because staggering of issuances will permit the Bureau of Alcoholic Beverages to absorb the work load. Savings and income are not claimed. (Legislative)

23. Use a standardized inspection report to obtain improved inspection documentation.

Inspection reports give no details of conditions regarding premises unless a complaint is filed. The bureau is finalizing an inspection report format which will provide necessary documentation and standardization, as well as supply management with information needed for control and evaluation of field performance. Standardized short-form reporting will add much to efficiency and serve as a file for future reference. (Executive)

24. Require field inspectors to use dictating equipment when preparing field reports.

Inspectors spend an estimated 15% to 20% of their work week writing and typing reports. As a result, sufficient inspection time is not available to enforce liquor laws. Consequently, three new inspectors have been requested for fiscal 1974.

Dictating reports would free more time for inspection. This would be equivalent to adding three

inspectors. Dictating units could be purchased for \$100 each and a transcriber would cost \$300. One of the clerk-typists would be used full-time to transcribe dictated reports. A one-time expenditure of \$2,300 would increase investigative hours and result in a cost avoidance of \$31,000. (Executive)

25. Establish a program for measuring productivity of inspectors.

Field inspectors do not have close supervision. Their reports are reviewed for quality and completeness, but no program exists for measuring performance. An effective program for measuring productivity of inspectors should be developed. Until such a program is established, the state will not receive full value from the \$115,000 paid in salaries. Potential savings could conservatively amount to approximately 10% of salaries and manifest itself in increased productivity and efficiency. Implementation should provide an estimated annual saving of \$11,500. (Executive)

26. Stop performing licensing activities normally accomplished by the Bureau of Alcoholic Beverages.

Field inspectors are often requested by the bureau to assist in licensing activities. The inspector spends considerable time providing assistance. The implication of issuing licenses on the one hand, and having authority to take them away on the other, creates a conflict of interest for the Liquor Enforcement Bureau. This practice should be stopped. (Executive)

Fire Prevention Bureau

This bureau was created to combat fraudulent insurance claims resulting from arson. Functions include Fire Prevention and Arson Investigation, the Electricians' Examining Board, and the Oil Burnermen's Licensing Board. Comprised of 24 employees, it is headed by a director appointed by the Commissioner of Public Safety. Revenues include a tax of 0.5% on fire insurance premiums, and fees from licenses.

During the last few years, its area of responsibility has grown from arson investigation to activities oriented toward safety and fire prevention. Simultaneously, there has been a substantial increase in fire and arson investigations. Dedicated funds of \$301,436 were received in fiscal 1972 and expenditures for the period amounted to \$300,721. Idle, unexpended funds of \$335,451 had also been accumulated at the end of fiscal 1972.

Fire Prevention and Arson Investigation is responsible for assuring adequate exit and other safety requirements for schools, dormitories, hotels and

motels, institutions, state-owned buildings, places of assembly, offices, and other buildings. It has a contract with the Department of Health and Welfare to conduct certain fire safety inspections. The Electricians' Examining and Oil Burnermen's Licensing Boards have statutory authority to engage additional inspectors to enforce rules and regulations as funds are deemed available. During calendar 1972, a total of 9,608 licenses and permits were issued or renewed. Occupational licenses are renewed on an annual basis on June 30 for journeymen and December 31 for masters. Temporary help must be obtained during peak renewal periods.

Insurance companies are not assessed enough in fees to defray the cost of employing an adequate staff to effectively perform fire safety code inspections. As a result of assigning manpower to priorities, there are areas where the bureau has been less active than needed for minimum fire safety.

Excessive time is required to administer the two licensing boards. Consequently, executive direction and control of the bureau's functions are being sacrificed. Various inspectors in the bureau are without adequate supervision and overlap assigned tasks. The system of processing Department of Health and Welfare inspections is inadequate to establish reasonable fees to cover inspection costs. The fee schedule for inspection and issuance of

licenses and permits does not allow for cost recovery. The practice of issuing annual renewals for approximately 5,650 occupational licenses requires an inefficient clerical work load.

Large surpluses of dedicated funds have been built up by the bureau. These idle revenues, in excess of expenditures, are not available for use by other agencies or the general fund.

RECOMMENDATIONS

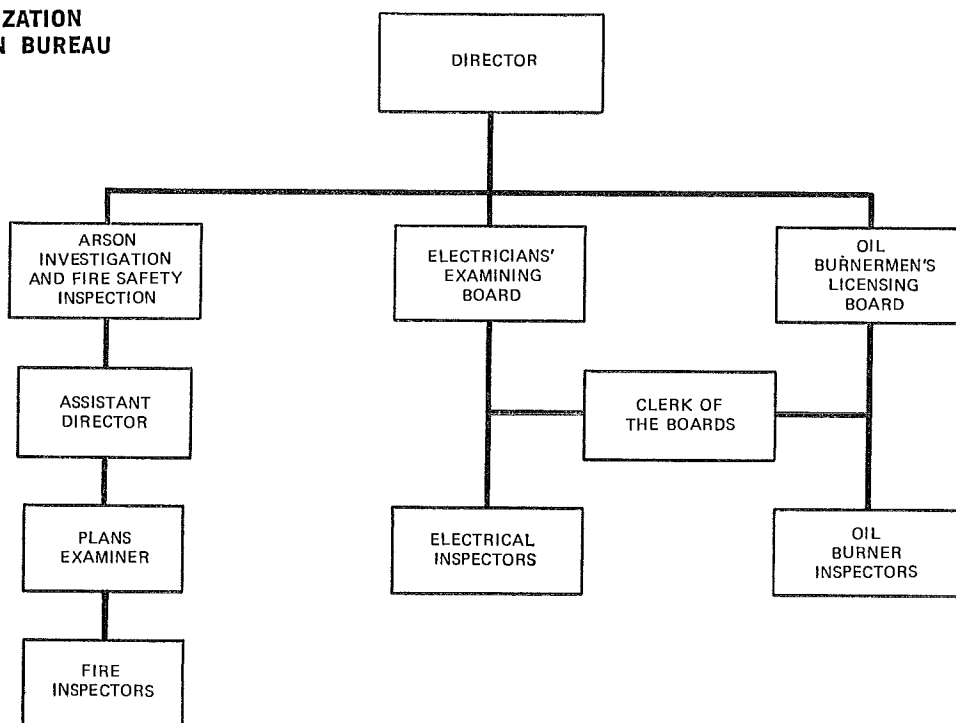
27. Assess insurance companies a fee of 0.75% on fire insurance premiums.

State law imposes an annual fee of 0.5% for writing fire insurance premiums. Revenue generated has been inadequate to defray expenses incurred to effectively staff Fire Prevention and Arson Investigation. The levy should be raised to 0.75%. This would enable the division to hire additional personnel to perform required fire safety inspections as well as adequately investigate suspected arson fires. An annual increased income of about \$83,000 could be achieved. (Legislative)

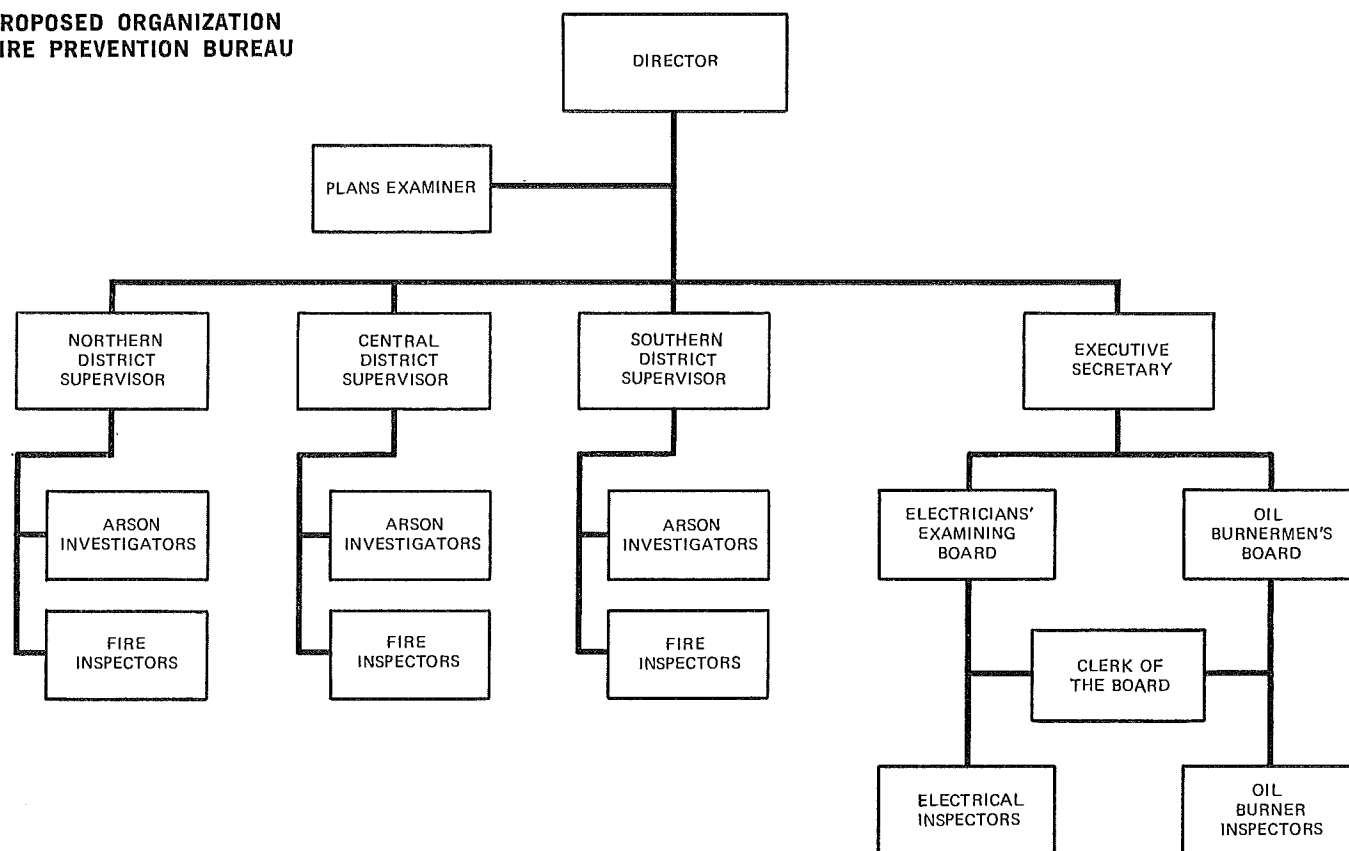
28. Reorganize the bureau.

The present organization, depicted in the chart shown below, does not provide for adequate supervision of field inspectors, nor does it clearly define lines of reporting. This leads to lack of coordination of field inspection and operations.

PRESENT ORGANIZATION FIRE PREVENTION BUREAU



**PROPOSED ORGANIZATION
FIRE PREVENTION BUREAU**



This bureau should be reorganized, as depicted in the chart shown above, into the Northern, Central, and Southern Districts for fire prevention activities plus an occupational licensing division. Field operations could then be effectively planned and implemented to provide required inspections and management control. The following additional steps should be accomplished to fulfill this proposed reorganization:

- Create an arson investigation squad and assign personnel to the three districts. Six special arson investigators could be recruited from the present staff and new personnel hired. Replacement of six fire inspectors would require annual costs of \$67,800, including travel expenses.
- Establish three district supervisors for the geographical fire districts. The bureau's assistant director could become the central district supervisor. The remaining two positions could be filled from the present staff. To replace those promoted, an annual cost of \$20,200, including travel expenses, would be incurred.
- Initiate a supervisory position to administer the occupational licensing boards. Creation of a

full-time supervisor to direct operations of these boards, would free the director to concentrate on his prescribed functions. An annual cost of \$12,600 plus an estimated \$1,500 for travel expenses would be required to implement the position. (Executive)

29. Perform fire safety inspections annually.

Many schools, summer camps, hotels, motels, dormitories, and similar facilities are not inspected on a yearly basis. To minimize potential tragedies due to inadequate inspections, annual fire safety examinations must be performed. These could be accomplished when the proposed reorganization is implemented. (Executive)

30. Charge a fee to cover processing costs for taking an examination.

Under current statutes, an applicant taking an examination to obtain a journeyman or master electrician license can sit for additional tests at no additional cost in the event of failure. Initial fees of \$25 and \$10 are charged for the master's and the journeyman's examinations, respectively.

Annual costs of administering these tests exceeded application fees by about \$5,100 in fiscal 1972 and

310 additional examinations were taken. By charging candidates who fail their initial examination a subsequent fee of \$12.50 for master's and \$5 for journeyman's exams, an annual revenue of approximately \$2,800 would be generated to partially cover processing costs. (Legislative)

31. Revise the fee schedule for inspection and issuance of licenses and permits.

Fire Prevention and Arson Investigation does not charge fees to recover costs incurred in performing fire safety inspections for transporting and storage of explosives, storage of flammable liquids, and review of certain blueprints. A total of 1,365 such inspections or plan reviews were made during fiscal 1972. A total of 427 plans were approved during fiscal 1972. Of these, only 61 required a fee under the statutes. Charging a \$5 fee would enable the Liquor Enforcement Bureau to defray estimated costs and result in an annual income of approximately \$6,800. (Legislative)

32. Issue occupational license renewals on a 2-year basis.

Master's and journeyman's licenses are issued on a 1-year basis. Approximately 5,650 are renewed annually, 50% by June 30 and the balance by December 31. These activities create an unnecessary peak work load on the clerical staff and additional help is required. Issuance of master and journeyman licenses on a 2-year basis would reduce the work load and minimize costs of temporary help. An annual saving of \$2,000 is claimed. (Legislative)

33. Install a cost accounting system.

An essential requirement for ascertaining expenses of fire safety inspections is knowledge of basic cost data.

A basic cost accounting system should be installed within the bureau to accumulate various expenses and inspection man-hours incurred. Administrative Services of the Department of Public Safety is planning to implement a cost system. This would provide management with reliable cost data and knowledge required for determining overall inspection costs.

A cost accounting system could generate statistics such as average time, mean cost, and number of inspections performed per day or week. Implementation will result in increasing the number of inspections and reducing clerical operations. Annual savings of \$5,300 are expected. (Executive)

34. Transfer unexpended dedicated funds to the general fund at the end of fiscal 1973.

The unexpended balance carried forward for fiscal 1972 amounted to \$335,451. Operating expenses

for the same period were \$300,721 while income totaled \$301,436. The unexpended balance is idle and continues to grow. Therefore, the total fund should be transferred to the general fund at the end of fiscal 1973. Implementation will provide a one-time benefit of about \$335,400 to the general fund. Should accumulations continue in the future, steps should be taken to provide for periodic transfers. (Legislative)

35. Establish a program for measuring productivity of inspectors.

Inspector's reports are reviewed for quality and completeness by management, but no program exists for adequately measuring performance. A measurement program should be developed. Until effective performance is established, the state will not receive full value from the \$129,000 paid in salaries every year. Potential savings to be obtained from implementation are estimated at \$12,900 annually. (Executive)

Vehicle Equipment Safety Commission

Primary functions of this agency are to reduce the increasing number of accidents and deaths on the state's streets and highways. As a member of the National Vehicle Equipment Safety Commission, its responsibilities are to collect, correlate, analyze, and evaluate information elicited from research and testing activities. For fiscal 1972, an appropriation of \$1,500 was made from the highway fund to defray costs. Expenditures of \$1,262 were made during fiscal 1972. They consisted of dues and travel expenses incurred by the state delegate.

Duties of the state delegate are part-time and consist of handling correspondence with the national commission and other member states. Functions of this commission would best be served in a department where traffic safety and planning are major duties of the organization.

RECOMMENDATION

36. Transfer functions of the Vehicle Safety Equipment Commission to the Department of Transportation.

The commission's functions would be more efficiently performed by the Bureau of Transportation Planning and Services where highway safety is a continuing process. Part-time duties of the representative could be absorbed into the Traffic Safety Section. No additional personnel will be required and the continuing cost of about \$1,500 per year for dues will remain the same. (Legislative)

Department of Banks and Banking

This department examines and supervises state-chartered financial institutions. Also, it administers laws regulating consumer loan companies and enforces provisions of the Maine Securities Act.

CURRENT PRACTICES

The department has a complement of 31 employees. Its Commissioner is appointed by the Governor for a 6-year term. Funds are received from two sources. The appropriation from the general fund amounted to \$113,885 for fiscal 1972. The other, from dedicated funds, totaled \$286,812. It is comprised of the Divisions of Personal and Consumer Finance, Securities, and Banks and Banking.

Personal and Consumer Finance licenses and regulates 24 small loan agencies, 27 sales finance companies, 545 motor vehicle retailers, 20 collection agencies, four home repair financing agencies, 87 home repair contractors, and 194 home repair salesmen. Further, the division administers truth in lending laws and regulations. It operated in fiscal 1972 with expenditures of \$82,438 from the general fund. Securities regulates security registrations. In fiscal 1972, it operated with expenditures of \$30,523 from the general fund. Banks and Banking supervises 32 savings banks; 25 trust companies; eight industrial bank and loan companies; 15 loan and building, savings and loan associations; and 29 credit unions. This division operated on dedicated funds of \$266,009 in fiscal 1972.

EVALUATION

Supervisory personnel are knowledgeable in examination procedures and statutory requirements. There is much duplication in examining financial institutions that are scrutinized jointly with the FDIC or the Federal Reserve Bank. Personal and Consumer Finance, because of exemption to the federal Truth in Lending Act, spends 60% to 70% of its time examining creditors for compliance. These creditors are selected randomly and about 33% are examined in any year. Standards for work di-

rection and performance evaluation are not understood by subordinates within the department.

RECOMMENDATIONS

1. Stop conducting annual on-site audits of state-chartered financial institutions examined by the FDIC or the Federal Reserve Bank.

Most financial institutions are examined by state and federal examiners. The federal examiners' working papers can be used in place of conducting on-site audits. Therefore, nine of the 14 examiners and a clerk can be eliminated from the Department of Banks and Banking. Annual savings of \$118,800 would accrue to individual banks currently underwriting the expense of the examinations. The five remaining examiners would review those financial institutions not jointly surveyed with FDIC or Federal Reserve Bank personnel and also scrutinize federal examiners' working papers. (Legislative)

2. Terminate the federal exemption to the Truth in Lending Act.

Maine's Truth in Lending Act antedated the federal laws. Therefore, Maine was exempted from federal examinations of creditors that are solely under the state's jurisdiction. This obligates Personal and Consumer Finance to examine creditors for compliance with the Act. Without it, Federal Reserve Bank personnel would have to conduct the examinations. Termination of this exemption would allow elimination of two examiners and one clerk for annual savings of \$27,500. (Legislative)

3. Transfer idle, unexpended dedicated funds to the general fund.

The unexpended balance carried forward on June 30, 1972, amounted to \$102,583. This revenue is idle, and continues to grow and should be transferred to the general fund at the end of this fiscal year. Implementation will provide a one-time benefit of about \$102,500 to the state. Annual excesses of revenue over expenditures amounting to \$21,000 should also be transferred. (Legislative)

Department of Insurance

This department examines insurance companies for solvency. It regulates rate setting; examines policy forms for carriers in the state; and administers fee collection and licensing of insurance companies, agents, brokers, and adjusters.

CURRENT PRACTICES

The Commissioner of Insurance is appointed by the Governor with consent of the Council for a term of 4 years. This department has a total of 23 employees. Expenditures for fiscal 1972 amounted to

\$302,946, of which \$61,330 came from the general fund and \$241,613 from dedicated funds. In addition, dedicated funds of \$277,697 were received in fiscal 1972.

There are 29 domiciled insurance companies and each is examined, primarily for solvency. In the past several years, because the department's three examiners did not have time, outside firms were contracted to help with these examinations.

Approximately 4,000 agent licenses are issued or renewed annually. Additionally, 680 insurance company licenses are reissued each year on March 1, and 500 broker licenses are renewed annually on January 1. The insurance claim examiner reviewed and acted on 846 resident complaints in fiscal 1972. Also, the insurance contract examiner administered 984 examinations to agents during this period.

EVALUATION

This department has a good organizational structure, and does a commendable job of performing duties. In fiscal 1972, it received \$6,168 from domiciled insurance companies for examinations. During this period, it had a salary expense of approximately \$34,000 for the examiners and clerk-steno. Further, \$25,560 was paid to outside firms to conduct examinations. Licensing is a manual operation and, for the most part, work is current. Fiscal 1973 salary expense will amount to about \$28,000.

RECOMMENDATIONS

1. Charge each company for expenses incurred for examinations required by law.

Current fees of \$6,000 annually do not cover the costs incurred in performing examinations. Examination and annual report evaluation expenses approximated \$60,000. Actual expenses, for the examinations required by law, should be paid by the companies being investigated. The difference would provide an income of approximately \$54,000 annually. (Executive)

2. Employ two additional examiners.

The department contracts outside firms to conduct examinations. During fiscal 1972, approximately \$25,500 was paid for this service. By hiring two additional examiners, such contracts could be eliminated. Upon implementation, their salary would amount to about \$20,000 per year. (Executive)

3. Issue or renew licenses for 2-year terms.

This department has five clerk-typists who perform agent, agency, broker, and adjuster licensing functions. They receive assistance from other personnel. By issuing or renewing these licenses for a period of 2 years at the current rate, the work load would be cut by at least 25% annually. This would allow elimination of a clerk-typist for annual savings of \$5,900. (Legislative)

4. Charge salaries and expenses for the first deputy commissioner and clerk-steno to the dedicated fund budget.

This deputy and his clerk-steno are paid from the general fund. They manage licensing and examination functions where most of the dedicated funds are generated. Their salaries and expenses should be paid from that fund to reflect the charges incurred in collecting the revenue. By transferring these costs, the general fund budget would be reduced by \$26,600. (Executive)

5. Transfer unexpended dedicated funds to the general fund.

The department's unexpended balance carried forward on June 30, 1972, amounted to \$160,893. These funds are idle and continue to grow. The total unexpended fund including fiscal 1973 growth, totaling \$197,000, should be transferred to the general fund at the end of this fiscal year. This action will provide a one-time benefit to the state. Annual dedicated revenues in excess of expenses of about \$36,000, less \$26,600 in salaries which should be charged against dedicated funds as a result of the previous recommendation, should be transferred to the general fund. (Legislative)

Real Estate Commission

This commission enforces Maine's real estate laws. It conducts inspections, renews licenses, processes new applications, as well as administers written examinations for real estate agencies, brokers, and salesmen.

CURRENT PRACTICES

It consists of three Commissioners appointed by the Governor for staggered terms of 3 years. Each must

have been a real estate broker or salesman for at least 10 years. They work part-time and receive a per diem compensation of \$35 plus expenses. In addition to the three Commissioners, its staff consists of eight. It also employs a clerk-typist from May to September of each year.

This commission operates on dedicated funds. It received revenues of \$86,013 in fiscal 1972 and had

expenditures of \$73,200. A surplus of \$46,873 was carried forward on June 30, 1972.

The commission's three field inspectors survey 1,828 real estate agencies at least annually. Inspections are assigned by geographical area and a standard form is used. A total of 3,700 licenses were renewed and 903 written examination applications were processed in fiscal 1972. The commission publishes a listing of all licensed brokers, salesmen, and agencies in alphabetical order, as well as by county. In fiscal 1973, the printing costs for 5,500 books approximated \$5,900.

EVALUATION

While annual inspections are not required by law, rapid changes in agency personnel make the present schedule of inspecting each agency annually a good practice. Complaints received by the commission are handled on a current basis. Personnel appraisals and hearings of complaints are conducted in a large, open area without the benefit of privacy.

The annual renewal of licenses in June causes a seasonal work load for the full-time and part-time processing personnel. Printing and distribution costs of the list of licensees are too high and two alphabetical listings are redundant. Further, distribution of this roster is excessive. The balance of \$46,873 in dedicated funds appears to be unnecessary.

RECOMMENDATIONS

1. Publish only one list of names and addresses of licensees.

Names and addresses of licensees are published in overall alphabetical order, as well as alphabetically by county. It is only necessary to have this list in one format. Implementation would cut the \$5,900 publishing cost in fiscal 1973 by at least 40%. If adopted, an annual saving of approximately \$2,300 could be realized. (Executive)

2. Change the roster mailing list.

The commission mails a roster book to approximately 3,700 licensees. One roster for each of the 1,828 agencies should be sufficient. If additional copies are required, they can be purchased upon request. Since the mailing cost for each is \$0.21, a reduction of about 2,000 pieces could save about \$400 annually. (Executive)

3. Provide the administrative officer with a private office.

This officer conducts personnel appraisals and hears complaints in open quarters. For confidentiality, he should be provided with a private office. A floor-to-ceiling enclosure should be provided at an estimated one-time cost of \$2,000. (Executive)

4. Issue biennial licenses at current rate.

All licenses are renewed annually on June 30. This creates a heavy clerical work load and requires a part-time typist. These licenses should be issued biennially. In the year of implementation, 50% of the licenses could be renewed for 1 year and the balance for 2. After that, 2 year licenses would be issued. This would cut the work load in half and eliminate the need for part-time help. Thus, annual savings of \$2,100 could be realized. (Legislative)

5. Transfer unexpended dedicated funds to the general fund.

This commission's unexpended balance carried forward on June 30, 1972, amounted to \$46,873. Operating expenses for fiscal 1972 totaled \$73,200 while the dedicated income was \$86,013. The unexpended balance is idle, and continues to grow. Therefore, the total unexpended fund should be transferred to the general fund at end of the fiscal year. This would be a one-time benefit of about \$46,800. Future incremental excesses of revenue over expenses, amounting to \$12,800, should also be transferred to the general fund. (Legislative)

Boxing Commission

This commission controls professional and amateur boxing for the protection of participants and in the best interest of spectators. It may amend, appeal, or make exceptions to its rules and regulations by discretionary judgment.

CURRENT PRACTICES

It consists of three members who are appointed for staggered 3-year terms by the Governor with the consent of the Council. Each receives an annual

salary of \$1,000 plus reasonable travel expense allowances. It shares an executive secretary with the Harness Racing Commission. Each quarter, \$852 is transferred to that commission for its portion of the executive secretary's salary.

This commission operates on general funds. For fiscal 1972, it had \$11,924 budgeted and \$8,756 expended. Fees of \$2,640 from licenses and \$2,198 from the 3% gate levy were accepted in fiscal 1972. The commission's travel expenses for fiscal 1972 amounted to \$2,910.

Irregular meetings at intervals ranging from 1 week to 2 months are held by the commission. The agenda, prepared by the executive secretary, deals primarily with complaints received from spectators, promoters, and the news media.

Usually, at least two members of the commission attend each boxing event. Before the start of the last bout, an attending commissioner collects license fees for any new applications and 3% of the gate receipts. These funds are deposited with the Treasurating state-sanctioned harness horse races within the state.

EVALUATION

Rules are altered or changed at the Commissioners' discretionary judgment, without notice or a hearing. For instance, if for some reason a promoter violates a rule, it will be changed so the event can go on as scheduled.

Although approximately the same number of events were held during the past two years, public interest in boxing has declined. Attendance of 43,944 spectators in fiscal 1971 and 24,148 in 1972 illustrates

this. At least two Commissioners and sometimes all three attended each of the 69 events in fiscal 1972, and each traveled separately.

RECOMMENDATIONS

1. Do not make rule changes affecting boxing without formal notice and a hearing.

State boxing rules can be changed by the commission without notice or a hearing. This allows many deviations. The law should be changed to allow the commission to alter or change the rules only by written notice and a hearing. Every boxing participant would know his responsibilities without deviation. (Executive)

2. Assign only one member of the commission to attend each boxing event.

Two or three members attend boxing events and each travels alone. This results in unnecessary travel expenses. By assigning one member to attend each event, travel expense savings could be realized. In fiscal 1972, \$2,910 was expended. When implemented, such expenses could be reduced by at about \$1,000 and the general fund would realize this saving. (Executive)

Harness Racing Commission

This commission formulates and administers rules and regulations for scheduling, conducting, and operating state-sanctioned harness horse races.

CURRENT PRACTICES

Normally, this commission has three members; one position is presently vacant. Each is appointed for a staggered 3-year term by the Governor with the consent of the Council. The commission's chairman receives a salary of \$1,500 annually, and other members are paid \$1,000. In addition, each is allowed reasonable travel expenses. It has a full-time executive secretary. For fiscal 1972, it had appropriations of \$263,429 from the general fund, expenditures of \$261,488, and an unexpended balance of \$1,941.

The commission collects 6% of total money wagered and deposits it in the State Treasury. This amounted to \$1,042,954 in fiscal 1972. It also licenses all harness racing participants. The total revenue from this source in fiscal 1972 amounted to \$10,963.

The commission's veterinarian, paddock assistant, state steward, and pari-mutuel supervisor are in attendance at every racing event. The state steward oversees all areas and administers the breath analyzer test to drivers and judges prior to the start of a

race. The pari-mutuel supervisor has general supervision over the betting systems.

EVALUATION

This commission has published rules and regulations controlling harness racing in Maine. Harness racing participants are licensed and observed for competence and violations on a continuing basis. Wagered pari-mutuel money is well controlled and reported. The executive secretary is capable of filling in for everyone, except the veterinarian. It appears there is available time for additional responsibilities and duties.

RECOMMENDATION

1. Absorb the clerical work load, responsibilities, and records of the Running Horse Racing Commission.

The executive secretary of this commission is not fully utilized and has time available which could be put to other use. The clerical work load and responsibilities of the Running Horse Racing Commission could be absorbed by this office without adding personnel. This will provide continuity of administration of the running race laws and rules. (Executive)

Running Horse Racing Commission

This commission formulates and administers rules and regulations for scheduling, conducting, and operating state-sanctioned running horse races.

CURRENT PRACTICES

The commission has three members; each is appointed for a staggered 3-year term by the Governor with the consent of the Council. Its chairman receives a salary of \$1,500 annually, and other members are paid \$1,200. Each is allowed reasonable travel expenses. The staff has a full-time executive secretary. When racing events are scheduled, 18 seasonal employees are hired.

Financing is provided by the general fund. For fiscal 1972, the appropriation was \$69,372 and expenditures amounted to \$44,421. Thus, there was an unexpended balance of \$24,950. It collects 7% of all pari-mutuel wagers. In fiscal 1972, this amounted to \$409,230. At the end of each calendar year, about 28.5% of the collected total is returned to the participating race tracks and the State Fair Association for facility improvements.

This commission licenses all running horse race participants. Total revenue from this service in fiscal 1972 amounted to \$9,025. All 18 seasonal employees are in attendance at every racing event.

During a racing season, the executive secretary works out of temporary quarters located at the track to issue licenses. After the racing season, the secretary prepares the commission's annual report.

EVALUATION

State revenue from running racing events has steadily decreased over the past 3-year period. Scarborough Downs is the only track in Maine which will accommodate such races. As of April 1973, no races were scheduled for 1973. Instead, Scarborough Downs plans to conduct harness rac-

ing during its 1973 season. It appears that excess seasonal personnel are employed during scheduled racing events. The number of employees used at each event for the Harness Racing is four and the Running Horse Racing Commission uses 18. The executive secretary has only a small work load during the 3-month racing season.

RECOMMENDATIONS

1. Phase out the position of executive secretary and transfer responsibilities to the Harness Racing Commission.

The commission's executive secretary does not have a sufficient work load, and will have practically no duties in fiscal 1974. All records and responsibilities of the executive secretary should be transferred to the Harness Racing Commission. By doing this, the position can be eliminated and annual savings of \$9,200 would be realized. In addition, such action will free space for other use. (Executive)

2. Eliminate seasonal employee positions.

Running horse events are overmanned when compared with similar activities. These 18 employees will not be required for the 1973 racing season as no events are scheduled and could be eliminated. If running race events return to the state, the commission could recruit a small number of part-time employees to oversee each event. Elimination of the seasonal employees will save the state approximately \$17,100 annually in salaries. (Executive)

3. Abolish the commission.

There is little requirement for Running Horse Racing Commission since race activities within the state have drastically declined. The laws, rules, and regulations should stay in effect, and be administered by the Harness Racing Commission. By transferring administrative responsibilities, the three members of the commission can be eliminated. Total annual savings of \$3,900 will be realized. (Legislative)

Maine Industrial Building Authority

This authority aids industrial expansion by using the state's credit to insure payment on mortgage loans. It has an overall limit of \$80-million and \$4-million on any single project.

CURRENT PRACTICES

Reporting to the Governor, the building authority consists of the Commissioner of Commerce and

Industry and eight members appointed by the Governor for staggered 4-year terms with consent of the Executive Council. They serve without pay except for expense allowances. A full-time manager and clerk-steno are employed.

This authority operates from the Industrial Building Mortgage Insurance Fund which was started with \$500,000. The fund is charged expenses including

interest and principal payments required by loan defaults and is credited with mortgage insurance premiums as well as income from sales, disposals, leases, or rentals. Presently, the aggregate amount on 40 outstanding projects is \$24,845,404. Because default payments in fiscal 1971 were greater than the balance, the Governor and Council authorized the issuance of \$1.5-million in bonds.

The unpaid balance of insured loans has remained fairly constant at about \$25-million. Income from the 1% premium charged for guaranteeing loans in 1970, 1971, and 1972 were \$222,475, \$148,106, and \$201,535, respectively.

EVALUATION

Success of this authority depends on the soundness of projects for which loans are insured. Its manager is new and spends a great deal of time traveling to projects and gathering information. Bookkeeping functions are performed by the Maine Recreation Authority's clerk-steno.

RECOMMENDATION

1. **Combine the Maine Industrial Building Authority (MIBA), Maine Recreation Authority (MRA), and the Maine Municipal Securities Approval Board (MMSAB).**

The MIBA, MRA, and MMSAB perform similar functions but exist as three separate entities. This creates inefficient use of personnel, uneven work load, and duplication of effort. Additionally, 25 board members with identical backgrounds and expertise are required.

They should be combined into a nine-member board and report to the Treasurer of State. This would allow phasing out of 16 members and a clerk-steno. Since members are only reimbursed for travel expense, savings will only be realized for this expense. The clerk-steno's salary of \$7,200 would be eliminated together with travel expenses of about \$1,600 for members of the Municipal Securities Approval Board and the Maine Recreation Authority. (Legislative)

Maine Municipal Securities Approval Board

This board helps meet a need for financing pollution control facilities, industrial, commercial, and recreational projects to increase employment and better the state's economy.

CURRENT PRACTICES

Reporting to the Governor, the board consists of the Treasurer of State and six at-large members appointed by the Governor for staggered 3-year terms with the consent of the Executive Council. They serve without pay other than a travel allowance. This board employs a full-time manager and a clerk-steno. Financing is made available through the issuance of municipal tax-exempt securities. The basic advantage to a company is a substantially lower interest rate.

This board operates on general funds. Its fiscal 1972 appropriation was \$21,771 and expenditures amounted to \$21,393. During fiscal 1966 through 1972, it approved 30 different projects of which 17 were put into effect and 12 were withdrawn, and one was rejected by the municipal voters. For this period, \$15.8-million of bond were sold. The manager reviews applications, explains procedures to municipal authorities, and gathers data for presentation to the board members. If accepted, a certificate of approval is issued and a special election is held by the municipality to obtain voter consent.

EVALUATION

This board meets a statewide need, especially with the required financing for pollution control facilities. However, the annual number of bond issues does not create a sufficient work load for the full-time manager and clerk-steno. No effort has been made to combine it with similar authorities.

RECOMMENDATIONS

1. **Charge companies making applications a fee which cannot be returned.**

No fee is charged for making bond issue applications. Because of this, a large percentage are withdrawn after many man-hours have been expended. A nonreturnable fee should be charged. It could be based on a percentage of the dollar amount of the bond issue. As an example, a fee of \$350 each would provide an estimated annual income of \$1,700 to partially defray costs. (Executive)

2. **Combine the Maine Municipal Securities Board, Maine Industrial Building Authority, and the Maine Recreation Authority.**

The work load for this board fluctuates a great deal. Periodic lack of bond activity results in poor utilization of the manager and clerk-steno's time. By combining it with authorities having similar functions, increased performance could be realized. (Legislative)

Public Utilities Commission

This commission regulates companies supplying water, electricity, gas, telephone and telegraph services, as well as common carriers of passengers and property. It has a two-fold obligation to:

- ▶ Determine that financing and revenues of utilities are sufficient to render adequate service.
- ▶ Protect the public by determining that service is adequate and at reasonable rates.

CURRENT PRACTICES

The commission consists of three Commissioners who are appointed by the Governor with consent of the Council for staggered terms of 7 years. One is designated chairman and is fulltime. The others serve part-time.

Its 49 employees comprise the Divisions of Transportation, Accounting, Legal, as well as Engineering which includes the Water and Gas and the Electric and Telephone units. These divisions oversee about 160 organizations providing water, 22 electrical corporations, two gas companies, 24 telephone and telegraph utilities, as well as certain aspects of sanitary districts and sewer system operations.

Each regulated utility submits an annual report by April 1. These are evaluated to determine if the financial position is adequate to provide service expected. The commission can examine apparent rate inequities and initiate cost studies.

For fiscal 1972, the operating budget was \$401,012 with total expenditures of \$378,954. Surplus carried forward amounted to \$9,487 while additional unexpended balances of \$12,571 lapsed to the general fund.

Transportation Division duties include examination of freight rates and passenger fares and applicable rules and regulations; investigation of complaints involving rates and service; evaluation of books, accounts, and billing procedures; and costs for rate-making purposes. Also, its work assignment includes processing of motor carrier applications, issuing certificates and permits, handling insurance filings, and reviewing recommendations leading to establishment of rules and regulations affecting motor carriers. In fiscal 1972, over 42,000 certificates and permits were issued. Fees totaled \$472,636 in fiscal 1972 and were deposited daily.

Fiscal 1972 funds available for motor truck regulation amounted to \$903,984 with total expenditures of \$301,684. A balance of \$452,300 was carried forward in the dedicated funds while \$150,000 lapsed to the Highway Fund.

EVALUATION

The commission's staff conducts inquiries, inspections, and hearings. During the last biennium, it issued 407 decrees.

At present, no annual report statistics are computerized. Financial analysis and audits of regulated company records are performed manually and deal mostly with verifications rather than interpretation.

The Engineering Division spends about 50% of its time on administrative work rather than professional activities. There is overlapping of responsibility between the regulatory group and the Department of Transportation regarding railroad grade crossing protection.

Large surpluses have been compiled during the years from the original application and renewal fees. A statute prohibits annual renewal fee collection. Vigilant activity on the part of the truck inspection program has increased the number of identification stamp fees by 120%.

RECOMMENDATIONS

1. Stop collecting annual fees for common carrier certificates and contract carrier and interstate carrier permits.

The commission, through its Transportation Division, is collecting renewal application fees beyond the scope of a law which does not provide for such assessment. This law, approved by U. S. Congress in 1967, became effective in 1972.

The requirement that carriers must apply for renewal applications at a \$25 fee on or before March 1 of the year following the date of issue should be repealed. This change will place the division in conformance with the applicable federal law. Loss in renewal revenue will approximate \$57,000 per year. (Legislative)

2. Increase the identification device fee for straight trucks and floater plates.

The identification device fees (stamps) for straight trucks and floater plates are not uniform with other levies. This causes a loss of income. Increase the annual rate for straight trucks and floater plates from \$5 to \$10. This will provide an estimated additional annual income of \$22,000. (Legislative)

3. Relocate the engineering technician from the Transportation Division.

The growing amount of utility docket cases requires a mass of information. Gathering this information caused a backlog of 39 cases in the previous bien-

nium. From December 1972 through February 1973, 85 new cases have come to docket and only 28 were completed.

In July 1972, jurisdiction over grade crossing protection was transferred to the Department of Transportation. This reduced content of the engineering technician's job by over 60% and made a considerable amount of time available for work duties in the Electric and Telephone Division. When relocated there, this employee could aid in collection and summarization of information for docket cases, help relieve professional time involved in formal cases, and speed completion of current backlogs. (Executive)

4. Eliminate the position of assistant secretary.

The assistant secretary reports to the commission's secretary and together they supervise a clerk-typist and a clerk-steno. This is a one-on-one situation. Duties of the assistant include serving as occasional secretary to the chairman and Commissioners. This job is used as a training position, and work content does not merit its retention. The position should be eliminated. Annual savings will amount to \$9,200. (Executive)

5. Transfer the Transportation Division's idle dedicated funds to the general fund.

The unexpended balance carried forward on June 30, 1972, was \$452,300. With another surplus of \$150,000 transferred to the Highway Fund, there was a total of \$602,300 in funds. Operating expenses for fiscal 1972 amounted to \$301,684 while income to-

taled \$472,636 for the same period. The unexpended balance is idle and continues to grow. The total unexpended fund of \$452,300 should be transferred to the general fund at the end of the fiscal year. Annual income in excess of operating expenses amounting to \$171,000 should also be regularly transferred to the general fund. This action should also preclude any further transfers of surplus funds to the Highway Fund. (Legislative)

6. Require railroads and utilities to pay fees for requests for rate changes or discontinued service applications.

Utilities and railroads pay no filing fees for requests for rate changes or discontinuances of service. However, motor carriers must pay a fee of \$25 for each application or amendment of a certificate or permit. A fee of an amount to cover increasing costs for each utility or railroad filing for rate changes or discontinued service applications should be established. (Legislative)

7. Obligate utilities and railroads to pay a fee for filing annual reports.

Utilities and railroads pay no fees for annual reports due April 1 of each year. These reports are standardized, but require specialists to evaluate the financial position of companies. A fee sufficient to recover costs of processing should be established for each utility or railroad filing an annual report. With approximately 220 utilities and railroads under the commission's jurisdiction, this fee could provide an estimated annual income of \$11,000. (Legislative)

Industrial Accident Commission

This commission supervises administration of the state's Workmen's Compensation Act and the Occupational Disease Law. Additionally, it has power to make rules and regulations for carrying out provisions of the Acts.

CURRENT PRACTICES

It consists of four members who are trained lawyers. They are appointed by the Governor with the consent of the Council to staggered 4-year terms, except for the chairman who serves 5 years. The Commissioner of Insurance and the Director, Bureau of Labor and Industry are ex officio members. Commissioners are assigned cases as directed by the chairman. All have the same authority and powers. They work 8 to 9 days per month, but only one acts at any given time with a hearings reporter. The number of accident reports increased from 31,594

in 1968 to 33,371 in 1972 while actual cases heard escalated from 2,238 in 1968 to 3,278 in 1972. An average of 1,500 petitions are entered each year which require transcribed proceedings.

For fiscal 1972, \$200,293 in general funds were available and expenditures amounted to \$197,518. Salaries accounted for \$169,596 while \$9,125 was expended for travel. Hearings are usually held in an area within 10 miles of the scene of the accident.

EVALUATION

Work load has almost doubled in the 1960 to 1972 period. However, hearing work is kept current. The hearings reporter does a good job of servicing the Commissioners on a full-time basis. Duties of the rehabilitation counselor overlap similar functions performed by the Department of Health and Wel-

fare which provides counseling services in the state's northern counties for the Industrial Accident Commission. A service fee is paid to the Director, Bureau of Labor and Industry for serving as an ex officio member of the commission and affixing his approval to agreement reports. Records are retained for a 10-year period.

RECOMMENDATIONS

1. Reduce the commission from four to two members and reevaluate the pay range.

This commission shares the use of a hearings reporter. As each of the four members holds individual hearings, only one can work at a time. Membership should be reduced to two full-time Commissioners. Territories should be reorganized and the salary range reevaluated. As a basis, evaluation of the new jobs could support an annual salary of \$21,000. Costs would then total approximately \$51,200, including travel expenses versus \$75,000. Implementation will provide potential savings of \$23,800 per year. (Legislative)

2. Delete the budgeted position of hearings reporter.

Presently, two hearings reporters are budgeted at an annual salary of \$11,300 each. Since one position has been vacant for an extended period and all of the commission's work is current, it should be deleted. Implementation will provide an annual cost avoidance of \$11,300. (Executive)

3. Eliminate the budgeted clerk-typist.

Each of four clerk-typists is budgeted at an annual salary of \$5,200. However, all of their work is current and one position has been vacant for an extended period. Therefore, it should be deleted. When implemented, this action will provide an annual cost avoidance of \$5,200. (Executive)

4. Phase out the position of rehabilitation counselor and utilize services of the Department of Health and Welfare.

Duties overlap similar assignments performed by the Vocational Rehabilitation Bureau in the Department of Health and Welfare. The position should be eliminated and the services of the Department of

Health and Welfare utilized. Savings of \$12,800 per year, including travel expenses, will be realized. (Executive)

5. Delete the position of clerk-steno when the size of the commission is reduced.

This clerk-steno acts as secretary to one of the Commissioners and transcribes his dictation. Two other clerks also perform similar functions for the remaining Commissioners. When the commission's size is reduced, a clerk-steno should be eliminated. Implementation will provide annual savings of about \$6,300. (Executive)

6. Stop paying the ex officio member of the commission the annual fee.

The Director, Bureau of Labor and Industry receives \$1,000 annually for approval of workmen's compensation agreements. However, actual work is performed by the agreements clerk in the Bureau of Labor and Industry. The director should not receive this fee. Annual savings will amount to \$1,000. (Executive)

7. Review retention of filed materials and consider microfilming necessary records.

Records are retained for 10 years and others are kept in the Archives permanently. These procedures create excessive volumes of data. Records should be reviewed for legal retention requirements. Unnecessary items should be purged and consideration given to microfilming vital records. Such action will curtail the volume of filed records, reduce a floor loading problem, and eliminate a potential space problem. (Executive)

8. Obtain the analysis of income and expenditures report to the commission within 10 days.

This report is not received until 3 or 4 weeks after the monthly closing. The clerk duplicates much of the effort of the Bureau of Accounts and Control by keeping identical handwritten records to determine the commission's financial position. To minimize this effort, the commission should receive the analysis within 10 days. Receipt on a timely basis would eliminate the need for hand-posted records. (Executive)

Chief Medical Examiner

The Office of Chief Medical Examiner is responsible for administering medical examiners' services throughout the state. Functions include viewing bodies and performing autopsies and toxicological

examinations in cooperation with the state's law enforcement agencies in case of death from criminal violence, suicide, or in any other suspicious or unusual manner.

CURRENT PRACTICES

This examiner is appointed by the Governor with the consent of the Council for a term of 7 years. His function concerns all aspects of forensic medicine. The Chief Medical Examiner appoints and oversees the services of about 100 part-time medical examiners throughout the state.

Fees for the examiners are fixed at \$30 for investigation of a body plus \$0.10 a mile for travel expenses. Pathologists receive \$100 for autopsies. In homicides, the examiner has set the fee at \$150. Recently, the Pathologists Association notified the examiner it will bill the state \$250 for autopsies.

The examiner and clerk-typist are full-time employees. In addition to salaries, nearly \$108,000 was paid to examiners, pathologists, undertakers, and the like. When the general fund appropriations are insufficient to pay fees, the examiner receives contingent funds from the Council.

EVALUATION

The present system of administering services is a decided improvement over the former county system and is working well. There is no board to whom

the examiner reports. Although he maintains records, no summary of last year's work was available. The office consists of two rooms in a former residence and its facilities seem less than adequate.

RECOMMENDATIONS

1. Provide regular annual reports on operations of the Chief Medical Examiner.

This office does not make regular reports. A reasonably detailed annual report of activity and costs should be provided at the end of each fiscal year. It could help evaluate effectiveness, lay the foundation for budget requests, and furnish statistics as well as other information for use by law enforcement agencies and the Legislature. (Executive)

2. Transfer the report reviewing and budgetary approval functions of the examiner to the Commissioner of Public Safety.

The Chief Medical Examiner is appointed by the Governor who has no direct supervision of his activities. To provide direction, the office should be placed under the Commissioner of Public Safety. Approval of budgets should be required. Implementation will help to evaluate effectiveness. (Executive)

Examining and Certifying Boards

Licensing of practitioners in 26 professions and occupations is carried on by virtually autonomous boards supported by dedicated revenue funds. Their basic purpose is to protect people's health as well as guard against acts of fraud and incompetence. These boards are listed alphabetically in the table BELOW.

STATE EXAMINING AND CERTIFYING BOARDS

Board of Accountancy	Board of Registration in Medicine
Arborist Examining Board	Board of Nursing
Board for Registration of Architects	Oilburner Men's Licensing Board
Board of Examiners of Applicants for Admission to the Bar	Board of Examination and Registration in Optometry
Board of Barbers	Board of Osteopathic Examination and Registration
Board of Chiropractic Examination and Registration	Board of Commissioners of the Profession of Pharmacy
Board of Dental Examiners	Board of Examiners in Physical Therapy
Electricians' Examining Board	Plumbers' Examining Board
Board of Registration for Professional Engineers	Examiners of Podiatrists
Board of Funeral Service	Board of Examiners of Psychologists
Board of Hairdressers	Board of Social Worker Registration
Board of Hearing Aid Dealers and Fitters	Board of Registration for Land Surveyors
Board of Licensure of Administrators of Medical Care Facilities Other Than Hospitals	Board of Veterinary Examiners

CURRENT PRACTICES

Established by separate acts of the Legislature, these boards are made up almost entirely of experienced members of professions and trades. Only one, because of a federal requirement, has a nonpractitioner member. Members are appointed by the Governor with the advice and consent of the Council for varying terms.

To carry out their purpose, the boards publish rules, devise, and administer examinations. They issue initial, renewal, and reciprocal licenses; collect and account for fees and deposit them; inspect and license establishments; and approve college or other programs for practitioners.

These boards give about 62 different examinations each year. In 1972, a total of about 3,550 applicants wrote examinations. About 3,380 persons were granted initial licenses at a cost ranging from \$15 to \$125. In the aggregate, about 26,000 licenses are renewed each year. Annual renewal or reregistration fees vary from less than \$5 to \$50. For fiscal 1972, the 26 boards had dedicated fund balances of \$587,114 and realized \$533,736 in revenues. Expenditure of \$486,454 left a fiscal 1973 balance of \$634,396.

EVALUATION

In general, they carry out their basic purpose of protecting the people's health and safeguarding consumers from fraud and incompetence. There is, however, considerable latitude in the scope and quality of their work. Administration of examinations and issuance of initial licenses is suitably managed. The growing use of standardized tests, supplemented by practical examinations, is an improvement over earlier practices of using member-made tests.

Except in the case of the Board of Nursing, the annual license-renewal process is manual. Seven boards are not governed by the Administrative Code, and are denied the use of its hearing process. Those boards accepting staff support of rent-free space from departments receiving general fund appropriations could afford to pay more of their costs. Some boards spend excessive amounts of money on out-of-state travel. The examination facilities of the Board of Hairdressers are expensive to rent and are only used about 14 days a year. The people's right to know about these boards is abridged by the lack of meaningful annual reports.

RECOMMENDATIONS

1. Organize administrative and servicing functions of boards into a central professional and occupational licensing bureau.

Certain clerical and administrative services now individually provided by the 26 boards require a duplication of staff, time, and expense. There is no central agency to review their management and effectiveness or provide guidelines for adopting desirable standards and procedures in areas of financing, licensing, and reporting.

A central bureau of licenses should be established under the management of an administrator. The boards would retain their policy-making, examination, selection, program approval, and regulatory functions. License renewal dates could be set to equalize the work load flow. Greater accountability could be achieved without loss of the values of the present system. (Executive)

2. Require boards to provide centralized automation of license renewals and preparation of statistics as soon as possible.

Hand-processing of license renewals is time-consuming, costly, and does not provide continuity of statistics for analysis. All boards, as soon as the Board of Nursing's installation has become operational, should adopt similar automated renewals and statistics collection systems. They would save some clerical time to provide recovery of charges from Central Computer Services. One-time cost of in-

stallation at \$1 per practitioner is estimated at \$28,000. The cost of maintaining the system will be about \$5,700 per year and annual savings on personnel should amount to \$6,700. (Executive)

3. Renew licenses every 2 years.

Licenses are renewed each year causing a peak work load. Licenses should be renewed for a 2-year period at current annual rates. Such action would save clerical time and postage. As this activity is managed by individual boards and, in most cases by part-time clerical help, the equivalent of a full-time clerk can be saved by reducing costs and postage. Annual savings are estimated at \$6,100. (Legislative)

4. Appoint a public member to each of the 25 boards which has no such representation.

Although the boards exist in the public interest, only the Board of Licensure of Administrators of Medical Care Facilities Other Than Hospitals has a public member. There should be at least one public representative on every board so the citizens may have a voice in and an awareness of what is being done. (Legislative)

5. Require each board to provide an annual report of its fiscal and program activities.

Except for publication of the names and places of residence of members in the Maine Register, little effort appears to be made to provide annual reports or inform the general public. All 26 boards should publish this information. (Executive)

6. Establish guidelines for annual reports.

Some boards do not make annual reports or, if prepared, they are brief and incomplete. Sufficiently detailed guidelines, including items to be covered, time of filing, and place of filing should be established. The documents librarian should be authorized to secure the reports. (Executive)

7. Establish a procedure at annual meetings of allowing for oral reports and answering questions.

In many annual board meetings, there is limited accountability to practitioners. They should be invited to the meeting after the annual reports have been distributed so questions can be answered. This would permit an interchange of ideas and give the boards and practitioners an opportunity to educate each other. (Executive)

8. Include the boards not now covered under the Administrative Code.

The Arborist Examining Board and the Boards of Registration for Professional Engineers, Hearing Aid Dealers and Fitters, Licensure of Administrators of Medical Care Facilities Other Than Hospitals, Social Worker Registration, Registration for Land Surveyors,

and Examiners in Physical Therapy are not included in the Administrative Code. To make use of the services of the Administrative Hearing Commissioner in license suspension and revocation cases, they should be included in the code. (Legislative)

9. Require the boards to maintain and purge their files in accordance with approved record retention schedules.

Office practices among the boards vary widely. Files are, in some cases, voluminous and there is a lack of standard purging routines for inactive records. Such routines should be established by all boards. Implementation would reduce the quantity of files. (Executive)

10. Establish limits for out-of-state travel costs for board members.

In fiscal 1972, out-of-state travel costs by the boards, presumably for members to attend professional conferences, varied from \$225 to \$5,287. These costs should be investigated and excessive payments curtailed by limits. To reduce expenses, members should only select conferences applicable to the advancement of their professional competence. About \$5,600 could be saved annually. (Executive)

11. Coordinate inspection activities of the Barbers and Hairdressers Boards.

It is expensive to have inspectors from these boards visit separate shops. Each inspector should be assigned a coordinated schedule to visit both kinds of shops. This was done from 1938 to 1962. When implemented, travel expenses would be reduced by an estimated \$2,000. By combining and coordinating inspection activities, a sanitarian can be eliminated at annual savings of \$7,400. (Executive)

12. Require boards receiving free staff support or space from general fund departments to pay costs of services.

The Boards of Funeral Service, Plumbers Examining, Electricians' Examining, Oilburner Men's and Arbor-

ist Examining receive free staff support and office space from the Departments of Health and Welfare, Public Safety, and Forestry. They should be made to pay for these items. Reimbursement to the departments is estimated at \$2,500 for space rental and \$6,200 for salaries each year. (Executive)

13. Require the Board of Hairdressers to sublet or discontinue renting its facilities.

The board's newly equipped examination rooms were used for only seven tests in 1972 at an estimated rental cost of \$600 each. Use of these facilities should be discontinued and examinations conducted at beauty schools in different parts of the state. Implementation will provide annual savings of \$4,200 by elimination of rental charges. A cost of about \$400 per year might be incurred for the rental of beauty school facilities. (Executive)

14. Transfer dedicated fund balances of the 26 boards to the general fund at the end of fiscal 1973.

As of June 30, 1972, unexpended balances carried forward by the boards amounted to \$634,397. Operating expenses in fiscal 1972 were \$486,454 while the dedicated income totaled \$533,736. After adjusting this balance to reflect the effect of funds transfers resulting from other recommendations, the net effect is about \$471,700. It should be transferred to the general fund by the end of fiscal 1974. Implementation will provide the general fund with a one-time benefit of \$471,700. (Legislative)

15. Standardize per diem payments.

On a statewide basis, there are 79 boards, including the 26 examining units, which reimburse members for expenses. Of the 79 boards, 34 are paying per diem rates ranging from \$5 to \$100. The average is \$29 per day. By establishing a uniform rate for all members, payments would be simplified, status problems reduced, and an improved attitude provided toward board members. (Legislative)

Public Education in Maine

Legislative intent has been to provide a coordinated and cohesive system of public education in the state. Within this broad scope lie many individual organizational units. Each is charged with a major portion of the total public education sphere.

CURRENT PRACTICES

Accountability for supervising, guiding, and planning of elementary and secondary education is vested in

the Department of Educational and Cultural Services (DE&CS). The Board of Education acts in an advisory capacity to the department. In addition, this board has specific responsibilities such as approving school districts, establishing school accreditation requirements, and providing construction standards. State-supported higher education is provided through the:

- Board of Education, through the Department of Educational and Cultural Services (DE&CS), pro-

vides post-secondary education at a number of Vocational Technical Institutes (VTIs) and schools of practical nursing.

- ▶ Maine Advisory Council on Vocational Education provides guidance to the Department of Educational and Educational Services.
- ▶ University of Maine, a quasi-state agency under the governance of a board of trustees, offers academic higher education at seven campuses.
- ▶ Maine Maritime Academy, a quasi-state agency governed by a board of trustees, provides specialized higher education in nautical science and marine engineering.
- ▶ Community education programs, both academic and vocational, are provided through the college campuses and the Vocational Technical Institutes.

The Board of Education is also the Higher Education Facilities Commission which administers federal construction funds to private colleges and institutions within the state system. This commission is comprised of nine board members.

EVALUATION

Responsibilities for elementary and secondary education clearly rests with the DE&CS and the Board of Education. However, accountability for higher education is fragmented.

Both the board and the department are charged with allocating federal and state funds, and recommending degree granting status within a system for which they have only partial responsibility. DE&CS and the University of Maine have the same mission at the community education level. This results in duplication of facilities and administrative costs.

RECOMMENDATIONS

1. Transfer responsibility for post-secondary vocational education from the Board of Education to the University of Maine.

Higher education at the community college level is fragmented with the Department of Educational and Cultural Services and the University of Maine having similar missions. This decentralization results in duplication of facilities and administrative costs between the Vocational Technical Institutes and the university campuses and can lead to competition and overlapping activities. Responsibility for post-secondary vocational education should be transferred to the university.

Implementation will provide a coordinated higher education program at the community college level and eliminate costly duplication. It will lay the

foundation for meeting future higher educational needs at minimum cost. (Legislative)

2. Create the Maine Education Commission to develop a cohesive system of education as well as provide guidance to legislative action.

A number of commissions and agencies such as the Board of Education, the University of Maine, and the New England Board of Higher Education, are concerned with different aspects of education. No single unit exists which is charged with providing guidance for planning and administration of the statewide system or for setting resource allocation priorities. Although the Maine Resource Council is a broad overview body, it is not vested with such responsibility. Consequently, the Legislature is subjected to conflicting views and fragmented planning. The Maine Education Commission should be created with 12 to 15 members and made responsible for developing and maintaining a coordinated statewide education system as well as providing legislative guidance. It should be accountable to the Governor, and contain representation from the Board of Education, Boards of Trustees of the University of Maine, the Maine Maritime Academy, the Advisory Council on Vocational Education, the private college sector, the Legislature, and lay people.

Implementation will provide effective statewide planning and coordination of public education. This commission will require a permanent staff, initially consisting of an executive director and his secretary. Since they are provided by transfer, elsewhere, there is no salary cost. Travel expenses and administration costs are about \$40,000 annually. (Legislative)

3. Vest in the proposed Maine Education Commission all higher education responsibilities.

The Board of Education and the Department of Educational and Cultural Services are involved in activities relating to higher education. The board administers federal funds under the Higher Education Facilities Act. In addition, it issues temporary degree-granting status to higher education institutions when the Legislature is not in session. Higher Education Services and Facilities of the department is involved with higher education facilities planning, the state tuition equalization program, and recommendations for degree-granting status of higher education institutions.

In a previous proposal, responsibilities for providing post-secondary education were transferred from these agencies to the University of Maine. Therefore, all higher education functions and duties of the board and the department should be assigned to the Maine Education Commission. Implementation will place these responsibilities at the appropriate coordinating level. (Legislative)

Department of Educational and Cultural Services

This department has responsibility for planning, guiding, and supervising a coordinated system of elementary and secondary education, providing a system of cultural resource programs, as well as supporting cultural and historical institutions and activities.

CURRENT PRACTICES

The recent reorganization established this department by bringing together cultural agencies and the Department of Education. It is under the Commissioner of Educational and Cultural Services, who is appointed by and serves coterminous with the Governor. At the same time, the role of the Board of Education was redefined to an advisory capacity.

The board is composed of nine members appointed by the Governor, with the consent of the Council, for staggered 5-year terms.

This department is organized into a central administration group and the Bureaus of Continuing Educational Resources, Educational Resources, Educational Management Resources, Special Resources, Vocational Education, Maine State Library, State Museum, and Arts and Humanities. The latter four are stipulated by legislation. The State Museum and Arts and Humanities consist of the staffs of the Maine State Museum Commission and the Maine State Commission on the Arts and the Humanities (MSCAH), respectively. Additionally, it operates six vocational technical institutes, a separate school of nursing, six learning centers in the unorganized territory, three Indian reservation units, and the Governor Baxter School for the Deaf.

Its total budgeted manning is 856. Of this, 246 positions are federally funded. In fiscal 1972, the department was responsible for expenditures and distribution of funds totaling \$96,040,609 in support of approximately 250,000 primary and secondary school children in 306 school systems, 2,200 students in vocational and nursing schools, and about 22,000 in adult education programs. Of the total \$75,041,734 was general appropriations, \$224,333 was state surplus, and \$20,774,542 was federal funds.

The department is represented on the Board of Higher Education which operates under the New England Higher Education Compact and the Maine Education Council which undertakes special studies pertaining to educational policy in the state. Additionally, it provides representation to the Compact for Education.

EVALUATION

Present legislation relating to organization and organizational responsibilities impedes the Commissioner in effectively managing the department. The Board of Education has prescribed responsibilities which are operational in nature. This dilutes the Commissioner's authority and imposes a dual reporting relationship on his office. Administrative control vested in the Maine State Museum Commission and the Maine State Commission on the Arts and Humanities leaves the Commissioner with little authority over their operations. Since a part of the departmental organization is legislated, he is restricted in effecting changes for operational improvement.

The Planning, Evaluation, and Research function is overstaffed and lacks direction. Efforts are concerned with short-term data development assignments, rather than broad planning. Interbureau and intrabureau responsibilities are not clearly defined or understood. With the current accounting system, it is impossible to readily separate administrative and operating costs from program support expenditures. The department and the University of Maine have the same mission at the community college level in higher education and continuing adult education. This fragmentation result in duplication of facilities and administrative costs.

RECOMMENDATIONS

1. Divest the Board of Education of its authority over matters affecting the department.

The Commissioner is answerable to the Governor for effectiveness of the department's programs. However, present legislation vests certain responsibilities in the Board of Education. These include approving school administrative and community school districts, setting requirements for elementary and secondary accreditation, authorizing standards for school construction aid, establishing and operating technical and vocational institutes and schools of practical nursing, and acting as an appeals board. These matters have a direct bearing on departmental operations. To alleviate this, the prescribed responsibilities of the Board of Education should be transferred to the Commissioner. Implementation will provide him with full authority and responsibility for programs of the department. (Legislative)

2. Define the role of the Board of Education as advisory to the Commissioner.

Programs and decisions of the department can have far-ranging effect on the cost and quality of public education. Access to informed opinions and the

ability to interchange ideas is essential. The board, acting in an advisory capacity, would provide invaluable assistance to the Commissioner in establishing broad educational policies and judging desirability and subsequent effectiveness of programs. (Legislative)

3. Abolish the Maine State Commission on the Arts and Humanities.

Although the Bureau of Arts and Humanities is a part of the department, its policies and programs are under the control of the Maine State Commission on the Arts and Humanities (MSCAH). Since the Commissioner is prohibited from interfering with the authority of the MSCAH, the bureau director has a dual reporting responsibility.

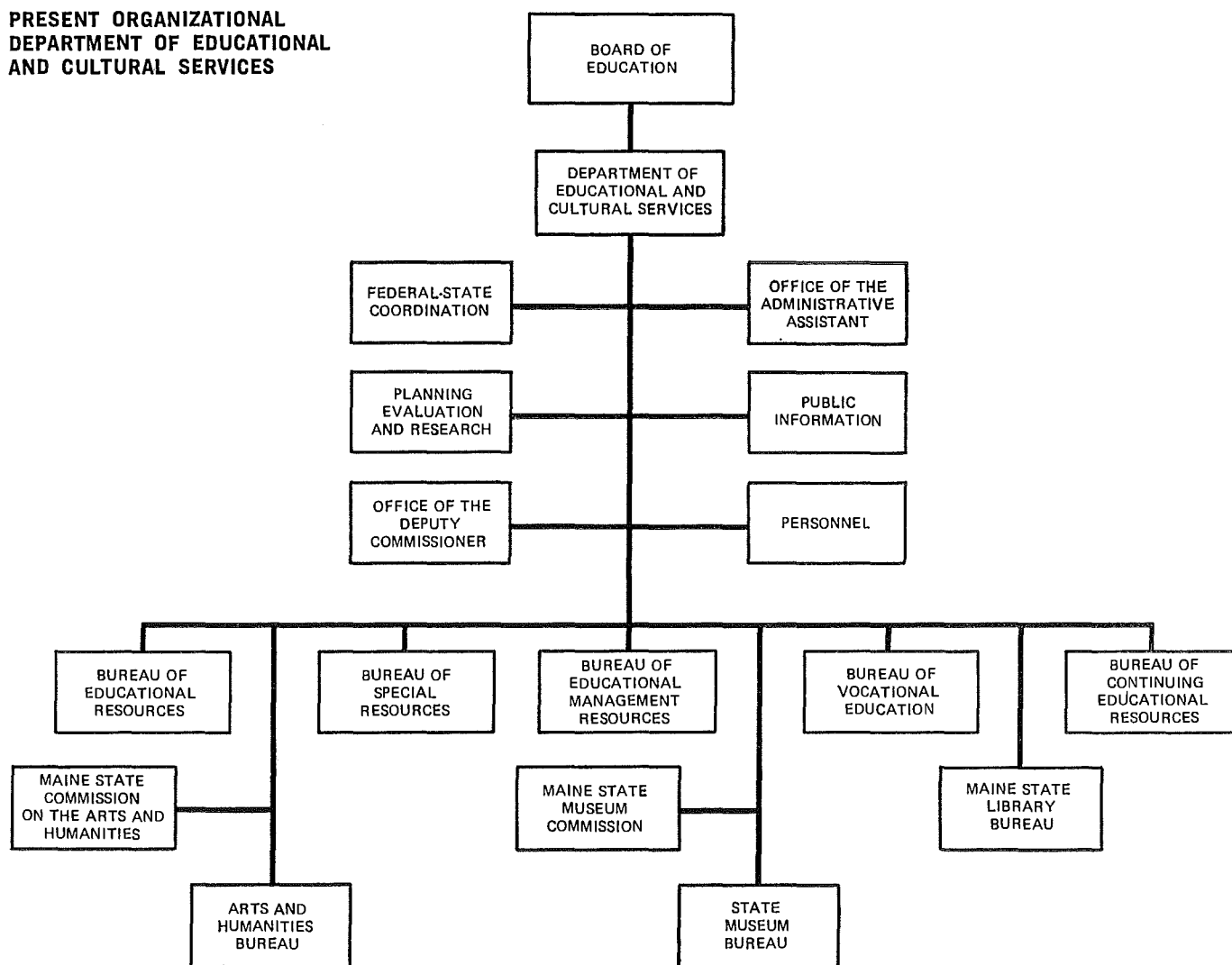
Removing the governing authority of the Maine State Commission on the Arts and Humanities would

provide the bureau director with a single reporting responsibility and permit him to coordinate bureau practices with departmental administrative policies and procedures. In addition, travel expenses of commission members would be eliminated. (Legislative)

4. Abolish the State Museum Commission.

The Maine State Museum is a departmental bureau. However, administrative control of its operations is vested in the 15-member commission. Consequently, the director has a dual reporting responsibility. Commission decisions can have an adverse effect on the budget and prevent introduction of administrative policies designed to improve overall operations. The Maine State Museum Commission should be abolished to allow the director to report to the Commissioner. This action will free him to coordinate bureau practices without conflict of interest. (Legislative)

PRESENT ORGANIZATIONAL DEPARTMENT OF EDUCATIONAL AND CULTURAL SERVICES



5. Delegate program approval and policy setting authority for operations of the State Museum and the Arts and Humanities Bureaus to the Commissioner.

Present legislation does not give the Commissioner control over the policies or programs of the Museum or Arts and Humanities. Such authority should be delegated to him. Implementation will allow the Commissioner to fully discharge his legislated responsibility. Improvement in overall department operation is anticipated due to better programming, budgeting, and personal coordination. (Legislative)

6. Establish a cultural commission to act in an advisory capacity to the Commissioner.

Activities and programs of the State Museum and the Arts and Humanities Bureaus are wide-ranging and varied. A nine- to 12-member commission, acting in an advisory capacity, could assist the Commissioner in establishing broad policy relating to the field, and aid in judging the desirability and subsequent effectiveness of activities. These members, representing the cultural field, would be appointed by the Governor to serve without remuneration. (Legislative)

7. Repeal legislation stipulating departmental organization.

Enabling legislation stipulates four of the department's bureaus as State Museum, Arts and Humanities, Vocational Education, and the Maine State

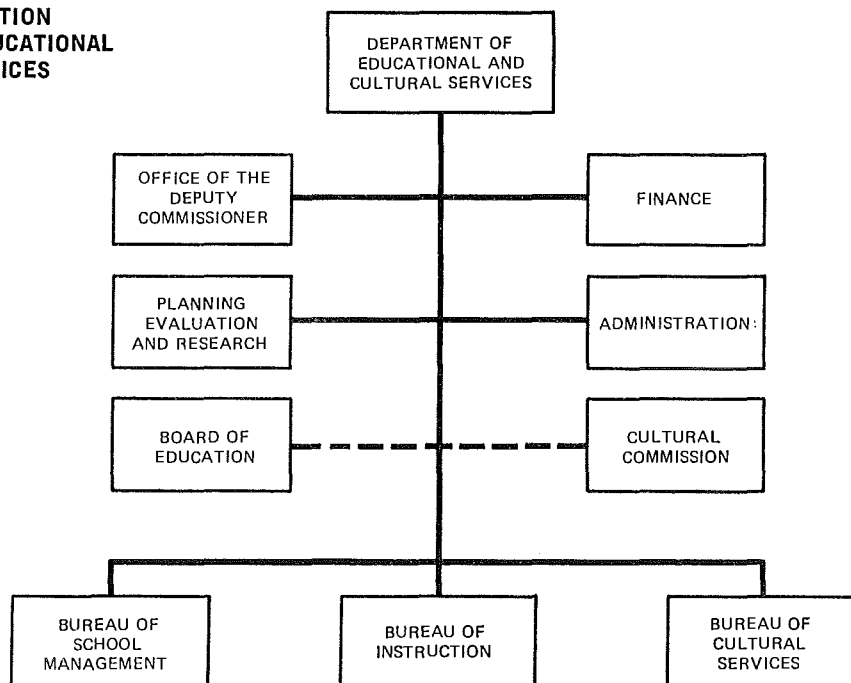
Library. This places a severe restriction on the Commissioner's ability to organize the department for efficient execution of responsibilities. This legislation should be repealed. Implementation will provide the Commissioner with the freedom needed to eliminate overlapping responsibilities and functions. (Legislative)

8. Reorganize the department.

In the present organization chart depicted on page 91, 14 positions report to the Commissioner. Although the department is organized along functional lines, there is overlap and paralleling of activities. Responsibilities are not clearly defined. Coordination between the bureaus is difficult leading to unnecessary activity and overstaffing. A number of staff functions are at the operating level impairing their effectiveness in servicing other bureaus and providing overall departmental support. With several exceptions, management of major functions is weak. With these factors, program staffing requirements as well as program and staff performance evaluation are almost impossible to establish and the department cannot be effectively managed.

The department should be reorganized as illustrated below to reduce the positions reporting to the Commissioner from 14 to six, providing more positive management control, grouping service activities in staff positions for more effective performance, and consolidating and realigning bureau responsibilities to eliminate functional overlap. This

**PROPOSED ORGANIZATION
DEPARTMENT OF EDUCATIONAL
AND CULTURAL SERVICES**



will result in three staff functions plus a deputy commissioner, three bureaus, and two advisory functions. Basic elements of the recommended organization are:

- Advisory functions consisting of the Board of Education and a Cultural Commission.
- Staff functions comprised of Administration, responsible for functions of personnel office, office manager and information officer; Finance, responsible for accounting and budgeting functions and for administration of federal grant monies; Planning, Evaluation, and Research, accountable for departmental planning, coordination with state planning office, development of educational statistics and data processing; plus the Deputy Commissioner.
- Bureaus of School Management, responsible for school operations, school facilities, and school services, including the Maine School Building Authority staff function; Instruction, accountable for curriculum development, adult education, and teacher training, including teacher certification and school approval; and Cultural Services, responsible for the Maine State Library and the State Museum, which includes the Arts and Humanities program.

Benefits of this organization are improved staff services and overall management control with a substantial reduction in staff. Implementation in combination with proposals detailed under individual bureaus, would result in elimination of 108 positions for an annual saving of \$951,300. These savings are claimed elsewhere. (Executive)

9. Orient the Planning, Evaluation, and Research (PER) function toward considering long-term departmental objectives in coordination with the State Planning Office.

The Director of Planning, Evaluation, and Research has a staff of four planners who primarily develop information for short-range planning efforts. Some work is performed in the area of school system curriculum evaluation. However, this function is not taking the initiative in establishing a base for long-range planning or in developing alternatives. Liaison and coordination with the State Planning Office is minimal. Consequently, the department suffers from the lack of well documented, clearly defined long-range objectives on which to base its short-term decisions.

The planning function should be mandated to develop and continuously update long-term departmental objectives commensurate with long-range state plans. The bureau heads should be required to complete short-term planning efforts. Because data can be provided either from within the depart-

ment or from outside sources, and since electronic data processing techniques can be utilized, a reduction of two planners and a secretary can be realized. This will provide an annual federal saving of approximately \$31,500. (Executive)

10. Expand responsibilities of the Planning, Evaluation, and Research (PER) function.

Provision of management information services is presently a divisional responsibility of the Bureau of Educational Management Resources. However, this is unrelated to other functions of financial control and does not receive appropriate supervision or guidance.

Add management information services to Planning, Evaluation, and Research function responsibilities. This can be accomplished by transferring reporting responsibilities of the staffs of the Statistical and the Systems and Program Sections from the Bureau of Educational Management Resources to the Director of Planning, Evaluation, and Research. Implementation will provide a coordinated and consolidated management support function. (Executive)

11. Increase clerical assistance to the Personnel Officer's staff to accelerate implementation of adequate personnel programs and control techniques.

During the statewide reorganization, the personnel function was elevated to a staff position and a Personnel Officer was appointed. Position control, manpower reports, in-service training and new employee orientation programs have just been initiated. Vacancy reports, turnover statistics, personnel files, communication programs, and the like are planned.

Specific position responsibilities are not clear from current job descriptions and the department does not have a performance evaluation system. With a staff of one secretary, the Personnel Officer is limited in the speed with which he can develop and implement these programs. By increasing the staff, an acceleration in the implementation of personnel programs would be realized. Adding a clerk-typist would result in increased salary costs of \$6,000. (Executive)

12. Establish a mechanized mailing center.

The mail service consists of one person who sorts incoming letters and carries outgoing dispatches to a pickup point. Other operations such as insertions, sealing, and addressing are performed by support staff throughout the department. This manual operation is time-consuming and costly. Some stick-on address labels are prepared in the data processing area of the Management Information Division, but their application is done manually. Outgoing mail processed is estimated at more than 308,000 pieces annually.

Steps should be taken to analyze needs and determine requirements for a mechanized mailing center. Following this, a mailing system should be designed and implemented. Until equipment and manpower needs are determined, specific requirements cannot be stipulated. It is estimated that equipment at a one-time cost of \$15,000 as well as two people at an annual cost of \$12,000 would be required. (Executive)

13. Utilize full reproduction center services.

The reproduction center is equipped to print, collate, staple and fold material. Frequently, in order to meet mailing deadlines, some of the secretarial staff take bulk printed material from the center and collate and staple.

Improved management of the reproduction center has been provided in the reorganization to minimize backlogs and establish work priorities when necessary. By utilizing its services, considerable secretarial time now involved in hand collating and stapling will be released for other duties. (Executive)

14. Establish a typing pool.

Of the department's 204 central staff positions, 108 are professionals, 65 are secretary-typists and the balance are other support positions. This yields a professional staff to secretary ratio of 1.6 to 1. A significant portion of secretarial time is utilized in manual data processing, bulk mail preparation, as well as collating and stapling printed materials. With automated data processing, and mail and print shop services adequately provided and utilized, a substantial reduction in secretary-typist work load will be realized. The proposed reorganization will reduce the total professionals to 67 and secretaries to 30. Based on industrial standards, the department is overstaffed with secretary-typist personnel.

A typing pool should be established to service the staff in the Department of Education Building. After providing eight secretaries for key departmental positions, a typing pool of 13 personnel can perform required duties. Implementation would permit elimination of nine secretary-typists at an annual saving of \$59,400. A typing service supervisor would be required by the department at a projected annual cost of \$6,900. (Executive)

15. Establish an office services group responsible for the mail center, reproduction center, office supplies, and typing pool.

The reproduction center, mail clerk, and office supplies clerk are located in the Bureau of Educational Management Resources. With proposals to establish a mail-preparation center and typing pool, these service functions should be combined into an office services group reporting to an office manager. When implemented, effective management of these service activities will be realized. The office man-

ager's annual salary is estimated at about \$8,000. (Executive)

16. Establish an administration staff function responsible for personnel, office services, and information.

Presently, the personnel and information officers serve in staff position to the Commissioner. A prior recommendation has proposed the formation of an office services group in a staff position. These activities should be combined into one administration function reporting to the Director of Administration. Implementation will provide effective coordination of similar staff functions which service the administrative needs of the department.

It is projected the director would be at bureau head level at an annual salary of \$19,300. The addition of a secretary at an annual salary of \$6,900 is necessary to support this position. (Executive)

17. Expand the responsibilities of the federal-state coordinator to include administration of Elementary and Secondary Education Act (ESEA) Title I, II, and III funds.

The federal-state coordinator, presently reporting to the Commissioner, administers Title V funds, maintains liaison with federal program legislation, and coordinates information on utilization of federal funds. Title I, II, and III funds are administered within the Bureau of Special Resources with a staff of 13. Succeeding recommendations concerning this bureau reduce the staff level to three. This activity becomes similar to that performed by the federal-state coordinator.

His duties should be expanded to include administration of Elementary and Secondary Education Act Title I, II, and III funds. This can be accomplished by transferring the reporting responsibilities of the three personnel involved to the federal-state coordinator. Implementation will provide a coordinated and consolidated administering of Elementary and Secondary Education Act funds. (Executive)

18. Establish a finance staff function which would be responsible for fiscal management and federal fund coordination.

Fiscal management responsibilities, which include departmental budget preparation, accounting and budgetary control, are presently assigned to the Bureau of Educational Management Resources. Other proposals concerning this bureau reduce its Fiscal Management Section staff to two professionals and two account clerks. In a previous recommendation, responsibility for administering all Elementary and Secondary Education Act title funds is assigned to the federal-state coordinator.

A finance staff function should be established. It would be headed by the Director of Finance who

would be responsible for the federal-state coordinator's activities and for fiscal management. The reporting responsibilities of the fiscal staff should be transferred to the director. Implementation will provide effective coordinated financial control. The projected annual salary of the director, at bureau head level, is \$19,300. The addition of a secretary at an annual salary of \$6,900 is necessary to support this position. (Executive)

19. Create the Bureau of School Management to be responsible for operations, facilities, and services.

Responsibilities relating to the operation of and services to the school system are presently divided between two bureaus. These are noneducational in nature and should be grouped for improved management control. The Bureau of School Management should be established. It would be responsible for noneducational school service. To be effective, it would be necessary to:

- ▶ Transfer reporting responsibility of the Governor Baxter School for the Deaf to the new bureau.
- ▶ Reassign reporting responsibilities of the School Facilities Section, including the Maine School Building Authority function, to the head of this new bureau.
- ▶ Consign reporting responsibilities of the Division of School Nutrition to this bureau.
- ▶ Provide a direct reporting relationship between the Surplus Property and Food Section and the head of this bureau.
- ▶ Move the reporting relationship of the Neighborhood Youth Corps to the head of the bureau.

Implementation will group the nonacademic function of school services and operation for improved coordination of effort and management control. It is projected the bureau head will be at the level of an associate commissioner at an annual salary of \$19,300. The addition of a secretary at an annual salary of \$6,900 is necessary to support this position. (Executive)

20. Create the Bureau of Cultural Services which would be responsible for the State Museum and Maine State Library.

Presently, the State Museum and Maine State Library are separate bureaus within the department. Each reports to the Commissioner. Their functions have similar objectives in that both provide cultural and historical services. The Bureau of Cultural Services should be established. Implementation would group these similar functions into a single unit for a coordinated cultural service activity. The head of

this new bureau, at associate commissioner level, would be paid an annual salary of \$19,300. The addition of a secretary at an annual salary of \$6,900 is necessary to support this position. (Executive)

21. Create the Bureau of Instruction to coordinate curriculum development and school approval, adult and community education, services, teacher training and certification, and Instructional Television.

Responsibilities relating to the quality, techniques, and programs of instruction are presently fragmented among four bureaus. Such activities should be grouped together for maximum coordination of effort and effective management. This can be accomplished by establishing the new Bureau of Instruction to be responsible for quality, techniques, and programs of instruction in the elementary and secondary school systems. The following transfers to this new bureau would be:

- ▶ Reporting responsibilities of the Division of Curriculum Resources.
- ▶ The staff and responsibilities of the Division of Program Services and combining them with the Division of Curriculum Resources.
- ▶ Reporting responsibilities and duties of the Division of Personnel Development, Certification, and Placement.
- ▶ Reporting responsibilities of the Division of Adult and Community Educational Resources.
- ▶ The current staff and responsibilities of the Division of Adult Education from the Bureau of Vocational Education and combining them with this division.
- ▶ Responsibilities and staff of the Instructional Television function from the Title II Section to this new bureau.

Implementation will group fragmented functions for maximum coordination of effort. It will eliminate overlap and duplication of activities. The bureau head would be at the associate commissioner level at an annual salary of \$19,300. The addition of a secretary at an annual salary of \$6,900 is necessary to support this position. (Executive)

Bureau of Continuing Educational Resources

This bureau is responsible for planning and monitoring programs for teacher training, basic and general adult education, higher education services, as well as teacher certification and placement.

It is organized into the Divisions of Educational Renewal Resources, Adult and Community Educational

Resources, and a staff operation for the New England Program in Teacher Education (NEPTE). Its present staff level is 22. Total expenditures and fund distributions for fiscal 1972 were \$858,386. Of this, \$133,717 was state appropriated and \$724,669 was federal.

Educational Renewal Resources (ERR) is organized into the Sections of Educational Renewal Site Development (ERSD), Higher Education Services and Facilities (HESF), and Personnel Development, Certification, and Placement (PDCP). Adult and Community Educational Resources is responsible for developing basic and general adult education, high school diploma, and high school equivalency programs. NEPTE coordinates educational programs such as Penquiscock Teacher Development, Upper Valley NEPTE, American National Institute of Social Advancement (ANISA) in Massachusetts, and Education Redirection and Recycling in the six New England states.

Organizationally, this bureau is fragmented. Administration requirements, mandated by various federal programs, were not coordinated when brought together during reorganization. With the position of Director of Educational Renewal Resources vacant, the bureau lacks sufficient administrative control.

PDCP is overstaffed with support personnel. Its manual operations are slow and costly. Also, there is inadequate use of automation. Microfilm and microfiche equipment are not used to reduce file volume since destruction of hard copy is not permitted.

RECOMMENDATIONS

22. Transfer functions and staff of Higher Education Services and Facilities to the Maine Education Commission.

The Maine Education Commission should be vested with responsibility for activities of Higher Education Services and Facilities. In keeping with recommendations on higher education responsibilities, this section should be eliminated and its functions and staff transferred to the Maine Education Commission. (Legislative)

23. Reorganize the bureau.

The bureau's organization is fragmented which results in excessive support staff, lack of coordination, and insufficient administrative control. It should be reorganized to group like activities. The recommended organization consists of two entities. Personnel Development, Certification, and Placement would be responsible for teacher certification, advisement, and placement. Adult and Community Educational Resources would have accountability for community educational development, continuing teacher education, and basic adult education.

Implementation will provide improved efficiency, permit reduction of support staff and eliminate the vacant positions of Director of Educational Renewal Resources and his secretary for a federal cost avoidance of \$20,300 annually. (Executive)

24. Divide duties of the teacher education advisor between the credentials investigator and the certification officer within Personnel Development, Certification, and Placement.

The teacher education advisor, credentials investigator, and certification officer are concerned with development of teacher resources. The position of teacher education advisor is currently vacant and its function is performed by the associate commissioner. Work load of the other two positions is such that they can absorb responsibilities of the Teacher Education Advisor. Its functions should be delegated to them. Benefits will include more efficient utilization of staff and a reduction of a professional and support employee at an annual federal cost avoidance of \$16,400. (Executive)

25. Design and implement an automated system for processing teacher personnel records.

Operations of Personnel Development, Certification, and Placement are done manually and are slow and costly. Automated printing of certificates and reports of expired certificates for teachers is useful but inadequate. To overcome this, a system should be developed to provide periodic updated reports of employed teachers, applicants, vacancies, and teachers by classification of certification.

Benefits would include a significant reduction in the work load of the support staff. Systems development and programming could be provided at a one-time cost of \$20,000. In addition, one-time conversion costs for implementation are estimated at \$10,000. (Executive)

26. Change the schedule for printing certificates.

Printing of certificates on a weekly basis is costly. With 97% of the certificates having expiration dates of July 1, adjustments to print certificates on a less frequent interval would be minimal. They could be printed once a month or less. Benefits will include a reduction in support staff work load. Savings in computer setup time are evident, but cannot be estimated. (Executive)

27. Utilize the new mail processing center for mailing computer-produced certificates.

Mail preparation for certificates is performed manually by support personnel of Personnel Development, Certification, and Placement. The center's automatic equipment should be used to separate the certificate forms, insert, seal envelopes, and mail. Benefits include reduction of manual effort by support personnel. (Executive)

28. Readjust duties of the support staff in Personnel Development, Certification, and Placement (PDCP).

This group has four professional and six support personnel. The level of support staff has been necessary because of extensive manual operations. Previous recommendations concerning automation, certificate printing schedule, mail processing, and records retention will drastically reduce the work load. Staff responsibilities should be readjusted. This will eliminate three support positions and provide annual savings of \$15,700. (Executive)

29. Change the name of the Personnel Development, Certification, and Placement Section to the Personnel Development, Certification, and Placement Division.

Personnel Development, Certification, and Placement is a section. However, size and scope of its operations are comparable to division activities. Elevating this section to division level will put it in its proper operating perspective. (Executive)

30. Expand responsibilities of the Adult and Community Educational Resources Division.

Adult and Community Educational Resources, New England Program in Teacher Education and Educational Renewal Site Development exist as separate entities. They have parallel objectives of improving community education resources and should be grouped for maximum coordination. Responsibilities of Adult and Community Educational Resources should be expanded to incorporate the New England Program in Teacher Education and Educational Renewal Site Development. Benefits will include grouping of like activities for improved management control and elimination of a currently vacant secretarial position at an annual federal cost avoidance of \$6,200. (Executive)

31. Transfer responsibility of the Divisions of Adult and Community Educational Resources and Personnel Development, Certification, and Placement to the Bureau of Instruction.

The Bureau of Instruction was established in the recommended departmental reorganization. It has responsibility for curriculum development, adult education, and teacher education. Reporting responsibility of the divisions should be transferred to the Bureau of Instruction. (Executive)

32. Abolish the Bureau of Continuing Educational Resources.

All responsibilities of this bureau have been transferred or eliminated. Therefore, it should be abolished. Implementation will result in the elimination of two positions and provide an annual saving of \$25,600. (Executive)

Bureau of Educational Resources

This bureau is responsible for improvement of instruction in public and private elementary and secondary schools; inspection, approval, and accreditation; and administration of federal funds related to development of education instructional programs.

The bureau, organized into the Divisions of Curriculum Resources and School Operations, has a complement of 246. Of these, 194 are state employees and 52 are paid from federal grants. State expenditures in fiscal 1972, exclusive of subsidy payments, totaled \$2,616,000. Federal grants covered an additional \$1,009,000.

Curriculum Resources is responsible for upgrading the curriculum and administrative practices in the public and private school systems. It prepares guidance material, conducts workshops and seminars for in-service teacher training. School Operations is responsible for administering the Schooling of Children in the Unorganized Territory (SCUT) on Indian reservations, and at the Governor Baxter State School for the Deaf. The SCUT program provides learning opportunities for about 1,400 elementary and secondary pupils. Approximately 420 are in six elementary state-funded and operated schools, and the remainder attend schools in nearby organized towns on a state-paid tuition basis. Its fiscal 1972 expenditures amounted to \$1,335,391. Of this, \$1,255,073 was state appropriated and \$80,318 was federal funds.

Schooling for Indian Children (SIC) is provided through three on-reservation elementary schools operated and financed by the state. Remedial and other specialized programs for preschool, out-of-school youth, and adults are also provided. SIC expenditures for fiscal 1972 totaled \$416,699, of which \$317,201 was from state appropriations.

The Governor Baxter State School for the Deaf provides elementary and secondary education for deaf children with normal learning potential. Most of the 178 children are in residence. Fiscal 1972 expenditures were \$947,358. Of this sum, the general fund provided \$866,952.

Overall effectiveness of this bureau could be improved through better planning and utilization of resources. Personnel in Curriculum Resources are functioning without defined responsibilities relative to divisional programs. Much of the office work could be more efficiently performed elsewhere. It appears School Operations is overstaffed because the department's centralized services are not being utilized. The cost of schooling in the unorganized territory and Indian reservations is high.

The Governor Baxter School bypasses the department's centralized accounting system on purchases and accounts payable.

RECOMMENDATIONS

33. Organize Curriculum Resources' 18 consultants into task force teams.

Each consultant works separately with the local school districts. Time spent with the schools is not organized for maximum effectiveness. Consequently, development and implementation of the division's programs are fragmented.

To overcome these deficiencies, 12 to 14 of the consultants should be organized into three or four task force field teams to work with school districts on program implementation. The remaining employees should be retained as a central staff to provide back-up and service support.

With the coordinated and concentrated field team approach, overall effectiveness of the division's programs and activities would be increased. Its responsiveness to the problems of local educational units would be improved. Implementation would require a broadening of the consultant's expertise. Travel expenses would be increased by approximately \$14,000. Of this, \$5,000 would be state and \$9,000 federal funds. (Executive)

34. Define the individual responsibilities of the consultant staff of Curriculum Resources.

Curriculum personnel are functioning without clearly defined duties and responsibilities. Hence, their activities are not in full support of the division's programs and objectives. Therefore, duties should be defined and responsibilities assigned for which the consultants can be held accountable. (Executive)

35. Transfer collating, fastening, and mailing duties of Curriculum Resources to the newly created administration group.

The secretarial staff of eight, serving the consultants, spends about 25% to 30% of its time collating and fastening printed material and mailing. This time-consuming activity can be performed elsewhere on an automated basis. Therefore, collating and mail preparation activities should be transferred to the department's newly created administration group. Implementation would reduce the work load and permit elimination of secretarial positions. (Executive)

36. Establish a typing pool in Curriculum Resources to fulfill typing needs.

Each of the eight secretaries is assigned to service two or three consultants. With the transfer of collation and routine mass mail preparation activities, the secretarial work load will be reduced.

By establishing a typing pool, an equalization of work load and maximum efficiency can be achieved. Based on industrial experience, the pool would require a staff of four to service 18 consultants. Implementation would permit a reduction of four secretarial positions and elimination of a budgeted vacancy at annual savings of \$24,600 plus \$6,200 in cost avoidance. (Executive)

37. Eliminate the position of Director, Division of School Operations.

The span of control within the bureau is small with only two division heads. This unit has responsibility for Schooling of Children in the Unorganized Territory, Schooling for Indian Children, and the Governor Baxter State School for the Deaf. Each operates independently and self-sufficiently. Thus, the director's position could be phased out since these programs could report to the associate commissioner without significantly adding to his work load. Implementation will eliminate an unnecessary administrative function and result in annual savings of \$15,775 in salary cost plus \$4,625 in related expenses. In addition, a vacant secretarial position can be eliminated for a cost avoidance of close to \$6,200. (Executive)

38. Utilize the department's central accounting system for control of the Schooling for Indian Children and Schooling for Children in the Unorganized Territory programs.

Fiscal accounting of Schooling for Indian Children and Schooling for Children in the Unorganized Territory is maintained by two account clerks. Invoices, purchase orders, payroll records, and the like, are processed before they are forwarded to the central accounting office. Hand-posted ledgers are maintained for each program. This duplicates the function of the Bureau of Educational Management Resources. Utilization of the department's central accounting system will eliminate manual bookkeeping and account processing. This will permit phasing out two account clerk positions at an annual saving of \$16,000. (Executive)

39. Discontinue operation of the three reservation schools.

Under the Schooling for Indian Children program, the department operates three elementary reservation schools at which attendance is optional. Additionally, it provides tuition and transportation for secondary students and elementary pupils attending off-reservation schools. Fiscal 1972 expenditures for Schooling for Indian Children amounted to \$416,700, of which \$326,411 was spent for operating these schools. With enrollment at 217, the per-pupil cost was \$1,518. Some 108 elementary and secondary students attended off-reservation schools at a cost

of \$90,288, or \$836 per pupil. Therefore, operation of the three reservation learning centers should be discontinued and tuition and transportation provided for Indian students to nearby schools. Based on fiscal 1972 cost data and attendance, implementation would realize annual savings of \$115,500 to the state and \$99,500 to the federal government through the elimination of 37 positions and associated operating costs. This assumes local schools can absorb the 217 pupils without additional expense beyond that covered by tuition. (Legislative)

40. Discontinue operation of Schooling for Children in the Unorganized Territory schools.

Under the Schooling for Children in the Unorganized Territory program, the department operates six elementary schools in the unorganized territory for approximately 420 pupils. It provides tuition and transports about 1,000 elementary and secondary students to nearby school systems. Fiscal 1972 program expenditures amounted to \$1,335,391 of which \$511,060 was spent for school operations. Operation of these schools is costly. They should be discontinued and tuition and transportation provided for students to nearby schools.

Based on fiscal 1972 data and attendance, implementation would realize annual savings of \$286,900. Of this total, \$16,000 has been claimed in the recommendation concerning Schooling for Indian Children and Schooling for Children in the Unorganized Territory utilization of departmental accounting. Thus, annual savings to the state will amount to \$190,600 and \$80,300 to the federal government. This assumes local schools can absorb the 420 pupils without additional expense beyond that covered by tuition. (Legislative)

41. Integrate budgetary and fiscal control procedures of the Governor Baxter School for the Deaf into the system which is controlled by the Bureau of Educational Management Resources.

The Governor Baxter School is operating independently of the centralized accounting system of the Department of Educational and Cultural Services. Thus, it does not have direct control over the school's budgetary and fiscal operations. Within this department, the Bureau of Educational Management Resources has responsibility for budgetary and fiscal control. Therefore, these functions should be integrated into the system.

Implementation would increase overall administration control and eliminate the necessity of maintaining hand-posted ledgers. It would result in elimination of two clerical positions at annual salary savings of \$8,800 and a cost avoidance of \$6,200. (Executive)

42. Reassign duties of the secretarial staff at the Governor Baxter School for the Deaf.

The superintendent, assistant superintendent, and business manager have secretaries. This is excessive in view of the work. Duties of these three secretaries should be reassigned. This will permit reduction of one position and provide annual savings of \$5,600. (Executive)

43. Transfer the reporting responsibility of the Governor Baxter School for the Deaf to the Bureau of School Management.

This bureau was created in the recommended departmental reorganization. It has been given responsibility for school operations, school facilities, and school services. Operation of the Governor Baxter School falls within these functions. Therefore, its reporting responsibility should be transferred from Educational Resources to the Bureau of School Management. (Executive)

44. Reassign Curriculum Resources to the Bureau of Instruction.

The Bureau of Instruction was created in the recommended reorganization and has responsibility for curriculum development and school approval. Therefore, the division's reporting responsibilities should be transferred to the new bureau. (Executive)

45. Abolish the Bureau of Educational Resources. Responsibilities of this bureau have been eliminated or transferred in keeping with the recommended departmental reorganization. Therefore, it should be abolished. Implementation will result in the elimination of the associate commissioner and his secretary at an annual salary saving of \$20,400. (Executive)

Bureau of Educational Management Resources

This bureau is responsible for servicing the financial and management information requirements of the department. Functions include budget planning, maintenance and control of accounts, reproduction, and data processing.

It is organized into the Divisions of Finance and Management Information and is comprised of 17 state and 29 federal employees. Operating expenditures for fiscal 1972 amounted to \$406,186. Of this, \$245,629 was state appropriated and \$160,557 federally funded. Additionally, it disbursed \$54,725,139 in subsidies as well as maintained records for \$9,-828,648 in the teacher's retirement and benefit program.

Finance, accountable for financial management of the department, is organized into the Fiscal Management, Audit, and Departmental Services Sections.

Fiscal Management maintains and controls accounts. Audit is responsible for field audits of various federally funded programs under the Elementary and Secondary Education and National Defense Education Acts. Departmental Services is accountable for specialized accounting functions, providing office supplies and mail room services, as well as operating the reproduction/printing center.

Management Information is federally funded except for the director. It is responsible for developing statistical data concerning Maine's school system and is organized into two sections. Statistical collects, compiles, and analyzes educational information. Systems and Program provides keypunch services and develops and maintains computer programs for data processing functions.

Overall activities, organization, and administration of this bureau are unsatisfactory. Management functions of the Division of Finance have become lax and responsibilities are not defined or delineated. It does not provide satisfactory budgetary or accounting services to department bureaus. Some activities duplicate those of the Department of Finance and Administration. The existing accounting system makes it very difficult, if not impossible, to separate administrative costs from grant and subsidy allocations.

Management Information needs better direction and guidance. Its keypunch area is staffed for peak periods and, at times, is underutilized. Work of the systems analysts and programmers is hampered by lack of access to the central computer and apparent low priority on its schedule. The division cannot maintain current programs and, concurrently, analyze and design new systems.

RECOMMENDATIONS

46. Transfer responsibilities of the school construction accountant and eliminate the vacant position.

The Departmental Services Section's school construction accountant is responsible for controlling payments of the state's portion of school construction aid. His activity involves maintaining a record of construction costs and cost estimates, and preparing appropriate manifests against which the State Controller makes payments.

Information used by this accountant is available from or maintained by the School Facilities Section of the Bureau of Special Resources. Except for manifest preparation, the activity represents duplicate effort. Transfer of the school construction accountant's responsibility to School Facilities would eliminate duplication, and permit phasing out of the

currently vacant position at an annual cost avoidance of about \$11,000. (Executive)

47. Transfer the budget accountant to the Fiscal Management Section.

The budget accountant is responsible for controlling appropriation accounts for the department. As a fiscal activity, the position should report to Fiscal Management where appropriate supervision and control can be provided. Therefore, he should be transferred. Implementation will place his activities under the control of the section responsible for this function. (Executive)

48. Assign the federal financing-letter of credit accountant to Fiscal Management.

This accountant is responsible for maintaining analysis and controls of funds appropriated to various state-administered programs under the federal letter of credit procedure. This is a fiscal activity, and the position should report to Fiscal Management where appropriate supervision can be provided. (Executive)

49. Shift audit responsibilities of the vocational program accountant.

Primary responsibilities of this accountant are to audit federal programs in Vocational Technical Institutes, and the School of Nursing, and prepare appropriate reports required by the federal government. These activities require about 40% of his time. Auditing of state funds in these schools is performed by the Department of Audit. The seven locations involved would each require an estimated extra day to audit federal funds.

Responsibility for audit and audit reporting of federal programs in the School of Nursing and the Vocational Technical Institutes should be transferred to the Department of Audit. This department spends about 1,400 hours per year in these seven locations. With an extra day at each, the added time would amount to 56 hours. (Executive)

50. Require the Vocational Technical Institutes and School of Nursing to maintain their accounting systems.

Providing assistance and supervision of accounting systems in the Vocational Technical Institutes and School of Nursing are additional responsibilities of the vocational program accountant. This would be unnecessary if the school administrators were held accountable.

The Vocational Technical Institutes and School of Nursing should be required to assume responsibility for maintenance and accuracy of their accounting activities. Implementation, in combination with transference of federal audit responsibilities to the Department of Audit, would eliminate the vocational

program accountant. A saving of \$11,700 annually plus \$1,400 in travel expenditures will be obtained. (Executive)

51. Transfer office service activities to the proposed administration group and eliminate Departmental Services.

Suggestions have been made concerning relocation of the budget, school construction, vocational program, and the federal financing-letter of credit accountant. When implemented, remaining responsibilities of Departmental Services would only involve functions of reproduction and printing, office supplies, and the mail room.

These service functions should be delegated to the proposed departmental administration group reporting in a staff relationship to the Commissioner. When implemented, the activities will receive necessary supervision and attention, and will more effectively service the department's needs. Departmental Services could be eliminated as a result. (Executive)

52. Eliminate the Audit Section and require schools to pay audit costs of programs supported by federal funds.

This section is responsible for conducting field audits of six federally funded programs within 279 school agencies. These federal programs are audited at least once every 3 years. However, the state requires all schools to have an annual audit on the use and application of its funds. Extension of the state fund audit to include federal programs would only take an extra audit day per agency.

Requiring each school to conduct and pay for necessary audits as well as file reports with the federal government minimizes state involvement. A copy of these audit reports would be simultaneously filed with the Commissioner for record purposes.

Federal program audit costs would be paid from federal funds. At a municipal audit rate of \$15 per hour, the total cost for 279 agencies would be \$33,500. Benefits would be elimination of the Audit Section. This would provide an annual saving of \$9,400 and \$70,400 in federal funds, plus \$9,600 in federally funded travel expense. (Legislative)

53. Eliminate the position of assistant director and his secretary.

Based upon implementation of earlier recommendations, the Division of Finance will be reduced. Under these circumstances, the assistant director is not required and should be eliminated. Annual savings of \$16,500 will be derived by the Bureau of Educational Management Resources. This will permit elimination of the vacant secretarial position for an annual cost avoidance of \$5,500. (Executive)

54. Require departmental cost centers to be accountable for correct account coding.

The coding of account numbers on invoices, encumbrances, travel advances, and so on is, presumably, the responsibility of cost centers. Because of errors and omissions, the Division of Finance has been verifying, correcting, or inscribing these account numbers.

To alleviate this, the cost center heads should be made accountable for inclusion and accuracy of these data. Implementation will permit elimination of two account clerk positions in Fiscal Management and provide annual savings of \$14,400. (Executive)

55. Revise the accounting system to provide timely recording and reporting of fiscal and budgetary information.

The present accounting system does not provide adequate information by cost center or program for management control purposes. Further, administrative costs of programs cannot be readily determined. As a result, overall fiscal and management control of bureaus or programs is virtually impossible.

An accounting system designed to capture and control fiscal and budgetary information for timely and accurate reports should be implemented for utilization by all levels of management. It should include line and program accounting on a cost center and consolidated department basis. The new system will offer essential information to managerial levels for more effective fiscal and budgetary control. Savings from improved control would be substantial and more than offset the one-time cost of implementation. (Executive)

56. Automate the manual accounting operations performed by Fiscal Management.

Functions of Fiscal Management are performed manually or on the bookkeeping machine, and records are posted in several different areas. This cumbersome system is costly and time-consuming. In addition, it does not provide capability for timely development of spending variance reports and other management tools.

Automation of accounting procedures through data processing equipment would solve the problem. With automation, utilizing appropriate computer programs, the necessary financial management information would be provided in print-out form.

Implementation would require a major effort on systems analysis and programming at an estimated cost of \$23,000. Once automated, Fiscal Management could eliminate three clerical and accounting positions at annual savings of \$18,800 and \$5,400 in federal funds. (Executive)

57. Reassign the reporting relationship of Fiscal Management to the newly created staff function of finance.

The staff function of finance was created in the departmental reorganization. It is responsible for fiscal management and administration of federal flow-through funds. As such, it includes activities of Fiscal Management. Therefore, reporting responsibilities should be shifted to the finance staff function. (Executive)

58. Redesign the system to produce computerized statistical reports with fewer programs.

Currently, 226 programs are in existence or being designed for computer processing of statistical reports. Their maintenance and development require full-time efforts of two systems analysts, two programmers, and a part-time programmer. This leaves little available time for refinement of other automated systems. Therefore, they should be redesigned to produce statistical reports with fewer programs. With the reduced number of programs, only one systems analyst and a programmer would be required. The other analyst and the programmer would be available for refinement functions. The part-time programmer could be eliminated for annual savings of \$5,600. A one-time cost of \$11,000 is estimated for redesign of the system. (Executive)

59. Install a terminal, including card reading and printing capabilities, which would be linked with Central Computer Services.

Input to and output from the central computer must be hand-carried between buildings, and must wait for entry and disbursement. Establishment of a terminal link in Management Information will allow faster turnaround time for data flow and reduce the necessity of reruns. In conjunction with the redesigned statistical system, minor program changes could be made. New programs could be developed and tested with less transition time. Reports concerning financial data could also be produced. Installation charges would entail a one-time cost of \$1,000. Annual equipment rental is estimated at \$11,000. (Executive)

60. Utilize outside keypunch facilities during peak periods.

School census data are required from elementary and secondary education agencies every October and April. This causes a heavy keypunch load during November and May. The department is geared for these peak load periods and, as a result, is over-staffed for the other months. Assistance of outside facilities should be utilized during the two peak load periods to reduce staff and equipment. Savings in eliminating two keypunch positions would amount to \$13,600 annually. Phasing out of two

keypunch machines would save \$3,600 in rental charges per year. The cost for keypunch service, if obtained outside of state government, is estimated at \$1,500 annually. Federal savings of \$10,400 annually and a cost avoidance of \$5,300 should be attained. (Executive)

61. Shift the reporting relationship of Statistical and Systems and Program from Management Information to the redefined Planning, Evaluation, and Research staff function.

In the departmental reorganization, responsibilities of Planning, Evaluation, and Research were expanded to include management information services. This incorporates the sectional functions of Management Information. Therefore, the reporting responsibilities of Statistical and Systems and Program should be transferred to the Planning, Evaluation, and Research staff function. (Executive)

62. Abolish Educational Management Resources.

All responsibilities of this bureau have been transferred or eliminated. Therefore, it should be abolished. Implementation will result in phasing out of six positions to provide annual savings of \$68,400 and \$5,700 in federal funds. (Executive)

Bureau of Special Resources

This bureau is responsible for nonacademic programs in support of school operations, administration of federal Elementary and Secondary Education Act (ESEA) funds, and Instructional Television (ITV). In addition, it receives and distributes federal surplus food and property, and manages the War Orphan Scholarship (WOS) and Civil Defense Education (CDE) programs.

The bureau is organized into the Divisions of School Services, School Nutrition, and Federal Resources. In fiscal 1972, expenditures plus subsidy and project funds totaled \$14,900,300. Of this, \$476,300 was from general fund appropriations.

School Services is organized into the Sections of School Facilities, Transportation and Safety, Neighborhood Youth Corps, and Surplus Foods and Property. Its director acts as secretary-treasurer of the Maine School Building Authority (MSBA) on a part-time basis. The purpose of the MSBA is to construct school facilities, funded through revenue bonds, for lease to Local Education Agencies (LEAs) which cannot finance their own building programs. Pending legislation will make the Board of Education the MSBA. Except for staff salaries, which are state-funded, the authority operates on dedicated funds generated from a service fee charged on financing requirements.

School Facilities administers school building subsidies, acts as consultant to LEA building committees, and approves building plans submitted by them for educational use. Its fiscal 1972 school building subsidy was \$7.5-million. Transportation and Safety is accountable for development of driver education courses, safety curricula, and school bus safety programs. It administers school bus subsidies, which are currently in excess of \$7-million. Neighborhood Youth Corps, which is federally funded, manages student work programs for the disadvantaged. Surplus Foods and Property acquires and distributes federal surplus materials to eligible recipients. Its surplus foods program is federally funded with recipients paying only storage and trucking costs. The surplus property program manages approximately \$2-million in goods, and is operated on dedicated funds obtained by charging recipients an average of 4% of the declared surplus value.

School Nutrition administers the school hot lunch, breakfast, and milk subsidy programs. The hot lunch program receives a basic federal subsidy plus 10% matching funds from the state. Breakfast is provided the underprivileged through federal and state subsidy, and the milk program is federally funded. Fiscal 1972 funding was \$4,461,056 of which \$235,000 came from a state appropriation.

Federal Resources processes applications for grants under federal Elementary and Secondary Education Act Titles I, II, and III, and provides assistance to the schools in the funded programs. Also, it has responsibility for administering the state-funded Instructional Television program. It had total fiscal 1972 expenditures of \$7,552,300 of which \$90,300 was state funds.

In general, activities of this bureau duplicate or closely parallel the work of other bureaus or state agencies. Although related to education, responsibilities for Civil Defense Education and War Orphan Scholarship programs more properly belong with other agencies. A number of the functions of the Division of School Services could be managed more effectively by other involved agencies. Costs of the surplus foods program could be significantly reduced by reorganization and elimination of manual order processing. Appraisal of the accounting records of MSBA is difficult with the current reporting format. School Nutrition does not make sufficient inspections of school operations for effective control, nor is it enforcing rules where infractions are found. Its training programs in food service management appear ineffective. With the exception of its Title II and ITV Section which is well organized, Federal Resources appears to be more involved with make-work activities.

RECOMMENDATIONS

63. Replace the three full-time food service consultants in School Nutrition with five part-time, regional consultants.

Presently, three full-time consultants are responsible for production audits and providing consultation and training for the school lunch program in 150 Local Education Agency units. Since they are based in Augusta, considerable travel time is incurred and the schools are contacted about once every 3 years. The potential for high costs is great. For example, if each school had a counting error of only one meal per day, the additional cost would be \$8,640 annually. Also, if the cost per meal served increased \$0.01, it would represent an annual expense of approximately \$207,000.

The solution to providing production audit and training assistance is to replace these consultants by five part-time consultants. Those persons qualified by previous training in home economics, food service management, and the like, could be attracted. By locating these consultants in regions, at least one week per year could be devoted to each school system. The cost of these part-time consultants would be \$27,000. Elimination of the three full-time consultants would result in annual savings of about \$35,750 and \$5,550 in travel expenses. The net saving would be \$14,300, of which \$9,800 is state funds. (Executive)

64. Develop and implement on-the-job training for Local Education Agency school lunch personnel.

Most Local Education Agency school lunch personnel are part-time employees with little training in purchasing, preparation, or operational control aspects of food service. Current training programs involve instructional television and special seminars during off-hours and Saturdays. An effective training program is important. With improved food service management practices, a 10% reduction in cost is possible.

An on-the-job training program, administered by the regional food service consultants, should be implemented to deal with food purchasing, preparation, and operational control. If such a program achieves only 33% of the potential cost reduction, it would result in a local saving of \$0.02 per meal or \$414,000 annually. (Executive)

65. Use multicopy inspection report forms for process audit reporting.

Food service consultants bring inspection audit reports into the office for typing and subsequent mailing. This causes unnecessary delay in information reaching the Local Education Agency for corrective

action. With the proposed regional consultants, a further delay would be incurred by mailing the rough copy for typing.

Therefore, typed reports should be eliminated and multicopy inspection report forms substituted. This will permit immediate documented audit reporting, and reduce the delay in corrective action. With audit report typing eliminated, the School Nutrition secretarial staff can be reduced by one position to achieve an annual saving of \$6,200. The cost of the multicopy report forms would be offset by the reduction in use of office supplies and report mailing costs. (Executive)

66. Enforce regulations on deadlines and completeness of school lunch statistical data reporting by Local Education Agencies.

Monthly reports on school lunch statistical data are required from each participating Local Education Agency by the eighth day of the succeeding month to compile a report for the federal government. Failure to meet the deadline means loss of federal subsidy for that month. Frequently, Local Education Agency accounts are late or incomplete and telephone calls must be made to the school systems.

The reporting Local Education Agency units should be required to meet regulations for deadlines and completeness of statistical data. Penalty for failure would be exclusion from the monthly compilation and loss of subsidy. Implementation would reduce clerk-typist or account-clerk time spent in follow-up. Additionally, it would eliminate a potential source of unreconcilable errors. (Executive)

67. Redesign reporting forms for school nutrition statistical data to simplify processing.

Each participating school system forwards monthly statistical reports to School Nutrition on the lunch, breakfast, and milk programs. These data must be transcribed before keypunching. This time-consuming duplication of effort can lead to errors, and requires the services of an account clerk and a clerk-typist. These statistical reports should be designed in keypunch format to permit keypunching of data from them. Implementation will eliminate the danger of transition error. In combination with the proposal to enforce deadline regulations, it will permit a reduction of one account clerk at an annual saving of \$8,800. The remaining function of batch control would not be a full-time requirement for the clerk-typist. (Executive)

68. Transfer responsibility for administering school nutrition subsidies.

Federal and state subsidies for the School Nutrition Program are flow-through funds. They only require the processing of school applications, statistical data,

and coordination with the federal government. A financial staff group has been established to administer such funds. Therefore, responsibility for the program and the associated clerk should be transferred to that group. This will consolidate responsibility for federal flow-through fund administration. (Executive)

69. Assign reporting responsibilities of the Division of School Nutrition to the Bureau of School Management.

This bureau was created recently. It was given responsibility for school operations, school facilities, and school services, including the function of school nutrition. Therefore, responsibilities of School Nutrition should be assigned to it. (Executive)

70. Design and implement a system to automate the allocation, shipping, and inventory control of donated commodities.

Processing for the Surplus Foods Program is performed manually. Surplus foods are ordered from a federal listing each 6 months. Available commodities are allocated by type and quantity to each of the schools based on previous use, and allotment lists are forwarded to the LEA. Each school orders against this list and indicates if greater quantities are desired. This control procedure is slow, cumbersome, and costly. Knowledge of inventory on a current basis is impossible and there is no data base for reordering from the federal listing.

A system, based on electronic data processing, should be implemented. It could allocate and automatically reallocate, based on orders and commodity availability, print-out allocation lists, and shipping orders. It could provide information on average balance inventory for reordering from the federal listing. Implementation would phase out the manual process and permit elimination of three of the four clerk positions at annual savings of \$18,800. The one-time cost of programming this system is estimated at \$8,000. (Executive)

71. Place contracts for donated commodity storage on the basis of competitive bids.

Two warehouses are used to stock donated commodities, and storage and handling costs are negotiated with each. As a result, there is a disparity. The higher-volume warehouse charges \$0.25 handling and a \$0.25 monthly storage fee per case while the other charges \$0.10 for handling and \$0.05 for storage. Therefore, the practice of competitive bidding should be initiated for the donated food program. The difference in charges between the two warehouses per month is \$0.35 a case. Assuming equal volume, this monthly disparity is equivalent to \$30,000 per year in excess charges. If they could be reduced by 33% through competitive bidding,

an annual saving of \$10,000 could be achieved for the Local Education Agencies. (Executive)

72. Adjust the property charge to provide dedicated funds to purchase a diesel tractor.

The surplus property program was established to operate on dedicated funds derived by charging 4% of the declared value of the surplus property. Approximately \$2-million in goods are distributed annually and the fee covers operating expenses.

The present tractor is old, beyond economic repair, and must be replaced. Since there is no dedicated fund surplus, general funds have been requested to buy a new unit. General funds should not be used to purchase the tractor. Its acquisition could be made from dedicated funds by raising the surplus property charge. An increase of 1% would provide funds for the tractor in less than a year. Implementation would provide a one-time cost avoidance of \$15,000. (Executive)

73. Transfer reporting responsibilities of the Surplus Foods and Property Section to the Bureau of School Management.

During the recent departmental reorganization, the Bureau of School Management was established. It has responsibility for school operations, school facilities, and school services including management of surplus food and property. The reporting responsibilities of this section should, therefore, be transferred to the new bureau. (Executive)

74. Eliminate school bus inspection responsibilities from Transportation and Safety.

Two unnecessary activities of this section are to ensure school buses have been subjected to motor vehicle inspection, and request checks by the State Police when asked by the LEAs. School buses are routinely submitted for inspection by the Department of Safety. Local Education Agency requests can be made directly to the State Police. By eliminating the school bus inspection function, the work load in the section will be reduced. (Executive)

75. Remove school bus driver qualification duties from Transportation and Safety.

A function of this section is to ensure school bus drivers meet necessary qualifications including medical status, insurance coverage, and driver capability. This is unnecessary since bus drivers must be properly licensed by the Motor Vehicle Division. Further, the Local Education Agencies bear responsibility for ensuring qualifications of each driver. (Executive)

76. Make payment of driver education subsidies conform to legislation.

Departmental policy is to subsidize only schools which finance the driver education program from

operating budgets. Some schools operate driver education on a self-liquidating basis. The law makes no distinction in its authorization of subsidies and departmental policy is in violation of legislative intent. Therefore, it should conform to legislation and subsidize all programs. Payment will cost an estimated \$4,500 annually. (Executive)

77. Transfer responsibility for student driver education to the Motor Vehicle Division.

The student driver education program, as administered by Transportation and Safety, consists of ensuring the school meets qualifications for teaching driver education, issuing certificates to graduates, and making subsidy payments to the schools based on the number of successful students. This activity is logically the responsibility of the Motor Vehicle Division.

Individual Local Education Agencies would be licensed on the same basis as commercial schools and issue their graduation certificates. Subsidy payments could be made by the Department of Finance and Administration on approval of the Motor Vehicle Division. Implementation would place this activity with the state agency primarily concerned with driver qualifications. The additional work load of approving Local Education Agencies for driver education training could be managed by the Motor Vehicle Division without increased cost. (Legislative)

78. Eliminate safety education responsibilities from Transportation and Safety.

This section disseminates information to Local Education Agencies on availability of general safety films and printed material and conducts seminars on general safety and school bus safety for bus drivers. These functions should be performed by the Department of Public Safety. Implementation would place them with the agency primarily concerned with public safety matters. (Executive)

79. Abolish Transportation and Safety.

Upon implementation of the preceding four recommendations, all functions of this section will have been transferred to other departments. Therefore, it should be abolished. This will result in phasing out two positions at an annual saving of \$20,300 and \$1,400 for travel. In addition, cost avoidance of \$17,900 will be realized by eliminating two planned positions, plus annual maintenance charges of \$3,500 for two driver education simulators. (Executive)

80. Transfer idle, dedicated funds in the Maine School Building Authority account to the general fund.

The unexpended balance at December 15, 1972, in the dedicated account of this authority was \$77,338. This balance is idle and continues to grow. It should

be transferred to the general fund at the end of this fiscal year. Implementation will produce a one-time benefit of approximately \$77,300 to the general fund. (Legislative)

81. Specify salaries of the Maine School Building Authority staff be paid from dedicated income in accordance with legislation.

The Maine School Building Authority's part-time secretary-treasurer and his secretary are also on the staff of the Bureau of Special Resources. Legislation requires expenses of the Maine School Building Authority be paid from dedicated income. However, these employees are fully paid from state funds. The Maine School Building Authority should be required, in accordance with legislation, to pay the salaries of this staff. Implementation would result in an annual funds transfer of \$13,000 on the basis of 50% employment by the authority. (Executive)

82. Require Maine School Building Authority fiscal accounting be controlled by the Fiscal Section of the Bureau of Educational Management Resources.

Accounting reports do not readily indicate the financial position of the Maine School Building Authority. Reporting format is a problem. Therefore, fiscal accounting should be controlled by the Fiscal Section. (Executive)

83. Shift the function of School Facilities to the Bureau of School Management and transfer the remaining three staff members of the Division of School Services.

The Bureau of School Management has responsibility for school operations, school facilities, and school services, including activities of School Facilities and the staff function of the associated Maine School Building Authority. To conform to the recommended departmental reorganization, the function of School Facilities should be shifted to this new bureau. Additionally, the three remaining staff members of the division should be transferred. (Executive)

84. Transfer reporting responsibilities of the Neighborhood Youth Corps to the Bureau of School Management.

This bureau is responsible for school operations, school facilities, and school services, including activities of the Neighborhood Youth Corps. Reporting responsibilities of the Neighborhood Youth Corps of the Division of School Services should be assigned to it. (Executive)

85. Abolish the Division of School Services.

All responsibilities and staff of this division have been transferred or eliminated. Therefore, it should be abolished. (Executive)

86. Redefine responsibilities of the Federal Resources Division.

A total of 14 employees in this division are concerned with administration of Elementary and Secondary Education Act Title I, II, and III funds. However, unnecessary activity is devoted to promoting the use of grant monies and follow-up on utilization of the funds. By leaving fund use, decision-making, and utilization reporting to the Local Education Agencies, these funds could be administered on a log in, log out basis by three personnel.

Implementation would permit elimination of 11 federal positions for annual savings of \$109,700 and \$9,700 in travel expenses. In addition, two authorized vacancies would be eliminated for an annual federal cost avoidance of \$18,900. (Executive)

87. Transfer Elementary and Secondary Education Act Title funds administration to the Finance staff group.

This newly created finance staff group has responsibility for administration of flow-through federal funds, and the present function of the Division of Federal Resources duplicates this function. Therefore, the reporting relationship of the three personnel involved in administering these funds should be transferred. This will consolidate administration of flow-through federal funds and eliminate duplications. (Executive)

88. Shift responsibility for administering Instructional Television to the Bureau of Instruction.

Administration of Instructional Television involves program selection, scheduling and funding on the educational TV network, and assisting the local schools in its use. The Bureau of Instruction has been established with responsibility for teaching and instruction development within the schools. For maximum coordination of activities, Instructional Television administration should be a part of this bureau's responsibilities. The reporting relationships of the two staff members responsible for administering the Instructional Television program should be shifted from the Division of Federal Resources to the Bureau of Instruction. (Executive)

89. Eliminate the Division of Federal Resources.

All of the functions and responsibilities of this division have been transferred elsewhere within the department. Therefore, it should be abolished. Implementation will result in elimination of two positions at an annual saving of \$26,950 plus \$1,050 in travel expenses to the federal government. (Executive)

90. Transfer administration of the War Orphan Scholarship Program.

The War Orphan Scholarship Program is administered by the bureau's secretary on an overtime basis.

Logically, this responsibility belongs with the Bureau of Veterans Services which possesses information necessary for establishing eligibility. Administration of the program should be transferred to this agency. Implementation will align this function with other veteran activities. Responsibilities can be handled without additional staff and result in saving approximately \$1,000 annually in overtime costs. (Executive)

91. Transfer the function of Civil Defense Education to the Bureau of Civil Defense.

Presently, the bureau has a secretary who administers distribution of civil defense educational materials to local schools. This should be performed by the Bureau of Civil Defense which supplies the material. This will eliminate duplicate handling of materials and provide faster service to the school systems. Implementation will permit elimination of a clerk-steno at an annual federal saving of \$6,200. (Executive)

92. Abolish the Bureau of Special Resources.

Responsibilities and duties of this bureau have been transferred elsewhere. Therefore, it should be eliminated. This will result in phasing out two positions to provide annual savings of \$26,000. (Executive)

Bureau of Vocational Education

This bureau operates secondary level Regional Technical Vocational Centers (RTVCs) in cooperation with local education agencies, post-secondary Vocational Training Institutes (VTIs), and a School of Nursing. It administers, supervises, and evaluates vocational education programs, services, and activities. The Maine Advisory Council on Vocational Education aids and advises in the preparation of the state plan and evaluates progress. This council consists of 17 members appointed by the Governor.

The bureau is comprised of the Divisions of Program Services, Program Operations, and Adult Education. Its budget for fiscal 1973 is \$5,569,745. The bureau has a staff of 402. Of this, 249 professionals and 123 support are in the VTIs and the School of Nursing, and 30 are in administration offices.

Program Services develops programs and curriculum materials for the RTVCs, VTIs, and the School of Nursing as well as administers federal funds for specific programs. Program Operations is primarily concerned with development, improvement, administration, and coordination of programs for adults and young adults who are out of school. Presently, there are 13 RTVCs, and legislation has been requested for 12 more. The total fiscal 1973 budget for these units, with an enrollment of 9,071, is \$2,285,775. The five free-standing VTIs have a current enrollment of 1,981, and a fiscal 1973 budget

of \$5,031,647. A sixth is operated experimentally with 71 students and a budget of \$213,046.

This bureau appears to be accomplishing its primary purpose. The Maine State Plan for Vocational Education has become the model throughout the United States. The RTVCs are fulfilling a need at the secondary level. With a few exceptions, the bureau functions smoothly. However, activities in adult education overlap those of the Bureau of Continuing Educational Resources. Maintenance of separate accounting records at the bureau and VTI level results in overstaffing and poor utilization of clerical effort.

VTI recruiting is not coordinated. As a result, some schools expend money in competition for students outside their regions. Also, there is a lack of proper coordination and evaluation of physical plant expansion and maintenance at the VTIs.

RECOMMENDATIONS

93. Integrate individual Vocational Technical Institute budgeting and fiscal control procedures under the Bureau of Educational Management Resources.

The VTIs are maintaining their own fiscal accounts. Raw accounting data are also forwarded to the Bureau of Educational Management Resources for centralized accounting purposes. Individual Vocational Technical Institute budgeting and fiscal control procedures should be integrated into the centralized accounting and budgeting system which functions for the department under the Bureau of Educational Management Resources.

Implementation will eliminate bookkeeping activities at the Vocational Technical Institutes and result in phasing out four positions at annual savings of \$30,500. In addition, two bookkeeping machines and an accounting computer could be sold for a one-time income of \$85,000. (Executive)

94. Utilize the revised capital equipment inventory system.

Inventory of capital equipment is posted on card files. A full-time clerk is utilized at Southern Maine Vocational Technical Institute to keep the inventory current. Elsewhere, a recommendation proposes establishment of an inventory system based on computer control. Its utilization will curtail the need for card files, permit elimination of the clerk, and provide annual savings of \$4,400. (Executive)

95. Do not construct the planned dormitory at Eastern Maine until other facilities are fully utilized.

A new 96-bed dormitory is planned at Eastern Maine in Bangor at a projected cost of \$630,000. However,

surplus rooms at the Bangor campus and Husson College could be utilized. Presently, the vacancy at these institutions approximates 1,000 beds. The planned dormitory at Eastern Maine should not be constructed until other facilities have been filled to capacity. Implementation would provide a one-time cost avoidance of \$630,000, less \$50,000 in architectural fees. (Executive)

96. Establish a Dormitory and Dining Room Management Section to be responsible for providing central management of residence and student feeding activities.

Each Vocational Technical Institute is responsible for managing its residence and student feeding activity. Individually, these schools do not possess management expertise or purchasing power to provide efficient operations. Fiscal 1973 appropriations are budgeted to exceed revenue by \$23,905 for all Vocational Technical Institutes. However, expenditures include only personal services and consumable items. Chargeable costs of utilities, heat, equipment, maintenance reserve, depreciation, and bond retirement are not included. With these included, the estimated operating cost would be \$685,685 for 455 students or \$1,507 each.

By comparison, the full cost per student at Orono/Bangor is \$1,150. At the smaller campuses, it averages \$1,080. A Dormitory and Dining Room Management Section should be established to centralize management of residence and student feeding activities. A staff of three would be required with an operating budget of \$50,000 per year.

Implementation would provide centralized management and purchasing power. Reduction in costs to the level experienced at the Orono/Bangor campus should be possible and result in savings of \$350 or \$159,200 annually for 455 pupils. A net saving of \$109,200 should be achieved after deduction of operating costs. (Executive)

97. Increase room and board charge at the Vocational Technical Institutes to the same level as the university and, if necessary, provide scholarships.

Room and board charges to resident Vocational Technical Institute students amount to \$700. On the other hand, University of Maine students are assessed \$1,080 per year at the smaller campuses. The Vocational Technical Institute program is subsidized by state funds and this discriminates against the university student. Dormitory and dining room charges should be uniform throughout the higher education system.

The Vocational Technical Institute room and board charge should be increased to match that of the university. This will reduce state subsidy of the Vocational Technical Institutes by \$380 per student

or approximately \$172,800 annually. Such action may place an economic hardship on certain students. However, this could be compensated for by providing scholarships to subsidize those who qualify. If 50% of the students require such assistance, scholarship costs to the state will be about \$86,400. Implementation would result in savings of \$86,400 per year. (Executive)

98. Develop recruiting boundaries for the Vocational Technical Institutes.

Efforts of the Vocational Technical Institutes to recruit students tend to overlap. This results in unwarranted competition and fund expenditures. For example, Washington County solicits potential students in York County in direct competition with Southern Maine. Establishing regional recruitment boundaries for each institute would eliminate competition and reduce expenditures. These savings could be directed toward establishing a general catalog. (Executive)

99. Make use of the centralized accounting and budget system.

The bureau employs an accountant to maintain its fiscal records. This is a duplication of service which could be obtained from the Bureau of Educational Management Resources. This centralized system should be utilized. Implementation will permit phasing out of an account clerk. Annual savings of \$7,800 are anticipated. (Executive)

100. Transfer curriculum responsibilities and staff of the Division of Program Services.

A Division of Curriculum Resources has been proposed in the Bureau of Instruction with responsibility for curriculum development and school approval. Reporting responsibilities and staff of Program Services should be transferred to this division. (Executive)

101. Turn over reporting responsibility of the Division of Adult Education's staff to the proposed Bureau of Instruction.

A Division of Adult and Community Education has been proposed in the Bureau of Instruction with responsibility for adult education. Reporting responsibility of the staff should be transferred to the Division. (Executive)

102. Shift responsibility for operation of Regional Technical Vocational Centers and associated staff to School Management.

The proposed Bureau of School Management has responsibility for school operations, facilities, and services. Because the Regional Technical Vocational Centers fall within these responsibilities, its operations and associated staff should be transferred from the Division of Program Operations to this bureau. (Executive)

103. Transfer reporting responsibilities of the School of Nursing and Kennebec Valley Vocational Technical Institute (KVVTI) to the Augusta College.

Transference of post-secondary vocational education responsibilities from the department to the University of Maine has been recommended elsewhere. In the proposed State University of Maine, Colleges of Community and Vocational Education have been established at Presque Isle, Calais, Bangor, Augusta, Lewiston-Auburn, and Portland. Because Kennebec Valley Vocational Technical Institute and the School of Nursing are in close proximity to Augusta, their reporting responsibilities should be transferred to the president of Augusta College. (Legislative)

104. Transfer responsibility for the five free-standing Vocational Technical Institutes to the Vice Chancellor of Community and Vocational Education and establish them as 2-year colleges.

Reorganization of higher education responsibilities, has been recommended elsewhere. In that proposal, the State University of Maine is created with accountability for community and vocational education. This includes operational functions of the Vocational Technical Institutes. Responsibility for operation of the Vocational Technical Institutes should be transferred to the Vice Chancellor of Community and Vocational Education. These units should be established as 2-year Colleges of Community and Vocational Education. Implementation will permit elimination of one administrative and one clerical position. Annual savings of \$21,600 should be achieved. (Legislative)

105. Abolish the Bureau of Vocational Education.

All responsibilities of this bureau have been transferred or eliminated. Therefore, it should be abolished. Implementation will result in the phasing out of 10 positions and provide an annual saving of \$112,900. Of this, \$67,900 represents state funds. (Legislative)

Maine State Library Bureau

The purpose of this bureau is to promote good library services. It accomplishes this by:

- ▶ Providing reference materials and services to any resident of Maine.
- ▶ Supplying bookmobile services.
- ▶ Furnishing reader services to the visually or physically handicapped.
- ▶ Offering advisory services to public and institutional libraries.

- ▶ Planning and coordinating cooperative library services.

The library is supervised by the State Librarian who is appointed by the Commissioner with the consent of the Governor and the Council. It is organized into the Divisions of Library Development Service (LDS) and General Loan and Reference (GL&R).

LDS administers the statewide bookmobile and service to the handicapped programs, as well as provides advisory assistance to libraries across the state. GL&R operates the reference library; makes loans to local libraries; and orders, catalogues, and classifies new material.

The staff of 66 consists of 12 professional and 51 support personnel. It had expenditures of \$684,067 in fiscal 1972. This included \$307,574 from the state, \$322,547 from Title I, and \$43,946 through Title III. Anticipated expenditures in fiscal 1973 total \$645,994. This is derived from a \$291,149 state appropriation and \$354,845 in federal funds.

The fiscal 1974 fund availability is expected to be at least \$716,047, composed of \$379,096 in state funds and \$336,951 in federal support. However, continued federal funding through the Library Service and Construction Act is in doubt.

Book circulation, excluding the Law Library, totaled 82,113 in fiscal 1969, decreasing to 67,598 in fiscal 1971. An increase to 74,548 for fiscal 1972 may reflect the library's move to the Cultural Building. Bookmobile circulation has shown a steady increase from 433,326 in fiscal 1969 to 473,802 in fiscal 1972.

Personnel are well trained and alert to responsibilities. However, the system of collecting fines for overdue books costs more to administer than the benefits derived. The library is not utilizing the centralized departmental accounting service. Manual control systems for fiscal and budgetary functions are under the direction of an accountant.

Functions of GL&R substantially parallel those performed at one or more of the existing public or university libraries. The reference collection appears to be underutilized, yet its maintenance requires an annual expenditure in excess of \$100,000. The possibility of a reduction or loss of available federal funds should prompt a complete reevaluation of current program emphasis.

RECOMMENDATIONS

106. Reorganize the bureau into two line divisions and a staff position of Business Manager.

The library is currently organized into two functional line divisions with each division head report-

ing to the State Librarian. Staff functions of the Business Office are currently under the direction of the deputy state librarian.

The library should be reorganized into two line divisions and a staff position of Business Manager to control support functions of budgetary and fiscal control, purchasing, shipping facilities, personnel, and other activities not within the functional responsibility of the line divisions. This would allow the Business Manager to interface with both line divisions for maximum effectiveness. (Executive)

107. Shift reporting responsibility of the Bureau of Archives Service to the State Librarian.

A prior recommendation proposed the Maine State Library Bureau assume accountability for functions of the Bureau of Archives Services. Therefore, the reporting responsibility of this bureau should be transferred to the State Librarian. It should be established as a division within the Maine State Library Bureau. (Legislative)

108. Integrate the budgetary and fiscal control under the Bureau of Educational Management Resources.

The department does not have direct control over the library's budgetary and fiscal functions. The Bureau of Educational Management Resources has responsibility for departmental budgetary and fiscal control. These functions within the library should be incorporated into the existing system. Integrated budgetary and fiscal control will assist the Commissioner in eliminating possible overlap of programs between bureaus as well as increase his administrative control. Implementation will eliminate a clerk-typist at annual salary savings of \$6,800. (Executive)

109. Initiate simplified and more timely collection procedures for fines and lost book charges.

An account clerk devotes nearly 100% of her time to administration and maintenance of the fine and lost book collection system. This is expected to yield an income of approximately \$1,800 in revenues in fiscal 1973. The existing collection system should be simplified to enable it to be administered and maintained by personnel at the circulation desk. Implementation would eliminate the account clerk at annual federal savings of \$6,200. (Executive)

110. Increase the hours during which the library is open by utilizing part-time help under the supervision of qualified librarians.

The hours, 9:00 a.m. to 4:00 p.m. for 5 days a week, during which the library is open, substantially limit general public utilization of the resources in the general loan and reference section. To alleviate this problem, increase the open hours to 9:00 p.m. each weekday, plus 12:00 noon to 5:00 p.m. on Saturdays, by utilizing part-time help.

The additional hours will substantially increase use of resources at minimum expense if available student labor is employed. It is estimated student labor expenses would be \$6,600 annually. Schedules could be arranged so there would be no additional supervisory expense. (Executive)

111. Disperse the general loan and reference collection to existing library locations.

General Loan and Reference's functional responsibilities substantially parallel services available at existing public, university, or private libraries. The existing reference and general loan collection appears to be underutilized yet requires substantial funding. Duplicate functional responsibilities, including maintenance of the general loan and reference collection, should be eliminated by dispersing the collection to where ease of access would maximize utilization. Removal of this collection from the state library would eliminate 15 positions at an annual saving of \$71,800 as well as \$29,200 of expense to the federal government. An additional annual saving on book expenditures of approximately \$21,500 may be realized by eliminating duplicate purchases at the libraries receiving the dispersed collection. (Executive)

112. Utilize space freed by dispersal of the general loan and reference collection to meet vital state government needs.

There is a critical need for additional office space within various departments and bureaus. When the reference collection is dispersed, this space should be used to meet requirements of other state units. Approximately 25,000 square feet of usable floor space could be made available. At an average cost of \$4 per square foot for state-leased office space in Augusta, \$100,000 in annual rental charges could be saved. (Executive)

113. Transfer the reporting responsibility of the State Librarian to the Bureau of Cultural Services.

This bureau has responsibility for the Maine State Museum and the State Library. Therefore, the reporting responsibility of the State Librarian should be transferred to this new bureau. (Executive)

State Museum Bureau

The prime objective of this bureau is to further cultural and educational interests. It receives and disburses federal funds, is trustee for historical materials other than those under the jurisdiction of the Maine State Library Bureau or Maine State Archives, and is the repository for archaeological objects and natural science specimens from state lands.

The bureau is governed by the State Museum Commission consisting of 15 members who are ap-

pointed by the Governor for staggered terms of 6 years. Its director is chosen by the State Museum Commission with approval of the Commissioner of Educational and Cultural Services. However, the Commissioner is prohibited by statute from exercising authority over the commission.

The bureau consists of the Divisions of Research and Collections, Presentation and Education, and Administration and Operations. A fourth, Education and Public Service, has emerged on an informal basis. The museum receives a substantial amount of funding from state appropriations. Federal grants are equally matched by state funds through budget or in-kind allocations. It had expenditures of \$391,728 in fiscal 1972. Anticipated expenditures for fiscal 1973 total \$338,987. Of this, \$291,153 is state-appropriated.

To meet its responsibilities, Research and Collections is engaged in collecting, preserving, researching, and documenting materials indicative of life and history of Maine. Presentation and Education is concerned with interpretation and presentation of various areas of the museum's collection. Administration and Operations manages fiscal and budgetary affairs, purchasing, personnel, souvenir sales, maintenance and security, and the like.

Public visitations to the museum in fiscal 1973 will total approximately 75,000, and 40,000 students, participating in various educational programs offered, will visit the facility. Due to the magnitude of this program, the unofficial Public Service and Education Division has emerged.

In addition to an adequate exhibit area, office space, classrooms and laboratory space, the museum has an audio-visual production facility and an art conservation center. Personnel appear to be performing their assigned tasks in an effective manner. In certain instances, professional employees have been utilized in routine, manual tasks.

The museum is not utilizing centralized services available within DE&CS. Fiscal and budgetary control could be increased by integration of activities into the centralized accounting and budget system under the Bureau of Educational Management Resources. The museum's effectiveness could be increased if it were reorganized into three line divisions and a staff position.

RECOMMENDATIONS

114. Utilize a casual labor pool to meet manpower requirements.

The museum must generally use its professional personnel to move exhibits and collections. Casual labor should be utilized to assist in the physical movement of exhibits and collections. This would

free the professional staff to perform designated duties. The cost of such labor is estimated at \$5,000 per year. (Executive)

115. Integrate the State Museum Bureau's budgetary and fiscal control under the guidance of the Bureau of Educational Management Resources.

The department does not have direct control over the budgetary and fiscal functions. The Bureau of Educational Management Resources has responsibility for budgetary and fiscal control. These functions within the museum should be incorporated into its existing system. This will assist the Commissioner in eliminating possible overlap of programs between bureaus as well as increase his administrative control. (Executive)

116. Reorganize the museum into three line divisions and a staff position of administrative assistant.

The museum is organized into three functional line units with each division head reporting to the director. Support functions, currently centered in Administration and Operations, are staff activities and should be grouped for maximum effectiveness.

The Maine State Museum should be reorganized into the line Divisions of Research and Collections, Design and Presentation, and Education and Public Service, and a staff position of administrative assistant. This would regulate support functions of budgetary and fiscal control, purchasing, personnel, sales, maintenance and security, and other activities not within the functional responsibility of the line divisions. Reorganization would allow the administrative assistant to interface with all line divisions for maximum effectiveness. (Executive)

117. Transfer the reporting responsibility of the museum director to the Bureau of Cultural Services.

This new bureau was created in the recommended departmental reorganization. It has responsibility for the Maine State Museum and the State Library. Therefore, the reporting responsibility of the director should be transferred to it. (Executive)

Arts and Humanities Bureau

This bureau has responsibilities for stimulating public interest and participation in the state's cultural heritage. In addition, it receives and disburses federal funds made available for arts and humanities. The bureau is governed by the Maine State Commission on the Arts and the Humanities (MSCAH). Its director is appointed by MSCAH with approval of the Commissioner.

Appropriations are derived from the general fund, federal grants and, to a small extent, private sources. In carrying out its activities, the fiscal 1972 expenditure was \$377,523. The budget for fiscal 1973 is substantially the same.

Using federal grants, the bureau initiates programs such as art exhibits and choral groups in secondary schools and with local organizations. It also disburses such funds to qualified organizations making application for support of cultural programs.

An appropriation of \$210,000 from the state is being requested for fiscal 1974. Of this, \$60,000 will be for administration purposes and \$150,000 for grant matching. The increase in administration funds reflects plans to raise the permanent staff to five by hiring an arts and humanities associate as well as a clerk-typist.

The director is responsible to the Commissioner and MSCAH. This can result in conflicting requirements. The bureau is not coordinating with nor utilizing the services of other units within the department. Maintenance of ledgers and direct dealing with the Bureau of the Budget, is a duplication of activities. Housing of the bureau within the Cultural Building is in keeping with its resource purposes. However, its physical location in less than pleasant surroundings, does not provide a good public image.

RECOMMENDATIONS

118. Utilize the centralized accounting and budgetary control system of the department to provide accounting services.

This bureau maintains a hand-posted ledger of grant accounts and verifies the month-end computer print-out from the Bureau of Accounts and Control against it. Budgetary and fiscal control is the responsibility of the Bureau of Educational Management Resources. Utilization of their services would eliminate duplication and ensure uniform budgetary and accounting control. (Executive)

119. Eliminate the clerk position.

A major portion of the clerk's time is concerned with maintaining the ledger of grant accounts and verification of computer records. Utilization of the department's centralized financial division would eliminate this activity. The remaining services provided by the clerk could be obtained from the consolidated support staff within a combined Arts and Humanities and State Museum Bureau. Elimination of the position would result in an annual saving of \$8,300. (Executive)

120. Combine the Arts and Humanities Bureau with the State Museum Bureau.

The enabling legislation relative to government reorganization established the Arts and Humanities

and the State Museum Bureaus as independent entities within the department. However, the broad objectives of these bureaus are similar in that both are charged with stimulating public interest in cultural and heritage programs.

It appears administratively feasible to combine these bureaus to eliminate possible overlap of functions as well as ensure coordination of programs concerned with enhancing the state's cultural resources. Therefore, such action should be implemented. (Legislative)

121. Consolidate the management and support functions of the combined State Museum and Arts and Humanities Bureaus.

The combined bureaus would require only one administrative level position where two exist. One should be eliminated for an annual saving of \$20,900. Both bureaus have additional support positions budgeted for fiscal 1974.

Consolidation of staff within a merged bureau would eliminate the need for the requested additional clerk-typist by Arts and Humanities for an annual cost avoidance of approximately \$4,600. At the same time, it will provide sufficient support capability to eliminate the need for professionals to do their own typing. (Executive)

122. Relocate the facilities of the Arts and Humanities Bureau in the Cultural Building.

The bureau is located on a sublevel floor of the Cultural Building in offices of temporary construction. Its relatively inaccessible location, with less than satisfactory facilities implies a second-class status for this bureau. Relocation of its offices to better quarters on one of the more populated and accessible floors would be more in keeping with the bureau's activities.

Administrative offices of the State Museum Bureau are located on the fifth floor of this building. If both bureaus are to be combined and utilization of support staffs maximized, their offices should be on the same floor. (Executive)

123. Do not purchase a new electric typewriter for the Arts and Humanities Bureau.

Purchase of a new standard electric typewriter in fiscal 1974, to replace the present worn-out proportional spacing unit has been proposed for this bureau to satisfy its routine typing requirement. If the Arts and Humanities and State Museum Bureaus are combined, all typing services can be provided by the State Museum Bureau. Since the staff will be equipped with typewriters, acquisition of a new unit by Arts and Humanities is not necessary. Elimination of this purchase would represent a cost avoidance of \$500. (Executive)

Historic Preservation Commission

This commission's prime objectives include preserving the architectural, historical, and environmental heritage of Maine, as well as developing and promoting the state's cultural, educational, and economic benefits.

CURRENT PRACTICES

At present, the commission operates outside the boundaries of the recent reorganization of state government. It is comprised of 14 members who are appointed by the Governor with consent of the Council for staggered terms of 5 years. They are compensated for necessary expenses. The commission appoints a director who is qualified in the field of historic preservation.

Currently, the staff consists of the director, an historic preservationist and a secretary. The budget request for fiscal 1974 and 1975 includes provision for an architectural historian. Operating expenditures are provided by a combination of general and matching federal funds made available through the National Historic Preservation Act of 1966.

Expenditures for fiscal 1972 amounted to \$13,140 which reflected actual operations from April 1972. The projected fiscal 1973 expenditure is \$34,400 and its budget recommendation for fiscal 1974 is \$49,300.

The commission also awards federal grants to private organizations for acquisition and restoration of historic properties. To date, grants in excess of \$36,000 have been awarded.

EVALUATION

Since the commission became operational in April 1972, it has not grown to a size where inefficiency is a factor. Effectiveness of its inventory, national register, and acquisition grants programs are cur-

rently limited by the small staff and minimal resources. Improved utilization of resources could be achieved by consolidation with a state agency having similar objectives.

RECOMMENDATIONS

1. Place the administrative activities and staff of this commission within the Department of Educational and Cultural Services.

There is no reporting relationship between the commission's staff and a department state government. By placing its staff within the Department of Educational and Cultural Services, similar activities would be coordinated. This will contribute to a more effective utilization of resources. (Legislative)

2. Combine administrative activities and staff with those of the State Museum Bureau.

Currently, this commission and the bureau operate independently. However, their program objectives of historic preservation and presentation are similar. It appears administratively desirable to combine these agencies to eliminate possible overlap of functions and make the best possible use of the available specialized resources. The commission's programs could be expanded and made more effective with a merger. (Legislative)

3. Utilize the staff of the commission to fill vacancies in the State Museum Bureau.

The fiscal 1974 budget for the bureau contains a recommendation for nine additional staff personnel. Consolidation of the commission's staff with that of the bureau could contribute qualified personnel to fill several of the vacancies. Merging of staff into open positions could potentially save the state approximately \$23,100 annually, prevent a duplication of specialized resources, and continue the program of historic preservation. (Executive)

University of Maine

The University of Maine (U. of M.) was formed in 1968 by legislation which provided a system for unifying the original land grant university at Orono and the five state colleges.

CURRENT PRACTICES

The university is governed by a 15-member Board of Trustees, 14 of whom are appointed by the Governor with consent of the Executive Council for

staggered 7-year terms. The Commissioner of Educational and Cultural Services serves ex officio. This board is the governing and planning body and exercises its authority through the Chancellor.

The university is composed of seven institutions, located in Orono/Bangor, Portland-Gorham, Farmington, Augusta, Machias, Fort Kent, and Presque Isle. Each campus has a president.

University Wide Services (UWS) are responsibilities of the Vice Chancellor for Business and Financial Affairs. Each campus has data processing capability through a terminal link with the university's central computer at Orono. Systems analysis and programming needs are provided by Computer and Data Processing Services (CAPS). Computer usage is approximately 34% administration, 28% teaching, and 38% research. Programs in health services, library planning, student financial aid, federal relations, and public service are developed and maintained by periodically utilizing internal consultants. Responsibilities for academic affairs and the Maine Public Broadcasting Network are vested in the Vice Chancellor for Academic Affairs.

Total staff of the university is 3,478. The Chancellor's staff is 63 professional and 72 full-time, and eight part-time classified. Campus staff numbers 3,335, of which 989 are faculty, 556 are professional, 1,661 are full-time, and 129 are part-time classified. At the start of the 1972-73 school year, full-time-equivalent enrollment amounted to 19,927 students.

Fiscal 1972 expenditures totaled \$59,923,760. Of this, \$50,286,310 was unrestricted. The fiscal 1973 budget for unrestricted funds is \$54,462,086. Excluding auxiliary enterprises, which are self-supporting, and the Maine Public Broadcasting Network, the fiscal 1973 unrestricted fund budget is \$42,203,894.

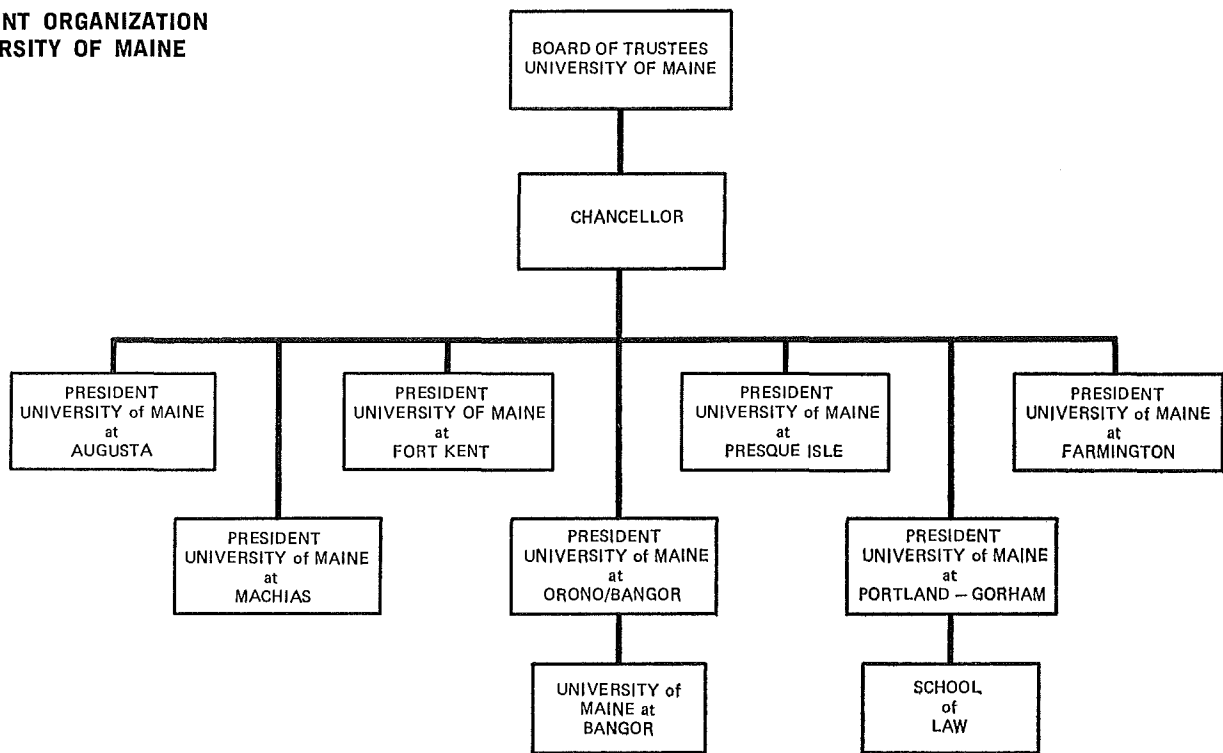
EVALUATION

Administrative control and direction of the university appears weak. Because of office location it is difficult for the Chancellor to be sufficiently involved to provide leadership for the centralized staff function. UWS could improve centralized control of the business side of campus operations. Continual budget revisions during the course of the year make it difficult to compare actual results with the original plan. Also, a true measure of educational costs is not provided by the present accounting system.

Facilities for the central computer operation and staff are, presently, inadequate. Assistance to the various campuses in the development of administrative computer applications is not aggressively pursued. Auxiliary enterprise operations constitute a major problem at each campus, distracting administrative efforts from primary missions. The Chancellor's Office should remove the burden of this concern from the campus presidents.

Operation of six separate baccalaureate degree-granting campuses would appear to be weakening the university's overall academic excellence. At the same time, the campuses are failing to provide full community college services as contrasted with the rapid growth of neighboring Vocational Technical Institutes.

PRESENT ORGANIZATION UNIVERSITY OF MAINE



RECOMMENDATIONS

1. Relocate the Chancellor's Office to the university's central offices in Bangor.

Due to his present office location in Portland, it is difficult for the Chancellor to be sufficiently involved to provide necessary leadership and guidance. Centralized staff functions cannot be performed satisfactorily by telecommunications, and the amount of commuting required to fulfill the leadership role is time-consuming and costly. Therefore, the office should be relocated in the university's central headquarters in Bangor. This move would enable the Chancellor to provide leadership for central office operations. Costs associated with relocation would be more than offset by improved effectiveness. (Executive)

2. Reorganize the university to create a State University of Maine consisting of three campuses and seven Colleges of Community and Vocational Education.

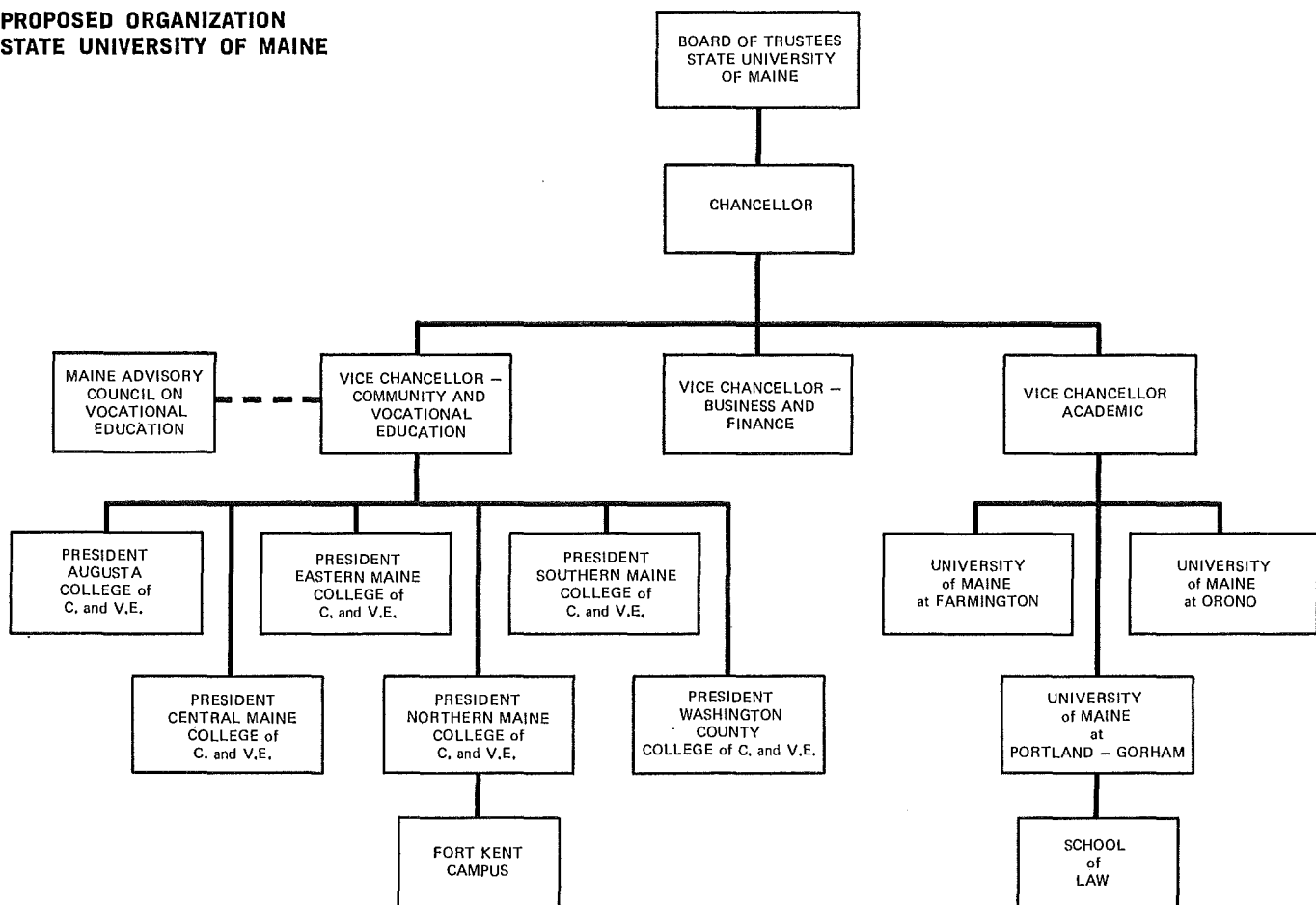
The present organizational structure of the university is shown in the chart to the left. Six of the seven

campuses are baccalaureate degree-granting institutions. With limited resources, continuation of the small campuses at Fort Kent, Presque Isle, and Machias as 4-year degree-granting institutions can only serve to dilute the university's overall pursuit of academic excellence. The existing organization does not accommodate merging of the Vocational Technical Institutes as recommended elsewhere, to establish a single cohesive post-secondary educational system.

The University of Maine should be reorganized to strengthen the quality of academic education as well as merge the Vocational Technical Institutes into an effective statewide community and post-secondary vocational education system. The proposed organization to accomplish this is depicted in the chart shown below. Basic elements include the:

- Board of Trustees — Accountable for planning and be the governing body of the State University of Maine.
- Chancellor of the State University of Maine — The chief administrative and educational officer.

PROPOSED ORGANIZATION STATE UNIVERSITY OF MAINE



- ▶ Vice Chancellor-Academic — Responsible for development and direction of the academic mission. Also, he would have authority over the campuses at Orono/Bangor, Portland-Gorham, and Farmington. These campus presidents report to him.
- ▶ Vice Chancellor Community and Vocational Education — Responsible for development and direction of the community and vocational education mission with authority over the 2-year Colleges of Community and Vocational Education in Presque Isle, Bangor, Augusta, Lewiston-Auburn, Portland, and Washington County. These campus presidents report to him.
- ▶ Vice Chancellor Business and Finance — Responsible for centralized staff functions of the State University of Maine with appropriate functional authority.
- ▶ Maine Advisory Council on Vocational Education — Responsible for aiding and advising the Vice Chancellor for Community and Vocational Education.

Implementation will allow separate pursuit of the academic, community, and vocational education missions within a coordinated system functioning for the benefit of students. It provides the potential for satisfying the present and future educational needs of the state at minimum cost. Economic benefits are claimed in individual campus reports. (Legislative)

3. Modify membership of the Board of Trustees to allow a minimum of five appointees with vocational education interests.

The university is governed by a 15-member Board of Trustees, 14 of whom are appointed by the Governor for staggered 7-year terms. The Commissioner of Educational and Cultural Services serves ex officio. This board is strongly oriented to the university's academic mission. The proposed State University of Maine has responsibility for providing suitable vocational training. To provide appropriate orientation and ensure such training in this environment, the membership must contain representation of vocational education interests. The board's membership should be modified to include at least five such appointees. Implementation will provide appropriate emphasis on vocational education responsibilities and maintain a proper balance between academic and vocational interests. (Legislative)

4. Compile a comprehensive manual to document procedures, policies, and responsibilities relating to accounting activities.

There is no accounting manual available outlining the systems and procedures associated with univer-

sity accounting systems. Therefore, one should be compiled to fully delineate and define the necessary accounting and financial procedures. Its utilization will improve financial controls as well as provide an instruction manual to assist in standardizing accounting procedures. Associated costs will be more than offset by improved accounting and financial control systems. (Executive)

5. Develop full-cost analysis so a measurement of educational cost per student by program and degree level will be established.

The present accounting system, which is based on the American Council on Education system, does not adequately measure the cost of the education process on a per student basis. The system should be modified to establish a measurement of education cost per student by program and degree level. Implementation will provide information for improved management control as well as decision-making, cost/benefit analysis, and knowledgeable evaluation of the higher education planning and funding processes. In addition, it would provide the basis for performance accountability. (Executive)

6. Invest free excess cash balances in short-term bank repurchase agreements.

Excess cash balances, budgeted to be free for at least 30 days, are invested in Certificates of Deposit when interest rates are at least one point above Treasury Bill rates. However, interim excess cash, not available for the minimum 30 days, lies idle. Thus, from March 15, 1972, through March 15, 1973, the university had an average noninvested cash balance of \$3.64-million. The maximum balance during this period was \$7.4-million. Short-term investment devices such as bank repurchase agreements or commercial paper should be utilized to optimize cash-earning potential. It is estimated that additional annual income totaling \$75,000 would accrue to the university if short-term investment means were utilized. (Executive)

7. Utilize formal budget variance reporting.

The budget for each campus and the total university is based on program plans and anticipated revenue. During the course of a fiscal year, modifications in program due to changes in revenue or other causes are reflected in revisions. These revisions are prepared on an almost perpetual basis and accounting statements compare actual performance against this continuously revised benchmark. The true measure of budgetary performance is, therefore, not readily evident.

Formal budget variance reporting should be utilized to explain changes in program emphasis. Implementation will provide a tool to measure performance

more accurately and assist in improving forecasting techniques. (Executive)

8. Redesign the financial control system to optimize computer utilization.

The existing financial control system is unable to meet the financial reporting requirements of the university's campuses. Most maintain their own hand-posted ledgers. The system does not run efficiently on the computer hardware. The financial control system should be redesigned.

Implementation would provide a single package of financial control systems which would satisfy both individual campus financial control needs and the requirements of University Wide Services. A one-time program development cost, estimated at no more than \$50,000, would be incurred. (Executive)

9. Require university-wide utilization of centralized financial control and student information systems.

Multiple financial control systems exist as a carryover from the pre-merger era of separate state colleges and the university at Orono. A centralized financial control system is in existence which could be immediately utilized by all campuses. In addition, a student information system is under development, but little interest has been indicated in its potential. As a consequence, expensive and time-consuming hand manipulation of data is likely to continue.

University-wide utilization of current and future control systems should be required. Implementation would result in elimination of duplication of effort in accounting and student information functions. Savings through personnel reductions are estimated at \$151,600 and are claimed in reports for the individual campuses. (Executive)

10. Make Computer and Data Processing Services responsible for investigating potential electronic data processing applications.

The extensive resources of Computer and Data Processing Services are made available upon request to assist all campuses in developing computer utilization. Since most management officials are not trained in the application of electronic data processing to administrative problems, they do not know what to ask for. As a result, the potential benefits of data processing solutions are not being realized. Responsibility for definition of data processing applications and computer utilization to meet the administrative needs of each campus should be assigned to Computer and Data Processing Services. The benefit would be uniform systems analysis and program design for maximum university-wide utilization of electronic data processing. Significant savings could be realized. (Executive)

11. Expedite planned facilities for the central computer, peripheral equipment, and necessary support staff.

The central computer is located in the basement of Wingate Hall. Space is limited and file and equipment security is lacking. This center services student and research needs, as well as the university's administrative requirements. As a result, there is high user traffic flow which aggravates the poor working conditions.

Funds totaling \$260,000 were originally appropriated for remodeling present facilities. On reconsideration, an additional \$300,000 has been requested for a properly designed computer facility in conjunction with the planned English-Mathematics Building. Provision of these additional funds for improved facilities would eliminate the many disadvantages.

Current plans for locating Computer and Data Processing Services in the new English-Mathematics Building would entail a total expenditure of \$560,000 in capital funds, of which \$260,000 has been appropriated. (Legislative)

12. Transfer responsibility for the physical plant function to the Director of Physical Plant at Orono/Bangor.

Physical plant functions on a university-wide basis are performed by five employees reporting to the Vice Chancellor for Business and Financial Affairs. This staff is too small to provide effective maintenance and engineering services to the various campuses. The physical plant group at Orono, by virtue of its size and competence, would be able to provide the services effectively and efficiently with two additional personnel. Therefore, this function and two staff members should be transferred, and three positions eliminated. The benefit would be an improvement in physical plant services at a reduced cost of \$37,900 annually. (Executive)

13. Make Fogler Library the coordinator of library services within the university.

There are seven major campus libraries in the university, six of which perform their own ordering, receiving, classifying, and cataloging of materials. Augusta, which utilizes the services of Fogler, is the exception. Fogler, being the largest library, is well equipped to become a centralized technical processing center. It should be established as coordinator of university library services with responsibility for technical processing. Advantages would be a significant reduction in expenses of ordering, receiving, classifying, and the like. Annual savings are estimated at \$112,600 through elimination of 11 full-time and three part-time personnel at the various campus libraries. (Executive)

14. Establish the Orono bookstore as coordinator for all textbook purchases.

Each campus bookstore performs its own ordering of textbooks. Thus, it loses the advantage of additional discounts on volume orders. Although there is inventory control at each campus, there is no coordination between campuses which could lead to excessive inventories. The Orono bookstore should be established as coordinator and central ordering facility for all University of Maine textbook purchases. Implementation would save \$57,300 per year. (Executive)

15. Establish a central office for processing admission applications.

Students desiring to apply to more than one campus must make separate applications. Because all charge a nonrefundable fee of \$10, this results in unnecessary cost and time to the student. Further, it is difficult for the university to correctly assess the total number of applicants.

Admission application processing should be centralized and a central office established to which one request would be made, indicating campus preferences. This office would distribute these requests to the appropriate campus for admission consideration, and subsequently notify the student of acceptance or rejection. Implementation would result in better administrative control of admission procedures, reduce cost of multicampus applications, and provide timely admissions data for university administration. (Executive)

16. Centralize responsibility for auxiliary enterprises under the Vice Chancellor for Business and Financial Affairs.

Each campus administers its own auxiliary enterprises. For maximum efficiency, these require specialized attention which cannot be provided on the smaller campuses. In addition, the problems of administering these enterprises detract from the primary campus mission. A position should be established under the Vice Chancellor for Business and Financial Affairs and charged with responsibility for managing the enterprises.

Centralization will allow specialized expertise to be utilized in solving management problems of individual campuses. Administrators would be relieved from concern with these nonmission complexities. Costs will be more than offset by savings generated in auxiliary enterprises. (Executive)

17. Implement a performance appraisal system for professional staff and faculty members.

No formalized performance evaluation system exists except for classified employees. Without a means

for measuring performance of staff against standards, opportunities for improving overall effectiveness are limited. A formal performance appraisal system for professional staff and faculty members should be implemented. The results would be improved job performance, development of a uniform basis for improved administrative control, and decision-making regarding personnel. (Executive)

Orono/Bangor Campus

The University of Maine at Orono/Bangor (UMO/B) campus is the oldest and largest institution in the statewide system. Its range and variety of undergraduate and graduate degree programs offered in teaching, research, and public service exceeds those of all other Maine institutions combined.

The facility at Orono/Bangor operates a split campus consisting of 164 buildings on 3,100 acres at Orono and 52 buildings situated on 162 acres at Bangor. As of March 1973, the physical plant replacement value was \$112.7-million. It also operates three research farms for potatoes, blueberries, and apples, and one oceanographic center at Presque Isle, Jonesboro, Monmouth, and Walpole, respectively.

Total expenditures for fiscal 1972 amounted to \$27.6-million, and the fiscal 1973 budget was \$30.6-million. In 1972, auxiliary enterprises, which are budgeted to be self-sustaining, lost \$475,310 on revenues of \$8,010,926. Its staff of 2,226 includes 513 resident faculty, 390 professional, and 1,323 classified employees. The total full-time-equivalent enrollment of 9,170 for the fall session of 1972, consisted of 8,302 full-time and 1,737 part-time students, of which 1,314 were enrolled in Continuing Education Division (CED) programs.

The Vice President for Finance and Administration is responsible for financial affairs of educational and auxiliary enterprise functions, security, classified personnel, business manager, physical plant, public information, and central services. Student accounting is semiautomated with additional phases planned for implementation in 1973. Planning, construction, maintenance of grounds and buildings, and the motor pool of 46 owned and leased vehicles as well as specialized nonpool units are administered by the Department of Physical Facilities.

The Vice President for Research and Public Services has accountability for administration of all organized research and public service functions, including the statewide Cooperative Extension Service and the Maine Agricultural Experiment Station.

The Vice President for Academic Affairs is charged with administration of the major colleges of the

Orono/Bangor campus, Continuing Education, Graduate School, Registrar, and Fogler Library. At the end of fiscal 1972, the Fogler and Bangor Libraries contained 458,108 volumes and had subscriptions to 3,390 periodicals. The library budget for fiscal 1973 is \$850,075 compared to fiscal 1972 expenditures of \$818,652.

The Vice President for Student Affairs is responsible for nonfinancial administration of dormitories and food services, health services, admissions, career planning, and placement. Residence halls and in-house food service are provided at both campuses. Orono with 21 dormitories, has a normal capacity of 4,254 and a current average occupancy of 4,000. Bangor, with capacity of 625 has dormitory occupancy of 375. University Park in Stillwater and 107 units in Bangor's Capehart development provide housing for personnel.

The directors of Equal Employment Opportunity, Planning, and Physical Education, and Athletics are responsible for functions related to their titles. The Director of Development is accountable for a major share of fund raising from private sources. The Director of Institutional Research is in charge of professional personnel records as well as special projects and information generation.

In general, this campus is administered in an efficient and effective manner. Costs for instruction and departmental research, libraries, student services, and general administration are \$1,543 per full-time equivalent student compared to an average of \$1,357 for the rest of the university's system. This premium is not unreasonable because Orono/Bangor is the major graduate and technological teaching facility in the system. However, the Bangor campus is a high cost operation, with costly maintenance requirements. A major enrollment decrease of 10.8% between the first and second semester of the 1973 school year caused a substantial income loss in tuition and auxiliary enterprises.

RECOMMENDATIONS

18. Transfer the reporting relationship of the president at Orono/Bangor to the Vice Chancellor-Academic.

The position of Vice Chancellor-Academic in the proposed State University of Maine has authority over university campuses located at Orono/Bangor, Portland-Gorham, and Farmington. Therefore, the reporting relationship of the president should be transferred to this Vice Chancellor. (Executive)

19. Close the Bangor campus.

The Bangor campus was acquired to supplement Orono's accommodations when enrollments were

projected to increase dramatically. There is substantial duplication of facilities and administrative staff at both campuses. Educational facilities and residence halls at Orono are underutilized while Bangor's physical plant requires large expenditures for operation and maintenance.

The Bangor campus should be closed and its academic and student service programs transferred to Orono. Implementation would consolidate programs for improved management control. It would generate annual savings of approximately \$628,000 by eliminating duplicate administrative functions, student service expenses, and physical plant expenditures. Transportation expense between campuses would also be eliminated. (Executive)

20. Sell the University of Maine at Orono/Bangor's interest in the Capehart housing project.

Currently, the University of Maine at Orono/Bangor owns 107 housing units located in the Capehart development in Bangor. The original intent was to provide them for university personnel, but staff occupancy has never exceeded 45% and units must be leased to other occupants. This is an auxiliary enterprise which operates on a break-even basis. Because of economics, rental charges for the university-owned houses are higher than for adjacent units owned by the Bangor Housing Authority. Therefore, its interest in the 107 Capehart units should be sold.

Implementation would eliminate an operation which creates a substantial public relations problem. If the units were sold for the initial purchase price of \$880,000, this would result in a one-time income of \$58,000 after repayment of outstanding mortgages. Substantially more than the purchase price should be received from the sale. (Executive)

21. Utilize the suggested redesigned financial control system to maintain budgetary and financial controls at Orono/Bangor.

The University at Maine at Orono/Bangor uses an amalgamation of its own pre-campus-consolidation accounting systems and those provided by University Wide Services. This results in operating inefficiencies. A redesigned financial control system has been recommended elsewhere. It should be used at Orono/Bangor. Implementation could generate personnel savings estimated at \$58,500 annually. (Executive)

22. Require the university and the state purchasing organizations to increase cooperation in negotiating contract arrangements.

The state and the university are not taking full advantage of contractual arrangements negotiated by each. Therefore, there is a loss of economic advantage through large-volume purchases as well as

creation of redundant effort in seeking competitive bid and awarding business. The purchasing organizations of the university and the state should establish a formal liaison system whereby one unit negotiates an arrangement on a statewide basis for the other. It would be based upon the major user of the item and special skill or knowledge needed for proper negotiation.

In industry and other state governments, it is reasonable to achieve a minimum saving of 5% from long-term arrangements, consolidated buying, and cost and value analysis techniques. The university's Director of Purchasing reports that 30% of total purchasing arrangements of \$12-million are against contracts. By taking advantage of centralized purchases when there is common use among locations, potential savings on behalf of the University of Maine would amount to \$420,000. (Executive)

23. Continue consolidation of the admissions and student aid functions.

Currently, the admissions office peak work load occurs in the late fall and winter of the academic year. Student aid work load, on the other hand, peaks after the admissions functions are nearly completed. Two separate clerical staffs now process what one merged, clerical group could handle. Therefore, consolidation of these functions, as proposed by the Vice President for Student Affairs, should continue. A clerical staff reduction of five personnel is projected for annual savings of \$28,000. As this consolidation had commenced prior to this examination, no savings are claimed. (Executive)

24. Increase the enrollment mix of nonresident to resident students.

The enrollment mix for Orono/Bangor is 20% nonresident and 80% resident. Projections for fall 1973 freshman enrollment indicate there will be 2,300 resident applications. Of these, 1,600 will be admitted with 3,700 or more nonresident applicants, some 360 will be accepted.

The nonresident/resident student ratio should be raised from 1:4 to 1:3. Implementation will assist in protecting acceptance standards and quality of education. In addition, if the increased nonresident quota is obtained outside the New England Regional Program of Cooperation (NERP), extra income will be generated from higher tuition fees at no additional expense. Out-of-state tuition fees for students not in the program, are \$1,100 greater than for in-state or New England Regional Program applicants. For freshman enrollment in the fall of 1973, the higher student ratio would result in additional income of \$143,000. This would increase annually to \$504,000 when the 9,170 full-time-equivalent (FTE) enrollment is based on the higher nonresident ratio. (Executive)

25. Intensify efforts to establish reasons for major enrollment decreases between semesters in the 1973 school year.

Enrollment loss between the first and second semester in 1973 amounted to 998 students, or 10.8% of the full-time-equivalent (FTE) population. While losses are normally experienced between semesters, this decrease was particularly large. The result is an estimated \$115,000 income loss which must be offset by economies, and further faculty and facility underutilization.

Intensive efforts should be continued to determine the underlying reasons for large intersemester enrollment decreases and corrective action taken if possible. Exit interview and statistical analysis techniques should be utilized. (Executive)

26. Increase student services by providing a central clearinghouse for jobs.

There is no central clearinghouse for students seeking jobs. Consequently, they must seek opportunities on their own. A central clearinghouse should be established and combined with the admission and student aid program to provide a central point where employer needs, on or off campus, and student talents are brought together. This would provide a broader range of opportunities from which to choose and minimize the time involved in seeking a position. Cost is estimated at \$15,000 annually. (Executive)

27. Establish the development office as the coordinator of private fund raising activities.

Presently, four major fund raising groups — the development office, the general Alumni Association, the 4-H Foundation, and the Pulp and Paper Foundation — are operating independently at Orono/Bangor. Without coordination, there is an overlap of activity which adversely affects private donations of approximately \$600,000 per year.

By establishing the development office as the coordinator of private fund raising activities, working relationships between the various groups could be improved, overlap eliminated, and a more effective fund raising effort made. Implementation would improve university relations with various donors and groups and result in an increase estimated by university officials at \$300,000 to \$500,000, but no increased income is claimed. (Executive)

28. Implement an integrated safety and training program for personnel.

Recent statistics indicate the disabling accident frequency at Orono/Bangor is substantially higher than experienced in more hazardous industries. An integrated safety and training program should be implemented for campus personnel. The estimated annual cost of \$20,000 to \$25,000 for a basic pro-

gram would be more than offset by significant savings in workmen's compensation and insurance premiums. (Executive)

29. Construct equipment storage facilities at Aroostock Farm and Blueberry Hill, and correct the drainage problem at the latter.

There is excessive depreciation of farm equipment at Aroostock Farm and Blueberry Hill due to lack of adequate storage facilities. The below ground facility at Blueberry Hill is unusable due to flooding during rainstorms. This would be solved by constructing the required storage facilities and correcting drainage problems. Specialized farm equipment would be stored indoors with subsequent longer life expectancy. Estimated one-time cost to build pole-barn type facilities and regrade Blueberry Hill's below ground storage is \$16,000. This would be offset by elimination of excessive equipment depreciation. (Executive)

Portland-Gorham Campus

The University of Maine at Portland-Gorham (POGO) offers a diversity of courses leading to associate, baccalaureate, and advanced degrees in liberal arts and sciences as well as a graduate degree in law. This split campus consists of 27 buildings on 18 acres in Portland and 26 structures on 125 acres at Gorham. Its total physical plant, as of June 1972, was valued at approximately \$29-million. Additionally, ground is expected to be broken in March 1974 for a \$1.4-million addition to the Science Building. Fiscal 1972 expenditures were \$7,281,236 and its budget for fiscal 1973 is \$7,578,817.

The campus staff of 631 is comprised of 225 resident faculty, 86 Continuing Education Division (CED) faculty, 85 professionals, and 235 classified employees. Total full-time-equivalent enrollment of 5,379 at the beginning of fiscal 1973 consisted of 3,807 day and 3,902 CED students. Of these, 1,625 day and 1,002 CED were registered at Gorham. In addition, 3,010 students were enrolled in the 1972 summer session program.

The Directors of the Center for Research and Advanced Study, Equal Employment Opportunity, and Intercollegiate Athletics, are answerable for functions related to their titles. The Director of Public Information and Development is responsible for public relations, private fund raising, alumni relations, and all campus publications. The university archivist maintains records for POGO. The assistant to the president is accountable for communications and campus security.

Responsibilities of the Vice President of Educational Services include student services of financial aid,

placement, counseling, health, housing, food, recreation, registrar, admissions, and educational media. Residence halls are located at Gorham and current occupancy is 898 against a capacity of 1,016. Food service is provided by a caterer on an annual bid basis. The Vice President for Academic Affairs is accountable for the academic and CED programs and the libraries on each campus with a total of 174,000 volumes.

Duties of the Vice President for Finance and Administration include management of the physical plant, engineering and planning, personnel, accounting, purchasing, and the bookstores. Bookstores are maintained on each campus, but until fiscal 1973, they were operated as a single profit center. Maintenance of grounds and buildings and the campus motor pool are under a director of plant. The motor pool consists of seven vehicles, including the president's car. They are purchased through central purchasing and traded in after 2 or 3 years' use, or at about 50,000 miles.

Portland-Gorham represents the merger of two dissimilar and diversified campuses with minimum consolidation and coordination. There are no stated missions or goals for either campus. This results in duplication of effort and unnecessary expenditures of money. There is continued expansion at Portland in a high-cost area.

Although the two campuses are only 10 miles apart, functions are duplicated at each. At the time of the merger, library administration for the two campuses was consolidated. However, a new position of University Archivist was created for the displaced librarian. The computerized student system for the Continuing Education Division (CED) accounting is not utilized.

RECOMMENDATIONS

30. Transfer the reporting relationship of the president at Portland-Gorham from the Chancellor to the Vice Chancellor-Academic.

The Vice Chancellor-Academic in the newly proposed reorganization of the State University of Maine is responsible for university campuses at Orono/Bangor, Portland-Gorham, and Farmington. To conform to this reorganization, the reporting relationship of the president should be transferred from the Chancellor to the Vice Chancellor-Academic. (Executive)

31. Complete the study of the Joint Action Commission on University Goals and Directions and adopt overall objectives for Portland-Gorham.

Portland-Gorham is operating without definite objectives and guidelines. Hence, its campuses are

developing independently and in different directions. This makes the job of the single administration difficult. Proposed objectives are in the process of being developed by the Joint Action Commission, but the study is not finalized.

This study should be completed as early as possible. Based on its recommendations, definitive guidelines and objectives should be established. Development of a mission and goals will channel the resources of both campuses toward a common end and result in efficient administration. (Executive)

32. Develop Gorham as the center of general academic programs and administration.

Although the president's office is located at Gorham, neither campus provides the focal point for Portland-Gorham. The general academic program is decentralized and students must commute between campuses. Expansion of the Portland facility appears economically unwise since it is limited in size and is in a high real estate cost area.

By shifting growth emphasis to Gorham, this campus would become the needed center of university life at Portland-Gorham. At some future date, relocation of the general academic program and supporting functions, such as the library, will be necessary. At that time, Portland could be established as a branch campus devoted to schools of special study.

The immediate benefit would be avoidance of building investment at Portland. A long-term benefit would be development of a consolidated university activity offering educational opportunities at the lowest possible cost. With growth limited at Portland, the profitable sale of real estate is a distinct possibility. (Executive)

33. Change the location of the proposed \$1.4-million science facility to Gorham.

A new Science Building is planned for Portland in fiscal 1974. It is assumed the facility is justifiable within the framework of the missions and goals which have not, as yet, been established. However, its location would be in conflict with the objective of developing Gorham as the Portland-Gorham focal point. Changing the location of the proposed facility would initiate shifting of emphasis to Gorham and avoid unnecessary and costly duplication of accommodations at a later date. (Executive)

34. Consolidate the registrar's office at Gorham.

The registrar maintains an office on each campus with a total reporting staff of 14. The dual office concept is maintained for convenience to the students; however, it is costly in terms of manpower. Consolidating the office would permit elimination of one professional and seven classified positions and allow annual savings of \$49,400. (Executive)

35. Consolidate the business manager's office at Gorham.

The business manager maintains an office on each campus to provide services to the students. However, these are costly in terms of manpower. By consolidating the two staffs at Gorham, personnel reductions of a professional and five classified positions could be realized. This would result in annual savings of \$41,100. (Executive)

36. Utilize the present computerized student accounting system for Continuing Education Division.

All student accounting except that for the Continuing Education Division is performed on computer with a very smooth functioning program. The Continuing Education Division was not tied in at its installation because the system was experimental. Now, it has operated long enough to prove its adaptability. Consolidating the Continuing Education Division accounting will result in elimination of 4 hours of part-time clerical help required for the manual operation. Implementation will yield annual savings of \$3,000. (Executive)

37. Eliminate the position of university archivist.

This position was created when the Portland and Gorham libraries were merged. The position of University Archivist is an unnecessary expense. Its elimination will not affect operations and will result in annual savings of \$15,400. (Executive)

Farmington Campus

The University of Maine at Farmington provides programs leading to BS degrees in various facets of education and BA degrees in liberal arts. Its primary mission is undergraduate teacher education. The campus, situated on approximately 32 acres, consists of 22 buildings. Its budget for fiscal 1973 is \$3,012,755, compared to expenditures of \$2,785,691 for the previous year. The bulk of the increase is for salaries and the cost of goods and services. This campus has a staff of 194. Enrollment for the 1972/73 school year is 1,569 full-time-equivalent students, 1,398 day, and 312 Continuing Education Division (CED) students.

The Director of Athletics is responsible for recreational activities, intramural sports programs, and intercollegiate athletics. Its Director of Public Information and Alumni Affairs has accountability for public relations activities and official publications, and coordination of alumni affairs. Responsibilities of the Assistant to the President include the CED program. He arranges college commencements and coordinates accreditation activities. Admissions and career planning, student counseling, financial aid,

health services, and residence halls are responsibilities of the Dean of Student Services.

The Academic Vice President is responsible for the academic program, faculty personnel, the registrar, and the library which contains audio-visual equipment and about 59,670 volumes.

Responsibilities of the business manager include budget preparation and control, student accounting, purchasing, physical plant maintenance, campus security, bookstore, food service, and the campus motor pool. This campus has a fleet of four cars and three minibuses. Of the four automobiles, one is furnished to the president, who allows it to be included in the motor pool. Food service is provided by a caterer on an annual bid basis.

The campus plans to purchase a small offset printing press to accommodate small printing jobs which are presently done by local printers. Large jobs will continue to be put out to bid to the university press at Orono and to local printers. Budget preparation and control procedures do not conform to the system provided by central accounting. This results in unnecessary duplication of effort. Unless a reason to eliminate the bookkeeping machine is developed, it is expected that student accounting would continue to be performed on this unit upon completion of the Student Accounts Receivable (STAR) system.

Direction of physical plant maintenance is less than adequate due to lack of engineering expertise. Because the registrar's function is automated, it appears his office is overstaffed.

RECOMMENDATIONS

38. Transfer the reporting relationship of the president at Farmington from the Chancellor to the Vice Chancellor-Academic.

The Vice Chancellor-Academic in the proposed reorganization of the State University of Maine has direct authority over and is responsible for the university campuses at Orono/Bangor, Portland-Gorham, and Farmington. To conform to this requirement, the reporting relationship of the president should be shifted to the Vice Chancellor-Academic. (Executive)

39. Utilize the system employed by the central accounting unit for budgetary control.

General accounting is performed by a supervisor and two clerks utilizing a bookkeeping machine. Items are posted by one clerk and proved by another. Upon receipt of the monthly budget and expense reports from central accounting, a reconciliation to the campus records is made.

Accounting data for Farmington are already being supplied to the central accounting unit. By utilizing

the resultant computerized statements, one clerical position at \$7,700 and 50% of the supervisor's time can be eliminated. (Executive)

40. Make use of the Student Accounts Receivable (STAR) system upon its completion.

Student accounts and bills are maintained and prepared by two clerks and a supervisor. Utilization of the system, when available, will almost completely automate this function and result in elimination of one clerical position at \$6,200 and 50% of the supervisory position. Implementation, in combination with use of central accounting's computerized report, will eliminate the supervisor, whose salary is \$9,500, for a total saving of \$15,700. (Executive)

41. Reduce the registrar's staff by two clerks.

This staff includes three clerks and two students. A large portion of the operation is automated. With a head-count of 1,709, the ratio of students to full-time registration personnel is 569.6 to 1. However, the campuses at Augusta and Machias, which perform a similar operation, have student-employee ratios of 1,657 to 1, and 1,746 to 1, respectively. Therefore, the registrar's office at Farmington appears to be overstaffed. Reducing its clerical staff by two positions will bring the student-personnel ratio in line with Augusta and Machias. This should result in annual savings of \$13,900. (Executive)

42. Raise the standards of building maintenance.

The present physical plant is showing signs of deterioration caused by inadequate preventive maintenance. Major repairs and construction projects need more adequate management. A program for engineering and maintenance system improvements, staffed with fully qualified supervision, must be instituted in order to save money by extending the productive life of equipment and facilities and to minimize replacements. The maintenance staff should not be increased in size to accomplish this recommendation. (Executive)

43. Hire a director of physical plant to supervise maintenance, campus security, and the motor pool.

Presently, the functions of physical plant maintenance, campus security, and the motor pool are responsibilities of the business manager. His current work load prevents him from adequately controlling these duties.

Hiring a director would relieve the work load of the business manager and, more importantly, effect proper direction to these nonacademic functions. This position has been requested in the fiscal 1974 budget at an annual cost of \$12,000. The salary will be offset by savings in operating costs. (Executive)

Augusta Campus

The University of Maine at Augusta is a 2-year community college offering associate degrees in fields such as art, data processing, criminal justice, and nursing. The campus, situated on 167 acres, consists of an administration-classroom building, a temporary library-arts building, a renovated farmhouse, three farm buildings, and space in the new Augusta Civic Center. Its expenditures for fiscal 1972 amounted to \$1,267,350, and the budget for fiscal 1973 is \$1,568,343. This campus has a staff of 214. Enrollment for the 1972/73 school year is about 1,588 full-time-equivalent students, 578 day students, and 1,908 Continuing Education Division (CED) students.

The president's office is organized into five activities including Student Services, Institutional Research and Equal Employment Opportunity, Adult Education and Community Services, Instruction, and Administrative Services. The Dean of Student Services is accountable for financial aid and job placement, counseling, and educational assistance to students. Responsibilities of the Director of Institutional Research and Equal Employment Opportunity embody maintenance of statistical records and information pertaining to campus operations. Career education and the CED program are primary responsibilities of the Dean of Adult Education and Community Services.

The Dean of Instruction is responsible for the academic program and faculty personnel, as well as functions of the Registrar, admissions director, and librarian. The campus library includes approximately 20,000 volumes. Responsibilities of the Director of Administrative Services, who is the business manager, include general accounting and budget control, student accounting, physical plant, purchasing, bookstore, classified personnel, and development.

Student accounting records are hand-posted. Preventive maintenance and custodial duties are performed by a staff of nine. The campus motor pool consists of three cars, two leased from the Central Motor Pool at Orono, and one owned by the Augusta campus for the president's use. The bookstore operation is self-supporting and showed a profit of over \$4,000 in fiscal 1972. An offset printing press for small jobs is operated on campus. Large jobs are let from competitive bids by local print shops and the university's press at Orono.

The quality of the campus preventive maintenance program is inadequate. As a result, deterioration is evident in a 2-year old building. Coordination and liaison with central engineering is ineffective. Budget preparation and control procedures do not conform to the system provided by central accounting. There-

fore, the advantages of a centrally controlled system are partially nullified.

RECOMMENDATIONS

44. Transfer the reporting relationship of the president to the Vice Chancellor Community and Vocational Education.

The Vice Chancellor Community and Vocational Education in the proposed reorganization of the State University of Maine has authority over and is accountable for the 2-year college campuses to be established at Presque Isle, Calais, Bangor, Augusta, Lewiston-Auburn, and Portland. To conform to this reorganization, the reporting relationship of the president should be transferred from the Chancellor to the Vice Chancellor Community and Vocational Education. (Executive)

45. Employ central accounting's system of general accounting and budgetary control.

The Augusta campus manually maintains its own set of books instead of relying upon central accounting's report. This results in time-consuming duplication of effort and involves approximately 2 hours per day of clerical time. Augusta's accounting data are already being supplied to central accounting. By utilizing the resultant computerized statements, clerical time would be reduced. (Executive)

46. Utilize the Student Accounts Receivable (STAR) system after its development by the university's central computer group.

All student accounting records are posted and bills are manually prepared. Presently, a clerk spends about 6 hours every working day to perform this function. A computerized Student Accounts Receivable (STAR) program is being developed by the university's central computer group. Utilization of the system, when it is completed, will phase out this clerical time and save approximately \$4,400 per year. Implementation, together with the utilization of central accounting's computerized report, will result in eliminating a clerk at an annual saving of \$5,800. (Executive)

47. Raise the standards of building maintenance.

The present physical plant is showing signs of deterioration caused by inadequate preventive maintenance. Major repairs and construction projects need more adequate management. A program for engineering and maintenance system improvements, staffed with fully qualified supervision, must be instituted in order to save money by extending the productive life of equipment and facilities and to minimize replacements. The maintenance staff should not be increased in size to accomplish this recommendation. (Executive)

Machias Campus

The University of Maine at Machias is a 4-year college offering programs leading to degrees in the preparation of elementary teachers, secondary school teachers in the field of business education, and other baccalaureate and 2-year programs. The campus is situated on 46 acres. Its physical plant consists of eight structures. Ground is to be broken on a new, 22,000 square foot \$960,000 science facility. Administrative offices are located in Powers Hall. About 33% of this building is used for classrooms by the Machias elementary school system. Practice teaching is accomplished on campus in four to six classrooms rather than at other locations. Expenditures for fiscal 1972 amounted to \$1,236,135 and the budget for fiscal 1973 is \$1,364,760. This campus has a staff of 83. Total enrollment is 556 FTE students; 541 full-time and 81 in the Continuing Education Division (CED) program. In addition, approximately 100 students attended the 1972 summer session.

The president's administrative staff consists of the Director of Athletics, Director of Public Relations, Director of Equal Opportunity, Dean of Academic Affairs, Dean of Student Affairs, and business manager. The Directors of Athletics, Public Relations, and Equal Opportunity are only responsible for activities implied by their titles. The Dean of Academic Affairs is accountable for the academic program, CED, summer sessions, faculty personnel, Admissions and Registrar, and the library which contains audio-visual equipment and about 42,000 volumes.

Admissions and Registrar's functions are performed manually by a professional and a clerk. The Dean of Student Affairs is responsible for counseling, financial aid, health and food services, and student housing. Food service is catered on an annual bid basis. Presently, health services consist of a two-bed room in a women's dormitory. Renovation is underway to expand the facilities to four beds, an office, reception area, and two examining rooms. The business manager has responsibility for general accounting and budgetary control, student accounting, purchasing, bookstore, maintenance, the motor pool of five vehicles, and security. Student accounting, general accounting, and budgetary control operations are completely manual.

Campus budget preparation and control procedures do not conform to the system provided by central accounting. Although the scope of operations is small, hand-posting of accounting entries represents an expensive duplication of effort.

Campus roads and buildings show signs of neglect from lack of preventive maintenance. Also, major repairs estimated at \$500,000 are mandatory to re-

habilitate the facilities. Furthermore, declining enrollment strongly suggests consideration of an alternate mission for this campus.

RECOMMENDATIONS

48. Utilize central accounting's system of accounting and budgetary control.

A clerk spends 8 hours every day processing purchase orders and posting accounts payable to each specific account. Utilization of central accounting's system, obviating the need to maintain duplicate books, would result in saving approximately 4 hours per day. (Executive)

49. Employ the Student Accounts Receivable (STAR) system upon completion.

The present student accounting function is performed by a clerk who manually posts all entries. Utilization of the system will eliminate a large portion of the manual operation and result in saving an estimated 4 hours a day. Implementing this, with a previous suggestion, would eliminate a clerk from the business office and provide annual savings of \$5,900. (Executive)

50. Raise the standards of building maintenance.

The present physical plant is showing signs of deterioration caused by inadequate preventive maintenance. Major repairs and construction projects need more adequate management. A program for engineering and maintenance system improvements, staffed with fully qualified supervision, must be instituted in order to save money by extending the productive life of equipment and facilities and to minimize replacements. The maintenance staff should not be increased in size to accomplish this recommendation. (Executive)

51. Reduce the number of cars in the campus motor pool by two.

The campus motor pool has five vehicles. Of these, the president's station wagon is not accessible for general use. By making the president's car available to the pool — as at Augusta and Farmington — the ratio of vehicles to staff would be approximately 1-20. This is far in excess of 1-33 at Augusta and 1-48 at Farmington. A reduction of the fleet by two vehicles, through their sale, would bring automobile availability in line with other campuses. Implementation would provide a one-time income of approximately \$5,000 and an annual maintenance saving of \$2,700. (Executive)

52. Abolish the 4-year degree-granting programs.

The proposed reorganization of the State University of Maine restricts 4-year degree-granting programs to campuses at Orono/Bangor, Portland-Gorham and Farmington. Machias currently offers 4-

year baccalaureate programs. These should be abolished to conform to the recommended University of Maine reorganization. This will provide estimated annual savings of \$130,000. (Legislative)

53. Consolidate the remaining programs and staff of Machias with the Washington County College of Community and Vocational Education into a single campus.

The position of Vice Chancellor Community and Vocational Education in the proposed reorganization of the State University of Maine has authority over and is responsible for 2-year colleges in Presque Isle, Washington County, Bangor, Augusta, Lewiston-Auburn and Portland. In another recommendation, the VTI at Calais was renamed the Washington County College of Community and Vocational Education reporting to the Vice Chancellor. The remaining staff and programs of the University of Maine at Machias should be consolidated with the Washington County College. Since the two campuses are relatively close, only a single campus should be retained. Choice of location should be based on serviceability and physical condition of plant including costs of renovation, costs of operation, relative community needs, origin of students, and so forth. Implementation could result in annual savings of \$198,000. (Executive)

54. Defer the planned \$960,000 science building until the Washington County College location and its facility requirements have been determined.

Construction of a new science facility at a cost of \$960,000 is planned for the Machias Campus. In preceding recommendations the 4-year baccalaureate programs were abolished, and Machias was consolidated with the Washington County College of Community and Vocational Education. The determination of college location, program needs, enrollment, alternate space availability and so on, will have an effect on the type of facility, if any, required. Delaying the presently planned building until these factors have been adequately assessed will ensure a facility appropriate to the college's requirements and location, and may even completely avoid the planned \$960,000 expenditure. (Executive)

Presque Isle Campus

The University of Maine at Presque Isle offers BS degrees in education and a number of major subjects, as well as 2-year transfer programs in engineering and nursing. Graduate programs are offered in the summer session. The school's campus, consisting of 13 buildings, is situated on 150 acres. Replacement value at year end fiscal 1973 was \$8-

million. Also, ground was broken during the summer of 1973 for a new \$950,000 library. Operating expenditures for fiscal 1972 amounted to \$1,757,145 and the fiscal 1973 budget totals \$1,983,953. Its staff of 121 is comprised of 47 full-time and three part-time faculty, 14 professional, and 57 classified personnel. The campus has an FTE enrollment of 1,088 consisting of 880 full-time and 544 Continuing Education Division (CED) students. In addition, there was an enrollment of 388 pupils in the 1972 summer sessions.

Responsibility for public relations activities and official publications released by the campus is vested with the Director of University Relations. The Director of Research and Development maintains statistical records and information pertaining to campus operations. He is responsible for campus planning, innovative programs, and federal grants.

The Dean of Instruction manages the academic program, CED, athletics, student counseling, admissions and registration, and the library with some 53,000 volumes.

Duties and responsibilities of the office manager are organized into finance and accounting, health services, office services, auxiliary enterprises, and physical facilities. He is answerable for classified personnel administration and student aid. Medical services of a nearby community hospital are used when necessary. Auxiliary enterprises comprise four dormitories with a total of 381 beds, catered food service, and the bookstore with an annual sales volume of about \$80,000.

The physical facilities function is responsible for purchasing, inventory, maintenance, custodial duties, security, and the campus car pool. This pool, including the president's car, consists of three station wagons, three sedans, and a 20-passenger bus.

The campus appears well organized and administered. Preventive maintenance is excellent and routine maintenance appears good. Use of a bookkeeping machine for posting accounts instead of relying upon (UWS) is an unnecessary duplication of effort. The campus has an excess of motor vehicles.

RECOMMENDATIONS

55. Utilize the University Wide Services (UWS) system of budgetary control.

The campus maintains its own set of books through utilization of a bookkeeping machine instead of relying on the University Wide Services accounting report which furnishes adequate information to maintain budget control. This results in a time-consuming duplication of effort involving approximately 4 hours per day of clerical time. Presque Isle's accounting data are already supplied to Uni-

versity Wide Services. By utilizing the resultant computerized statement, this clerical time would be eliminated at annual savings of approximately \$3,200 which are claimed elsewhere. (Executive)

56. Employ the Student Accounts Receivable (STAR) system upon its completion.

Student accounts and bills are maintained and prepared on a bookkeeping machine. Utilization of the system, when available, will almost completely automate this function and result in saving 12 hours of clerical time per day. Implementation, in combination with utilization of the University Wide Services report, will result in elimination of two clerical persons. This equates to annual dollar savings of \$14,800. (Executive)

57. Maintain records of utilization and repair of motor pool vehicles.

Presently, motor pool vehicles are assigned on request by the telephone switchboard operator. Maintaining these units is the responsibility of the maintenance staff. Since records of the use or upkeep are not kept, no means are available for determining costs. Establishment of a system or recording use and maintenance charges will provide information for management control. (Executive)

58. Reduce the number of motor vehicles in the campus motor pool.

The campus has six standard vehicles in its motor pool. The ratio of automobile to staff is 1-20. This is far in excess of Augusta at 1-33 and Farmington at 1-48. Reduction of vehicles in the fleet by two would bring automobile availability closely in line with other campuses as well as allow for greater need because of isolation. This would result in a one-time cost avoidance of \$5,700 and reduce annual maintenance costs by \$2,700. (Executive)

59. Abolish the 4-year degree-granting programs.

The proposed reorganization of the State University of Maine restricts 4-year degree-granting programs to campuses at Orono/Bangor, Portland-Gorham, and Farmington. Currently, Presque Isle offers 4-year baccalaureate programs. These programs at Presque Isle should be abolished to conform to the recommended University of Maine reorganization. This will provide estimated annual savings of \$275,400. (Legislative)

60. Merge the remaining programs and staff of Presque Isle with Northern Maine College of Community and Vocational Education.

The position of Vice Chancellor Community and Vocational Education in the proposed reorganization of the State University of Maine has authority over and is responsible for 2-year colleges in Presque Isle, Washington County, Bangor, Augusta,

Lewiston-Auburn, and Portland. In another recommendation, Northern Maine College of Community and Vocational Education was created. The remaining staff and programs of University of Maine at Presque Isle should be merged with Northern Maine College. Implementation will result in annual savings of \$121,900. (Executive)

Fort Kent Campus

The University of Maine at Fort Kent offers BS degrees in elementary education and associate degrees in general studies. It also provides a summer program in graduate and undergraduate work. The school's campus is located on 47 acres and its plant consists of 10 buildings valued at \$3.7-million. A physical education complex, at a budget of \$1.3-million, is planned for 1974. At present, a National Guard Armory, which is adjacent to the campus, is used part-time for physical education. Operating expenditures for fiscal 1972 amounted to \$869,164, and the fiscal 1973 budget totals \$940,839. It has 43 staff members, of which 22 are faculty. The campus has an enrollment of 469 full-time students and 121 Continuing Education Division (CED) students for a full-time-equivalent of 518. In calendar 1972, it had a summer enrollment of 141.

The Academic Dean is accountable for the CED and academic programs, registrar, faculty personnel, and the library of 28,000 volumes. The Dean of Students manages admissions, student counseling, financial aid, health services, and the two dormitories which are operating at their full capacity of 150 beds. A hospital, which is within a mile from the campus, is used to provide health services.

Operations of food services, the physical plant, motor pool, accounting, classified personnel administration, and the bookstore are responsibilities of the business manager. Food service is normally provided by the campus. With the resignation of the kitchen manager, it has been furnished by an outside caterer on a cost plus basis. The physical plant is in excellent condition due to outstanding maintenance procedures. Storage buildings have been constructed from used surplus lumber at minimum cost. The campus motor pool has two cars, including the president's, and a 12-passenger bus.

Accounting and budgetary control is performed manually. The bookstore, managed by part-time help, is open for a limited number of hours every week. Campus budget preparation and control procedures do not conform to the system provided by University Wide Services (UWS). Although the scope of operation is small, hand-posting of accounting entries is an expensive duplication of effort. The possibility of acquiring the National Guard Armory

for physical education and office space should be investigated.

RECOMMENDATIONS

61. Utilize University Wide Services' established system of accounting and budgetary control.

Present accounting and budgetary control procedures are performed manually by the office manager and a bookkeeper. Utilization of the University Wide Services system would avoid duplication of effort and result in clerical savings of 20 hours per week. This could be applied to an area such as typing which is in need of additional clerical help. (Executive)

62. Utilize the Student Accounts Receivable (STAR) system upon its completion.

A manual student accounting system is presently performed by a bookkeeper and clerk. Utilization of the system will result in clerical savings of 10 hours per week. This time would be transferred to other areas where there is a need. (Executive)

63. Investigate the possibility of acquiring the National Guard Armory at Fort Kent.

The Fort Kent campus has no physical education facilities. Therefore, the armory is used part-time. However, this arrangement is not satisfactory due to inconsistent availability. Because of this, a \$1.3-million physical education facility has been planned to provide the necessary accommodations.

The armory is located amidst the campus buildings. If this unit could be purchased at the current in-

sured value of \$382,000, and a new armory located more conveniently for the guard at an acceptable price, the university would realize a substantial cost avoidance. An estimate to renovate the armory for university purposes should be obtained. No costs or avoidance is claimed. (Executive)

64. Abolish the 4-year degree-granting programs.

The proposed reorganization of the State University of Maine restricts 4-year degree-granting programs to campuses at Orono/Bangor, Portland-Gorham, and Farmington. Presently, Fort Kent offers 4-year baccalaureate programs. These programs should be abolished to conform to the recommended University of Maine reorganization. This will provide estimated annual savings of \$106,100. (Legislative)

65. Consolidate Fort Kent's administration and programs with Northern Maine College of Community and Vocational Education.

Establishment of a College of Community and Vocational Education at Presque Isle has been previously proposed. Separate administration of a small educational institution at Fort Kent, only 65 miles distant from the college, is inefficient. Therefore, its administration and programs should be consolidated with Northern Maine College of Community and Vocational Education.

Implementation would result in annual savings of \$139,000 from the elimination of duplicate administrative personnel and associated services. Complete consolidation into one facility would result in additional savings of \$440,000 annually, but is not claimed. (Executive)

Maine Maritime Academy

This academy is an autonomous institution vested with an 11-member Board of Trustees. It grants BS degrees in marine engineering and nautical science and offers a program to qualify students for a merchant marine officer's license or a commission in the United States Naval or Coast Guard Reserve.

CURRENT PRACTICES

The academy is administered along military lines with the superintendent, appointed by the board, having the title of Rear Admiral. It is organized into the Divisions of Academic, Student Affairs, Administration, and Training. Staff level is 122 and student enrollment is 443. Expenditures in fiscal 1972 totaled \$2,335,000.

Academic, offering 147 courses, is organized into the Departments of Nautical Science, Marine Engi-

neering, Arts and Sciences, Naval Science, and Physical Education. Student Affairs conducts military aspects of the academy and is responsible for food service, health service, and residences. The student body is militarily structured as a regiment with two battalions each consisting of two companies. Meal planning, procurement, and supervision of food preparation are provided on a contracted basis. Training is accountable for maintaining the training ship and conducting practical instruction in ship-board operation in coordination with the Academic Division. Administrative consists of the Fiscal, Public Works, and Admissions sections, and the personnel officer. It also handles development planning and special projects. Fiscal has the responsibility for general accounting and budgetary control. The purchase of a computer for approximately \$50,000 is being considered to automate the ac-

counting operations and expand educational instruction in EDP applications.

EVALUATION

The academy is well-organized, flexible, and efficient. Its physical plant is sufficient to handle the planned expansion of 600 students with the exception of classroom space and some laboratory equipment. The high cost of purchasing a computer is not warranted. The Fiscal Section operates under procedures which should be improved.

RECOMMENDATIONS

1. Upgrade the present terminal facilities and do not purchase a computer.

The present computer terminal, which is connected to the University of Maine's central computer, is inadequate. Purchase of a computer is being considered to provide data processing capability for administrative purposes and expand the scope of student instruction. The estimated cost of the computer is \$50,000. Projected annual operating costs of \$50,000 would be incurred for peripheral equipment rental, programming, systems, and operating personnel.

By upgrading the present terminal to include a card reader and a printer and installing two keypunch machines, the necessary functional capability can be provided at an annual rental cost of \$12,000, plus a one-time installation charge of \$1,000. Addition of a keypunch operator would be necessary at an annual cost of \$5,700. Implementation would result in a \$50,000 one-time cost avoidance and a \$50,000 annual cost avoidance. (Executive)

2. Automate the accounting operation and implement a student information system.

Currently, all accounting functions are performed utilizing a bookkeeping machine. Student information records are compiled manually for individual file data.

By utilizing the upgraded terminal and the services of the University of Maine's Central Computer Services these operations can be automated. Benefits

to be obtained would be faster, more reliable management control information, as well as elimination of two clerks in Fiscal, and a secretary in Admissions for annual savings of \$17,300. The cost for computer operating time is estimated at \$9,000 per year. A one-time cost of \$8,000 would be incurred for conversion. With automation, the bookkeeping machine would no longer be required. (Executive)

3. Improve communications with the Computer and Data Processing Services group to keep abreast of available computer services and applications.

Many services and programs are available to users of the computer and data processing facilities of the University of Maine. Stronger communication ties relative to data processing and computer usage could open new avenues of terminal utilization in educational instruction and administration areas. As more applications are developed, the academy, can utilize these systems. (Executive)

4. Initiate better accounting practices.

The Fiscal Section is responsible for accounting and budgetary control, payroll, accounts payable operations, student billing, and purchasing. Checks are cosigned by the fiscal officer and the superintendent. Some personnel who process accounts are also responsible for posting to the ledger. Both practices represent poor internal control procedures. The check signing authority should be outside the section, and responsibilities realigned to improve fiscal practices. This will result in better control of accounting procedures. (Executive)

5. Improve supervision and training of personnel in the Fiscal Section.

Supervision and control of this section's activities should be strengthened. Discounts on invoices are not always taken and some sales tax is erroneously paid. Because individual positions are highly structured, the work of any temporarily absent employee cannot be readily performed by others. A training program should be instituted to broaden staff capabilities and achieve efficient backup in case of absence. (Executive)

Department of Health and Welfare

This department is comprised of the Bureaus of Social Welfare, Rehabilitation, Medical Care, Health, and Administration, as well as the Division of Comprehensive Health Planning, and the Office of Public Information and Education. The Commissioner is appointed by the Governor for a 3-year term.

CURRENT PRACTICES

The Department of Health and Welfare (DHW) employs 1,141 people in discharging its responsibilities for Maine's citizens. It expended \$33,948,184 in state and \$67,942,872 in federal funds in fiscal 1972, plus \$838,281 in fees and private grants.

Social Welfare is responsible for financial and social services to eligible applicants for state and federal public assistance programs. It also cooperates with public and private social welfare agencies throughout the state. Rehabilitation is accountable for alcoholism services, social security disability determinations, eye care and special services to the handicapped. Rehabilitation is aimed at enabling the handicapped to attain self-sufficiency.

Medical Care provides administrative and medical guidance for the Medicaid Program. These functions include medical and supplier payments, licensing and certification of facilities, and qualification of patients for medical care. Health is answerable for administrative and field functions of disease control, health engineering or sanitation, health care facility planning, public health laboratories, public health nurses, and various health-related licensing. Administration provides administrative, accounting, auditing, data processing, and personnel functions. This bureau also manages Research and Vital Statistics. Comprehensive Health Planning administers health planning activities and oversees the health aspects of the Federal Economic Stabilization Program. The division serves as a link between federal, state, regional, and local health agencies, plus the State Health Planning Council. The Office of Information and Education is responsible for explaining department services, a newsletter, news media liaison, and other public relations and educational activities.

EVALUATION

Liberalization of public assistance in the health and welfare area in the past 6 years has resulted in an approximate four-fold increase in case loads, disbursements to welfare recipients, physicians, health care facilities, and vendors. This has resulted in a paperwork explosion. For example, the case load of Aid to Families with Dependent Children (AFDC) jumped from 4,500 in 1967 to 20,000 in 1973.

In prior years, departmental emphasis was on medico/socio aspects with slight attention to effective administrative paperwork functions. Now, there is considerable overlapping of medical, social, and paperwork functions from bureau to bureau. Medico/socio oriented administrators and directors have not successfully adapted to efficient and effective accounting, auditing, and disbursement systems, or needed organizational realignments.

RECOMMENDATIONS

1. Initiate a schedule of preplanned regular meetings of bureau directors.

This department has experienced a four-fold growth in 6 years. Top-level staff meetings on policy, prob-

lems, future trends, and general information are held at infrequent intervals. Regularly scheduled staff meetings should be held. They should be planned as to length, subject matter, and the like to avoid trivial or irrelevant matters. Implementation will improve overall communications. (Executive)

2. Consolidate medical evaluation and qualification for Medicaid and Medicare.

Qualification or eligibility for medical services and supplies under Medicaid and Medicare are performed by several groups. For example, Medicaid for the totally and permanently disabled is supervised by the Medical Review Team, early social security retirement and accident-care disability by the Bureau of Rehabilitation, special medical services by Division of Specialized Medical Services, and certification for skilled nursing facility care by Division of Hospital Services.

Patient qualification or evaluation of a medical nature are performed in Augusta by reviewing medical information and social workers' reports. Various evaluation groups should be consolidated into a proposed Division of Medical Qualification. Grouping of certain activities of four different divisions into a single unit under a single administrator will eliminate duplication of common office functions. Consolidation should permit elimination of three clerks and a division supervisor for annual savings of \$27,000. Of this, the state will derive \$9,000 and the federal government \$18,000. (Executive)

3. Consolidate accounting and data processing operations.

The Bureaus of Social Welfare, Rehabilitation, Medical Care, and Health perform a certain amount of accounting, statistical, and research work from field data. Some of these functions are more germane to the Bureau of Administration. Such paperwork should be consolidated into that bureau wherever possible. (Executive)

4. Promote publication of the department's work in professional journals.

The department discourages publication of individual work in professional journals. This limits professional development. Adopting a controlled policy which promotes publication of the department's work would provide feedback, increase the level of professionalism among employees, and attract more qualified people. The policy should be controlled to prevent abuse. (Executive)

5. Relocate on-line electronic data processing terminals in a central area within each district office.

Terminals assigned to various functions are located within the respective units in each district office. They can all be used for the same function or are

interchangeable. Centrally located terminals will allow more efficient use. Overall utilization will be higher as operators can be pooled and work on more than one project during slack periods. Cost of relocation will be offset by the savings to be gained. (Executive)

6. Investigate the possibility of consolidating the central offices into one location.

The department is housed in six different areas in Augusta. This creates inefficiency of communications and operating functions. Consolidation into one location will improve efficiency and provide cost savings. Current rental for the five locations, outside of the state-owned central office, totals \$81,932 per year. The Augusta State Hospital should be considered as a possible location. (Executive)

Bureau of Social Welfare

This bureau is responsible for planning and administration of the financial assistance and social service programs. Financial assistance includes Aid to Families with Dependent Children (AFDC), and Aid to the Aged, Blind, and Disabled (AABD).

Of the \$60,416,980 expended in fiscal 1972, \$40,123,404 came from the federal government and the remainder from the state's general fund. Disregarding the \$8,146,681 expenditure for Social Services Programs, it cost \$3,595,273 to administer benefits totaling \$48,684,747. The bureau is implementing the new social service delivery system. It utilizes central office staff units for program development as well as policy planning and decentralized line operations through six regional offices.

The central office unit, consisting of 138 personnel, is divided into seven functional areas including the office of the director, which retains complete line authority. The six regional offices currently employ 516.

The bureau's current structure presents an advanced system for delivery of social services and benefits. Because it is a complete departure from traditional concepts of social welfare, inefficiencies appear to have been created.

The director and his unit managers are concerned about effectiveness. However, the high degree of specialization results in their moving in different and counterproductive directions.

RECOMMENDATIONS

7. Provide central office staff managers with authority over regional programs.

Under the current organization of the bureau, there is no system to provide regional program continuity.

Delegating authority and accountability for regional program content to the central office staff managers will provide uniformity in the regions. (Executive)

8. Develop career opportunities.

The current system allows for growth within given job areas, but there are no opportunities for growth from one job area to another. Development of a comprehensive career path will promote worker morale and increase the bureau's overall efficiency. (Executive)

9. Define the responsibility and accountability of Research Evaluation and Planning.

This unit is responsible for the design and analysis of the bureau's statistical data. However, no decision has been made as to what data are required by the director and the central staff units. Defining these will facilitate operations and prevent production of unnecessary information. (Executive)

10. Standardize data input for the Management Information Control System.

Input data for this system are coded by programmers in the six regional offices. Without exact criteria for input, many items are miscoded or not coded. Standardizing the input will produce more meaningful and comprehensive data covering the bureau's services. (Executive)

11. Reduce overpayment of welfare benefits.

Statistics from the bureau's Quality Control unit show the annual error in welfare assistance payments totals about \$2,037,000. Bureau errors account for \$1,020,000, nonfraud recipient errors amount to \$517,000, and possible frauds by recipients amount to \$500,000. Applying the error and fraud percentages presented by the Congressional Joint Economic Committee in their December 1972 report would double the figures. Based on this national study, welfare errors and fraud in Maine could amount to \$4-million annually.

If the assistance payments processing staff were increased to an adequate level, errors by the bureau and nonfraud recipients could be decreased by 75%. This would provide an annual saving of \$1,153,000 of which \$349,000 is state funded. It is estimated that 15 workers would be needed to produce the savings. However, a work measurement study should be conducted to determine the optimum staffing level. The cost for 15 workers is \$104,000 per year of which \$52,000 would represent state funds.

Since eligibility for Medicaid is dictated by the client's eligibility for welfare assistance, decreasing the percentage of ineligibles will reduce Medicaid payments. Based upon the error figures, there is a net case ineligibility of 3.1%. This means net annual

overpayments in Medicaid total almost \$1-million. Of this, approximately \$750,000 can be saved if the ineligibility error was improved by 75%. The state's portion would amount to about \$225,000 per year. (Executive)

12. Develop a communication system for timely distribution of policy and procedural changes to Social Welfare and Administration.

The current communication system creates two problems for the bureau. First, changes are not distributed with sufficient lead time for their implementation. Second, policy changes in income maintenance are not sent to the personnel in the Bureau of Administration who are charged with correcting computer input errors. Development of a standard communication system will make operations more effective and efficient. (Executive)

13. Develop a computerized controls system for the Support, Enforcement, and Location Unit (SELU).

This unit manages 5,200 cases involving paternal support for Aid to Families with Dependent Children clients. It receives over 300 referrals per month and handles them with a system which is almost totally manual. Consequently, there are no automatic controls to provide maximum effectiveness for the state's investment. Implementation of a computerized control system would augment effectiveness and increase the amount of money collected. (Executive)

14. Increase the amount of money collected from absent fathers by the Support Enforcement, and Location Unit.

This unit is responsible for enforcement of paternal support decrees in cases involving Aid to Families with Dependent Children recipients. As of February 1973, it had 5,200 cases, but action was taken on only 1,700. Expanding the investigative staff to 12 and the clerical staff to eight should result in increased collections totalling \$700,000. Costs to the state and federal government would be \$32,000 each. Increased collections will result in annual savings of \$228,000 for the state, \$42,000 for the federal government, and \$210,000 for local governments. (Executive)

15. Publicize the existence and operations of the Support, Enforcement, and Location Unit.

Lack of public knowledge of the Support, Enforcement, and Location Unit's operations makes it difficult for this agency to function effectively. Initiation and development of a comprehensive public relations program by Information and Education should increase operating effectiveness by stimulating voluntary compliance on the part of absent fathers. (Executive)

16. Publicize operations of the Fraud Investigation Division of the Department of Audit.

The general public has very limited knowledge of the existence and operations of this fraud unit. Publicizing its operations will increase voluntary compliance in accurately completing welfare applications and reduce the level of fraudulent payments. (Executive)

17. Centralize processing of categorical assistance such as aid to the aged, blind, disabled, and families with dependent children.

Assistance payments have been prepared in the regional offices with computer records processed on a batch basis in central headquarters. A system has been developed whereby data entry will be performed in the regional offices through on-line computer terminals. It appears this new system will be more costly and not have the benefit of central control. Centralizing the processing of categorical assistance programs should:

- ▶ Improve central control and standardization of procedures leading to increased efficiency.
- ▶ Increase effectiveness by allowing field personnel to concentrate upon investigations.
- ▶ Reduce cost of personnel and equipment. Some 22 terminals are proposed for the on-line system. This can be reduced to approximately 10 to provide annual savings of \$42,000. Savings in personnel of eight employees will amount to \$48,000.

Allocation of personnel must be determined according to the time study and work load standards. Overall savings of \$90,000 annually would be divided evenly between the state and federal governments. (Executive)

Bureau of Rehabilitation

This bureau initiates, administers, and maintains federal and state programs in the areas of social security disability determination, vocational rehabilitation, alcoholism, eye care, and special services.

The bureau, staffed by 140 employees, is grouped into five areas of responsibility. Administration and Control provides administrative and technical support. Monitoring and evaluating program operations, as well as training of program staff, is carried out at this level. Social Security Disability Determination is responsible for disability determination as provided by federal law. Applications are processed and a team of physicians and adjudicators make determinations of disability extent and amount of compensation. In fiscal 1972, it dispersed \$28-million in federal funds. Vocational Rehabilitation iden-

tifies, prepares, and returns disabled or handicapped persons to gainful employment. Eye Care services are offered to approximately 1,000 children and adults. The \$700,000 cost of services is provided by state and federal funds. Alcoholism services are provided to problem drinkers to foster their stability and productive employment. This service has expanded from an annual budget of \$4,500 in fiscal 1953 to a request of \$107,000 in state funds for fiscal 1974.

Total operating expenditures in fiscal 1972 amounted to \$3.3-million. Of this, \$800,000 represented state appropriations. About 90% of the people served by Vocational Rehabilitation eventually find gainful employment. Estimates indicate there are 35,000 people who are eligible for rehabilitation services. The effectiveness of Alcoholism Services is limited due to lack of money and manpower. An estimated 0.5% of the potential adult population cases are being served.

The functions provided by Eye Care and Special Services appear to be quite comprehensive and effective. However, there is a lack of information on the number of blind and visually impaired people in the state. There is no program for people over 70.

RECOMMENDATIONS

18. Transfer payroll, budget preparation and control as well as invoice processing to the Bureau of Administration.

These functions are performed in two different areas due to physical separation of facilities and tradition. There is a duplication of effort in terms of manpower and computer terminals. Accounting functions should be performed by the Bureau of Administration. Transferring the payroll, budget preparation, and control and invoice processing would accomplish this. Elimination of three accounting personnel and two terminals will yield savings of \$32,200 annually. (Executive)

19. Eliminate current and planned on-line terminals in district offices.

There are 11 on-line video terminals in place or scheduled to be installed in the various district offices. Additional terminals are assigned to other divisions in the same offices. The nature of rehabilitation work is such that cases progress at varying rates over a long period of time. The need to know current status is not acute and can be supplied by printed reports. Therefore, the current and planned terminals can be eliminated. When there is an immediate need for entry or retrieval, other terminals in the same building could be used when available. Implementation will provide annual savings of

about \$26,300. Of this, the state's share will be \$7,900 and that of the federal government, \$18,400. (Executive)

20. Institute a program to hire blind and visually impaired individuals.

Overall success of various training and rehabilitation programs for the blind and visually impaired depends on their accessibility to employment. Various state departments have not been leaders in employing such people. A well-defined program is necessary to identify job openings and convince officials that blind and visually impaired persons can be an asset. (Executive)

Bureau of Medical Care

This bureau manages the Medicaid Program for welfare recipients. Its responsibilities include verification of medical and drug payments to vendors; certification of institutional facilities; and specialized medical procedures in child, mother, and eye care programs. The Bureau of Medical Care (BMC), with 47 employees, provides administrative and medical guidance to Medicaid. It is not involved with patients. BMC expended \$11,208,112 in state and \$24,296,700 in federal funds in fiscal 1972. It operates four units and a fifth, Medical Utilization, is pending appropriation of matching state funds.

Medical Assistance administers the state program for public assistance recipients on Medicaid. Those eligible are determined and certified by the Bureau of Social Welfare. Medical Review determines eligibility of welfare recipients for Aid to the Totally and Permanently Disabled, and provides educational or consultative services to social welfare staffs. Hospital Services directs licensing, inspection, certification, and staff training in approximately 40 hospitals, 200 nursing, and 400 boarding homes. Special Medical Services handles crippled children, pre- and post-natal problems, and medical eye care of an unusual nature.

The bureau's present functions and the proposed additional function have little in common other than being tied to Medicaid. A significant degree of overlapping in administrative functions exists, resulting in duplication of effort in the state/federal health field.

RECOMMENDATIONS

21. Consolidate bills or claims for drug prescriptions under Medicaid on a suitable multiple item form and audit them.

In fiscal 1972, the bureau received 491,522 bills totaling \$2,140,767 for individual prescriptions for public assistance recipients. Each is computer-

audited for requirements including eligibility, price, and quantity. In May, 1973, requests for prescription payments were received at a rate of 1-million annually on three-part optical scanner type forms. Handling, sorting, and processing costs of over 3,000 prescription forms a day for small payments is excessive. Costs in the first quarter of 1973 were \$0.28 each, plus check writing and mailing charges.

In place of these forms, druggists should be supplied with one designed for computer input which allows several items to be entered and summarized on a single form. To verify pricing, client, and the like, a random statistical sampling procedure should be used for item auditing through the computer audit program.

A consolidated billing form and random auditing of these forms will phase out five clerks in bill handling and preparation. Reduction in mailing and form costs and elimination of the rented optical scanner system will provide further savings. Total annual savings are estimated at \$162,900. Of this, \$71,700 will accrue to the state. (Executive)

22. Institute a statistical audit system sample for payments of Medicaid bills.

In 1972, Medicaid payments for professionals, supplies, and out-patient hospital services totaled \$5,-940,326 for 352,537 bills. Processing and auditing costs are approximately \$0.57 each. By May 1973, these bills had increased to a rate of 440,000 per year at an estimated cost of \$250,000 for processing and auditing.

A statistical sample audit system, as used by private industry and the Internal Revenue Service, would reduce processing and auditing costs for routine services and supplies. An acceptable audit system should reduce bill processing costs by at least 15% and provide annual savings of \$37,500. Of this, the state would accrue \$15,400. (Executive)

23. Reduce vendor handling fees for welfare client drug prescriptions to cover costs.

Each drug prescription for welfare recipients is billed at the National Code Book price plus a fee of \$2. During 1972, some 491,522 drug bills — the current rate will amount to in excess of 1-million in 1973 — averaged \$2.36 each plus the fee. Federal guidelines on such fees range from \$1.75 to \$2.50.

Contingent upon handling drug bills on a multiple item form, the fee should be reduced to \$1.90. This \$0.10 reduction at the current prescription level will save \$100,000 annually. Drugstores will realize a saving in handling and mailing costs. This should make the fee reduction acceptable. The state's share of the savings will amount to \$44,000. (Executive)

24. Eliminate the backlog of unpaid bills.

Inadequate funding for the state's share of costs for drugs and services under Medicaid has resulted in an unpaid bill backlog of approximately \$4-million to druggists, physicians, hospitals, and so on. The primary reason for the lack of funds is the rapidly expanding case load. State and federal fund expenditures in the past 6 years, are estimated to cost \$36-million for fiscal 1973. The state's share of this cost is roughly 33%.

Funds should be appropriated to keep accounts current. Implementation will require a one-time expenditure of approximately \$1.3-million to eliminate the state's portion of the debt. The federal portion, approximately \$2.6-million, will be paid as soon as the state meets its obligation. (Legislative)

25. Eliminate the bureau and distribute its functions within the department.

Major functions of this bureau are administrative. Most disbursements are based on standardized or contracted prices and are, or can be verified and paid by computer.

A report entitled Medicaid Management Information System Study indicates the present system needs a complete overhaul to provide control of expenditures. The bureau should be phased out, accounting functions transferred to the Bureau of Administration and medical functions moved to the Bureaus of Health and Rehabilitation for greater effectiveness. (Legislative)

26. Institute a fee system for hospital, nursing home, and boarding home licenses.

Hospital, nursing, and boarding homes are licensed by the Bureau of Medical Care on an annual basis. Those institutions having Medicaid patients must be licensed as well as certified. In fiscal 1972, licensing and certification costs were \$90,393, and fees collected amounted to \$5,255. An equitable fee system should be initiated to defray costs. Implementation will generate an income of approximately \$85,000 a year. (Legislative)

Bureau of Health

This bureau, with a staff of 183, is charged with reducing the use of health facilities through the application of preventive medicine. Services are provided by the Divisions of Disease Control, Public Health Laboratory, Public Health Nursing, Health Engineering, and Health Facilities.

Disease Control administers preventive programs related to tuberculosis, venereal disease, cancer, immunization, genetic disease, dental health, family planning, and lead poisoning. Public Health Lab-

oratory supports activities of communicable disease control as well as other programs in cooperation with private physicians, hospitals, and intradepartmental divisions. Public Health Nursing provides nursing services to people in areas where local or regional facilities are not available. Health Engineering supervises control of public water supplies and plumbing installations, evaluates samples from public and private water supplies as well as inspects and licenses public eating and lodging places, school lunch programs, tent and trailer areas, mobile home parks, swimming pools, and public bathing areas. Health Facilities serves various areas of emergency medical service and health facilities planning as well as construction.

Over the years, the bureau has shifted emphasis from providing service and advice in health matters to licensing, regulating, and protecting consumers. Management is trying to reverse this trend. However, the bureau needs effective means to implement guidelines, policies, and rules.

The Public Health Laboratory is efficiently run but its current fee schedule is not uniform. The management of Public Health Nursing suffers from a lack of delegated responsibilities. A majority of the inspections performed by Health Engineering do not concentrate on health problems, but rather strict adherence to the law. Environmental concerns have led to duplicate functions, confusion over areas of concern, and conflicts.

RECOMMENDATIONS

27. Increase the fee charged for testing private water samples from \$2 to \$9.

The Public Health Laboratory tests water supply samples for public facilities and private individuals. Its fee of \$9 per test to public facilities covers costs. However, the fee charged to individuals for identical tests of about 20,000 private samples is \$2 each. Raising the latter fee to \$9 will generate an annual income of \$140,000. (Executive)

28. Charge a fee to cover laboratory test costs.

The Public Health Laboratory performs approximately 90,000 free tests per year. A cost schedule has been established for the various tests. Appropriate fees, based on this schedule would provide an annual income of \$133,000. (Executive)

29. Merge certain dedicated fund accounts into the general fund.

The following funds transfers should be accomplished to improve accounting and budgeting practices within the bureau:

- Transfer the balance in account 4301.1 to the general fund. Closing out this account will al-

low separation of two unrelated activities and provide a one-time funds transfer of about \$78,500.

- Turn over the Public Health Laboratory account 1750 to the general fund. Fees derived from testing public water supplies are included with those acquired from licensing eating and lodging places. Separating the two activities will allow dedicated revenues to be used for one specific activity, and provide a one-time funds transfer of \$13,000.
- Shift the Public Health Laboratory account 1740 to the general fund. There are two types of generated funds. Separating the two will allow dedicated revenues to be used for one specific activity and the remaining revenue turned over to the general fund.
- Move the balance in account 4126.1 to the general fund. The money in this account represents fees paid to the state for prophylactic licenses. Shifting it will clear out the account and provide a one-time funds transfer of about \$5,900.
- Deposit the balance in the 4305.1 account into the general fund. The money in this account represents fees paid for permits to install plumbing. The accumulated balance is about \$104,700. Its transfer would provide a one-time funds transfer of that amount. (Legislative)

30. Eliminate the requirement for a license to sell prophylactic rubber goods.

Fees generated from sale of these licenses amount to less than \$500 annually. Services are not rendered and no inspections or controls are performed. Elimination of the requirement for a license will rectify the situation and remove an obsolete function from the bureau. (Legislative)

31. Eliminate the positions of five dental hygienists and a clerk-typist in the Division of Dental Health.

Dental hygienists were used in the past to apply fluoride treatments to children in rural areas as well as impart general dental knowledge to schools and other public agencies. The professional and the support-clerk positions have been vacant for over a year and should be eliminated. Implementation will provide an annual cost avoidance of approximately \$46,700. (Executive)

32. Fill the positions of Director of the Division of Disease Control and Director of the Division of Health Resources.

The Director of the Bureau of Health has 11 program directors, three division directors, and two staff assistants reporting to him. This situation ex-

ists because of the tendency to try to find the right man to fill a vacancy rather than structure the job so it can be filled by a capable administrator. Due to the number of persons reporting to him, control is lost. As a result, it has become difficult to measure the value and effectiveness of individual programs.

Filling the two vacant positions with administrative-management type personnel would relieve the director of unnecessary duties and allow him more time for overall management. (Executive)

33. Establish a graduated fee schedule for license and inspection of eating and lodging facilities.

The fee for licensing and inspecting eating and lodging facilities is \$15. No provisions are made for variations in size or complexity. As a result, the smaller operator is paying for part of the cost of inspecting the larger establishment. A graduated fee schedule would make surveys equitable with costs incurred and allow for comprehensive scheduling. (Executive)

34. Develop a plan for recording, maintaining, and using vital health and statistical data.

There is a lack of available and/or meaningful data to make reasonable decisions concerning the health needs of the public. A systematic, multiphase program should be implemented. It would identify present sources, publish an index, investigate current and future needs, design a data processing system, review, evaluate, integrate outside sources of data, and review on a timely basis. (Executive)

35. Compile and publish an index of available health data.

The lack of available health information for planning purposes prompted the bureau to conduct a survey of sources and types of data collected by various agencies and departments. Results of this study should be put together in the form of a cross-reference index and published. Minor costs involved would be more than offset by elimination of duplicate collection activities. (Executive)

36. Maximize the use of vital statistics.

Statistics on births, deaths, marriages, and divorces are maintained for reporting purposes as stipulated by the federal government. The Bureau of State Police, Motor Vehicle Division, Maine State Retirement System, Unemployment Compensation, and Workmen's Compensation are areas which need such information. Computer tapes contain the necessary information to produce meaningful accounts. Every effort should be made by this bureau to supply current data to interested parties and new reports where the need and cost can be justified. (Executive)

37. Design a data processing system to collect health data which provides effective control of current and future needs.

Health expenses in Maine are running over \$280-million per year. The need for data is most felt in the fields of disease prevention, identification, and treatment. Although statistics are available in some areas, the time and cost required to put them together is prohibitive. Developing an effective and timely system would allow questions to be asked, problem areas identified, and corrective action taken. Estimates of savings would more than justify the possible expensive cost. (Executive)

38. Reorganize and consolidate health planning.

The department has a number of different areas involved in health planning which creates a duplication of effort. It has been recommended elsewhere that Comprehensive Health Planning and Medical Care be transferred to the Bureau of Health. If these proposals are implemented, health planning services will be provided more effectively. Annual savings of \$18,200 will be realized through the elimination of a director. The state will derive \$9,100 of this benefit. (Executive)

39. Consolidate various information and education functions of the bureau into a single unit.

The information and education aspects of various programs are not fully effective due to diversification of effort and lack of control. Health related informational activities should be combined into a single unit either working directly with the Office of Information and Education or under its control. The benefit would be better utilization of people, more control, and reduction in highly paid, part-time, and professional personnel. Implementation will provide an annual saving of \$23,000 by eliminating the part-time Directors of Dental Health and Cancer Control. (Executive)

Bureau of Administration

This bureau provides services in the areas of budget, accounting, audit, data processing, statistical, personnel, and general business functions. It also maintains vital statistics such as recording births, deaths, marriages, and divorces. Staffed by 138 employees, the bureau expended \$1,327,327 during fiscal 1972. It is divided into six areas of responsibility. Budget Preparation and Control provides consulting service, coordinates the biennial budget, prepares budget work programs, and manages the internal budget system. Accounting and Audit maintains accounting records of expenditures and prepares fiscal reports, as well as other documents prior to payment. Data Processing prepares systems analyses, maintains

computer programs, and operates data-entry equipment. Statistical Services analyzes data, provides population estimates, and operates the vital statistics program. Personnel Services maintains personnel records, payrolls, and leave records. General Business Services provides services in the areas of office design, space leasing, property management, and other functions.

Overall management appears to be concentrating on budget and funding activities. As a result, the bureau receives less supervision than it requires. Future planning should receive more consideration. There is a duplication of accounting activity. Also, there is a \$4,267,015 backlog of medical payments. Of this, \$1,450,000 requires a state appropriation.

Vital Statistics maintains comprehensive files for citizens of the state. Research spends a great deal of time filling out federal forms. Office Services performs functions which are duplicated in other areas. The inventory control of capital equipment appears to be repeating some functions of the Bureau of Public Improvements. Personnel Services spends the bulk of its effort maintaining manual records for all employees. Data Processing has a large staff which seems to be more than adequate to perform the necessary functions. However, outside consultants are being used extensively while bureau personnel are relegated to low priority projects.

RECOMMENDATIONS

40. Eliminate the use of cathode ray tube terminals as an input for recording data.

These terminals are used from 12 to 14 hours a day to record administrative purchases and other entries. The time involved is estimated to be identical to the manual system. This activity should be turned over to Data Processing for entry on the key disk machine. Elimination of the need for one terminal would result in annual savings of \$3,000. The clerical staff could also be reduced by one and result in a saving of \$5,500 per year. (Executive)

41. Establish a 90-day deadline for accounts due from medical vendors.

The state is recouping over \$250,000 annually from medical care vendors as a result of a newly instituted auditing unit. There is, however, no payment deadline for these accounts. Consequently, this unit is carrying a backlog of \$250,000 which is more than 12-months overdue. Instituting a 90-day collection deadline will provide an income of about \$11,200 annually when invested at 6%. (Executive)

42. Review job classifications.

Job classifications for the internal audit unit require auditors be hired in accountant positions. This prac-

tice creates a classification discrepancy between these auditors and others within the state system and makes it difficult to obtain qualified personnel. Reviewing the job classifications, making appropriate adjustments, will allow this unit to function more effectively. (Executive)

43. Convert the remaining tabulating jobs to be processed on the central computer.

An average of approximately 25 different jobs are run on leased tabulating equipment. Some require computer time as the input is on tape and must be punched into cards before it can be used. These activities can be processed on the central computer using a software utility program. The leased equipment could be returned and two equipment operators phased out. The one-time conversion cost is approximately \$2,000. Annual savings, through the release of leased equipment and operators, would amount to \$24,000. The increased computer costs would total about \$7,000 per year. (Executive)

44. Eliminate the truck used by Data Processing.

This truck is used only to transport computer printouts and tapes for a distance of 300 yards. There is no need for this wasteful use of a vehicle. If printouts are too large or heavy, they can be delivered by either Central Mail Service or the department's other truck. Also, tapes can be stored at the mail service or delivered through these means. Annual savings of \$600, based on 25% of the truck's cost plus gasoline and insurance, should be attained. (Executive)

45. Reduce the technical staff of Data Processing by five positions.

During the past 4 years, the technical staff of Data Processing has increased more than 100%. In that period, 63% of its work has been performed by outside consultants. Planned activities continue this same ratio of heavy dependence on the consultants. This complement of 13 maintains seven major systems consisting of approximately 180 programs or an average work load of 14 per employee. Comparable industry figures indicate 50 programs per person is more realistic. Reducing the staff to eight will bring the unit in line with accepted industrial standards. Savings of \$60,000 annually are anticipated. (Executive)

46. Establish a quality control function.

There are no standards for program design, writing, and documentation in Data Processing. Furthermore, there is no mechanism to review the quality of work performed. Past and present conversion efforts, as well as ongoing maintenance, have been hampered by this fact.

Development of sound and uniform performance, documentation and programming standards, as well

as periodic review of and enforcement of these standards would minimize future maintenance problems. More realistic goals could be set, and, if further conversions are undertaken, they would be accomplished faster and at less expense. (Executive)

47. Transfer the bulk of mail and messenger functions to Central Mail Service.

Picking up, sorting, and delivery of mail on a daily basis requires the full-time services of an employee and 50% of the time of another four. Mail and messages are delivered three times a day to various department locations in Augusta. A truck is used to distribute the mail. Transferring these functions would reduce overall clerical needs of the bureau. Elimination of one employee would provide an annual saving of \$4,900. (Executive)

48. Purge and destroy closed case folders in the district offices.

Closed case folders are sent to the central file for purging and destruction. Some have been closed for as long as 5 years. However, duplicate files are maintained in an active status in the central files. Such retention uses needed space. To alleviate this, lists of closed cases and the original application form for each should be sent from the field every year. The balance should be destroyed. As a result, central files will be purged on a regular and timely basis. (Executive)

49. Eliminate the social service index file.

The current file consists of approximately 400,000 index cards stored in three electric rotary files. Because of the new central computer file, the need for a manual system has been largely eliminated. These cards should be microfilmed and stored in the Maine State Archives. The three rotary files should be sold. Income from their sale should more than offset the cost of microfilming. (Executive)

50. Produce a copy of the monthly register of public assistance clients.

General Assistance personnel call the central file area to obtain information from their copy of the register. These calls are bunched together and cause a peak load situation in the file room. Producing an extra copy of the report for General Assistance would eliminate the need for telephone calls and relieve personnel looking for data. (Executive)

51. Eliminate the food stamp file.

Food stamp program files occupy approximately 100 square feet of office space. They are seldom used, and duplicate information is retained in the district offices. These files could be eliminated to free space as well as save the time involved in maintaining them. (Executive)

52. Reduce the clerical force in the central file area.

Implementation of four prior suggestions, as well as general reduction of inquiries due to increasing use of the client master file, will allow the work force to be reduced from seven to four. Annual savings in personnel costs will amount to about \$16,500. Space savings would be 475 square feet. (Executive)

53. Improve control over capital assets.

Capital assets, with a total cost value of over \$1.6-million, are recorded on a card inventory system. There is no permanent identification on the equipment to identify it as state property. The department should adopt the Computerized Capital Asset Accounting System (CAAS) being used by the Augusta State Hospital. All equipment should be tagged with a permanent label, containing a serial number. Each agency head should verify and be responsible for the equipment in his department.

After the system is implemented, which could be accomplished by present employees, a clerk could be eliminated. Improved control will result in savings of \$21,000 per year in labor and reduced pilferage. (Executive)

54. Relocate two multilith machines so they may be operated by one individual.

There are two separate multilith machines in the same area of the Division of Office Services. They are situated in such a manner that they require two operators. Each is utilized approximately 80% of available time. Relocating the machines side by side would enable one person to operate both units simultaneously. Implementation would eliminate an operator and provide annual savings of \$6,900. (Executive)

55. Charge a fee to cover costs of producing and distributing the vital statistics report.

This annual report is produced almost entirely by the computer. It is then reduced by a copy machine, printed, and distributed free of charge. About 1,000 copies are published in an average year for \$1,200, which includes preparation and postage. To absorb these expenses, a fee which equals the cost of production and dissemination should be charged. This will recover the costs incurred and provide an annual income of \$1,200. (Executive)

56. Charge a fee to cover costs of preparing plastic coated identification cards.

The need for a verification of birth for school registration results in Vital Records preparing a special plastic coated form. Approximately 1,100 of these cards are issued annually at no charge. Although no specific costs have been determined, it takes about

half as much work as preparation of a regular certification. The charge for a regular certificate is \$2. Imposing a fee of \$1 will recover most, if not all, of the cost of the plastic coating and provide an annual income of \$1,100. (Executive)

Comprehensive Health Planning Services

This function was developed as a result of federal law which created the Partnership for Health Planning Program between federal and state governments. Through it, the State Comprehensive Health Planning Agency (CHP) is charged with providing coordination of health planning for services, facilities, and manpower at state, regional, and local levels.

Comprehensive health planning is divided into the CHP and regional agencies which operate independently. The several levels work closely together since the regional units must have approval from CHP for their existence.

The regional agencies receive no state funds. However, they may be employed on a subcontracting or consulting basis by CHP. They obtain revenues from local private contributions which are matched by the federal government.

CHP is funded by state and federal money. The state appropriated \$27,200 for fiscal 1973. The federal government's portion for fiscal 1973 is \$76,000. This agency is assisted in its statewide operations by a 52-member Advisory Council appointed by the Governor. They serve on a voluntary basis and are reimbursed for travel expenses. It has no direct regulatory authority over health care in Maine. However, any change in hospitals, nursing homes, or health maintenance organizations, which will result in the expenditure of \$100,000 or more, must have CHP approval. If not, the unit making the change may not receive federal funds.

The staff consists of the director and one secretary. Three health planner positions are currently vacant. Key issues to staffing have been job classifications and pay levels. There is an apparent discrepancy between expertise requirements for health planners and current compensation levels. Too much of the agency's time and efforts have been expended in meetings with the Department of Personnel discussing salary levels. As a result of vacancies, appropriations are used for supplemental funding of subcontracts with regional agencies.

CHP lacks a definite plan and a system of accountability. However, as it develops and reaches its

approved staffing level, this agency could be utilized to plan and coordinate health related functions for the state.

RECOMMENDATIONS

57. Transfer the State Comprehensive Health Planning Agency to the Bureau of Health.

There is a duplication of health planning efforts on the part of the Bureau of Health and the State Comprehensive Health Planning Agency. Placing it under this bureau will curtail repetition of effort and provide the state with an effective health planning unit. Implementation will eliminate two health planners and a clerk-steno to provide annual savings of \$32,000. An additional saving of \$3,000 will accrue by disposing of office space. Savings to the state and federal government will amount to \$17,500 each. (Executive)

58. Discontinue general disbursement of excess State Comprehensive Health Planning Agency funds to regional agencies.

Under the current system, this agency is on a fixed annual allotment of state and federal funds which must be spent for health planning. When expenses are less than annual funding, unused monies are disbursed to the regional agencies. With the proposed move of the State Comprehensive Health Planning Agency, these excesses can be utilized by the Bureau of Health to fund existing programs. Based on current budget projections, annual savings will amount to \$20,000, of which 50% is federal and 50% state. (Executive)

Public Information and Education

This unit develops informational systems for the five bureaus of the Department of Health and Welfare, and organizes public dissemination of these data for maximum effectiveness. It functions as the centralized public education unit for the Department of Health and Welfare and interacts directly with the general public and the news media.

This office has nine full-time and one part-time employees. Its staff is comprised of a radio and television specialist, information writer, health education specialist, library assistant, two secretaries, three publicity representatives, as well as a publicity representative II, who is the director. The three publicity representatives are located in district offices at Augusta, Lewiston, and Bangor. The director covers the Portland office one day each week.

Expenditures for fiscal 1972 totaled \$106,792. Of this amount, \$12,478 was provided by federal grants, and approximately 40% of the remainder was paid

by the federal government under the indirect cost allocation system.

Although the unit functions as public relations liaison for the department, it does not have control over all educational materials and information presented to the public. It is utilized by various bureaus on a discretionary basis. Frequently, their independent action produces counterproductive results. This problem is compounded because there is no cost justification for production and distribution of publications. Although the unit has made some significant contributions to the department, its effectiveness could be improved.

RECOMMENDATIONS

59. Staff the position of director with an experienced administrator.

The unit appears to be inadequately staffed to provide administrative coordination and guidance necessary to provide public information services. As a result, outside consultants have been required to supplement the staff. Providing the unit with a director who is an experienced administrator capable of coordinating all of the public information activities will eliminate the situation. This will allow it to handle departmental public information activities internally. (Executive)

60. Cancel the professional services contract.

The unit pays a \$25,000 fee annually to a firm for professional consulting services. This fee will be unnecessary if the previous recommendation is implemented. The state will save \$15,000 a year and the federal government \$10,000. (Executive)

61. Route all public communications and program publications through this unit.

There is no central control over public education data. Each bureau may operate independently in developing material. In the past, such distribution has necessitated additional information to clarify the initial intent. Rules should be established and enforced which require public communications and publications to be funneled through this office. Implementation will prevent future duplications of effort. (Executive)

62. Develop a comprehensive public education program for each bureau.

Currently, this unit functions on a project-by-project basis with no comprehensive public education program for each bureau. Lack of a plan causes them to operate independently because of necessity. Development of an annual public education program for each bureau will eliminate duplicated and fragmented efforts. (Executive)

Department of Indian Affairs

This department has responsibility for general supervision over Indian tribal reservations. With the exception of education, it is engaged in all areas of municipal government.

CURRENT PRACTICES

By statute, primary program attention of the department is directed to Passamaquoddy and Penobscot tribal members residing on their reservations. Aid to Indians residing off the reservation may only be provided if the department relocates them where general assistance services are available.

The department is administered by the Commissioner. There is a field office which serves the Indians on the Penobscot Reservation. Another field office, located in Calais, serves the Princeton and Pleasant Point Reservations. It provides:

- General assistance to the indigent through provision of food, clothing, fuel, and health care.
- Reservation facilities such as public utilities, roads, grounds, police, and fire protection.
- Cultural and recreational programs.

- Educational and employment opportunities in conjunction with state and federal agencies.

Expenditures for fiscal 1972 amounted to \$411,504. Of this, 65.5% was dispensed on general assistance and health services to the indigent. About 20% was expended for office administration with the remaining 14.5% spent for other services. Recently, the department received a \$60,000 federal grant to upgrade law enforcement services on the reservations. It also oversees the Maine Indian Alcoholism Field Survey, which had federal funds of \$36,157 for use over a 12-month period. In addition, the state has created a housing authority to serve each reservation. Each consists of five members appointed by the tribal governor. Expenditures for fiscal 1972 were \$37,023 for all three reservations. The Passamaquoddy tribe is receiving a \$2.5-million housing grant from HUD in fiscal 1972. Currently, the tribes have a \$3-million law suit against the state.

EVALUATION

The department has operated primarily as a social welfare unit for the reservation Indian population.

There is an apparent duplication of effort in that this department provides some services which could be channeled through the Department of Health and Welfare. Budgetary restraints have caused the department to maintain a level of subsistence in benefits and programs. It should have expertise and funds to initiate developmental programs which could result in placing the reservations on a self-sustaining basis. Also, the department has started to assist the tribes in seeking available federal funds.

Department of Mental Health and Corrections

This department provides custody, treatment, care, and rehabilitation services to patients and inmates of mental hospitals and correctional facilities.

CURRENT PRACTICES

The department, consisting of 2,736 employees, is under the supervision of the Commissioner. Its general fund appropriation for fiscal 1972 amounted to \$25,488,716 which provided services to an average of 3,686 patients and inmates. It is divided into the Commissioner's Office, the Bureaus of Mental Health, Mental Retardation, and Corrections, as well as an administration section.

Mental Health's primary functions are to plan, develop, and promote mental health programs within the institutions of the department. Mental Retardation is responsible for the direction of mental retardation programs as well as planning, promotion, coordination, and development of an integrated statewide program for the mentally retarded. Corrections is responsible for programs in correction facilities and the Division of Probation and Parole.

EVALUATION

The department's approach from custodial care to wards rehabilitation and treatment has caused many administrative and public relations questions. Consequently, the department has been meeting its obligations on a day-to-day basis. There seems to be a lack of uniform policy implementation among the various institutions. For example, many administrative systems are used to good advantage at the Augusta State Hospital which are more efficient than those employed by other institutions.

RECOMMENDATIONS

1. Increase rental charges for housing units.

The department's policy regarding charges to employees who live in state-owned housing units is not

RECOMMENDATION

1. Eliminate the deputy commissioner and create a staff position.

The duties of the deputy duplicate those of the Commissioner. This new position's main duties should be to research federal programs and coordinate activities with the Department of Health and Welfare. Elimination of the deputy would provide an annual saving of \$13,200. The new employee would cost \$8,300 annually. (Executive)

adequate. It has created a noncompetitive source of housing within communities where they are located. This also causes an inequity between employees who live in state housing and those having to pay the current open-market rate. To alleviate this, housing charges should be increased. The benefit to the state is conservatively estimated as providing an annual income of \$5,400. (Executive)

2. Refrain from classifying nondirect-care employees as direct personnel.

Many cases were observed where employees with direct-care classifications are performing work requirements of nondirect-care personnel. This results in employees being paid for one function while performing another. To correct this, day-to-day functions should be evaluated. As many employees as necessary should be classified so job title of each reflects the functions performed. The benefit would be better control over authorized positions versus functions performed. Implementation would ensure that all personnel receive the appropriate salary. (Executive)

3. Transfer the balance of the Mental Health Improvement Fund to the general fund.

This fund has built up a balance of about \$1,239,300 since its inception. These monies are not available for general purposes. Dedication of these funds should be removed. The balance would then be available to fund the current budget. Implementation will provide a one-time funds transfer of \$1,239,300. (Legislative)

4. Repeal the law requiring payments to hospitals be dedicated for care of those qualifying for aid to the aged, blind, or disabled.

At present, such payments are dedicated revenue. Of these, 50% goes to health and welfare. The balance is used for improvement of mental health programs. Freeing of these funds would subject future programs to normal budgetary process and approval

of the Legislature. Since inception, the fund has grown to \$1,239,300. This represents an average excess of income over expenditures of \$200,000 per year. (Legislative)

5. Determine the course of action regarding laundry services.

During 1966, a survey of laundry and linen services was conducted by a consulting firm. This resulted in a master plan. Since that time, little action has been taken toward any changes. Only emergency maintenance is performed and general condition of equipment is deteriorating rapidly. A long-range plan should be made by department administrators regarding the laundry services and steps taken to carry out the suggested changes. Implementation would enable the hospitals and correctional institutions to better plan and budget its expenditures and establish a preventive maintenance program on the equipment which is to be retained. (Executive)

6. Establish a policy to control acquisition and maintenance of surplus vehicles.

There is apparently no departmental policy regarding the use of surplus and excess vehicles. Many institutions have acquired surplus vehicles at no cost which require considerable maintenance. Implementation of a policy which would require cost justification for each unit obtained and repaired would prevent spending maintenance funds on equipment which might not be effectively utilized. (Executive)

7. Abolish the unfilled position of coordinator of youth activities.

A statute deals with youth community functions and authorizes appointment of a coordinator of youth activities. This position, related to coordinating efforts to reduce juvenile delinquency, is unfilled, and is duplicated within the Department of Manpower Affairs. It should be eliminated. (Legislative)

8. Provide page totals on payrolls.

A copy of each week's payroll is used by various departments as input for the following week's compensation after it is updated for changes in hours, rates, and deductions. The gross pay and deduction columns, after updating, are added and proof totals are furnished to the computer along with input sheets. In institutions, where there may be 600 or more employees, this addition takes several hours a week. The problem can be solved by revising the payroll program to provide page totals. (Executive)

Hospital Facilities

Care and treatment for the mentally ill, retarded, and emotionally disturbed within the state is accommodated by the Augusta State Hospital, the

Bangor State Hospital, the Pineland Hospital and Training Center, the Levinson Development Center, and the Aroostook Mental Retardation Facilities.

These five institutions are under the Commissioner of Mental Health and Corrections. Reporting to him is the Director of Mental Health who is responsible for the Augusta and Bangor State Hospitals as well as the Director of Mental Retardation who supervises the Pineland Hospital and Training Center, the Levinson Development Center, and the Aroostook Mental Retardation Facilities.

For fiscal 1972, Augusta State Hospital had general fund expenditures of \$7,076,810 with 782 employees. Its average resident population of 1,232, provided a resident/employee ratio of about 1.5 to 1. Recoveries for care and treatment amounted to \$1,185,433.

Bangor State Hospital, during fiscal 1972, had a general fund expenditure of \$4,440,650 and 585 employees. This compares with a budget of \$2,167,128 and 395 employees for fiscal 1963 and \$2,750,530 with 450 employees in fiscal 1967. During this period, the patient population declined from some 1,100 to 600. Average resident population was 712, for a resident/employee ratio of 1.3 to 1. In fiscal 1972, recoveries for charges to patients amounted to \$536,098.

The Bangor State Hospital is under the supervision of a superintendent who is a psychologist. Its table of organization provides for a Chief of Hospital Service, but the position is not filled. The team approach is being instituted in the wards, with each having an administrator who is a psychologist. There are five medical doctors on the staff. Emphasis is on behavior modification rather than medical and custodial treatment of patients. A new building has been authorized which will provide for centralizing the carpenter shop, plumbing, masonry, painting, auto repair, and maintenance of grounds facilities.

The Pineland Hospital and Training Center in fiscal 1972 had 634 permanent positions with salaries of \$4,655,273. An additional \$132,360 was paid to employees under various federal grants. Its operating cost for fiscal 1972 was \$6,225,799 of which \$5,405,356 was funded by the state. During the year, the average resident population was 747. This provided a resident/employee ratio of close to 1.2 to 1. Functions provided at Pineland are divided into the major areas of services for mentally retarded and emotionally disturbed children. Services for emotionally disturbed youth are furnished within the Children's Psychiatric Hospital (CPH) which has approximately 50 children between the ages of 6 and 16.

The Aroostook Mental Retardation Facilities were not operational during fiscal 1972. Fiscal 1974 budget

requests an appropriation of \$87,992 to serve 20 children, with a staff of eight.

The Levinson Development Center had total expenditures of \$410,215 for fiscal 1972. The average resident population and employee count was 28 and 38, respectively. It was partially operative, having opened in September 1971. On a fully operational basis average, the resident population should be 56 with 71 employees. Food, laundry services, and grounds maintenance are provided by the Bangor State Hospital.

The concept of care in mental hospitals has undergone a drastic change in the last few years. Emphasis has shifted from custodial to treatment and rehabilitation, and returning patients as soon as possible to their communities. Consequently, the patient population at the Bangor, Augusta, and Pine-land facilities has dropped by more than 50%. As a result, the organizations are in a state of flux and new interrelationships have not been solidified.

As budgets are normally based on the previous year's expenditures, they do not appear to be realistic in terms of present operations. There is a tendency for each department to spend all available funds rather than to let appropriations lapse. Efficiency is being lost by not making further use of the central computer. However, progress has been made in this area, an example being the capital asset accounting system at Augusta State Hospital. There is underutilization of land and buildings due to the reduced patient population and termination of the farming operations.

Services are being performed by state employees which could be obtained on a contract basis. These include accounting for patients' funds, operation of the canteen, painting, masonry repairs, sewing, automotive repairs, and the like. The accounting system, however, does not provide unit costs for these services. Laundry facilities are being used by employees without charge at some of the institutions. In at least one, the switchboard is kept open more hours than needed.

RECOMMENDATIONS

9. Eliminate one set of inventory records on drugs and manual records on capital assets.

At Bangor State Hospital, duplicate inventory records on drugs are kept in the pharmacy and the business office. Manual records on a card-file system are maintained on capital assets. The drug records in the business office should be discontinued. In addition, the manual records on capital assets should be replaced by the accounting system which is available on the central computer. These changes would eliminate one clerk and provide annual savings of \$6,000. (Executive)

10. Encourage a bank to provide services for patients at Bangor.

Patients' funds, amounting to approximately \$120,000, are managed by an accounts receivable clerk. A local bank has opened a branch at the Augusta State Hospital to handle this function. If a similar arrangement were effected at Bangor, this should eliminate the clerk and allow an annual saving of \$7,000. (Executive)

11. Convert the canteen operation to concession.

The canteen is operated at a small annual profit. This concession should sell for at least \$100 a month and should be sold. Implementation would save time expended by the staff in supervising the present in-house function. Revenues to be realized would go to the patients' welfare fund. (Executive)

12. Evaluate the cost of performing all maintenance services.

Due to the lack of an adequate cost accounting system, it is not feasible to make a specific evaluation of maintenance services. A study should be made with a view to contracting some maintenance activities where it would be more economical. This study can be accomplished internally at no additional cost. (Executive)

13. Transfer the accounts receivable function from Bangor to the Division of Reimbursement at Augusta.

This division now handles the accounts receivables for state institutions other than Bangor. Due to the continued trend toward reduced patient population, the work load will permit it to manage Bangor's receivables with no increased personnel. There would be an elimination of one account clerk at an annual salary of \$8,500. (Executive)

14. Eliminate a clerk position in treatment information systems at Augusta State Hospital.

When this unit was set up in 1971, there was a substantial backlog of records. This accumulation has now been processed. With the reduced patient population, the work load could be handled by one less person. Implementation would result in savings of \$7,000 per year. (Executive)

15. Rent or lease unused space at Bangor to other state agencies.

Due to reduced patient population, F Ward with 50,800 square feet of space, is vacant except for about 30 patients in F 1. The F building is a wing to the far right of the main hospital entrance, and could be adapted to office use. This space should be made available to other state agencies. With about 44,000 square feet of usable space at \$4 per square foot, the area would be worth \$176,000 annually if occupied by other state agencies. Initial costs would amount to \$100,000. (Executive)

16. Rent or lease unused accommodations at Augusta to other agencies.

Due to the reduced patient population, the Ray Building, with 62,793 square feet of space is vacant. This is a three-story structure with basement and attic. It is of open-ward type construction which could be easily converted to office use and should be made available to other state agencies. At \$4 a square foot, its rental would result in savings of \$250,000 a year. The one-time conversion cost is estimated at \$100,000. (Executive)

17. Dispose of surplus land at the Augusta State Hospital.

There are roughly 200 acres of land across Highway 9 from the Augusta facility. This is prime acreage. The property should be sold unless there are other plans for its use. At a price of \$1,000 per acre, this could conservatively generate \$200,000. (Executive)

18. Reduce the number of telephone switchboard operator positions at Pineland to two.

The central telephone switchboard is open around the clock and requires a staff of three full-time and two part-time operators. During off hours, the operators maintain both the telephone system and the radio system used by the security guard and the maintenance engineer in case of emergency.

After hours, the switchboard should be patched to provide minimal service to strategic locations without operator service. Responsibility of the radio system could be transferred to the stationary engineer in the boiler room. Coverage of the switchboard could then be accomplished by a full-time and part-time operator. Implementation will eliminate two full-time and one part-time personnel and provide annual savings of \$13,400. (Executive)

19. Sell excess land at Pineland Hospital.

Pineland's facilities include 35 buildings and occupy more than 1,400 acres of land. These structures are clustered relatively close together leaving approximately 1,000 acres which are not fully utilized. This land would be better utilized if sold as it would add to the property base of the local tax rolls. Its sale would provide a one-time income of about \$500,000. (Legislative)

20. Standardize on no more than three brands of equipment and repair parts.

The value of repair parts inventories at the hospital facilities, as of June 30, 1972, amounted to \$152,426. They were Augusta, \$66,747; Bangor, \$51,561; and Pineland, \$35,118. In some cases, as many as five different brands of equipment and fixtures are used. A policy of standardization should be instituted which would result in a gradual decrease in inventories. A one-time saving would result at an estimated 10% or \$15,200. Annual income, at 6%

on money which would otherwise be invested in inventory, amounts to \$900. (Executive)

Correctional Facilities

There are five correctional facilities charged with the obligation of treating individuals who have been determined by law to be responsible for an illegal, immoral, or unacceptable social act. These institutions are located in Thomaston, Windham, Skowhegan, Hallowell, and South Portland.

The head of each facility has control of its inmates, prisoners, employees, grounds, buildings, and equipment. Their combined operating costs for fiscal 1972 amounted to \$5,664,330. This represented an increase of 132% over the past 10 years while the average population decreased 29%. All five function separately with the exception of the women's facilities at Hallowell and Skowhegan.

The Maine State Prison at Thomaston is the only maximum security facility to which male offenders are committed. During fiscal 1972, it expended \$1,432,638, had an average inmate population of 335, and employed some 132 persons.

The Men's Correctional Center at Windham, a medium-security institution with 106 employees, is maintained for confinement and rehabilitation of males between the ages of 15 and 26. Commitment cannot exceed 3 years. Its expenditures in fiscal 1972 were \$1,052,643 for a population of 134.

The Women's Correctional Center at Skowhegan accepts women sentenced by the courts, transferred from the Stevens School, and all females incarcerated to state prison terms. With 39 employees and an average inmate population of 23, operating expenditures for fiscal 1972 amounted to \$367,279.

The Stevens School at Hallowell with 87 employees, is an open-campus institution for juvenile girls. Age at admission ranges from 11 through 16. Upon commitment, the superintendent becomes the girl's legal guardian. Expenditure for fiscal 1972 amounted to \$816,571 for an inmate population of 67.

The Boy's Training Center at South Portland with 189 employees, receives juveniles after they have been adjudged delinquents and in need of treatment not available at any other institution. Operating costs of \$1,995,199 for fiscal 1972 were incurred for 183 juveniles.

Day-to-day operations are controlled and supervised by each institution's superintendent. This results in fragmented management reports being sent to the central office. Improved means of evaluating operations or rehabilitation results should be developed. The physical condition of the grounds and buildings ranges from barely adequate to excellent.

There is underutilization of land and buildings due to the reduced inmate population and termination of farming operations.

Electronic surveillance equipment is utilized inside the Maine State Prison and the Men's Correctional Center while a check-in and check-out system is used at the other institutions. Laundry facilities at the three male facilities are maintained only on an emergency basis. In all institutions, correctional officers perform functions in noncare areas such as the maintenance, laundry, and kitchen sections. Education and rehabilitation is strongly emphasized at all institutions especially at the Boy's Training School and Stevens. The facilities of the woodworking shop of the Maine State Prison could be utilized to better advantage.

RECOMMENDATIONS

21. Sell outlying lands at the Women's Correctional Center.

The present facilities at Skowhegan consist of approximately 280 acres of open fields and wooded lands. The area immediately surrounding the buildings amounts to about 10 acres. Retaining an additional 20 acres for security and future growth would leave some 250 acres of unnecessary land. These outlying acres should be sold. Implementation would provide a one-time income of approximately \$62,500 and return the land to the local tax base. (Legislative)

22. Build a new facility at Hallowell for housing inmates now at Skowhegan.

Present facilities at Stevens School are not adequate to house inmates from Skowhegan in addition to those at Hallowell. The solution would be to erect a new building on land at Stevens. Implementation will allow consolidation of the two female correctional facilities. The one-time cost for this new building will be approximately \$540,000. By transferring the inmates now housed at Skowhegan to the new building at Hallowell, high overhead and administrative costs would be reduced. An offsetting, but lesser costs of operating the new building at Hallowell, will be incurred. Implementation would provide annual savings of approximately \$131,000. (Legislative)

23. Sell the vacant buildings and 30 acres at the Women's Correctional Center.

After the function of the Women's Correctional Center and Halfway House has been transferred to Hallowell, these facilities and land will be unused. The present or future need of the state for facilities such as these is not apparent. Therefore, they should be sold. Revenue from the sale of land and buildings is conservatively estimated at \$1,233,000. (Legislative)

24. Eliminate duplication in supplies inventory control at the Men's Correctional Center.

Currently, the function of inventory control is performed by two persons. Bincards are maintained in the storeroom for each item on the inventory and a card-type system is kept in the business office. Therefore, management should discontinue the use of bincards and transfer maintenance of the card-type system to the storeroom. This will eliminate an account clerk in the business office and provide annual savings of \$7,200. (Executive)

25. Phase out the correctional officer position in the supply room at the Men's Correctional Center.

The supply room of this center has two full-time employees. At least one inmate is also assigned duty when the room is open. Work requirements within this area are such that only one employee is required. Implementation would eliminate a correctional officer. The benefit will be an annual saving of \$7,900. (Executive)

26. Develop work programs at the Stevens School at Hallowell to perform many clerical type functions.

This facility has a female labor force which could perform many clerical functions presently done in Augusta. Several departments have temporary projects which now require hiring additional persons. One type that could be considered is typing, collation, and binding of published reports. Implementation would provide a reduction in the use of state employees and provide opportunity for additional inmate development and rehabilitation. (Executive)

27. Computerize clerical and classification activities of the Maine State Prison.

The annual statistical report takes 500 man-hours to prepare as well as a daily effort to record data. Various other special studies are required from time to time. By computerizing this operation, information for the annual report could be printed automatically and many other statistics would be readily available, eliminating a clerk for annual savings of \$7,000. (Executive)

28. Increase output of the woodworking operation at the Maine State Prison.

Production has been declining in the woodworking shop due to competition from other activities. This shop has good equipment and there is an available market for all items that can be produced. Rescheduling of working hours so operations could be performed after the normal 5-hour work day should raise output by 20%. Such an increase would mean \$39,000 in additional sales. With an escalation of \$16,000 in variable costs, an additional net income of \$23,000 will be achieved. In addition, in-

creased opportunity for inmate rehabilitation and income would be provided. (Executive)

29. Teach computer programming at the Maine State Prison.

Throughout state government, there is a shortage of programming skills. If a group of programmers could be developed at Thomaston, they could supplant the effort of the programmers in various departments. This would result in earlier realization of the benefits of the central computer and, in the long run, negate the hiring of additional computer programmers.

Of the inmate population of 335 on June 30, 1972, about 15.9% had an education of high school or better. If 10% of these could become effective programmers, it would represent five people. Present pay scales for programmers within the state system range from \$6,500 to \$9,200 per year. In addition to improved rehabilitation, an income of approximately \$30,000 and savings of about \$24,000 annually could be generated through the sale of their services to municipalities and nonprofit organizations. A similar program has been instituted at Norfolk, Massachusetts. It has saved the state \$750,000 since 1968. (Executive)

30. Standardize letter size and color of vehicle license plates.

Most license plates are standardized in letter size and reflective coating color. Nonstandardized plates are produced in green for the House of Representatives and Forestry, red for the Senate, white for the Council, and blue for Transportation and State Police. There are also several changes in letters, numbers, and insignia. These variations require the purchase and stocking of paint and stamping dies as well as stamping machine changeovers.

Standardized plate letter and number sizes and a single color will reduce license plate production costs. Special identity plates can be produced by assigning prefix letters to the various special groups. (Legislative)

31. Eliminate restrictions on amount each inmate can earn from production of novelties.

Each inmate is limited to an annual income of \$2,600 from the production and sale of novelties. This means his family must be supported by other means. The restriction should be removed. Without the limitation, more of the inmates could support their families, taking them off the public assistance rolls. (Executive)

Administrative Services

This unit provides essential administrative support services and managerial resources for the depart-

ment. It is charged with coordinating and standardizing common areas of business administration between correctional and mental health institutions. A total of 29 full-time employees are authorized at a direct labor cost of about \$241,600 for fiscal 1973. Other operational costs amount to \$91,152. The organization is subdivided into the Divisions of Accounting, Reimbursement, Nutrition, Personnel, and Systems Development. Their duties are as follows. Accounting has responsibilities of general accounting for Administrative Services and accounting for state and federal dollars for the department's three bureaus. Reimbursement is responsible for determining each patient's ability to pay for services and care received. It also attempts to collect delinquent accounts. Nutrition consists of one person whose function is to serve as the head dietitian. Personnel coordinates the centralized personnel management activities, working in conjunction with the Department of Personnel. Systems Development is responsible for development of new manual and computer systems.

Operations are under control of the director and Commissioner. These men are able to realize accomplishments within legal restraints of public law. Little progress appears to have been made over the past year in the area of new systems design. There is a card punch machine which is used about 33% of the time. This is inefficient use of the machine and its operator.

RECOMMENDATION

32. Eliminate the card punch unit.

During peak operating periods, this card punch machine is utilized only 33% of the time. Therefore, the card punching function should be transferred to another area where a similarly inefficiently used unit is installed. Savings can be realized in rental charges. Labor costs can be reduced by reclassifying the position from keypunch operator to clerk-typist. Implementation would provide an annual saving of \$1,600. (Executive)

Division of Probation and Parole

This division provides probation and parole services to rehabilitate and supervise Maine's juvenile and adult criminal offenders. Services include counseling, direction, and motivation. Probation/parole officers are responsible for investigation of pardon and commutation petitions; pre-sentence investigations for the courts; as well as post-sentence, pre-parole, work release, and furlough investigations. It also provides this service for other states under the Adult and Juvenile Interstate Compact for clients residing in Maine. A total of 52 full-time employees were authorized with an annual cost of \$467,163 for

fiscal 1972. Total state fund expenditures for that year amounted to \$553,893 not including \$75,774 in federal funds.

As of June 30, 1972, there were 2,247 probation and 432 parole cases under the supervision of the 37 probation/parole officers. During fiscal 1972, about 5,700 individuals were supervised at some time. In addition, 106 pardon and commutation petitions were investigated for the Governor and the Council plus numerous studies related to pre-sentencing, pre-parole, as well as the work release and furlough programs.

Based on national standards, the case load for each officer is too great for effective control. The recommended maximum case load is not more than 50 with an optimum of 35. In Maine, the average is 72.4. This results in very light supervision.

Another problem area is the amount of travel required of the officers to meet their clients. Such travel is in private vehicles and costs the state \$0.10 per mile for direct reimbursement. In addition, based on salary, it costs another \$0.10 a mile for the officer's time. During fiscal 1972, approximately 475,000 miles were driven.

During the past two years, one of the federally funded positions has been a full-time coordinator of volunteer services. The program results in a one-to-one relationship between a volunteer and the offender and reduces, but does not eliminate, the amount of supervision needed by a probation/parole officer. This program is reported to be very successful and has about 100 volunteers who counsel offenders.

RECOMMENDATION

33. Establish a state position of volunteer services coordinator.

For the past two years, this division had the services of a federal volunteer services coordinator. As of June 30, 1973, federal funding of this program was terminated. Because of its importance, a permanent position of volunteer services coordinator should be established. This will allow continuance and expansion of the present program in which approximately 100 volunteers work on a one-to-one relationship with offenders. The annual cost will be \$17,500. (Legislative)

Institutional Feeding

In recent years, an effort has been made to improve the functions and operations of the Food Service Department of each institution. Thought has been given to combining some aspects of feeding to effect economies.

Each institution operates its food service in an autonomous manner. Other than quantity buying of certain canned foods and quarterly contracting for selected items by central purchasing, all items are purchased on an individual basis. With the exception of Skowhegan, Stevens, and Windham, where cooks are in charge, a food service director manages operations. In Augusta, Bangor, Pineland, Thomaston, Windham, and South Portland a full-time meat cutter is authorized. Food purchases for fiscal 1972 amounted to \$1,561,448. A total of 130 food service employees currently work in the nine institutions. As of July 1, 1973, standardized menus were implemented for all institutions. In some cases, patient or inmate labor is employed in food service operations.

Purchasing of canned fruits and vegetables could be improved and current methods of distribution are costly due to handling by wholesale grocers. Storage facilities of the institutions are far from satisfactory. Methods of securing bids quarterly on certain items allows for high quotations due to distribution problems.

Weekly purchases of perishables show a wide variance in price because meat requirements are often specified by a meat cutter. Cutting tests have not been made, as a general rule, to evaluate the most economical usage of meats. Short-term purchases often find desired items unavailable.

There are no full-time demands on the meat cutters. At the Boy's Training Center, they serve as kitchen supervisor 2 days a week. Overproduction of food was noted, particularly in men's penal institutions. This is due to lack of communication between administration and food service as to how many inmates are away on work programs.

RECOMMENDATIONS

34. Change purchasing procedures on staples so quotations obtained are based on pool car, drop shipment, and full-load basis.

Current practices of securing quotes and making annual purchases of heavily used staples and having deliveries made by wholesale grocers dissipate advantages of quantity buying. Central warehouses are currently being converted at the Augusta State Hospital and the Men's Correctional Center.

Vehicles are available at the institutions for picking up individual requirements. Their use would serve to relieve problems resulting from having to receive and store a full year's supply of groceries. A large supply of pallets is available at Windham for both warehouses. Fork lift trucks and qualified supervision should be procured. Costs of \$10,000 are anticipated for personnel and \$5,000 would be re-

quired for the materials handling equipment. Food purchases for all institutions amount to \$1,561,448. Conservatively, 40% or \$624,579 is spent on groceries. While annual savings of up to 10% are expected, a saving of \$31,200 is reasonable. (Executive)

35. Confine vendor delivery of food staples such as luncheon meats, pullman hams, corned beef, margarine, butter, and cheese to larger institutions only.

In providing one quotation for all institutions, bidders must consider costs for small deliveries which penalize large consignments. For example, the University of Maine at Orono often buys similar items cheaper than Central Purchasing because of a single and larger delivery. Therefore, smaller needs should be combined with the larger ones to eliminate surcharges. (Executive)

36. Eliminate dried beef and salt pork from quarterly bidding requirements.

Consumption of dried beef and salt pork at the institutions is negligible. Thus, it is not worth procurement efforts by Central Purchasing. The institutions should be allowed to buy these products locally. (Executive)

37. Require standardized recipes and menus be prepared by the dietitian and be utilized in all institutions.

Consistency in menus and recipes will lead to more intelligent comparison of operating costs. It will help to formulate a strong centralized purchasing system of fresh feasts. Such control will effect meat purchasing in line with needs and not make menus fit individual preferences. Implementation should produce annual savings of \$10,000 which are included elsewhere. (Executive)

38. Accumulate fresh meat needs and have Central Purchasing buy on a monthly or preferably quarterly basis.

In many instances, beef purchases are made with ease of handling as the prime consideration. Cutting tests to determine edible cost of cuts have not been made. Using these tests, had all units purchased beef as did those which secured cuts with the lowest edible meat cost, an annual saving of nearly \$27,000 could have been effected.

Requests for beef, bacon, fresh pork, and smoked hams should be forwarded to Central Purchasing which would advertise for delivery to not more than five institutions over a 30 to 90-day period. Since meat prices vary considerably, bids would have to be based on the National Provisioner at a differential over quotations posted each week. This would protect the buyer and seller. Such action should reduce meat costs by at least 1% or \$5,000. The five units to handle deliveries would be Au-

gusta, Bangor, Pineland, Thomaston, and Windham. This would eliminate the need for the cutter at the Boy's Training Center and save \$7,200 annually. If tests should prove successful, it is possible that pulled and diced chicken meat could replace types currently purchased and be contracted for over a longer period. Cumulative annual savings of \$39,000 are anticipated. (Executive)

39. Require administrators to notify food services how many inmates must be fed.

At Thomaston and Windham more food is prepared than necessary for many meals. Food services do not know how many inmates are absent for sickness, work detail, and the like. Administrators know the number of excused absences and should advise food service how many they need not feed. When implemented, overproduction of food would be reduced. If waste could be reduced by at least 2% of total fiscal 1973 food purchases of \$232,310, annual savings of approximately \$4,600 would be achieved. (Executive)

40. Expand the line budget to include a category for institutional food expenditures.

Present expenditures for food, amounting to about \$1.4-million, are included in the "all others" category. Budgeting for food is based on the highest population expected. If, as happened in recent years, actual patient or inmate populations are less than the figures budgeted, resulting surpluses are used for other purposes within the same line item of the budget. The situation could be corrected by providing a separate line item in the budget for institutional food. With additional control, funds which are not being expended for food would be lapsed at substantial savings. Approximately \$200,000 can be saved annually through proper management of budgets. (Legislative)

41. Separate feeding costs from all others in recordkeeping and budgeting.

It is difficult to pinpoint the cost of feeding at the institutions. Separating these costs from other categories of expenses, while keeping operation records, would expose actual feeding costs. By knowing costs of purchasing, preparation, and serving, performance ratings for each institution could be established. Annual savings of at least 1% should be realized. However, only 0.5% of \$1.4-million, or \$7,000, is claimed. (Executive)

42. Eliminate four cook positions at Stevens School after it and Skowhegan are combined.

Stevens School has four cooks performing functions rendered by inmates at Skowhegan at a considerable saving. By utilizing three or four former Skowhegan inmates at Stevens, it should be possible to eliminate four cooks as well as provide an annual saving of \$25,300. (Executive)

43. Utilize facilities of the Augusta State Hospital to do all baking for Stevens when combined with Skowhegan.

Baking is being accomplished at Skowhegan, Stevens, and the Augusta State Hospital. However, equipment and labor at the hospital is not being utilized to capacity. Baking for Stevens could be done at the Augusta State Hospital with no strain on facilities or manpower. (Executive)

Maine Commission on Drug Abuse

This commission's responsibilities include coordinating drug control activities of various state agencies, assisting communities to mobilize resources, and making grants to state, local, and regional agencies for drug abuse control programs. Additionally, it obtains federal and private funds for these drug programs, works with other New England states on joint efforts, prepares an annual report to the Governor and Legislature, and recommends changes in Maine's drug laws.

Total expenditures and encumbrances for fiscal 1972 were \$117,769 which included grants of \$75,000 to various community drug abuse programs. Funds for the same period embraced legislative appropriations of \$100,000, a grant of \$30,000 from the Mental Health Improvement Fund, and federal funds of \$4,950.

As of May 1973, an application was made for a grant of \$1.5-million in federal funds. This would, in turn, be granted to community drug abuse programs. Problems of drug abuse control are similar to those encountered for alcohol. The program for control consists of coordinating efforts of various state agencies.

RECOMMENDATIONS

44. Combine this commission and the Division of Alcoholic Rehabilitation.

Responsibilities of these two agencies center around rehabilitation projects which are similar in nature. They should be combined into the proposed Alcohol and Drug Abuse unit. Implementation would result in the elimination of one executive director with a salary of \$14,100. (Executive)

45. Restrict grants to existing professional agencies and local governmental units which meet minimum standards.

Drug control grants are made to RAP centers and similar volunteer and nonprofessional organizations. Results cannot be measured, and stable accounting practices are lacking. Award funds should be made to those mental health and consulting centers throughout the state which are set up to manage grant monies. These centers have the facilities to monitor programs and evaluate results. (Executive)

Department of Manpower Affairs

This department's functions include enforcement of labor laws, unemployment services and compensation, manpower skill upgrading, and statistical reporting on employment and economics.

CURRENT PRACTICES

The department's operating bureaus, each administered by a director, are Labor and Industry, Employment Services, and Unemployment Compensation. Staff divisions provide legal, administrative, EDP, information, economic analysis, and training services. State funding for this department in fiscal 1973 is estimated at \$745,000 and current federal funding approximates \$14-million. It has about 710 employees, including those working on contracted federal programs.

The Cooperative Area Manpower Planning System is a trial local-state-federal effort to identify and ameliorate unemployment and underemployment conditions in the state. A total of one state and nine federal manpower development programs are involved in the overall skill-upgrading effort. Citizen

input for the Department of Manpower Affairs is achieved through 17 advisory boards.

EVALUATION

The components of this department, formed in June 1972, are operating as separate entities. Its present table of organization shows too wide a span of control and the organization needs permanence of leadership. The geographic diversity of office locations fosters duplication of functions and inefficiency which should be corrected.

RECOMMENDATIONS

1. Appoint a permanent Commissioner.

The department has not had a Commissioner since the state reorganization was approved. As a result, departmental effectiveness, stability, and employee morale are suffering. The position has been funded and should be filled. Such action will improve performance and enable the reorganization to proceed on schedule. (Executive)

2. Consolidate district offices providing services in the human resource area.

Various divisions of the department support local or district offices in the more populous areas of the state. Several federal agencies involved in manpower planning, training, and placement also maintain local offices. Furthermore, state and federal departments have offices to serve identical local areas. There are over 40 state offices involved in the human resource area resulting in duplication of common office functions and equipment. A study should be initiated to determine the possible consolidation of these offices. Cost savings would be realized from pooling of space, communications, reproduction and mailing services, and reduction of clerical functions. Savings could run as high as \$1,000 per office and amount to about \$40,000 annually. (Executive)

3. Initiate a study to consolidate the department's administrative offices.

The department has four separate entities in Augusta. They are the Bureau of Labor and Industry, Cooperative Area Manpower Planning System, Manpower Development Training Act Education Training Division, and Maine Employment Security Commission (MESC). The commission, by far the largest, has an extensive electronic data processing facility to manage work for the other three. It also has other administrative and staff functions which are duplicated at three smaller offices.

Office space at or near the Maine Employment Security Commission Building should be provided to relocate these three small offices close to the largest facility of the department. Savings should result through pooling of identical office functions, improved manpower and equipment utilization, and closer supervision of operations. (Executive)

4. Change the duties and name of the Appeals Review Board.

The name, Appeals Review Board, does not properly describe its functions or duties. The name should be changed to Manpower Affairs Advisory Board. This three-man unit should consist of one public, one employer, and one employee representative appointed by the Governor for staggered terms of 3 years. It should serve as an appeals board on unemployment compensation cases, act as trustee of the unemployment trust fund, and function in an advisory capacity to the Commissioner. Further, the board should meet at least bi-monthly for review and advice on department progress, problems, and policy.

Based on the present annual cost to operate the Appeals Review Board and the projected cost of operating the proposed board, an annual saving of \$8,600 could be realized. (Legislative)

5. Eliminate the Advisory Council of State Employment Security Commission.

This council aids in formulating policies related to the Unemployment Security Law. It is a subcommittee of the State Manpower Planning Council and members receive \$20 per diem and travel allowances for meetings. The proposed Manpower Affairs Advisory Board is to provide policy and planning information for administration of unemployment compensation and employment services. The Advisory Council of State Employment Security Commission should be eliminated. Annual savings of \$500 are claimed. (Executive)

Maine Employment Security Commission

This commission is responsible for administering the unemployment compensation portion of the federal Social Security Act. With the Manpower Development Training Act of 1962, a major proliferation of programs and services occurred. It also administers the Work Incentive Program (WIN).

The Maine Employment Security Commission is administered by three Commissioners serving 6-year terms. Its public member, appointed by the Governor and confirmed by the Council, serves as chairman. It functions in two areas. Unemployment Compensation dispenses approximately \$25-million either as full or partial compensation. Employment Services covers a multitude of federal programs such as job training, counseling, testing, skill upgrading, and placement. The programs this commission administers and operates must follow federal guidelines. It operated on federal funds, estimated at \$5-million in fiscal 1972, derived from the 0.5% federal tax on the first \$4,200 of payroll in covered employment.

The commission employs approximately 620 people. Fiscal 1973 operating costs are approximately \$4.7-million in direct wages and \$1.5-million in fringe benefits. It has 17 offices located in the larger cities. In addition, there are two mobile units which serve outlying areas plus six offices for the Work Incentive Program.

This commission is involved in nearly every phase of state and federal manpower programs from job placement to compensation. Its work load varies with national economic cycles, from 5,000 average weekly unemployed in 1966 to 15,000 in 1971. Extreme variations in work load do not lend themselves to efficient and effective operation. Some sections are overstaffed and others understaffed. Effectiveness has also suffered from the authorized, but not implemented reorganization into the Department of Manpower Affairs.

RECOMMENDATIONS

6. Conduct an in-depth study on the advisability of consolidating the commission's data processing facilities with those of other departments.

There is a possibility savings could be realized if functions, manpower, and services were provided by a single agency. Economies may result in terms of increased equipment utilization at Central Computer Services. If a portion is paid by federal funds, the overhead cost chargeable to other state departments would be reduced. (Executive)

7. Require the commission to pay for costs of services rendered by other departments.

Only a few services, such as snowplowing of parking lots and computer assistance, are paid by this federally funded commission. Functions of purchasing, personnel, security, and the like are furnished free of charge by the state. With increased activities and costs over the past 2 years, the income to the state would exceed \$25,000 if the federal government paid for such services. Each year, a debit memorandum covering these services has been forwarded. However, the debit of \$75,000 has never been acknowledged. These should also be collected for additional one-time income. (Executive)

8. Enlarge the Fraud Investigation Division.

The Fraud Investigation Division of the Maine Employment Security Commission is set up to have two attorneys general, three deputies, and two clerks. Recently, an attorney, a deputy, and two clerks have been manning the division. Lack of \$50,000 in funds has precluded replacing the attorney who retired and a deputy who transferred. During fiscal 1971, there were 651 completed investigations which resulted in 151 established fraud cases. Based on 624,200 benefit checks issued, investigation costs amounted to 0.024% of payments. These activities resulted in the return of \$18,200.

National figures on fraud and misrepresentation are approximately 5% of payments. Adequate staffing and enlargement of the division is needed as the Maine Employment Security Commission disbursed \$25-million in unemployment compensation benefit payments in fiscal 1972. If 1% could be saved by better investigative work, the division should show a \$250,000 saving. Conservatively, only \$150,000 in annual savings for the federal government are claimed. (Executive)

9. Equalize case load of Work Incentive Program employees.

This program has a staff of 55 in Augusta and six district offices. Work loads vary from a high of 38 to a low of 10 cases per employee. In low-activity offices, the staff should be reduced to bring the

work load to a level of 30 cases per employee. This will eliminate five positions and provide annual savings of \$40,000. Of this, \$4,000 would go to the state. (Executive)

10. Reconcile the benefit payment demand deposit account on a regular basis.

The monthly balance on the benefit payment demand deposit account for the commission is a floating figure. Reconciliation is a responsibility of the Maine Employment Security Commission. However, this account has not been reconciled for 5 years. Reconciliation would establish a reasonable and meaningful control for the account. (Executive)

Bureau of Labor and Industry

This bureau is responsible for enforcing state laws on hours, wages, and safety. It also provides conciliation and arbitration services between labor and management, coordination for the state journeyman apprenticeship program, and clerical support for the Industrial Accident Commission and various labor or industry boards.

In the past year, its staff has increased from 34 to 45, primarily due to the Occupational Safety and Health Act of 1970 (OSHA). The bureau has 16 field service inspectors. For fiscal 1972, operational costs were \$450,000. It generated \$67,000 in revenue from fees for licenses and inspections. This income went to the general fund. The bureau is upgrading laws and inspection services to comply with standards established by OSHA. To assist with this work, three 90% federal matching grants have been received. A further grant of \$12,266 was received for operational costs of the recordkeeping plan.

In the past, the bureau discharged all obligations with less than 20 employees. State and federal labor law changes in the past 10 years have nearly tripled the bureau's responsibilities. Inadequate response to the change in supervisory and operating practices is relatively apparent. Some operations can be combined with others and several manual operations mechanized. Further, management and supervisory practices need upgrading. The inspection of stuffed toys, bedding, and the like should not be managed by the Wage and Hour Information Division.

RECOMMENDATIONS

11. Revise the schedule of boiler and elevator inspection fees.

Boiler inspection fees are determined on a sliding scale up to 190 horsepower with a statutory limit of \$21 per examination. This scale was developed many years ago and, today, a 190 horsepower boiler is considered small. Approximately 90% of the

boilers in the state are inspected by private examiners and their charges are higher. Boiler inspection expenses surpassed fees in 1972 by approximately \$3,500. Also, elevator inspection fees and horsepower ratings need review, as costs exceeded income by \$4,600 in 1972. Implementation of equitable fees should provide an income to the state of approximately \$8,000 per year. (Legislative)

12. Institute practical file purging practices.

Present practices call for a 5-year file retention period and delivery of purged papers to the Maine State Archives. Much material such as field inspector schedules and daily expense reports can be destroyed after two years. A more practical and realistic file purging practice would relieve considerable space. (Executive)

13. Transfer responsibility for bedding, upholstered furniture, and stuffed toy law enforcement to the Safety Inspection Division.

Enforcement of the Stuffed Articles Law is under the Wage and Hour Enforcement Division. The activity is a hygiene safety function and should be under the Safety Inspection Division. This division will shortly become involved in industrial hygiene under the forthcoming Occupational Safety and Health Act laws, and would be more technically qualified to handle these functions. (Executive)

14. Computerize the wage/hour and safety inspection schedules.

Both the Wage and Hour Inspection and the Safety Inspection Divisions are responsible for scheduled examinations of 20,000 businesses. Each keeps a hand-posted card file by date and location on each business. Additionally, the Maine Employment Security Commission maintains a computerized file on the same establishments. Inspection schedules lend themselves to computerization and the two operations can be regulated through electronic data processing programming. When implemented, it should be possible to eliminate one clerk at an annual saving of \$8,800. (Executive)

15. Eliminate the position of assistant director.

Each of the bureau's four major sections is headed by a supervisor. In addition, there are two smaller functions, each with a supervisor. The director should be able to manage six section supervisors and a manpower load of 45 employees. Therefore, an assistant director does not seem warranted. Action would produce an annual cost avoidance of \$12,100. (Executive)

16. Appoint a permanent director.

Since the retirement of the previous full-time director in June 1972, the bureau has been managed by two acting directors. This situation should be

corrected. The position of director has been funded, and should be filled. This will provide leadership, stability, and job motivation to the work force as well as improve regulatory effectiveness. (Executive)

17. Eliminate two clerical positions.

There are 17 clerical positions in this office. A total of 12 semi-random work activity observations indicate the work load is insufficient for the people engaged. It appears that 10% of the available time is not productively used. By arranging the work load or pooling tasks, it would be possible to eliminate two clerical positions. Implementation would provide annual savings of \$10,400. (Executive)

18. Coordinate wage data for minimum wage on public construction projects with the Maine Employment Security Commission's Data Processing Section.

Public construction projects must use labor rates which are equal to the prevailing average wage rates in the area. Wage surveys are conducted by the Bureau of Labor, Division of Research and Statistics, by questionnaires to local contractors. Coordinating of data collection and recording between the Bureau of Labor and Industry and the Maine Employment Security Commission should be evaluated. The use of the commission's computer system should eliminate the need for mailing and processing questionnaires. (Executive)

Cooperative Area Manpower Planning System

The Cooperative Area Manpower Planning System (CAMPS), a federally funded experimental program, has responsibility for coordinating nine federal manpower training programs. Part of the Manpower Development Training Act of 1962 (MDTA), these programs aim at increasing employment and upgrading the skills of disadvantaged, unemployed, and underemployed manpower.

The state is divided into eight planning districts. CAMPS coordinates approved district plans with the appropriate training program.

The federal MDTA Act rules specify that local people determine employment opportunities and training needs as well as number and type of people classified as disadvantaged who could be trained, or counseled for permanent employment.

CAMPS, the overall coordinating unit of MDTA, has a federal budget of \$104,000. It coordinates and monitors training phases of the manpower training programs with expenditures totaling \$8,070,000.

The six-person CAMPS secretariat apparently will underrun its budget by \$20,000 and appears to be

adequate to discharge its responsibilities. Newness of the CAMPS concept, and the fluidity of the training programs which are over 95% dependent upon federal funds, make evaluation difficult. The CAMPS secretariat which provides the link between local manpower boards and both state and federal training programs is an employment service function.

RECOMMENDATIONS

19. Phase out the position of assistant director.

The Cooperative Area Manpower Planning System has operated, since its inception, without an assistant director and has been able to discharge its responsibilities. Therefore, the position should be phased out. The benefit from elimination will amount to \$17,600 annually. (Executive)

20. Shift the Cooperative Area Manpower Planning System (CAMPS) secretariat to the Department of Manpower Affairs.

The Cooperative Area Manpower Planning System provides linkage between the eight area and one state manpower planning boards as well as various state and federal manpower training programs. As such, it supplies an employment services function

for the state. Currently, the system reports to the Commissioner of Manpower Affairs. Thus, the linkage between needs and service for clients requiring training for employment is through the Commissioner. A more direct linkage would be through the Director of Employment Services of the department. Therefore, it should be shifted. This change in line of authority will provide more direct liaison in employment services. (Executive)

21. Vacate the third floor of 31 Western Avenue by transferring the Youth Service Coordination Agency.

This small unit of four employees occupies the entire third floor of a building. There are four offices and secretarial space with room for two clerks in each room and additional storage area. Such occupancy represents a needless waste of scarce office space. The agency should be transferred to the building where the Maine State Youth Coordinator is located. Implementation would vacate an office suite costing \$3,000 per year, phase out a secretary at \$5,200 by sharing the secretary of the State Youth Coordinator, as well as allow elimination of a copy machine at a rental of \$700 for total annual savings of \$8,900. (Executive)

Department of Transportation

This department's primary responsibility is to provide and maintain a system of transportation including air, land, and water. It is charged to adequately serve established needs for safe movement of people and goods within the state as well as assists social and economic development.

CURRENT PRACTICES

The department is directed by a Commissioner who is appointed by the Governor with the consent of the Council. His term is concurrent with the Governor. Reporting to him are the Deputy Commissioner, Planning and Administration and Deputy Commissioner, Operations. They direct activities of the Bureaus of Administration, Transportation Planning and Services, Highways, Aeronautics, and Waterways. Each is managed by a director. Also reporting to the Commissioner are two staff groups, a legal division, an administrative office staff, an internal auditor, and an employee representative.

Departmental employment totaled 2,629 for fiscal 1972 and expenses amounted to \$109,666,562, exclusive of the Bureaus of Aeronautics and Waterways. Of these expenditures, \$60,882,762 was spent on construction projects, \$26,323,128 was applied

to maintenance of existing road systems, \$13,823,199 represented administrative costs, and \$8,637,473 was transferred to other state agencies. Its unexpended balance at the end of fiscal 1972 amounted to \$28,678,430. The Bureau of Aeronautics' expenditures for fiscal 1972 totaled \$267,487 and were derived from the general fund. Fiscal 1972 expenditures for the Bureau of Waterways were \$1,199,972, of which \$559,829 was supplied by the general fund appropriation. The balance of \$640,143 was provided by income from services.

Dedicated revenues totaled \$36,934,493 and undedicated income amounted to \$62,457,735 in fiscal 1972. The two most important sources of undedicated funds were fuel taxes of \$46,406,526 and motor vehicle license fees totaling \$14,913,388.

EVALUATION

External evidence indicates the department's overall performance of its major mission is executed in an acceptable manner. Review of internal activities discloses areas where action is required to attain better control of operations and expenditures.

Communications and contacts between the Commissioner and those responsible for operations can

be improved. Assignment of responsibility for direction of Highways, Aeronautics, and Waterways to the Deputy Commissioner, Operations and Director of the Bureau of Highways contains the potential for subjugating the interests of the smaller bureaus.

Retention of the Deputy Commissioner, Planning and Administration, in his relation to the Bureaus of Administration and Transportation Planning and Services is redundant since the director's position in each bureau is filled. This situation fails to fully utilize the potential for improved support to the Commissioner.

Current structure of its budget shows funds are available by source and expenditures by character and account. These unrelated formats do not provide the necessary tools for effective management of resources since there is no foundation for comparison or managing on an exception basis. The practice of consolidating some expenditures incurred by separate bureaus in the expense accounts of the Bureau of Administration, obscures the real operating costs.

Provision of autonomous legal services may fail to take full advantage of the availability of other sources within state government. The existing level

of legal staff does not appear well correlated with current trends in highway construction.

Vehicles under department control travel about 11-million miles annually. A majority of these units are assigned to individuals and there is no indication of any attempt to audit or control mileage attributable to personal commutation. Employment level history needs development because current employment levels fluctuate frequently.

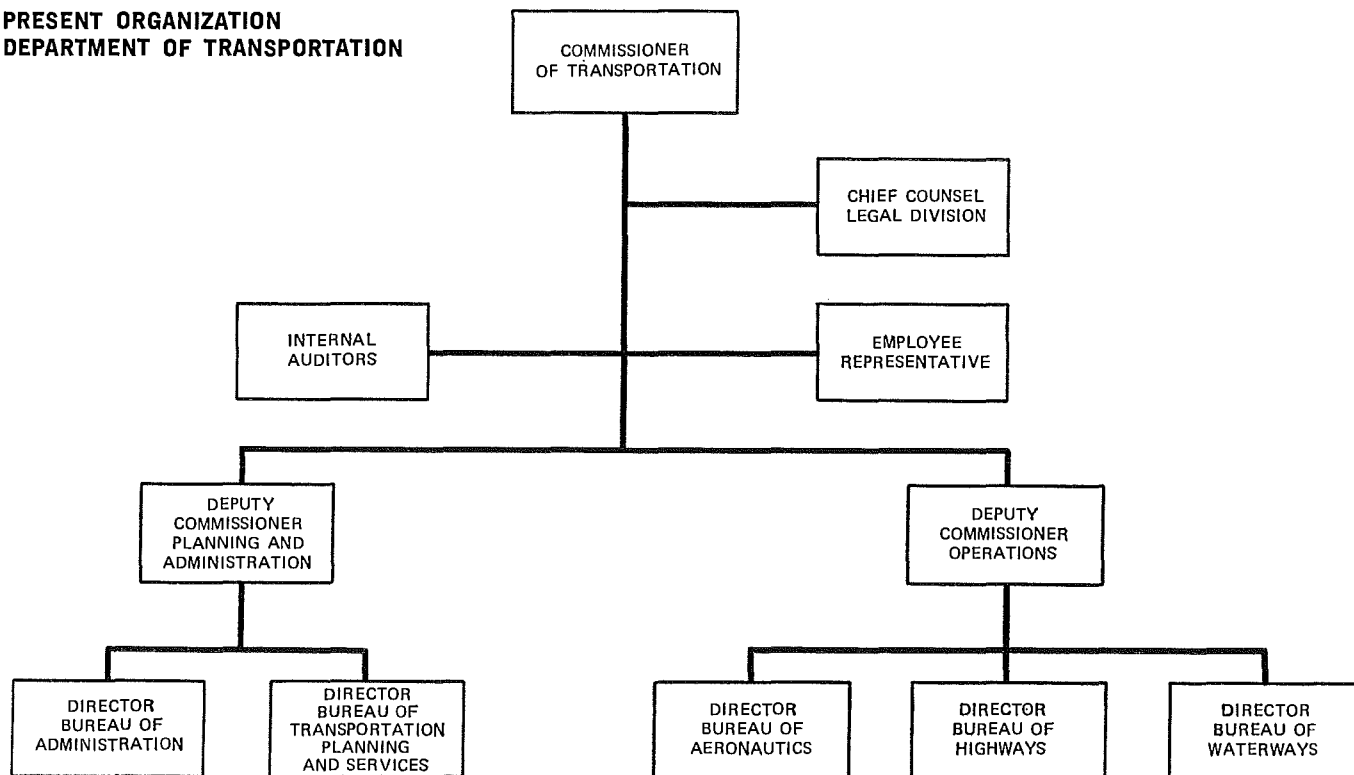
RECOMMENDATIONS

1. Realign the structure and reporting lines at the top echelon.

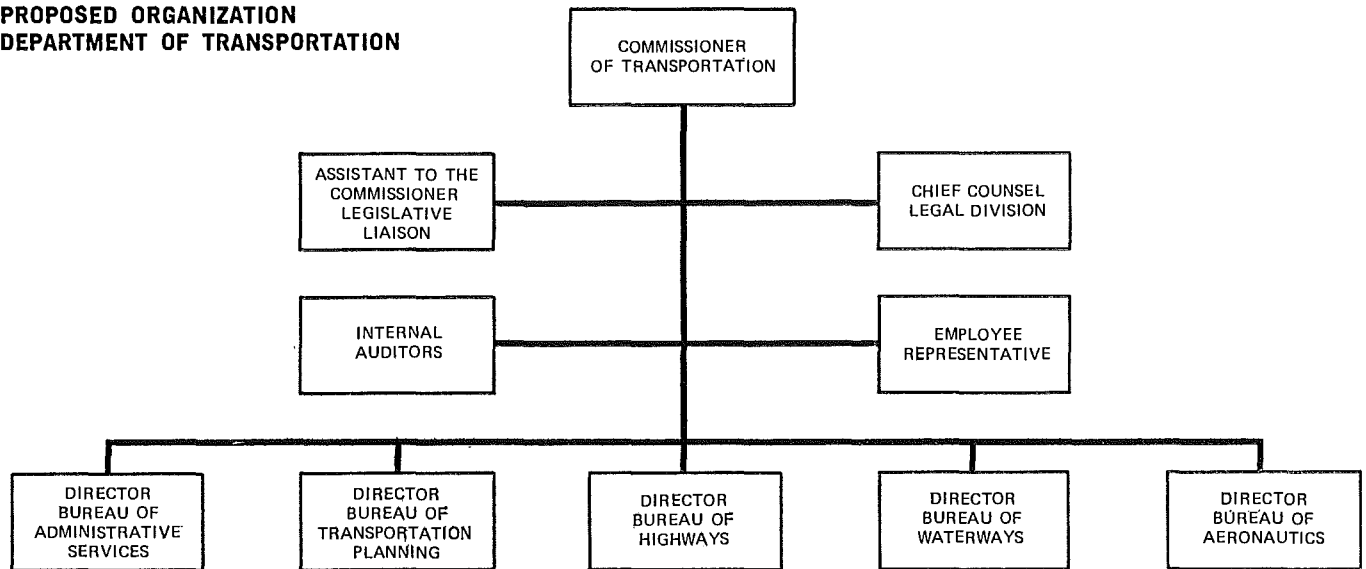
As illustrated in the present organization chart shown below, separation of the department's five bureaus in two groups, each under a deputy, limits contact between the Commissioner and bureau directors. Combining responsibility for the direction of the Bureaus of Highways, Aeronautics, and Waterways goes beyond the practical limits of a single position and contains the potential for submerging interests of Aeronautics and Waterways.

The directors of each of the five bureaus should report to the Commissioner. The proposed organization is shown in the chart to the right. This will ensure proper representation of the varied interests of each operating bureau in fair competition

PRESENT ORGANIZATION DEPARTMENT OF TRANSPORTATION



**PROPOSED ORGANIZATION
DEPARTMENT OF TRANSPORTATION**



for available funds. The following steps are integral with this realignment:

- ▶ Eliminate the position of Deputy Commissioner, Operations. When implemented, savings of \$25,600 would be realized annually.
- ▶ Phase out the position of Deputy Commissioner, Planning and Administration. Annual savings of \$25,600 will result from this action.
- ▶ Fill the vacant position of Director, Bureau of Highways.
- ▶ Retitle the Bureau of Administration to Bureau of Administrative Services.
- ▶ Create the position of Assistant to the Commissioner for Legislative Liaison to assume the legislative liaison duties presently performed by the Deputy Commissioner, Planning and Administration. Estimated costs are approximated at \$22,000 annually. (Executive)

2. Eliminate vacant and unfilled positions within the department.

The actions outlined below will streamline the department's staff and provide for a more realistic base for budgeting personal services:

- ▶ Phase out two highway and two trial attorney positions which are budgeted and vacant. Implementation will result in annual savings of \$63,200.
- ▶ Close out the vacant position of clerk-steno in the Legal Division. This will yield an annual saving of \$6,500.

- ▶ Do not fill proposed positions of chief trial attorney and chief title attorney. The approximate annual cost avoidance by not filling these positions amounts to \$29,700. (Executive)

3. Improve budgeting procedures.

The department's budgeting practices need improvement. To accomplish this, the following actions should be taken:

- ▶ Establish a budget for the Legal Division. No practical means of control of the division's activities or expenditures exist. A budget should be established to provide a fundamental basis for management and fiscal control.
- ▶ Indicate expenditures which are unique to any section in the cost report of the originating unit. Certain salary costs as well as total expenditures for some subsections of the department, not related to the Bureau of Administration, are charged to that bureau. Such practices distort results for this and other bureaus. This practice should be discontinued and costs reported in the accounts of source units.
- ▶ Construct operating budgets and cost reports in corresponding formats. Budgets and operating cost reports are presented in different formats. Operating budgets should be developed by expense classification to allow proper comparison of expenditures against budgeted amounts and control the expenditure of funds by the operating units. This system would provide operating unit supervisors with information needed to maintain their operating costs within approved budgets. (Executive)

4. Store records of closed cases on microfilm.

One of the offices of the Legal Division contains a large number of metal files with records of closed cases of the department. Greater economy of space could be realized through the microfilming of these legal records. (Executive)

5. Require the federal government to participate in present and future costs of the service performed by Internal Audit.

The Federal Highway Administration has directed the department to establish internal audits as well as transfer the federal auditors' function to the state. Because of this, the federal government should participate in the cost of providing the service on the same percentage basis that it shares in highway construction projects. Federal participation will result in annual savings, based on one employee, of \$5,900. (Executive)

6. Eliminate unjustified personal commutation in department-owned vehicles.

A total of 585 passenger vehicles are operated by the department. Of these, 513 are assigned to individuals. Many are stationed constantly at one location or report to areas where permanent installations are maintained. It is estimated that personal commutation averages 8 miles per day. Multiplied by 255 working days, this amounts to 2,040 miles per vehicle, or an annual total of 1,046,520 miles for the 513 units.

If 50% of these miles did not justify use of department-owned car for personal commutation, a reduction of 523,260 miles could be attained. Valued at \$0.072 per mile, total operating costs would be reduced by about \$37,600 annually. (Executive)

7. Establish employment level history records by each bureau and operating unit.

Employment level history records will give operating unit supervisors good management tools to determine personnel requirements. They will also provide the means to compare past employment levels with current personnel needs and activity. Implementation will keep personnel requirements at a minimum level in relation to planned activities. (Executive)

Bureau of Administration

This bureau is responsible for general administrative functions of the Department of Transportation. It is headed by a director who has authority over Personnel, Fiscal Management, Staff Services, External Audits, Payroll Supervision, Federal Billing, and Reproduction and Stockroom.

Personnel maintains employee records, fills personnel requirements, and serves as representative to the Department of Personnel. Fiscal Management as-

sists in preparation of the budget, performs various accounting and recordkeeping functions, and provides monthly financial statements. Staff Services processes requisitions for the purchase of all supplies and materials, excluding motor vehicles and construction equipment. External Audits verifies estimates, proposals, and claims submitted by third-party contracts. Payroll Supervision prepares weekly exception payrolls, verifies and processes crew payrolls, and performs other functions. Federal Billing processes monthly charges to the federal government for its share of road construction projects, audits expenditures, and maintains documented cost files. Reproduction and Stockroom reproduces copies, maintains a stockroom for office supplies and forms and processes mail.

These subsections employ 31 classified personnel at annual salaries of \$276,000. The assistant director is in direct contact with subsection supervisors and assists in managing their operations. He is also in charge of assembling the biennial budget from information submitted by the various bureaus. The present budget as well as accounting records are project-oriented. This system does not provide operating budgets or costs for the bureaus.

Personnel maintains employee history records to which all changes in employee status are manually recorded. It performs the function of receiving weekly crew payrolls, a duty not normally related to personnel administration. Fiscal Management performs manual postings to the various appropriation accounts from a daily computer print-out. The manually prepared monthly statements takes the section from 10 to 15 days to complete. This effects their value as a management tool. Two clerks are assigned the function of maintaining the accounts receivable records. Checks received by the department are transmitted to the Treasurer of State three times a week.

In Staff Services, required supplies and materials may be acquired by issuing an open market purchase order to the vendor or by sending a requisition to the Bureau of Purchases. The volume of records which requires typewritten copies does not warrant employment of two clerk-typists.

Work of External Audits is conducted efficiently and in accordance with accepted auditing standards and requirements of the Federal Highway Administration. The staff spends approximately 90% of its time auditing third-party contracts. Payroll Supervision spends approximately 40% of its time processing weekly payrolls. The payroll processing procedures and recording of annual records of leave time taken each week appear inefficient. Also, keeping the records of leave time taken each week by employees is time consuming.

The audit functions of Federal Billing are performed satisfactorily and in accordance with departmental procedures and requirements of the Federal Highway Administration. Reproduction and Stockroom renders a necessary and centralized service for the department. Its services are performed efficiently considering the available printing and associated facilities. The section does not perform collation of printed material, due to the lack of sufficient personnel and the absence of a mechanical collator.

RECOMMENDATIONS

8. Streamline bureau operations and staffing requirements.

Administrative activities of the bureau can be made more efficient and less expensive if the following consolidations and reductions are accomplished:

- ▶ Eliminate the position of assistant director. Implementation will result in an annual saving of \$15,700.
- ▶ Eliminate one clerk position. The two clerks assigned to accounts receivable work do not prepare billings. An average of 110 transactions per month are processed. One clerk could handle this work load. Elimination of the other position will result in annual savings of \$5,900.
- ▶ Phase out one clerk-typist position. The bureau's staff of two clerk-typists processes 1,500 to 2,000 purchase orders and requisitions per year. Based on a weekly average of 15, this work could be performed by one employee. Elimination of a clerk-typist will result in estimated annual savings of \$5,700.
- ▶ Do not fill the proposed position of assistant government auditor. Implementation will result in an annual cost avoidance of \$7,400, but is not claimed.
- ▶ Discontinue the Staff Services Sections as a separate entity. The functions of this section are related to Fiscal Management, and are directed by its supervisor. As a result, there appears to be no need to retain this section.
- ▶ Discontinue the Federal Billing Section as a separate entity. Its staff, should be directed by Fiscal Management.
- ▶ Do not continue the Payroll Supervision Section as a separate entity. The staff should be under the direction of Fiscal Management to bring departmental accounting functions under one supervisor.
- ▶ Transfer the payroll function to the Payroll Supervision Section. Some payroll functions are performed by Payroll Supervision and others

by Personnel. These operations should be under Payroll Supervision where they can be accomplished by the existing staff. This will eliminate one clerk-steno position in Personnel for an estimated annual saving of about \$5,200. (Executive)

9. Develop operating budgets and performance reports for the bureaus and units.

Operating budgets and performance reports should be developed to control expenditures. Records of charges and monthly financial statements showing expenditures against approved budgets should be included. Implementation would allow supervisors to maintain their operating costs within approved budgets. (Executive)

10. Recover costs of printing road construction plans by increasing the price to \$18 for full-size and \$14 for half-size prints.

Since August 1971, contractors have been charged \$12 for full-size prints, and \$8 for half sizes. These prints are reproduced at a cost of \$0.35 per sheet. During fiscal 1972, about 2,752 sets were produced with an average of 47 sheets in each. The average cost per set was \$16.45. A total of 85 projects were awarded 33 sets of plans for each undertaking. Of these, 23 sets were used by various divisions within the department, and 10 sold to contractors. Increasing the prices to \$18 and \$14 for full- and half-size prints, respectively, will result in an estimated annual income of \$5,100. (Executive)

11. Purchase a collator to assemble reports.

Collation of printed data is not provided due to the absence of a needed mechanical device. Lack of personnel and time in Reproduction and Stockroom to collate the volume of printed material causes the task to be usually performed by the units requesting the material.

It takes approximately 15 hours to hand-collate the estimated weekly work load of 15,000 sheets. Based on an average salary rate of \$4.81 per hour for technical personnel, annual costs approximate \$3,750. With mechanical collation, annual savings of about \$3,500 could be attained. A suitable collator would cost about \$6,200 plus annual maintenance of \$300. Net savings will amount to \$3,300 and the cost will be amortized in less than 2 years. (Executive)

12. Automate recordkeeping functions.

The following steps should be taken to improve the efficiency of recordkeeping and report preparation functions:

- ▶ Computerize the employee history record functions. The present method of manually maintaining them is cumbersome and time consuming. This function should be automated. Development of the technical program for com-

puterizing this function should be coordinated with the Department of Personnel to avoid duplication. Implementation will eliminate a clerical position for estimated annual savings of \$6,300. There will be no out-of-pocket cost to develop the necessary computer program. This can be performed by the staff of Computer Services of the department.

- Expand computer programs to prepare payrolls and related reports. Manual payroll preparation is a costly and time-consuming procedure. A program should be developed to prepare payrolls from employee time sheets submitted by each employee. The cost of developing this program is estimated at \$6,000. Implementation will result in eliminating two clerical positions for annual savings of \$11,000. In addition, considerable time will be saved by crew foremen as well as division clerks.
- Modify the computer program to record income and expenditures to the various appropriation accounts. Recording of income and expenditures to various accounts is a time-consuming operation. These monthly statements should be prepared by a single, coordinated computer program. The cost of expanding this program is estimated at \$2,500. After implementation, one clerical position can be eliminated for an annual saving of about \$6,300. (Executive)

Bureau of Transportation Planning and Services

This bureau has the primary function of providing planning and services leading to best utilization of funds for transportation development as well as selecting transportation projects on a priority basis. It is charged with making long-range recommendations and setting priorities to result in cost savings. The bureau is comprised of the Statewide Transportation Planning, Urban Transportation Planning, Transportation Services, Environmental Services, and Special Services Sections. It is comprised of 80 positions with an approximate fiscal 1973 payroll of \$740,000. Total expenditures for this period amounted to \$1,242,471.

Special Services provides publicity, public relations, and special services such as graphics, displays, and reports for the department. Statewide Transportation Planning develops long-range plans, goals, and policies for Maine's transportation system. Urban Transportation Planning is comprised of the Urban Transportation and Traffic Studies subsections. Its primary purpose is executing urban transportation studies for determining highway-related needs.

Major emphasis is on long-range planning, although Traffic Studies is responsible for the Traffic Operations Program to Improve Capability and Safety (TOPICS). Transportation Services represents the public interest to assure effective transportation service to the agriculture, manufacturing, and service sectors in the state. Environmental Services assists in assuring transportation programs are carried out to protect and enhance Maine's environment. This unit is in the process of developing operating practices and defining the scope of its responsibilities. The Bureau of Transportation Planning and Services is in a state of flux. Formal and informal lines of communication and areas of authority are still being formed. More attention needs to be directed to analysis of structure and evaluation of organizational efficiency.

Since the planning function is long-range, and the bureau has been in existence less than one year, no attempt has been made to evaluate the quality of its output. It has a core of capable, dedicated personnel on which a truly efficient organization can be built.

More than any other subsections in the bureau, Systems Analysis has the potential to effect concrete savings within the department. However, the only major effort has been in developing the accident records system handled by Safety Engineering.

The planning function of Statewide Planning—Highways (SPH) suffers inefficiencies resulting from its organizational separation from other highway planning units. Transportation Data Resources (TDR) is the heart of the bureau's highway related activities. It generates primary source highway-related data which supports work carried out in design and administration functions. However, there is a critical lack of mathematically based, statistically sound treatment of data, and computer capability is greatly underutilized except for storage of data.

In Urban Transportation there is an imbalance in the ratio of professional engineers to engineering aides and technicians. Data treatment is inherently inefficient because of illogical procedures under which several different units are involved in phases of data collection, analysis, and reporting for the same project area.

From fiscal 1970 through 1973, a total of \$3,718,000 will have been spent on projects by Traffic Studies. Of this, 50% was federal money. Also, \$399,000 will have been spent on consultant fees. The planning function which this unit was chartered to achieve has been carried out in an efficient manner.

Environmental Services has been functioning for only a short period. Most of that time has been utilized in familiarizing a newly recruited environ-

mental specialist with the department's practices, procedures, and organization.

RECOMMENDATIONS

13. Restructure the bureau.

The existing organization, depicted in the chart shown below, is not structured along functional lines. It represents a collection of units which were brought together in consideration of available manpower from the absorbed agencies. The table to the right outlines major functions and areas of the bureau's responsibility. It was utilized in devising the proposed structure which is shown in the chart on the following page. It:

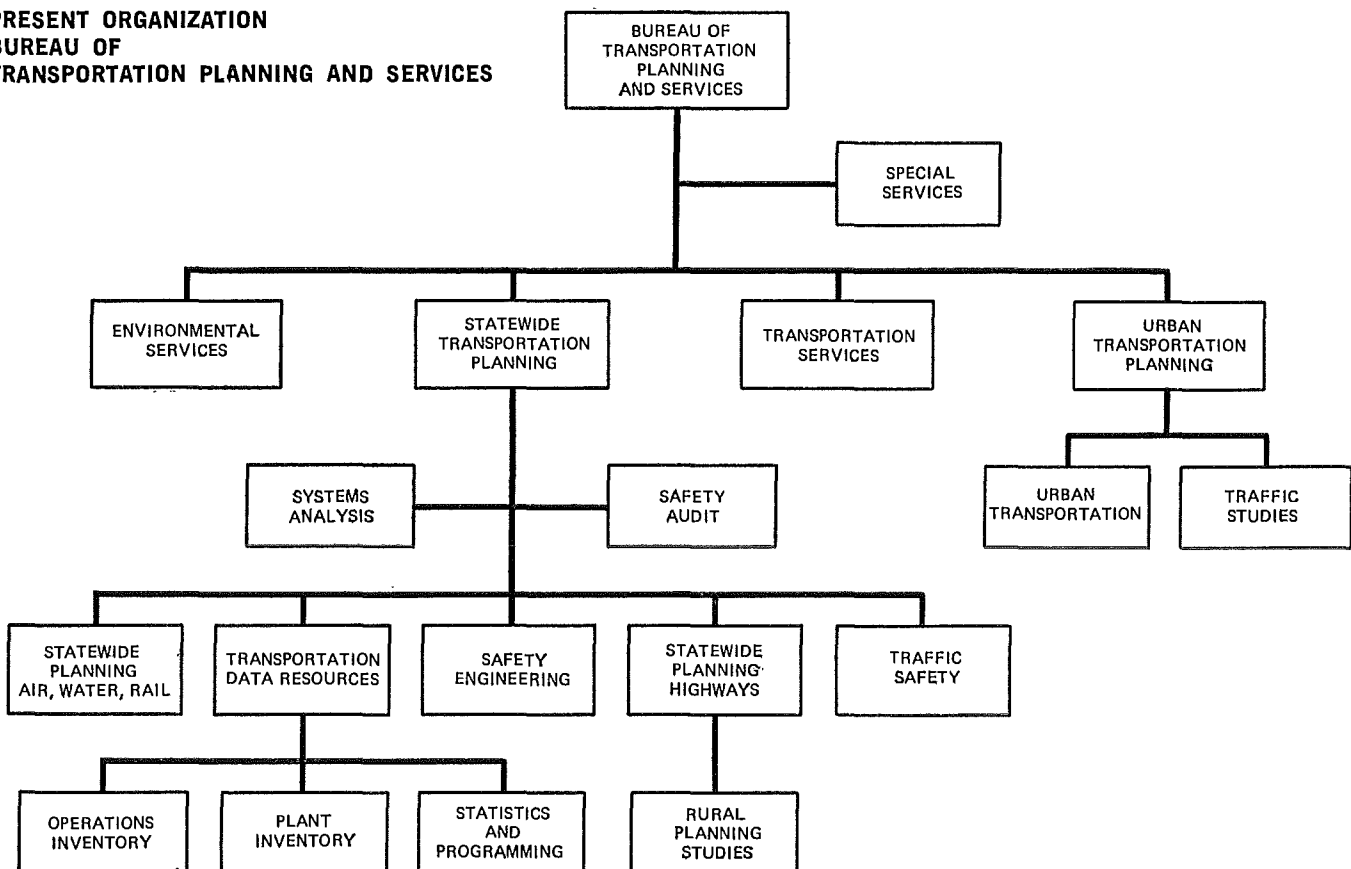
- Places the personnel involved in major bureau output in Transportation Planning. This division is divided into two groups. One deals with highways, the other with air, water, and rail. All facets of statewide, rural, and urban planning, reporting, and coordinating are covered. As a result, efficiencies resulting from elimination of duplicated effort and overlapping lines of authority are permitted.
- Recognizes the contribution of the safety function by removing it from Statewide Planning.

TRANSPORTATION MODES	SCOPE OF CONSIDERATION	BUREAU OUTPUT	IN-HOUSE EFFORTS
Highways	Statewide	Planning	Data Collection
Air	Rural	Reporting	Data Analysis
Water	Urban	Coordinating	Clerical Administration
Rail		Services	Systems Analysis
*Safety		**Special Services	Safety Audit

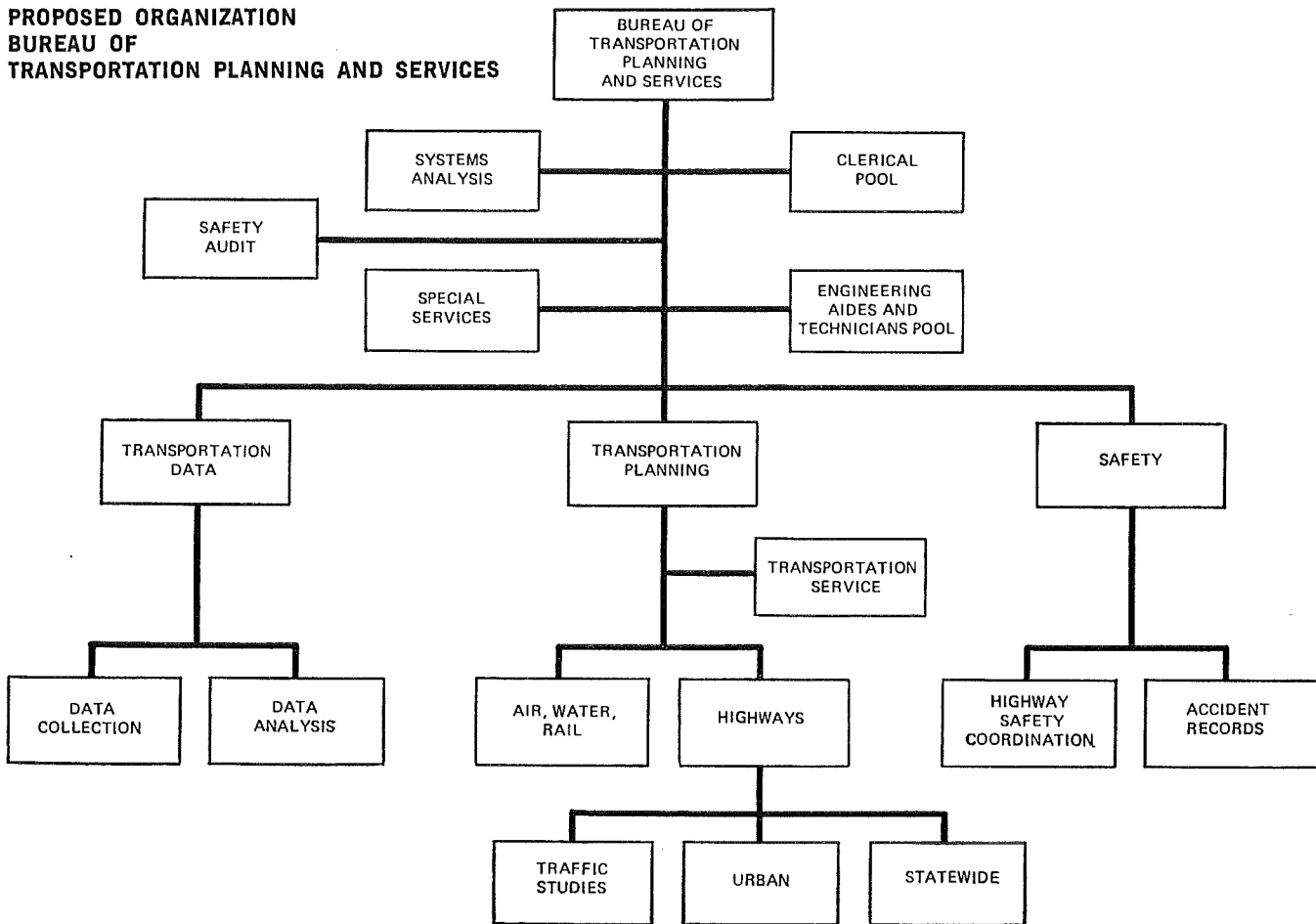
*Safety is a specialized field, not actually a mode. **Special Services — Information, Publicity, Photography, Mapping and Graphics. It has output and in-house roles.

- Provides separation of data collection and analysis functions from the planning function. Formation of Data Resources permits more efficient utilization of manning and will facilitate adoption of proposed improvements in data collection and treatment.
- Permits pooling of clerical and engineering aides and technicians as well as supports manning reductions.
- Maintains needed separation of the in-house efforts such as special services, systems analysis, and safety audit from output functions.

PRESENT ORGANIZATION BUREAU OF TRANSPORTATION PLANNING AND SERVICES



**PROPOSED ORGANIZATION
BUREAU OF
TRANSPORTATION PLANNING AND SERVICES**



The following detailed enabling steps must be achieved to implement this reorganization:

- Fill the director's position and eliminate the assistant director. Since it was formed, the positions of deputy commissioner and director have been manned by the deputy commissioner. Day-to-day management has been accomplished by the assistant director. Annual savings of \$20,000 will result from elimination of the position of assistant director.
- Create a new position of statistician. Vast inefficiencies result from the lack of up-to-date statistical methods and poor utilization of the available computer support unit. There is no degreed statistician in the bureau. A qualified graduate should be hired to report to the director. In addition to reducing costs through restructuring and adopting other recommendations by creating this position, annual savings of \$33,000 will be attained through elimination of five engineering aides and technicians. The

added cost incurred by establishing a new position is approximately \$15,400.

- Eliminate the position of administrative assistant. The engineering aide, now filling the administrative assistant's position in the bureau, has limited responsibilities which can be performed by the clerical staff. Implementation will provide an annual saving of \$6,800.
- Create a pool to provide clerical services for the restructured bureau. There are wide fluctuations in individual work loads of the bureau's clerical support. Creation of a clerical pool of five existing personnel will permit more efficient utilization of manpower through better distribution of work.
- Create an engineering aides and technicians pool to provide nonprofessional engineering services. Engineering aides and technicians should be made available to fulfill specific assignments. This will support more efficient manning utilization and cost reductions.

- ▶ Require budgets and performance reports, as well as specific work plans for each division. The benefit to be realized is that evaluation of work performed by each unit will be possible.
 - ▶ Partition the present work area in room 400 to form adequate office facilities. A total of 27 personnel associated with Transportation Data Resources share a large, undivided, crowded room. Some 24 cubicles, each measuring 6 feet by 6 feet, could be formed by installation of partitions at a one-time cost of about \$9,000. This would leave about 33% of the area open for workbench space and additional desks.
 - ▶ Provide a separate expense category which covers Special Services. This would detail year-to-year adjustments in operating costs.
 - ▶ Do not fill the vacant position of illustrator in Special Services. This vacancy has existed for about 3 years. Implementation will provide an annual saving of \$7,700.
 - ▶ Redefine the duties of the photo lab assistant position to include maintenance of the Special Services' film library. This assistant has time available to absorb the added responsibility.
 - ▶ Eliminate a clerk-typist position in Special Services. Currently, two clerk-typists and a stenographer provide normal clerical services. Rearrangement of clerical duties and elimination of unnecessary functions would allow a reduction in this staff which will provide an annual saving of \$4,900.
 - ▶ Combine the responsibilities of the information representative and the publicity representative into one position. The functions of writing daily news releases, creating copy for news items, preparing literature, and promoting highway safety comprise the major efforts of these positions. In combining these functions, the responsibility of providing information for use in publicity releases should be eliminated. This will yield annual savings of \$9,700.
 - ▶ Integrate the Statewide Planning — Air, Water, Rail (SPAWR) unit into the proposed Transportation Planning Division. The Statewide Planning — Air, Water, Rail is strictly a planning and coordinating unit with no resources for collecting basic transportation-related data. Overall statewide planning is heavily slanted to highway needs because of the current organizational isolation of the unit. Under the new organization, it will draw on the resources of the restricted Transportation Planning Division and the engineering aides and technicians pool. Thus, it will serve as a nucleus for statewide planning in air, water, and rail modes.
 - ▶ Transfer the Statewide Planning — Highways (SPH) unit to the Highways subdivision. Under the existing organizational structure, Statewide Planning — Highways, Urban Transportation Planning, and Transportation Services, which are involved to some extent in highway planning, are separated units. When the bureau is restructured, the head of Statewide Planning — Highways will report to the Transportation Planning Division Chief with Urban Transportation and Transportation Services engineers.
 - ▶ Eliminate an engineering technician position from Rural Planning Studies. Under the reorganization, basic data analysis will be separated from the planning function. This will enable an annual cost avoidance of \$13,600.
 - ▶ Transfer the engineering technician from Statewide Planning — Highways (SPH) to the Data Analysis subdivision. In the newly organized bureau, the engineering technician will be better utilized in the Data Analysis subdivision.
 - ▶ Restructure Transportation Data Resources (TDR) which exists as a subdivision of Statewide Transportation Services into the proposed Transportation Resources Division. There is considerable manual, inefficient treatment of data. Most of the data treatment involves routine compilation, tabulation, and collation. The proposed reorganization strengthens the Transportation Data Resources effort by separating its data collection and data analysis functions. This will permit increased efficiency by removing the current artificial separation into three separate subdivisions and putting all personnel in one data analysis unit where more proficient data handling and analysis can be focused.
- This reorganization, by itself, would permit a conservatively estimated manning reduction of at least five persons. No savings are claimed because experience with the engineering aides and technicians pool should be gained before cuts are made.
- ▶ Eliminate seasonal employees for office-related data analysis in Transportation Data Resources. Under the existing organizational structure, seasonal fluctuations in data generation necessitates hiring summer employees to handle office-related data treatment. The proposed new structure obviates the need for seasonal personnel. Savings are estimated to be two positions at \$100 per week for 14 weeks, or \$2,800 annually.
 - ▶ Reduce the number of seasonal field data collection personnel in Transportation Data Resources to 14. The number of seasonal persons

required fluctuates yearly. However, eliminations would apply every year. At \$100 per week per employee for a total of 14 weeks, annual savings of \$2,800 will be obtained.

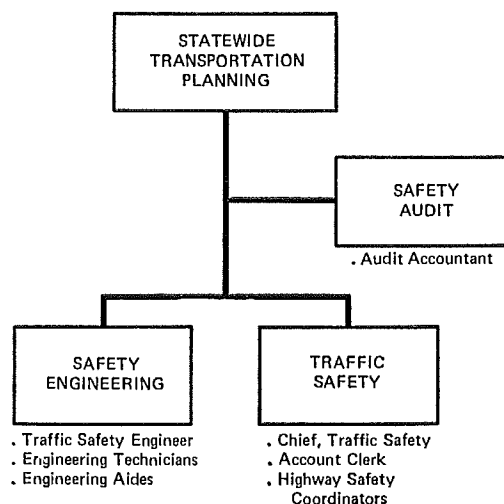
- ▶ Do not fill the position of Chief, Traffic Safety. This position has been vacant several months, with no discernable impact on the bureau's efficiency. Implementation will provide an annual cost avoidance of \$11,000.
- ▶ Phase out the position of account clerk in Traffic Safety. The professional duties of the clerk will be picked up by the Audit Unit and his nonprofessional duties will be performed by the engineering aide, whose addition is proposed for Highway Safety Program Coordination (HSPC). Estimated annual savings of \$6,900 will be obtained.
- ▶ Eliminate an aide from Safety Engineering. Savings of \$5,400 would result each year.
- ▶ Transfer an engineering aide from Safety Engineering to Highway Safety Program Coordination to provide professional backup.
- ▶ Assign an engineering aide from Safety Engineering to the proposed engineering aides and technicians pool.
- ▶ Create the position of Chief, Highway Safety Coordination. This will cost \$15,400 annually.
- ▶ Phase out the position of traffic safety engineer. Its elimination will ensure annual savings of \$13,600.
- ▶ Eliminate one of the safety coordinator positions. The duties of one highway safety coordinator equivalent should be taken over by an aide and the Chief, Highway Safety Coordination. This will eliminate the need for a highway safety coordinator. Implementation will yield savings of \$11,700 per year.
- ▶ Transfer Urban Transportation Planning to the proposed Transportation Planning Division. Existence of Urban Transportation Planning as a unit separate from the other highway planning entities is inefficient because of duplication of efforts, overlapping areas of authority, and utilization of manpower. Placement of all highway-related planning in one unit permits efficiencies through elimination of duplicated efforts.
- ▶ Phase out the position of urban transportation planning engineer. Elimination of this position will provide annual savings of \$16,500.
- ▶ Transfer three engineer technicians from Urban Transportation Planning to the engineering aides and technicians pool.

- ▶ Eliminate an engineering aide position from Urban Transportation Planning. Implementation will provide annual savings of \$6,800.
- ▶ Do not fill the position of assistant engineer in the Traffic Studies subdivision. This position has been vacant 15 months with no discernible adverse impact. Its elimination will provide a cost avoidance of \$10,400 annually.
- ▶ Reduce the manning of Transportation Service by eliminating two transportation specialist positions. Annual savings should amount to \$24,800.
- ▶ Discontinue the Environmental Services unit. Its existence is an unnecessary duplication of state services provided elsewhere. Phasing out of Environmental Services will result in annual savings of \$13,000 and a cost avoidance of \$19,000 by eliminating the funds budgeted for the staff and expansion of activities.
- ▶ Transfer the environmental specialist to the Department of Environmental Protection.
- ▶ Eliminate the road inventory function of the plant inventory group of Transportation Data Resources. Implementation will eliminate four positions to allow annual savings of \$46,200, including expenses of computer backup and associated clerical work functions. (Executive)

14. Restructure the safety units within Statewide Transportation Planning.

Under the present structure, illustrated in the chart shown below, there is provision for a separate

PRESENT ORGANIZATION SAFETY FUNCTION STATEWIDE TRANSPORTATION PLANNING



audit function. However, there is no clear line between the audit and coordination functions as well as a serious overlap and confusion. Also, the account clerk appears under Traffic Safety, but the position reports to the audit accountant. The proposed structure, depicted in the chart shown below, separates the major functions of the safety effort of audit and accounting, coordination, and accident records maintenance into district areas in which they occur. (Executive)

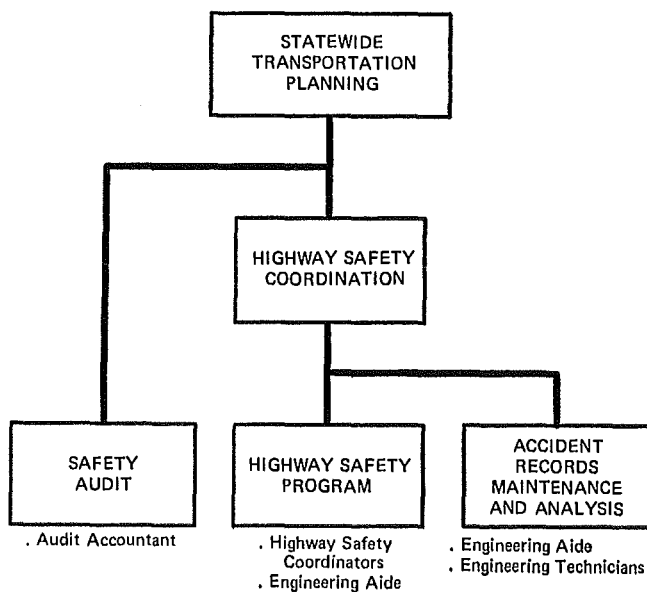
15. Perform a work measurement study of Mapping and Graphics.

There appears to be a potential reduction of at least one aide in Mapping and Graphics. However, information must be obtained to reach a decision on the manning level. First, a detailed listing of all maps, atlases, and graphics to be completed, updated, or reviewed annually must be determined. Then an analysis of the manning required to fulfill this function should be made. Also, it would be necessary to review current manning, through a work measurement study, to determine its adequacy. Elimination of an aide would provide a saving of \$6,800 per year. (Executive)

16. Review photographic groups functioning in state departments to determine if cost reductions can be realized through centralization.

The two-man photography unit is fulfilling its goal of supplying the department's requirements. Therefore, no reductions are recommended. However, the need for an autonomous photography unit

**PROPOSED ORGANIZATION
SAFETY FUNCTION
STATEWIDE TRANSPORTATION PLANNING**



within the department versus potential cost reductions which could be achieved through a centralized laboratory staff serving all departments in Augusta should be evaluated. (Executive)

17. Stop direct sales of departmental maps and other literature to the public.

A clerk-typist in Special Services takes care of direct mail and walk-in sales of the department's literature to the public. In calendar 1972, these sales amounted to \$4,280. At one time, the department also sold federal topographic maps to the public, but dropped the practice because it was bothersome and time-consuming. To keep these maps available, they are distributed to privately owned stationery, bookstores, and other outlets.

To reduce operating costs, literature which is available should be distributed in the same manner. A minimum order quantity should be determined to eliminate nuisance quantities. Adoption will enable a manning reduction in clerical services. (Executive)

18. Phase out reviewing newspapers to clip transportation articles.

A clerk-stenographer in Special Services reviews about 15 daily newspapers to prepare a compendium of transportation-related articles for circulation within the department. Elimination of this unnecessary function will enable a manning reduction in the clerical force. (Executive)

19. Develop a priority listing of areas where present computer capability can be applied to effect cost savings.

Several sections in the bureau collect and analyze volumes of transportation-related data. Only Safety Engineering uses the computer and has eliminated significant hand calculating and manual analysis. To effect more efficient treatment of transportation data resources, Systems Analysis should develop a priority listing where the computer can be applied to permit a reduction in manning.

Each planning group has the potential to reduce costs through personnel reductions by replacing manual treatment of data with computerization. A priority listing should be developed in the following manner:

- ▶ When work on accident records programming by the systems analyst is sufficiently completed, he should draw up the listing.
- ▶ Secondly, he should interview all section heads to evaluate the potential for computer applications. The analyst should then specify the application and indicate potential savings.
- ▶ Projects which will result in the largest dollar savings through manning reductions should be assigned highest priority.

The tendency to increase the size of Systems Analysis to carry out this program should be resisted. Current manning is adequate, in view of the backup provided by Computer Services. (Executive)

20. Survey the literature and make inquiries to ascertain availability of an up-to-date listing of computer programs.

Computer services are vastly underutilized in bureauwide data handling and analysis. There are numerous programs prepared for treating transportation-related data from both the federal government and private companies. A survey could discover readily available programs which could be utilized. (Executive)

21. Create a file of copies of all linknode diagrams within the Accident Records Section.

An engineering aide draws up a new linknode diagram to go with each computer print-out to detail the accident history for each linknode. By filing a master copy for each before specific information is printed on the diagram, the master could be pulled when needed. Savings would be approximately 5 hours per week of an aide's time. (Executive)

22. Eliminate duplication of effort whereby the State Police and Safety Engineering put accident record data on computer tapes.

The State Police codes accident records reports and forwards them to Safety Engineering where the data is also coded. However, Safety Engineering codes only the location and collision information. Once a year, they receive a tape from the State Police and merge the results. The Systems Analysis Unit indicates efforts are underway to have the police send their tapes at least every 3 months. This should be extended to furnishing a tape which would be useful to both them and Safety Engineering without merging. Such action will result in saving 75% of an engineering aide's time. (Executive)

23. Terminate Traffic Studies if no federal funds are available beyond fiscal 1973.

The need for Traffic Studies exists as long as federal funding is available. Once this is stopped, work will be carried on at a reduced dollar level. At present, there is uncertainty as to whether the federal government will make Traffic Operations Program to Improve Capability and Safety money available beyond fiscal 1973. Termination would result in the federal government saving about \$25,300 annually. (Executive)

Bureau of Aeronautics

This bureau is administered by a director (acting airports manager). It is charged with responsibilities to promote public safety and the interests of aero-

nautics, assist in the development of airports, manage the state airport, and supervise operations of state-owned aircraft. Promotion of public safety and the interest of aeronautics are primary tasks of the director and the chief inspector. They must administer laws of the federal government and establish necessary regulations as deemed necessary.

It has a staff of 12. Expenditures for fiscal 1972 were \$267,487, of which administrative costs totaled over \$200,000. Expenditures for fiscal 1973 are estimated at \$264,129.

The chief inspector regularly visits the state's 31 active airports, registering those in compliance with laws and regulations. Aircraft operated in the state, with a few exceptions, are also registered. Using a state-owned aircraft, he checks the accuracy and operation of aids to navigation which are wholly or partially funded by the state. The bureau administers state and federal grants for the development and maintenance of airports in Maine as well as provides required planning, designing, engineering, and consulting services.

The Augusta State Airport, the only active state-owned facility, is the site of the bureau's offices and provides hangar space for two airplanes.

State-owned aircraft are serviced by the chief pilot who, with a copilot, operates the Governor's plane. The other unit is operated by the chief inspector. Major maintenance and calibration of instruments and systems is contracted out.

Clerically, the bureau has not taken full advantage of the facilities and manpower available through the Bureau of Administration. Other procedures, such as aircraft registration and snow removal assistance, are unnecessarily complex and duplicate similar efforts by other agencies.

The position of chief inspector is inadequately staffed to perform the duties delegated to it. These functions include investigating aircraft accidents, inspecting aircraft and airport registrations, checking state-funded navigation aids, providing assistance to the director in operating the State Airport, developing aeronautics, and supervising the office and maintenance staffs. The airplane provided to the chief inspector is inadequately equipped for inspection duties and is not prepared for instrument flights. Fees and rentals charged for services and facilities it provides are not standardized.

RECOMMENDATIONS

24. Allow the chief inspector to devote full-time efforts to public safety in aviation.

In addition to the chief inspector's primary functions of examination, certification, investigation, inspec-

tion, and education programs, he shares responsibility for building maintenance and clerical functions. He is the only person in the bureau who is presently able to investigate accidents and inspect airports. Checking the state's 66 commercial airports and seaplane bases, which the chief inspector indicates should be performed quarterly to ensure adequate safety, adds a 50 man-day work load every 3 months.

The proposed realignment would add full responsibility for maintenance and clerical supervision. This would leave accountability for airport inspection, aircraft registry, navigation aid inspection, and aircraft accident investigation to the chief inspector. (Executive)

25. Eliminate the bureau's accounting functions.

Accounts receivable and payable are documented and processed in the Bureaus of Aeronautics and Administration. The net result is duplication of effort, files, and forms. Duplication of Bureau of Administration work requires approximately 20% of a clerk's time. Duties remaining with the clerk in Aeronautics would include assembling information on accounts payable to be forwarded to Administration. (Executive)

26. Transfer the function of processing airport snow removal assistance requests to the Bureau of Administration.

The department provides partial reimbursement for the cost of snow removal on state-aid roads to the town which incurred the charges. Similarly, the Bureau of Aeronautics reimburses the town or county 50% of the cost incurred for airport snow removal. They should both be performed by the Bureau of Administration. All the clerk in Aeronautics does is check the mathematics on forms submitted to ensure rates per hour and hours worked balance with the total. The remainder of the accounting is done in the Fiscal Management Section of the Bureau of Administration. (Executive)

27. Assign the processing of aircraft registrations to the Motor Vehicle Division.

The bureau registers approximately 700 aircraft a year. The task requires an estimated 40% of the time of a clerk-steno who also handles airport snow removal assistance. This registration procedure is cumbersome and necessitates multiple-copy forms and several duplicate files for cross-referencing and audit purposes. One file by owner name and one by federal registry number would be sufficient. The Motor Vehicle Division should provide a properly validated copy of the excise tax receipt and the application for registration.

The accounting and auditing facilities of the Motor Vehicle Division could be used instead of requiring

the Bureaus of Aeronautics and Administration to provide accounting, and Bureau of Administration, auditing. The two extra files currently kept in Aeronautics could be eliminated.

By eliminating the accounting activities from the bureau, and transferring airport snow removal assistance to the Bureau of Administration, the clerk-steno position can be eliminated for an annual saving of \$5,700. (Legislative)

28. Revise the fee schedule for the executive aircraft to recover operating costs from those departments using it.

The fee schedule for the executive aircraft, used by many departments of state government, is based upon a formula obtained from a commercial airline. This formula's key factor is passenger miles flown. Within the bureau, however, operating costs are based upon its hours of utilization. Furthermore, the Governor and individuals traveling for him are not charged. The bureau should determine a cost-per-hour figure and develop a standard, compatible fee policy and schedule for the plane to fully account for operational costs. The resultant charges should be applied to those departments or individuals who use it.

In fiscal 1972, expenditures for the aircraft amounted to \$45,857, of which \$13,488 was recovered from fees charged to other departments. The general fund contribution totaled \$31,403. Raising the fee and basing it on flight hours would encourage better utilization, promote more careful consideration of travel requests, as well as properly place the total cost of operations within the budgets of user departments. (Executive)

29. Charge a fee commensurate with the cost of conducting airport inspections.

No fee is charged for airport examinations conducted by the chief inspector. These inspections require 4 to 6 hours in the airport complex, an allowance for flying to and from the site, as well as the interval to document the inspection, results, and recommendations.

A total of 42 land and 24 water landing areas were certified in fiscal 1972. The bureau should determine an appropriate fee to partially defray these costs. If charged an hourly rate approximating the chief inspector's wage, income would amount to \$5,500 annually. (Legislative)

30. Conduct a cost study in Airport Administration to determine if fees are commensurate with the services and facilities provided.

Rentals of office and hangar space as well as maintenance and airport use fees are not standardized. One commercial airline pays a per-landing charge,

the other on a passengers-carried basis. The bureau should conduct a study to determine appropriate charges and standardize them wherever possible. This would ensure the state is adequately reimbursed for services it provides. It would simplify the accounting process for these incomes and eliminate inequities in charges for the services provided. The department has a qualified staff to perform this study. (Executive)

31. Perform a work measurement study in the Bureau of Aeronautics to provide work standards and optimum staffing.

The bureau has no work standards to apply in determining optimum staffing levels. As a result, staffing is based upon subjective evaluation of the work to be performed. Professional consultants should be able to provide reductions in operating costs through application of work measurement techniques. A conservative estimate of possible benefits includes a 10% reduction in personal services costs, which were budgeted at \$112,043 in fiscal 1972. Annual savings of \$12,000 should be attained after implementation. The cost of conducting this study is included in a previous report section. (Executive)

32. Give authority for appointment of the director to the Commissioner.

Legislation provides for appointment of the bureau's director by the Governor. In essence, this makes the director responsible to the Governor rather than to the Commissioner. Providing appointment authority to the Commissioner would improve continuity in the execution of department policies. It would promote recognition of mutual interests and provide improved responsiveness in assumption and discharge of their duties. (Legislative)

Bureau of Waterways

This bureau's responsibilities include operating the State Pier in Portland, promoting and developing ports in the state, and managing the State Ferry Service. It is also accountable for maintenance of six wharves on Casco Bay. Promotion and development of Maine's maritime activities are primary responsibilities of the director. He must determine needs and usage of port facilities, keep informed about present and future requirements of ocean shipping, provide harbor development, and make comprehensive surveys and plans for utilization of port facilities. Also, he is responsible for legislative liaison, publicity, and information on foreign trade.

The 59 employees of this bureau are under civil service regulations. Budgeted personal services for fiscal 1972 amounted to \$313,313 of expenditures which totaled \$1,237,603. Fiscal 1972 expenditures for the bureau totaled \$1,199,972, of which \$559,-

829 was supplied by appropriation from the general fund. The balance of \$640,143 was supported by income from services provided.

The State Pier is the only commercial facility in Portland and is used by ocean-going vessels, the Portland pilot and harbor fire boats, and the U.S. Coast Guard. Maintenance and rehabilitation of the pier, storage sheds, related machinery and equipment as well as berthing of ships and placement of cargo are responsibilities of the pier superintendent. The pier business manager prepares budgets and appropriations requests, manages purchasing, plans and contracts repairs, and recommends improvements to the pier.

The State Ferry Service is managed by a master mariner whose responsibilities include vessel scheduling and supervision, vessel safety, maintenance and operation, terminal operations, and personnel administration. The port engineer and his assistant perform maintenance on its five vessels.

This service has seven terminals and 14 terminal agents who sell tickets and account for proceeds. The bureau maintains six slips in Casco Bay and leases these facilities to a commercial ferry service for an annual fee of \$5,735. Passenger facilities are provided at a monthly rental of \$144.58 and the automobile ramp at Peaks Island is leased for \$4,000 annually.

The Bureau of Waterways is divided into two functional and geographical units. Assimilation into the Department of Transportation has complicated the decision-making process. Authority to make administrative decisions appears to have been allocated to the deputy commissioner level. The scope and limits of the bureau's prerogatives and authority are not adequately defined.

RECOMMENDATIONS

33. Give the Commissioner authority to appoint the director.

Legislation provides for appointment of the director by the Governor. This makes him responsible to the Governor rather than the Commissioner. Bestowing appointment authority to the Commissioner would improve continuity in the execution of department policies. It would promote recognition of mutual interests and provide improved responsiveness between the two positions in assuming and discharging respective duties. (Legislative)

34. Maintain the bureau's offices at the State Pier to hold down operating costs.

Current plans call for moving the bureau's offices to Augusta to improve departmental control and coordination of interbureau operations and facilitate

communications. Also planned is recruitment of a general representative to assume cargo solicitation functions of the director, and management of the pier. Moving the offices would increase annual salaries for supporting clerical personnel by about \$17,000 for operating the state pier. Equalizing the status of bureau directors would achieve much of the goal of the planned move without the accompanying expense. Implementation should provide cost avoidance of \$17,000. (Executive)

35. Conduct a work measurement study to provide work standards and optimum staffing.

The bureau has no work standards to apply in determining optimum staffing. As a result, it is based upon subjective evaluation of work to be performed. Professional consultants generally average a 15% to 20% reduction in operating cost through application of work measurement techniques. Potential benefits include a 10% reduction in personal services costs, which were \$314,621 in fiscal 1972, to provide annual savings of \$31,500. Cost of the study is estimated at \$15,000. (Executive)

36. Implement recommendations contained in the July 1972 audit report.

The July 1972 audit report and subsequent commentary discuss results of a study conducted prior to the reorganization. Several specific recommendations, especially in stock control and inventory, were made to improve the bureau's operations. These suggestions are sound, and should be implemented at an early date to provide an accurate and meaningful accounting of the bureau's assets. (Executive)

37. Develop a local purchase procedure for quick procurement of low cost items.

Frequently, relatively small items such as replacement parts for a vessel or vehicle are needed on a rush basis. If not stocked, items must be obtained by purchase order or authorized by telephone to Augusta and documented. This results in delays and frequently costs more in processing time than the item is worth. A local blanket purchase order procedure would establish the dollar limits of purchase authority and speed up the acquisition of necessary parts. Internal control of such purchases would be better than with petty cash funds. In fiscal 1972, dollar volume of such purchases amounted to \$1,200. (Executive)

Bureau of Highways

This bureau assumes the functions of most organizational units of the State Highway Commission. It implements the Highway Construction Program and provides input to the Bureau of Transportation Planning and Services for highway construction plans.

The Bureau of Highways directs and coordinates 10 divisions which are concerned with all aspects of the state's highway system. Policy and Procedures Review continually examines publications relating to engineering functions. Personnel Safety administers a continuing program of on-the-job safety education, accident investigation and analysis, and physical security investigation. It also originates data related to claims under the Workmen's Compensation Act. Project Scheduling prepares documentation for authorizations required by the Federal Highway Administration (FHWA) on projects involving federal funds. It also administers funding of all highway and bridge construction projects. Location and Survey is concerned with environmental, social, economic factors, and engineering considerations of highway location. It makes a preliminary determination of location, conducts public hearings and meetings, and establishes project parameters. Design has responsibility for preparation of plans, specifications, and cost estimates for highway and bridge construction contracts, and administration of contract awards. Traffic Engineering provides special services relating to traffic control devices within the scope of the Design, Construction and Maintenance Divisions. Its subunits are Area Traffic Engineers, Electrical, Pavement Marking, Sign Shop, and Sign Erection. Materials and Research incorporates the units of Testing, Soils, and Research. Testing is concerned with federal specifications for construction and materials. Soils provides information on soil properties, geological conditions, and aerial photo interpretation. Research analyzes pavement materials, provides research on soil characteristics, and impact of chemical usage. Right of Way administers acquisition of land and compensation to owners. It completes a property owner's report establishing the physical and legal aspects of the acquisition, and conducts public hearings as to location of the right-of-way. Construction oversees contract construction to ensure plans and specifications, documentation, testing procedures, and departmental policies are complied with. Its operating sections of Highways, Expressway, and Bridge are geographically subdivided to provide coverage of construction projects. Maintenance and State Aid is responsible for summer maintenance of 11,507 miles, winter maintenance of 3,568 miles of state highways and 2,600 bridges. Each of its seven geographical divisions has responsibility for highway and bridge maintenance, supervision of state-aid reconstruction, motor transport, and radio operations.

The bureau was conceived as a functional organization in which each unit would be responsible for an activity. However, results have not fully achieved this goal. Furthermore, staff functions were not adequately delineated, and were, in some cases,

given organizational status equal to the major functional groups. It has no engineered work standards for use in determining optimum staffing levels and project schedules. In the absence of precise standards for planning, performance is judged by a subjective evaluation of results rather than on accomplishment of a fully detailed plan.

Personnel Safety is overstaffed for the department's safety program. This has occurred because responsibility for safety has not been fully delegated to division supervision.

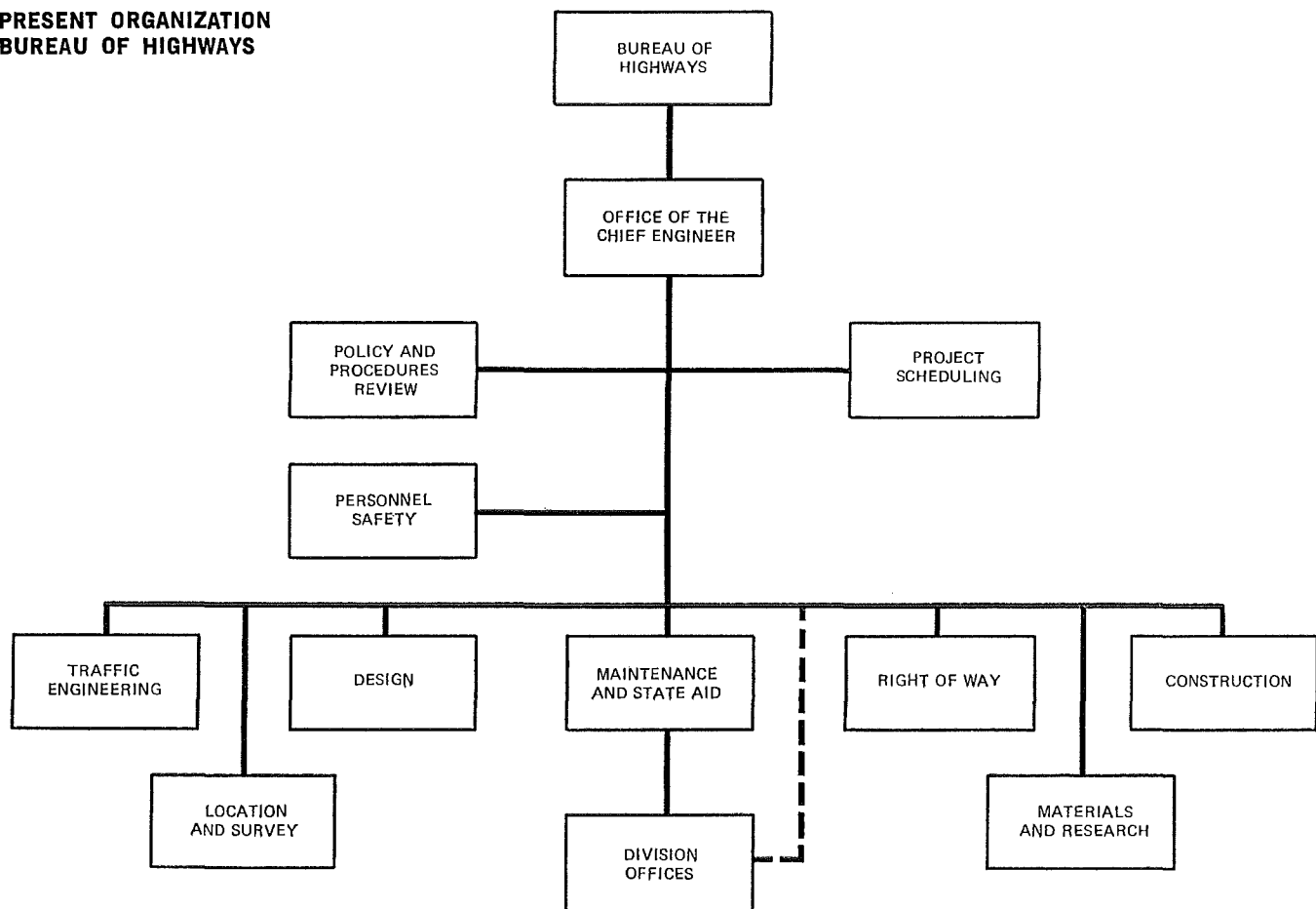
Analysis indicates 28% of Location and Survey crews are overstaffed for the winter months. Further, 20% of the crews are composed of loaned personnel from other divisions. This practice would indicate a make-work program to retain employees from other divisions during slack work periods. Design has staffing capacities to handle independently normal highway design requirements. No concerted effort has been directed toward maximizing the use of construction personnel during the winter months.

Traffic Engineering is a highly specialized unit dealing with finite fragments of design, construction, and maintenance functions which are responsibilities of other divisions. This has resulted in creation of redundant organizational units. Recent reductions in construction programs have prompted Materials and Research to reduce its staff. However, 10 vacant budgeted positions remain.

Organization of Right of Way is fragmented and distribution of ill-defined duties is cumbersome. Construction, because of literal interpretation of FHWA requirements, has overemphasized the separation of functions. This has created overspecialization in assignments of some supervisory and technical personnel.

Maintenance and State Aid has several problems. Standardization of some staffs has substituted work load and requisite staffing for analysis of activities. Asset and inventory control methods and procedures are outmoded and inadequate. Cost effectiveness has not been fully applied to purchase or maintenance of vehicles.

PRESENT ORGANIZATION BUREAU OF HIGHWAYS



RECOMMENDATIONS

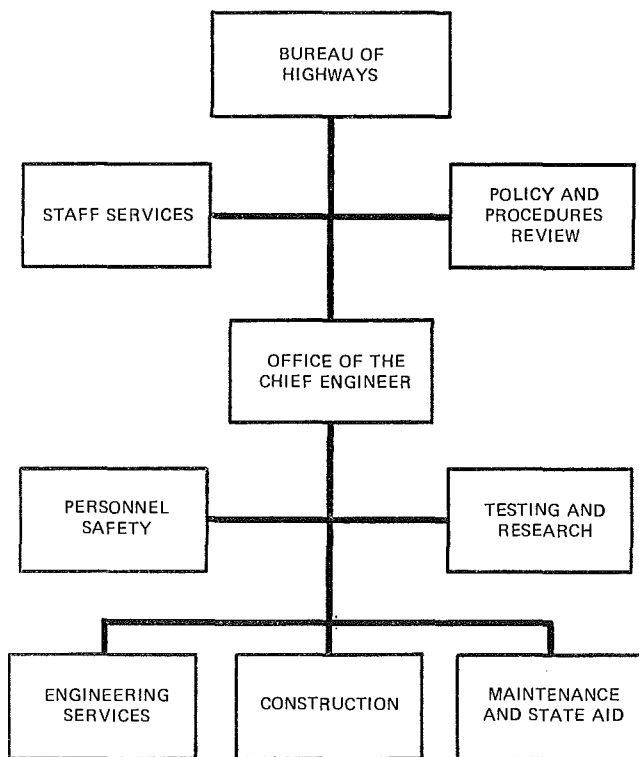
38. Reorganize the bureau along major functional lines.

The present bureau organization, depicted in the chart to the left, runs from highly specialized units dealing with finite parts to multifunctional divisions which must be geographically subdivided. Proliferation of divisions reflects overspecialization and fragmentation of the logical workflow.

To reverse this trend, tasks should be realigned into major functional units and a clearer distinction between staff and operational responsibilities established. Consolidation of subunits into major functional units will streamline and simplify the chain of command and eliminate fragmentation of responsibility and workflow. Additionally, it will increase supervisory effectiveness, improve utilization of personnel, curtail the potential for redundant effort, and enhance coordination of executive and managerial effort.

The proposed organization chart, which is shown below, delineates the staff and operational functions of the bureau as well as establishes levels of authority and responsibility. The following additional steps must be taken to implement this recommendation:

PROPOSED ORGANIZATION BUREAU OF HIGHWAYS



- ▶ Eliminate the position of safety director. The scope of the safety function and the size of the unit does not warrant a full-time administrator. An industrial counterpart to this unit would comprise one safety engineer and a clerk. The jobs of safety director and highway training officer should be combined into the position of safety engineer. Elimination of the safety director will yield annual savings of \$8,700.
- ▶ Phase out two highway investigator positions. These investigators carry out work which could be provided better by other department personnel or different agencies. Their elimination would provide annual savings of \$20,900.
- ▶ Eliminate the steno position. Two clerical jobs can be combined into one. Estimated savings of \$4,700 per year would result.
- ▶ Limit survey crews to no more than four members in Location and Survey. There are three to four members in a survey team in 72% of the division's crews. This number constitutes the normal complement.
- ▶ Establish a budget for Location and Survey. There is no annual budget for this division nor for expenditures incurred by outside consultants for aerial photography, photogrammetry, or location and survey studies.
- ▶ Phase out the area traffic engineer and technician positions in Traffic Engineering. Currently, five area traffic engineers have three major functions which duplicate some efforts of other divisions. Elimination of these positions will result in savings of \$116,900 annually, including travel expense.
- ▶ Transfer sign erection crews to the maintenance district offices, eliminating the need for a supervisor in Augusta. This will result in annual savings of \$14,900.
- ▶ Assign the electrical unit, the sign shop, and the pavement marking unit to Maintenance. These units work almost entirely in maintenance-related functions. Integration into Maintenance would provide improved coordination.
- ▶ Relocate the traffic signal inspector from Traffic Engineering to Construction. This position should be assigned to the same organization as the rest of the inspectors. It would provide for cross-training and lead to better utilization of manpower as well as greater flexibility.
- ▶ Transfer the electrical engineer and his technician to Design. Placing them in Design would provide better functional control of their design work and improve utilization of available manpower.

- ▶ Assign the Engineer of Traffic to Design. Traffic Engineering is a subsection of the major function of highway design which is fragmented as an organization in the bureau. This change would add to the efficiency and productivity of the organization.
- ▶ Eliminate the position of secretary to the Engineer of Traffic. This will provide annual savings of \$5,600.
- ▶ Phase out all vacant but budgeted permanent positions in Design. By eliminating them, an annual saving of \$161,400 can be realized.
- ▶ Explore reducing the Design staff by scheduling heaviest work load during the winter months. Scheduling on this basis would permit more effective utilization of construction engineering talent during their slack period and allow a reduction in design staff.
- ▶ Eliminate the position of assistant landscape architect. The size of the Landscape Architecture unit does not warrant the position of assistant. This action will result in annual savings of \$9,200.
- ▶ Reduce the number of authorized and budgeted personnel within Material and Research. By eliminating 10 vacant positions, minimal annual savings would amount to \$78,800.
- ▶ Eliminate an assistant engineer in Right of Way. Duties of this assistant are ill-defined, and the position is redundant for supervisory purposes. This action would save \$19,100 annually.
- ▶ Combine the Well Claims unit of Right of Way with the Right of Way control group. These groups duplicate each other's principal function. Implementation would provide an annual saving of \$13,600.
- ▶ Establish a budget for Right of Way. No practical budgetary means exist to control its activities and expenditures.
- ▶ Phase out the 12 vacant positions in Right of Way. Elimination of these positions would result in annual savings of \$122,300.
- ▶ Eliminate the Expressway Construction Section as a separate entity of Construction. This will be accomplished by reassigning present personnel, functions, and reporting lines to Highway Construction.
- ▶ Eliminate the position of expressway construction engineer. Its existence is not warranted by the scope of activity to be administered. Phasing out this position will generate annual savings of \$15,700.

- ▶ Reassign the expressway construction engineer position to that of area expressway construction engineer.
- ▶ Combine testing review and documentation into one staff unit entitled Testing and Documentation Review. The combined work load could be assumed by three technicians as opposed to the present complement of five. It would also reduce supervisory requirements from two positions to one. Total annual savings will amount to \$28,800.
- ▶ Eliminate all vacant budgeted permanent positions in Construction. By phasing out these 19 positions, minimum annual savings of \$173,600 can be realized.
- ▶ Discontinue the position of paint crew foreman in Division 1 of the Bridge Section of Maintenance and State Aid. This position has been vacant for 2 years without penalty to operations. Its elimination would provide annual savings of \$7,600. (Executive)

39. Establish work standards and optimum staffing levels by work measurement encompassing all applicable employees.

The bureau lacks engineered standards to determine optimum staffing levels. A work measurement study will provide data for determination of staffing requirements based upon work load. It would also furnish performance data for comparison to budgeted objectives, indicate deficiencies or surpluses, and improve effectiveness of management control.

Such studies generally average a 15% to 20% reduction in operating costs through application of work measurement techniques. A conservative estimate of the potential benefits includes a 10% reduction in personal services costs. The personal services expenditures for all budgeted projects amount to \$21,703,072. Using the estimated 10% cost reduction, annual savings of \$2,170,300 will be attained by the bureau. Professional services can be provided at a one-time cost of about \$25,000. (Executive)

40. Develop a computerized expenditure reporting system to provide timely and detailed monthly reports on project status.

Expenditure reports are compiled manually. This method cannot respond to management's need for timely, detailed information, and their value is highly suspect.

The bureau should design and implement a monthly cost-control reporting system to provide a planned versus status report including expenses by specific classification in a comparative month, year-to-date, and budgeted format.

Benefits will include better utilization of the department's electronic data processing capability, improved management control, and establishment of a meaningful data base for more sophisticated management information systems. One-time implementation costs of \$50,000 should be expected and annual costs of \$6,500 are anticipated for continuing data processing time. (Executive)

41. Reexamine assigning standard-size supervisory forces in the geographical divisions of Maintenance and State Aid.

Road mileages, employees, work volume, and diversity of activity vary in marked degree from division to division. Concentration or diffusion of work areas also vary widely, particularly in the areas with relatively dense population. Study of division activities has established that road mileages range from 1,274 to 1,623, work forces range from 161 to 208, and bridges range from 329 to 664. To attain efficient utilization of personnel, practices of assigning standardized supervisory positions in the geographical divisions should be examined. (Executive)

42. Standardize the relationship between crew size and equipment units operated.

The percentages of excess manpower over equipment operated by winter patrol crews of the seven divisions of Maintenance and State Aid vary from a low of 27.2% to a high of 50%. For all divisions, total excess manpower equals 36.4%. If patrol staffing were standardized at no more than 20% over the crew equipment complement, a reduction in manpower of approximately 118 would be realized. Valued at an average weekly rate of \$117 per man for the 16 winter weeks, annual savings would total \$220,800. (Executive)

43. Update and, if economically feasible, implement the 1966 study for replacement and relocation of the repair garage at Augusta.

Headquarters maintenance facilities are located on a steep grade two blocks from the business district on a nine acre lot.

Shop entrances, designed over 40 years ago, are incompatible with measurements of present day vehicles. Layout deficiencies include location of shops and repair equipment on three levels.

An estimate of \$2.4-million was prepared in 1966 for the replacing and relocating of this facility. A new estimate should be obtained based on modified requirements.

An increase in operating efficiency of 20% to 30% has been generated by similar action taken by business enterprises operating large fleets of vehicles and equipment. If the study were made and favorably acted upon, a 20% efficiency increase could

result with an annual gain in production time of approximately 32,000 man-hours, valued at \$111,600. Also, an increase in productive vehicle hours is estimated at 8,160 hours annually. This would permit a reduction in fleet size by three units, worth about \$8,000 each for one-time savings of \$24,000.

The recovery of cash resulting from the sale of presently occupied land and buildings could range from \$750,000 to \$775,000. However, no savings have been claimed pending an up-date of the study. (Executive)

44. Implement a continuing training program on inventory control concepts, methods, and procedures.

Observations indicate no formal training in inventory control, policies, methods, and procedures has been conducted with employees in the Motor Transport Service Section who are responsible for this function. To improve operating procedures, a training program could be conducted in-house by the methods analyst assigned to the Bureau of Administration. Savings cannot be determined. (Executive)

45. Use credit cards and associated billing techniques to charge other agencies for gasoline issued by Motor Transport Service.

Some state agencies operating vehicles obtain gasoline from motor transport outlets at various locations. At the gas outlet, a three-part form is filled out by a transport employee and signed by the vehicle driver. One part is released to the driver for filing with his agency's office. In many cases, this step is not performed causing the consuming agency to request copies before the monthly bill is honored.

By adopting the proposed credit card procedure, the extra work and expense caused by making duplicate copies would be eliminated. In this area, annual savings are estimated at \$1,500. A one-time cost of \$2,400 for imprinting equipment will be incurred. (Executive)

46. Establish a second shift for performance of maintenance at Motor Transport garages.

Of the 533 trucks operated by Maintenance and State Aid, 175 units receive preventive maintenance inspections and service at one of the seven garages. These maintenance inspections, which occur every 100 hours of truck operation, should be performed on a proposed second shift at each division garage.

As inspections consume an average of 2.5 hours per occurrence and are repeated approximately 13 times annually for each of the 175 units, a potential increase of 5,687 productive truck hours could be realized by night shift performance. The added operator hours would have a value of about \$18,400, based on average labor rates. Increased truck avail-

ability would be reflected in the reduction in fleet size by two units or \$16,000. (Executive)

47. Initiate and maintain a monthly equipment downtime report.

Maintenance and State Aid operates a fleet of 533 trucks and associated equipment valued at over \$13-million. No records of actual equipment downtime, either in total or by cause are maintained. However, about 10% of this fleet is idle at any point in time. Availability of such data would provide management with an effective tool for:

- ▶ Optimizing size and composition of total fleet.
- ▶ Increasing utilization of equipment.
- ▶ Maintaining better balance between repair work forces and work load.
- ▶ Correlating the factors influencing schedules and improving them.

An idle time level of 7%, a reduction of 3%, is a realistic goal and could be realized through application of better control techniques. Attainment of this level would increase productive truck time by 36,697 hours annually. This will permit a reduction in utilization of rental units presently employed. At the average rental rate of \$5.13 per hour, benefits of approximately \$188,200 would result. (Executive)

48. Adopt a policy of substituting compact passenger cars for intermediate sizes.

The department's general fleet is composed of 277 intermediate and full-size vehicles. They cost \$200 to \$250 per unit more than that of a comparably equipped compact car. If the department were to

switch to compact cars, one-time savings from this action would amount to \$49,800. Operating expense of the compact car averages \$0.017 per mile less than the intermediate size. Based on 4,805,230 miles traveled in fiscal 1972 by the department's 277 sedans, annual savings of \$81,700 could be realized. Additionally, the resale value of a compact is comparable to the intermediate. (Executive)

49. Eliminate erection and removal of snow fences in the state's southern and coastal districts.

During fiscal 1972, the cost of erecting and removing snow fences in the entire state totaled \$273,000. Of this, \$122,614 was expended in the southern and coastal districts. With larger and more sophisticated snow removal equipment, it is no longer necessary to employ snow fences in the areas cited. Inventories of snow fences could eventually be utilized in Aroostook County and mountainous areas where blowing and drifting snow is more severe. Implementation will yield savings of \$122,600 per year. (Executive)

50. Provide input data for the computerized road inventory system from available information.

Providing this information on an ongoing basis would eliminate travel of the plant inventory group to gather these data. Further, it would provide more current information for use by planning personnel.

Legislative action may be required to obtain information from the municipal governments on roads outside state jurisdiction. However, maintenance and construction personnel would provide data related to state and federal roads. (Executive)

Land Damage Board

This board of five members determines the fair market value of property in condemnation proceedings. It is empowered to make awards of just compensation, and establish a procedure whereby property owners can present cases to the board.

CURRENT PRACTICES

Four of the five board members are appointed by the Governor. Two must be attorneys and two are appraisers. The fifth is appointed at each hearing by the chairman. The board appoints a reporter to record each hearing. Its office is staffed by a full-time clerk and a part-time clerk-typist. In fiscal 1972, the board's appropriation amounted to \$58,030. It had expenditures of \$42,289 and a balance of \$15,-

741 which lapsed to the general fund. Its estimated appropriation and expenditures for fiscal 1973 are \$58,262 and \$46,724, respectively.

When land is to be purchased or taken by the state, the Department of Transportation (DOT) surveys and describes the property, makes a plan thereof, and has it appraised. Then, an appraiser contacts the owner for negotiation.

If the Department of Transportation determines a public emergency requires the taking of property, or is unable to acquire it at a reasonable valuation, or if the title is defective, the department files a notice of condemnation. A check in the amount of the determined net damage and offering price as well as a copy of the notice is served.

Should this offer be rejected and the state cannot negotiate an agreement within 60 days, the owner may apply to have the matter referred to the Land Damage Board. Appeals to the Superior Court may be made within 30 days by the owner or the Department of Transportation after receiving notice of the award made by the board.

Members of the board are paid for services on a per-diem basis of \$100 as well as out-of-pocket travel expenses. A reporter receives \$75 per day to record each hearing as well as travel costs.

EVALUATION

The clerk's work week has been expanded from a part-time to a full-time basis although no increase in work load has occurred since retirement of the part-time clerk. Reporters record hearings and transcribe them only upon request, at a cost commensurate with the volume. If the property owner or the department makes an appeal to the Superior Court, this court treats a transcription as inadmissible evidence.

RECOMMENDATIONS

1. Reduce the work week of the new clerk to a part-time basis.

The volume of work for the former clerk required only 20 hours per week to complete. The part-time typist worked 24 hours a week. As of March 19, 1973, the new clerk is working 40 hours per week without an increase in functions and duties. By cutting this work week by 50%, the clerk's annual salary can be reduced by \$7,500. (Executive)

2. Appoint a reporter for hearings only as required and determined by the board.

Neither the property owner nor the board has requested a transcript from the reporter during the past 5 years. In the future, the board should determine the need for a reporter when hearings are scheduled. This would be based on the relative degree of complexity, financial considerations, or other criteria. Since there are about 65 hearing days each year, costs total \$6,500. By curtailing his use, and allowing for possible requirements of 5 days, annual savings of \$6,000 can be attained. (Legislative)

MAINE MANAGEMENT AND COST SURVEY



**STATEWIDE
FUNCTIONS**

Printing and Duplicating

Printing and duplicating in the state is not centralized. A survey was made to determine the agencies engaged in these functions, their capabilities, and operating costs. Statistics used are based on answers received from about 60% of the government agencies excluding the University of Maine.

CURRENT PRACTICES

There is some in-house printing capability but much work is contracted to independent printers. Returns from responding agencies indicated a printing bill amounting to approximately \$3-million annually. Of this total, only \$800,000 was for printing by state facilities.

In-house printing capability exists at 34 locations. Total capital investment amounts to approximately \$550,000 and about 70 full-time employees operate the shops. In addition, the University of Maine has a complete print shop at its Orono campus where capital investment approximates \$300,000 and 26 people are employed.

Copying machines were identified in 67 locations outside the university system. Of the 110 units, 62 are in Augusta. There are at least eight different models, types, or makes, and most are leased. About 8.7-million copies were produced in fiscal 1972. Total reproduction costs, including rent, materials, and maintenance amounted to \$612,000. The average cost per copy was \$0.07, but per copy costs on individual units ranged from \$0.02 to \$0.10. Furthermore, the university has 197 duplicating machines of various makes and types. Of these, 144 are located at Orono.

EVALUATION

Currently, printing is very costly. In-house publication is inefficient because it is accomplished on a decentralized basis. There is much duplication of equipment and many units are obsolete. Training, utilization, and scheduling of personnel is minimal and production standards do not exist as a general rule. Many supplies are secured directly by user agencies and economies of central purchasing are not attained. Much of the printing contracted out is not placed through the Director of Public Printing, or put out to bid.

Except for the capitol complex, no study has been made to determine optimum locations or types of duplicating equipment. No attempts have been made to justify the acquisition of duplicating machines or to standardize them. For the most part, user agencies buy their own supplies.

RECOMMENDATION

1. Establish a Division of State Printing in the Office of Business Management.

There is no centralized control or responsibility for in-house printing or for allocation of printing jobs between state facilities and outside contractors. The Division of State Printing should be created and given control and responsibility for state printing requirements. It could rationalize in-house printing capabilities, provide economic make/buy decisions, and negotiate optimum prices.

Functional policies and capabilities should be designed so as to provide printing services at the lowest cost. To accomplish this, the following steps should be taken:

- ▶ Assign functions of the Director of Public Printing to the proposed Division of State Printing.
- ▶ Centralize control of all in-house printing facilities under the Director of State Printing.
- ▶ Requisition all printing through the proposed Division of State Printing.
- ▶ Route purchases of printing supplies through the proposed division. Several user agencies obtain their supplies directly at excessive prices. If 20% of the printing now done in-house were to continue, annual savings would amount to \$21,000.
- ▶ Conduct an in-depth study of the state's printing needs. In-house printing capability is inefficient due to lack of centralized control and responsibility. Contracted printing is costly because proper purchasing procedures are not used. A study should be undertaken of the feasibility of developing the in-house capability alternative before facilities are dismantled and the equipment is sold. Such a study might cost \$5,000.
- ▶ Move toward contracting a larger share of state printing until the proposed study is completed. About 80% of this printing, as presently performed with existing equipment, could be contracted at a savings of approximately 25%. Based on costs of \$800,000, annual savings would amount to \$160,000.
- ▶ Bid outside printing whenever time and quantity considerations permit. Estimated savings of 35% of the present cost of printing could be achieved. About \$1.55-million of outside print-

ing was performed in fiscal 1972. If only 50% of the potential is attained, annual savings would amount to \$271,000.

- ▶ Shut down all marginal facilities. If the proposed study confirms in-house capability should be reduced, about \$400,000 of the \$537,000 of estimated value of capital equipment could be disposed of. Its sale could provide a one-time income of \$200,000.
- ▶ Print documents, reports, and the like on both sides of the paper when feasible. An estimated reduction of 20% in paper costs or \$40,000 could be achieved. However, because 80% of the requirements might be contracted, an annual saving of \$8,000 is claimed.
- ▶ Request the Orono campus print shop to bid on state printing jobs.

- ▶ Conduct a study to determine optimum size and location of duplicating machines, including the University of Maine.
- ▶ Require economic justification for acquisition of new duplicating units.
- ▶ Standardize duplicating equipment.
- ▶ Centralize the negotiating of leases in the proposed Division of State Printing. This would allow centralized control of the terms of the leases and enable the state government to secure volume economies.
- ▶ Establish guidelines and rules for economic use of duplicating equipment. When the prior proposals are implemented, the state should be able to reduce its costs of duplication by 35%. Based on costs of \$612,000, this would provide annual savings of \$214,200. (Legislative)

Telecommunications

Telecommunications in Maine is a combination of different communications systems. By far, the most widespread is telephone services. Operational responsibilities are dispersed among various agencies. Other telecommunications services include teletype, radio, microwave, television, and data transmission links.

CURRENT PRACTICES

Telephone services are provided, with few exceptions, by the New England Telephone Company (NET). The Property Management Division is directly responsible for telephone service in the Augusta office complex.

Additionally, NET's account manager participates in evaluating and planning statewide telephone services. He deals directly with departmental and agency personnel. All requests for changes in telephone service must be approved by the Superintendent of Buildings and Grounds.

The estimated statewide costs of telephone service were \$1,910,000 for fiscal 1973. There are two Centrex systems in the state. One is at the Augusta office complex and the other at the Orono campus. Most phones on these systems are on Wide Area Telephone Service (WATS).

There are 52 interstate WATS lines at Augusta and six at Orono. Each department or agency of state government is billed its prorated share of the total telephone billing charge.

EVALUATION

There is no effective centralized management of the state's expanding telecommunications. With the exception of the telephone system, established policies and guidelines for control and management of telecommunications capabilities are needed. The NET account manager performs functions usually handled by a manager in states which have a centralized network of communications. It is unsound to have this agent of a supplier charged with accountability for evaluation and study of his firm's telephone services.

RECOMMENDATION

- 1. Investigate establishment of a centralized organization to provide management and integration of the state's telecommunications activities.**

Facts uncovered in surveying existing state telecommunications systems support the concept that centralization would result in cost reductions. An in-depth study would confirm this and provide the basis for an action plan. Savings would be realized by creating a telecommunications organization based on consolidating telecommunications facilities for all state agencies, developing plans to meet agency needs on a statewide basis, conducting continuing evaluations of systems to maximize cost effectiveness, and evolving procedures for orderly development of statewide telecommunications. (Legislative)

Data Processing

Data processing in the state consists of four major computer centers, several installations with state-owned leased tabulating equipment, and a small computer at the Northern Maine Vocational Technical Institute. Three of the major centers are in Augusta. The fourth, at the University of Maine's Orono campus has remote terminals at other university locations. Because the university computer is primarily for research and instructional use, it was not studied. The three centers in Augusta are operated by the Departments of Finance and Administration, Transportation, and Manpower Affairs.

The state is spending in excess of \$3.3-million a year on data processing. It employs approximately 230 at a total salary cost of \$1.8-million a year, and uses five computers at an annual cost of \$1.5-million. These expenditures exclude the University of Maine which spends about \$900,000 annually.

CURRENT PRACTICES

Central Computer Services (CCS) of the Department of Finance and Administration provides computer facility use on a basis similar to a service bureau. Its primary function is to process work sent to it by various user agencies. The user agencies are responsible for designing, programming, and maintaining their own computer systems as well as key-punching all data. However, CCS maintains a staff of systems analysts and programmers who work for various state agencies on a consulting basis. During the last 10 years, CCS has acquired seven different computers from three manufacturers. A conversion from RCA equipment to a Honeywell Model 6060 computer is currently in process.

The bureau supports both on-line and batch systems for Health and Welfare, Taxation, the Motor Vehicle Division, and the State Police. There are approximately 100 terminals spread throughout the state serving these agencies. Other data processing services are provided to some 20 government agencies. Its computer facility is operated 3 shifts daily, 7 days a week, and processes approximately 50 applications consisting of 600 programs.

The Department of Transportation performs both business and scientific data processing. An IBM 370/135 was installed in February 1973, to upgrade the business capabilities. Scientific applications use an IBM 1130 with incremental plotter output. These computers are operated on an average of 9 hours daily, 5 days a week. About 30 applications consisting of 900 programs are processed on the two computers.

The Maine Employment Security Commission of the Department of Manpower Affairs uses an RCA 2 computer to provide benefit payment, job bank, and other services. Its center is operated 3 shifts per day, 5 days a week, and processes approximately 30 applications consisting of over 600 programs.

EVALUATION

Maine has followed a course similar to many other states in that various departments have gone their own way in developing EDP systems. This has caused duplication of effort, excessive expansion of equipment, poor allocation of personnel, and inadequate quality of systems design.

The state's data processing lacks overall control. Maine needs a well-coordinated and controlled data processing organization. The state took limited steps in the direction of centralized data processing in 1970 by establishing Central Computer Services. In its present form, CCS lacks the authority and scope to control statewide data processing activities. Furthermore, the state lacks a master plan for long-range EDP development and control.

Duplication of effort is evident in accounting procedures, as each major agency has its own accounting systems and personnel due to inadequacies of the reporting provided by Accounts and Control.

The state uses five computers, various unit record equipment, and bookkeeping machines located in several agencies to perform sorting, reproducing, and posting functions. Also, substantial excess capacity exists in the Maine Employment Security and the Department of Transportation computers. The lack of central control has resulted in development of systems based on departmentally available funding rather than on a statewide priority. Accounting systems affecting many agencies have not been given priority, while complicated on-line systems have been developed with options that could have been implemented at a lower cost in a batch system environment.

Several major design deficiencies have been caused by inadequate user involvement in establishing design concepts, a lack of standards and conventions, and insufficiently quality control procedures.

RECOMMENDATIONS

1. Establish a new central data processing organization structure.

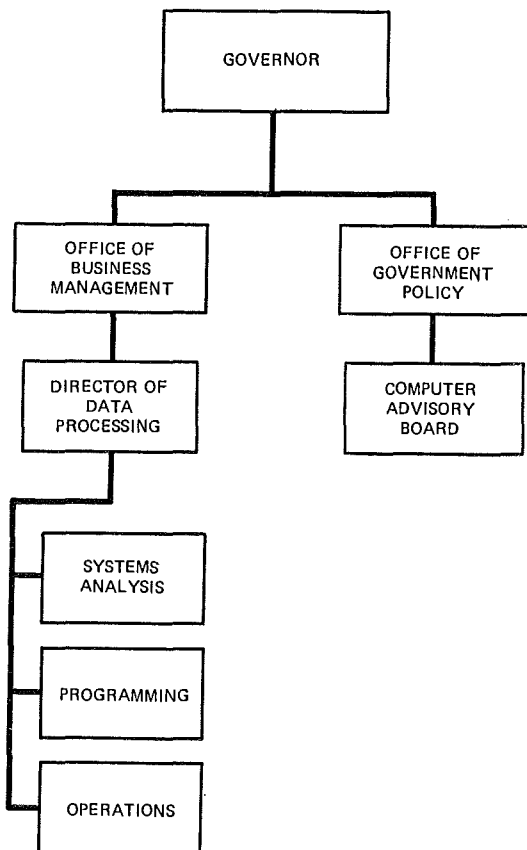
Duplication of effort, excessive expansion of equipment, poor allocation of systems personnel, and

poor quality of system design indicate the current organization structure does not effectively control data processing expenditures and quality. A new organization arrangement reporting to the proposed Office of Business Management would provide strong central direction and the appropriate level of top administrative involvement to assure the effective use of data processing in the state. The proposed organization would be as illustrated in the chart shown below.

For this organizational alignment to serve the needs of state government, it is essential all major agencies take part in formulating data processing policies and priorities. An effective vehicle for this participation would be the recommended establishment of a Computer Advisory Board. Its membership would include the chief of each major agency and a representative of the Governor's Office. Representation by two or more businessmen, experienced in data processing, would be helpful.

The board would serve primarily as a communication vehicle reporting to the proposed Office of Government Policy, and would not have veto power

PROPOSED ORGANIZATION DATA PROCESSING



over the Office of Business Management. The proposed Director of the Office of Business Management would have overall responsibility for data processing operations, policies and priorities with the advice of the Computer Advisory Board. The board would advise on standardization of systems efforts and assure a consistent approach to the selection and use of hardware and software.

On a continuing basis, the board would:

- ▶ Approve various data processing goals and objectives of state agencies.
- ▶ Assess and approve annual and long-range data processing plans for applications and equipment installations as well as resolve differences between agencies.
- ▶ Approve initiation and continuation of specific data processing projects.
- ▶ Monitor project progress.

Although the scope of this study was not sufficient to specifically identify all sources of potential savings, implementation could result in annual savings of at least \$600,000 from reduction of excess computer equipment and personnel, improved training, and more efficient computer operations. (Legislative)

2. Prepare a master plan, including the University of Maine, for upgrading data processing over the next 2 to 3 years.

Data processing within the state is fragmented. Therefore, a plan to upgrade facilities should be evolved. The key elements of the plan are:

- ▶ Define the major projects to be undertaken.
- ▶ List project priorities and the magnitude of costs and benefits of each.
- ▶ Prepare a timetable for upgrading and a detailed schedule for implementation of the program's first phase.

An in-depth study should be undertaken to prepare the master plan. It should include a review of existing and planned systems and procedures. This examination should identify the estimated savings on a project-by-project basis and develop a plan for achieving them. It should include a determination of the extent, if any, to which the central staff should control or coordinate university-wide data processing activities. (Executive)

3. Establish system development guidelines.

To operate data processing facilities in an efficient and economical manner, guidelines should be established to include systems project management techniques, quality control review procedures, and systems design standard conventions. (Executive)

4. Consolidate data entry equipment and establish a performance monitoring program.

Data entry is performed by various agencies on equipment ranging from keypunch to video terminals. The video terminals should remain in user agencies. However, keypunch and key-to-magnetic tape or disk devices as well as related operators should be transferred to the central agency. Performance monitoring based on standards should be used to establish staffing levels, evaluate the effect of forms design, and identify training requirements. These steps should provide better data entry service at a lower cost. (Executive)

5. Consolidate Maine Employment Security Commission and Department of Transportation computer facilities with Central Computer Services.

The Maine Employment Security Commission and Department of Transportation computers have excess capacity. Furthermore, the Department of Transportation computer site is not adequately protected by fire detection and extinguishing equipment and access is not properly limited. Operation at two sites requires separate scheduling, librarian, and supervisory personnel.

The master plan study should include determination of the feasibility of expanding the central computer site to provide for the commission and department computer capability and their related

services. However, the engineering computer should remain at the Department of Transportation. The study should include developing a plan to convert the commission and department applications to a single unit. Factors to be considered are costs of conversion and requirements of the U. S. Department of Labor as well as compatibility with the federally provided Maine Employment Security Commission application packages. Since both computers have excess capacity, conversion to a single unit should generate annual savings of approximately \$70,000 which are claimed elsewhere.

Other benefits will accrue from having a single computer site. Tape and disk library functions would be performed by a single library instead of three. Central facilities will provide flexibility in training and scheduling of operators. The operators could be scheduled using a comprehensive computer timetable covering each step from data entry to delivery of the final report and assure they are prepared on a timely basis. (Executive)

6. Develop training programs.

Classes are offered by computer vendors and government user groups. These should be combined with on-the-job training to offer a comprehensive formal study course for data entry and computer operators, programmers, analysts, and management. Training should focus on state-established data processing standards and conventions. (Executive)

MAINE MANAGEMENT AND COST SURVEY



DIGEST OF RECOMMENDATIONS

Digest of Recommendations

Individual recommendation statements are presented in this section to summarize benefits and identify actions necessary for the implementation which will ensure realization of potential benefits. Actions needed for implementation are specified as Executive, Legislative, or Constitutional. Administrative action by the Governor, as well as implementation by a commissioner, department head, or supervisor represents Executive action. These constitute 80% of the 807 recommendations. Some will require action by the Legislature for implementation, and are so identified. A few improvements will require constitutional change for adoption, and carry that designation. Time has not permitted an exhaustive investigation of implementation methods permitted by present statutes. Thus, some recommendations designated as Executive may, in fact, require Legislative action.

Benefits are expressed as annual, repeating in successive years, or one-time. They are a best estimate of the financial impact of suggested improvements, and are conservatively stated. These benefits include savings, cost avoidance, income, and funds transfers.

Savings are reductions in present actual expenditures. Cost avoidance represents funds committed but not expended at the present time. Income designates increased revenue to the state. Funds transfers represent the movement of funds from a special revenue account to the general fund or vice versa.

Those recommendations requiring additional expenditures specify these anticipated costs. Although most of the recommendations benefit the general fund, some federal and local saving are noted for the reader.

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
Executive Branch			
1. Convene the Legislature annually.	Constitutional		
2. Apply business organization and management practices to state government whenever and wherever possible.	Executive		
3. Make the Treasurer of State appointive.	Constitutional		
4. Make the Attorney General appointive by the Governor.	Constitutional		
5. Amend the laws to make executive positions appointive by the Governor.	Legislative		
6. Make boards, commissions, and councils advisory in nature, wherever possible.	Legislative		
7. Reorganize central staff and management support functions to enhance the policy analysis, business management, and administrative capabilities of state government.	Legislative		
8. Establish an executive committee, consisting of the Governor and the Secretaries of Finance and Administration, Government Policy, and Business Management.	Legislative		
9. Transfer the duties of the Treasurer of State to the Office of Finance and Administration.	Constitutional		
Office of the Governor			
10. Eliminate the secretary to the Washington, D. C. office assistant.	Executive	Annual Saving	\$ 7,900

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
11. Formalize monthly departmental and staff reports to the Governor.	Executive		
12. Develop a formalized program with an action timetable for the Governor.	Executive		
13. Appoint capable managers rather than specialists as department heads.	Executive		
14. Grant the Governor the right to make minor appointments.	Legislative		
15. Centralize records involving appointments.	Executive		
16. Reduce frequency of Council meetings during legislative sessions.	Executive		
17. Use a part-time secretary for the Council.	Executive	Annual Saving	\$ 3,000
State Planning Office			
18. Continue efforts to complete state government reorganization.	Executive		
19. Redefine the mission of this office.	Executive		
20. Establish a planning policy advisory committee to generate support for and understanding of the planning process.	Legislative/ Executive		
21. Create a working committee of departmental planners.	Executive		
22. Redesign the Maine Information Display Analysis System (MIDAS) so it will function as a statewide management information system.	Executive	One-time Cost	\$ 50,000
23. Amend the State Planning Act to read "coordinate development of a Maine Comprehensive Plan" instead of "develop a Maine Comprehensive Plan."	Legislative		
24. Develop economic, demographic and geographic models of the state against which the effects of alternative actions can be tested.	Executive	One-time Cost	\$ 100,000
25. Transfer the economist assigned to the Department of Commerce and Industry.	Executive		
26. Participate in development of a comprehensive program-oriented long- and short-range budgeting system.	Executive		
27. Orient the current State Policies Plan toward programming.	Executive		
28. Make the State Planning Director a member of the Part II Budget Review Committee.	Executive		
29. Merge the Urban Planning and Regional Planning Assistance units.	Executive	Annual Saving Annual Saving	\$ 1,900 \$ 6,200 (Federal)
30. Assign a lawyer from the Attorney General's staff to this office.	Executive	Annual Saving	\$ 16,400 (Federal)

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
31. Transfer the responsibility and staff of the Coastal Planning unit to the Department of Environmental Protection.	Executive	Annual Saving	\$ 2,100
32. Transfer the responsibility and research staff of the Water Resources Planning unit.	Executive	Annual Saving	\$ 18,200

Department of Secretary of State

1. Permit the Secretary of State to issue renewal commissions to notaries and justices without approval from the Governor and Council.	Legislative	Annual Saving	\$ 4,000
2. Preaddress, machine stuff, and stamp the annual report form mailed to corporations in the state.	Executive	Annual Saving	\$ 4,400
3. Amend the statute concerning a \$25 fine to be recovered by the Attorney General through civil action for late filing of a corporation's annual report to a \$25 penalty assessable by the Secretary of State.	Legislative	Annual Income	\$ 42,000
4. Repeal the present corporate franchise tax and recover revenue losses by an adjustment in the proposed annual report fee.	Legislative	Annual Income	\$ 200,000
5. Institute prepackaging of ballots.	Executive	Annual Saving	\$ 9,300
6. Mechanize municipal clerk information filing and addressing.	Executive	Annual Saving	\$ 2,000

Motor Vehicle Division

7. Transfer the registration of airplanes to the Motor Vehicle Division.	Legislative		
8. Schedule driver examinations to make maximum use of field examiners.	Executive	Annual Saving One-time Saving	\$ 55,000 \$ 10,000
9. Stagger the expiration date for motor vehicle registrations.	Legislative	Annual Saving	\$ 12,000
10. Place the division's copy of operator licenses in a bulk file for storage after it has been entered into the computer.	Executive	Annual Saving	\$ 4,900
11. Increase the fees for drivers' examinations to recover costs.	Legislative	Annual Income	\$ 445,000
12. Validate registration plates issued to municipalities by certificate so they will be good for a 6-year period.	Legislative	Annual Saving	\$ 7,500
13. Assess a fee of \$25 for investigating an application for new car or used car dealer plates and loaner or equipment plates.	Legislative	Annual Income	\$ 5,900
14. Charge for reserved numbered registration plates.	Legislative	Annual Income	\$ 52,500
15. Conduct a work measurement study to develop standards of performance and optimum staffing levels.	Executive	Annual Saving One-time Cost	\$ 50,000 \$ 25,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
16. Establish fee schedules which recover the costs of services.	Legislative		
17. Initiate records retention schedules and purge files of all unused, unnecessary, and duplicate records.	Executive		
18. Discontinue receiving and filing teletype information regarding stolen cars.	Executive		
19. Transfer the activities of six investigators to other departments and eliminate the vacated positions.	Executive	Annual Saving One-time Income	\$ 71,800 \$ 12,000
20. Restudy the feasibility of automating the motor vehicle licensing records system.	Executive		

Maine State Archives

21. Review the law regarding destruction of records.	Legislative		
22. Establish an internal records management service.	Executive		
23. Abandon the program of providing a half-way house for records on the way to destruction or the Archives.	Executive		
24. Institute a program with temporary or contractual help to dispose of records in the records center.	Executive	One-time Cost	\$ 150,000
25. Accept only material which must be retained.	Executive		
26. Transfer responsibilities and personnel of the Bureau of Archives Services to the Maine State Library Bureau.	Legislative		
27. Establish a schedule of laboratory fees based on cost of service.	Executive		
28. Transfer microfilming equipment and operating personnel to the proposed Bureau of Central Management Services.	Executive		
29. Abolish the Bureau of Administrative Services.	Executive	Annual Saving	\$ 39,400
30. Abolish the Maine State Archives as an organizational entity.	Legislative	Annual Saving	\$ 19,200

Attorney General

1. Fill the budgeted position of clerk.	Executive
2. Develop monthly time reports.	Executive
3. Establish monthly backlog reports in the Civil Division.	Executive
4. Establish a system to provide a continuing evaluation of attorney performance.	Executive
5. Initiate a system for merit salary increases.	Executive
6. Investigate attorney retention problems.	Executive

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
7. Establish a policy of timely staff meetings.	Executive		
8. Discontinue the practice of departments other than the Attorney General employing assistant attorneys general.	Legislative		
9. Provide better office space.	Executive		
10. Issue monthly reports to the Attorney General summarizing legal expenditures by departments and agencies.	Executive		
11. Increase the Civil Division staff by three assistant attorneys general.	Legislative	Annual Saving	\$ 120,000

Law Enforcement Planning and Assistance Agency

- | | |
|--|-----------|
| 1. Develop a timely financial reporting system. | Executive |
| 2. Eliminate the duplicating equipment. | Executive |
| 3. Study the feasibility of downgrading the copying equipment. | Executive |

Treasurer of State

1. Invest a portion of idle cash balances generated by floats in the bank accounts.	Executive	Annual Income	\$ 472,500
2. Reduce balance levels in other demand depositories and invest excess cash.	Executive	Annual Income	\$ 66,000
3. Repeal the statute allowing contractors to substitute securities for cash retainers.	Legislative	Annual Income	\$ 72,000
4. Establish a routine requiring revenue collected to be deposited directly.	Executive	Annual Income	\$ 17,000
5. Invest unclaimed coupon funds held by the fiscal agent.	Executive	Annual Income	\$ 6,000
6. Maintain investment records on a pooled or consolidated basis.	Executive		
7. Eliminate manual effort involved with subsidiary cash records.	Executive	Annual Saving	\$ 6,800
8. Eliminate collecting delinquent accounts, sorting, and distributing payroll checks.	Executive	Annual Saving	\$ 6,800
9. Reconcile protested check receivable amounts as soon as possible.	Executive		
10. Develop current cash flow forecasts to maximize income.	Executive		
11. Solicit competitive bids when investing excess funds.	Executive		

Department of Audit

- | | | | |
|---|-----------|-------------|----------|
| 1. Request additional travel funds to enable investigators of the Fraud Investigation Division to perform assigned functions. | Executive | Annual Cost | \$ 2,000 |
|---|-----------|-------------|----------|

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
2. Review the salary classification of the fraud investigators.	Executive	Annual Cost	\$ 4,400
3. Enact legislation to permit tax commitments of municipalities to be collected at two or more periodic dates.	Legislative		
4. Encourage municipalities to collect tax revenues on a more frequent basis.	Executive	Annual Saving	\$1.5-million (Local)
5. Transfer idle, unexpended, dedicated funds accumulated by the Municipal Audit Division to the general fund at the end of fiscal 1973.	Legislative	One-time Funds Transfer	\$ 188,000
6. Commit all income generated by the Municipal Audit Division to the general fund and finance it from this working capital.	Legislative	Annual Funds Transfer	\$ 51,000
7. Revise the Municipal Audit Procedural Form to include suggestions where recommendations by auditors should be considered.	Executive		
8. Revise legislation to strengthen the State Auditor's authority to make evaluations and recommendations.	Legislative	Annual Saving	\$ 250,000
9. Establish standards of experience and technical qualification for the position of State Auditor.	Legislative		
10. Review the salary level of State Auditor.	Legislative	Annual Cost	\$ 8,800
11. Eliminate the position of deputy state auditor.	Executive	Annual Saving	\$ 18,200
12. Upgrade required qualifications for the position of Departmental Division Director of Audits and reassess the salary range.	Executive	Annual Saving	\$ 18,000
13. Create the position of staff assistant to the Director of Audits.	Executive	Annual Cost	\$ 17,000
14. Prepare a work paper retention schedule for Maine State Archives.	Executive	Annual Saving	\$ 1,100
15. Eliminate publication of financial statements in the annual report of the State Auditor.	Executive	Annual Saving One-time Cost	\$ 5,800 \$ 6,000
16. Obtain federal reimbursement of 50% of Fraud Investigation Division expenditures related to health and welfare programs.	Executive	Annual Income	\$ 22,000
17. Finance the audit expense of municipal disaster relief claims from the state's civil defense emergency appropriation.	Executive	Annual Funds Transfer	\$ 9,000
18. Increase personnel in the Fraud Investigation Division to reduce or recover benefits paid to ineligible recipients.	Executive	Annual Income Annual Income	\$ 62,000 \$ 162,000 (Federal)
19. Require postaudits of special sanitary and water districts to be identical to those required of municipalities.	Legislative		
20. Expand the requirements governing contents of annual reports by municipalities.	Legislative		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
Department of Finance and Administration			
1. Establish overall departmental objectives.	Executive		
2. Develop necessary management tools to bring about effective performance.	Executive		
Bureau of Taxation			
3. Send checks and other forms of sales tax remittances to the bank upon receipt to facilitate cash flow.	Executive	Annual Income	\$ 18,000
4. Reduce the number of sales and use tax examiners.	Executive	Annual Saving	\$ 46,000
5. Collect telephone and telegraph taxes on a monthly basis.	Legislative	Annual Income	\$ 332,000
6. Collect the tax on insurance premiums quarterly.	Legislative	Annual Income	\$ 213,000
7. Provide for administration and collection of state income tax in conjunction with the federal tax.	Legislative	Annual Saving Annual Income	\$ 188,000 \$ 100,000
8. Require collection of previous month's gasoline taxes by the fifteenth day of each month.	Legislative	Annual Income	\$ 111,000
9. Utilize sampling techniques to determine a new state valuation for unorganized townships to ensure tax revenue uniformity.	Executive	Annual Income	\$ 105,000
10. Perform a work simplification study within the Property Tax Division.	Executive		
11. Assess state withholding agents for failure to file returns within prescribed periods.	Executive	Annual Income	\$ 47,000
Bureau of the Budget			
12. Utilize program budgeting to control general fund expenditures.	Executive	Annual Saving	\$2.64-million
13. Coordinate development of an accounting system with Accounts and Control which will allow activity and program review.	Executive		
14. Institute ratio analysis to measure performance results against quantifiable objectives.	Executive		
15. Require submission of a detailed program statement with results to be achieved.	Executive		
16. Use marginal analysis techniques as supplementary aids in reviewing the Part I budget.	Executive		
17. Require submission of a long-range or life-cycle forecast for each program requested in Part II.	Executive		
18. Charge all agencies to summarize Part II requests at start of budget cycle.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
19. Coordinate activities with the State Planning Office to establish uniform assumptions for use in preparing budgets.	Executive		
20. Move the date for submission of the budget to March.	Legislative		
21. Lapse all dedicated fund surpluses in excess of current needs to the general fund at end of each fiscal year.	Legislative		
22. Subject dedicated fund budgets to program review, budgeting, and control.	Executive	Annual Saving	\$3.3-million
23. Automate budget processing.	Executive	Annual Saving	\$ 2,000
24. Delegate quarterly allotment controls to the agencies.	Legislative		
25. Produce monthly variance reports comparing agency performance with budget.	Executive	One-time Cost	\$ 3,000
26. Appoint a competent State Budget Officer.	Executive		
27. Require annual state budget preparation and review.	Legislative		
28. Require simultaneous review of Parts I and II budget submissions.	Executive		
Bureau of Public Improvements			
29. Develop and maintain standards of design, construction, and materials.	Executive	Annual Saving One-time Cost	\$ 457,000 \$ 100,000
30. Require comparison of space needs with existing availability before any design work is started.	Executive		
31. Assume control of all construction and acquisition of real estate whether owned or leased.	Executive		
32. Establish a Division of Property and Space Management.	Executive	Annual Saving	\$ 147,500
33. Eliminate Property Records and reassign responsibilities to other divisions.	Executive		
34. Control the use of personal electrical appliances in state buildings.	Executive		
35. Reevaluate work standards and training for custodial personnel.	Executive	Annual Saving	\$ 165,000
36. Utilize monitoring devices to provide better coverage.	Executive	Annual Saving One-time Cost	\$ 40,000 \$ 150,000
37. Install a sprinkler systems in the State Office Building.	Executive	One-time Cost	\$ 81,700
38. Establish a building code for the construction of buildings and additions.	Legislative		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
39. Apply standards and specifications developed in the previous recommendation to owned or leased state buildings.	Executive		
40. Develop a mechanized Capital Assets Accounting System (CAAS).	Executive	Annual Cost One-time Cost	\$ 9,000 \$ 15,000
Bureau of Purchases			
41. Reorganize the bureau.	Executive	Annual Cost	\$ 26,600
42. Restructure the Standardization Committee.	Executive		
43. Incorporate uniform purchasing policies and procedures in a new buyers manual.	Executive		
44. Establish departmental objectives.	Executive		
45. Create a requisition and purchase order log and issue purchasing result reports.	Executive		
46. Institute a program to improve the bureau's buying techniques.	Executive	Annual Saving	\$ 480,400
47. Require state vehicles on official business to use gasoline from state-manned facilities when feasible.	Executive	Annual Saving	\$ 96,400
48. Purchase merchandise for dependent children through currently established contractual arrangements.	Executive	Annual Saving	\$ 19,300
49. Combine delivery requirements of small purchasers of food staples with those of large institutional users.	Executive		
50. Provide greater utilization of public auctions to dispose of surplus items.	Executive	Annual Saving	\$ 3,600
51. Evaluate the use of state-owned warehouse facilities for bulk purchases.	Executive		
52. Require the contractual review committee to verify needs for special service contracts.	Executive	Annual Saving	\$ 385,000
53. Purge the bidders lists and reduce suppliers on the request for bid listings.	Legislative/ Executive		
54. Develop a commodity code system.	Executive		
55. Standardize order procedures on a bid basis.	Legislative/ Executive	Annual Saving	\$ 13,200
56. Issue a single order to a supplier for items common to requisitioning agencies.	Executive		
57. Modify signature controls.	Executive		
58. Establish a system for expediting orders and damaged goods claims.	Executive		
59. Develop a combination purchase requisition, and bid order form.	Executive	Annual Saving	\$ 31,700
60. Determine fund availability prior to processing requisitions.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
61. Eliminate duplicate filing of requisitions and purchase orders.	Executive		
62. Simplify the procedure for paying invoices.	Executive		
63. Create a purchase service group.	Executive	Annual Saving	\$ 4,700
64. Assign bookkeeping responsibilities to the office manager.	Executive	Annual Saving	\$ 9,300
65. Study the feasibility of automating certain purchasing functions.	Executive	One-time Cost	\$ 5,000
66. Restructure the bureau's central mail room.	Executive	Annual Saving	\$ 11,100

Bureau of Accounts and Control

67. Include encumbrance accounting on the monthly data processing reports and eliminate manual accounting.	Executive	Annual Saving	\$ 650,000
68. Institute biweekly payrolls.	Legislative	Annual Saving	\$ 200,000
69. Institute a system of pay cards.	Executive		
70. Reduce recording payroll information by using data processing techniques.	Executive	Annual Saving One-time Cost	\$ 301,500 \$ 25,000
71. Eliminate three positions in the Control Section and merge remaining personnel into Accounting and Records.	Executive	Annual Saving	\$ 27,000
72. Prepare retention schedule for payroll and other data-processed records.	Executive	Annual Saving	\$ 8,000
73. Change the payday so payroll hours will be submitted at end of a work week.	Executive	Annual Saving	\$ 6,000
74. Discontinue the parallel program of general ledger-machine bookkeeping once conversion to data processing is complete.	Executive	Annual Saving	\$ 13,500
75. Revamp the expenditure coding system.	Executive		
76. Develop standard payment dates for vendor invoices.	Executive		

Maine Insurance Advisory Board

77. File a duplicate set of appraisals and records of insurance policy numbers in a safe alternate location.	Executive		
78. Abolish the Maine Insurance Advisory Board.	Executive	Annual Saving	\$ 2,700
79. Establish the Bureau of Insurance Management to oversee insurance programs.	Executive	Annual Saving	\$ 50,000
80. Centralize processing of loss claims in the proposed Bureau of Insurance Management and maintain loss control statistics.	Executive		
81. Consider adoption of a self-insured program against fire.	Legislative		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
82. Authorize the Bureau of Insurance Management to pay liability claims up to a maximum of \$2,500 each.	Legislative		
83. Assign responsibility for initiation of subrogation claims to the Bureau of Insurance Management.	Legislative	Annual Saving	\$ 10,000
84. Utilize the services of the Fire Prevention Bureau to control and eliminate losses.	Executive		
85. Increase the deductible on fire insurance for and consider self-insurance.	Executive	Annual Saving	\$ 50,000

Bureau of Alcoholic Beverages

86. Institute performance incentives.	Legislative	Annual Saving	\$ 125,000
87. Use state trucks to make palletized deliveries to large stores.	Executive	Annual Saving One-time Cost	\$ 21,600 \$ 45,000
88. Institute controls to reduce inventories.	Executive	Annual Income	\$ 108,000
89. Establish an agency system to replace low-volume stores.	Legislative	Annual Income	\$ 62,000
90. Convert the present stores to self-service.	Executive	Annual Saving One-time Cost	\$ 372,600 \$ 345,000
91. Establish more flexible store hours.	Executive		
92. Enforce laws regarding interstate transport of liquor.	Executive		
93. Require supervisors to adjust slow-moving stock.	Executive		
94. Prepare manuals of management procedures.	Executive		
95. Study the feasibility of having suppliers provide warehousing and delivery to individual stores.	Executive		
96. Change the licensee discount method to apply to unbroken cases only.	Executive	Annual Saving	\$ 250,000

State Liquor Commission

1. Streamline and systematize listings.	Executive		
2. Charge a listing fee.	Executive	Annual Income	\$ 4,500
3. Establish and circulate a written policy for delisting.	Executive		
4. Delegate managerial responsibility for the Bureau of Alcoholic Beverages to its director.	Executive		

Department of Personnel

1. Revise organizational authority and personnel functions.	Legislative		
2. Restructure the Personnel Board.	Legislative		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
3. Repeal provisions of the Personnel Act relating to appointment of an advisory council.	Legislative		
4. Change tests and examinations from a credentials-oriented to a job content basis.	Executive		
5. Update job specifications.	Executive		
6. Require monthly reconciliation reports of employment strength.	Executive		
7. Formulate policies to control absenteeism.	Executive		
8. Establish control over and reduce costs of employee turnover.	Executive	Annual Saving	\$ 200,000
9. Provide urgently needed computerization of operations.	Executive	One-time Cost	\$ 100,000
10. Establish a 4-year period following termination for retention of personnel records.	Executive		
11. Establish schedules for retention of other forms and files.	Executive		
12. Combine employment activities forms.	Executive	Annual Saving	\$ 1,600
13. Dispose of 10 manual typewriters.	Executive		
14. Dispose of excess office furniture.	Executive		
15. Improve utilization of historical payroll files.	Executive		
16. Reproduce job classifications as required.	Executive		
17. Institute an alcoholism rehabilitation program based on job performance.	Executive		

Maine State Retirement System

1. Renegotiate fee agreements.	Executive	Annual Saving	\$ 75,000
2. Make retirement at 65 mandatory.	Legislative	Annual Saving	\$ 425,000
3. Establish the first day of a calendar month as a uniform retirement date.	Executive		
4. Obtain larger advance rate discounts.	Executive	Annual Saving	\$ 16,700
5. Pool group life insurance.	Executive		
6. Establish control over group life insurance premium requirements.	Executive		
7. Provide data processing programs for maintenance of payroll and benefit records.	Legislative/ Executive	Annual Saving One-time Saving	\$ 38,100 \$ 2,000
8. Require payroll reports to be submitted alphabetically with social security number no less than once a month.	Executive		
9. Audit and update the Retirement System's membership.	Executive		

Department of Agriculture

1. Establish a car pool in Augusta.	Executive	Annual Saving	\$ 50,000
-------------------------------------	-----------	---------------	-----------

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
2. Reduce salary and vehicle costs by maintaining closer controls.	Executive	Annual Saving	\$ 37,800
3. Provide financial analysis by program.	Executive		

Maine Recreation Authority

1. Combine the Maine Recreation Authority, the Maine Industrial Building Authority, and the Maine Municipal Approval Board into a single entity.	Executive		
2. Provide the manager with input to and output from long-range plans and economic data bases of the State Planning Office and the Department of Commerce and Industry.	Executive		
3. Install a system of management based on objective measurement of performance against goals.	Executive	Annual Saving	\$ 13,000

Board of Pesticides Control

1. Eliminate the board.	Legislative
-------------------------	-------------

Department of Inland Fisheries and Game

1. Initiate mechanized inventory accounting for capital equipment and property records.	Executive		
2. Revise the method of taking physical inventory to provide exception reporting.	Executive		
3. Change the requirement of physical plant and equipment inventory from annual to biennial.	Executive	Annual Saving	\$ 43,000
4. Establish a central accounting system to replace manual bookkeeping.	Executive	Annual Saving	\$ 6,400
5. Centralize departmental purchasing, distribution, and control of expendable items.	Executive		
6. Eliminate filing copies of resident hunting and fishing licenses.	Executive	Annual Saving	\$ 14,300
7. Establish a Licensing and Registration Division to assume licensing responsibilities for watercraft and snowmobiles.	Executive	Annual Saving Annual Cost Avoidance	\$ 12,600 \$ 15,300
8. Initiate a study to provide a mechanized license and registration system for applications, renewals, revenue accounting, sampling, and reports.	Executive		
9. Modify hunting and fishing licensing methods to include mailing renewal applications.	Executive	Annual Income	\$ 112,500
10. Initiate issuance of nonresident marine sports fishing licenses.	Legislative	Annual Income Annual Cost	\$ 663,000 \$ 63,000 (Federal)

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
11. Eliminate the Atlantic Sea Run Salmon Commission and incorporate its responsibilities into the Department of Inland Fisheries and Game.	Legislative		
12. Close the fish-producing facilities at Deblois and Phillips and transfer responsibilities to Enfield.	Executive	Annual Saving One-time Income	\$ 59,700 \$ 319,600
13. Initiate a study to determine if the state should discontinue the raising and stocking of pheasants.	Executive	Annual Saving One-time Income	\$ 75,800 \$ 160,000
14. Develop and implement a system of work standards and quantitative reports for field personnel.	Executive		

Department of Environmental Protection

1. Establish a clerical pool for secretarial needs in Augusta.	Executive		
2. Organize a pool of technicians and lower-echelon scientists.	Executive		
3. Cross-train field personnel so they can investigate and explain various laws.	Executive	Annual Cost Avoidance	\$ 7,600
4. Install a work measurement program in the clerical and technical pools.	Executive	Annual Cost Avoidance One-time Cost	\$ 62,100 \$ 4,200
5. Limit new positions to the technician and clerical levels for the next biennium, and increase supervisory span.	Executive	Annual Cost Avoidance	\$ 80,000
6. Establish guidelines for issuance of licenses and permits directly by the staff.	Executive		
7. Create one environmental protection license and merge permit and certification functions.	Executive		
8. Institute definite departmental objectives and assign priorities.	Executive		
9. Establish a consistent and equitable policy of fees for licenses, permits, certifications, and other documents.	Legislative		
10. Provide adequate office space to house Augusta-based personnel under one roof.	Executive		
11. Limit purchases to priority needs.	Executive		
12. Sell microfilm and microfiche equipment.	Executive	One-time Income	\$ 7,100
13. Manage inventories more efficiently.	Executive		
14. Establish a standardized filing system and eliminate duplicate files.	Executive		
15. Establish a central accounting system within the Office of Administrative Services.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
16. Obtain reliable payroll and personnel service records and eliminate keeping them on a departmental basis.	Executive		
17. Set up definite reporting channels and assign responsibilities within Air Quality Control.	Executive		
18. Assign projects for Air Quality Control when normal duties permit such work.	Executive		
19. Assign the quantifying and recording of strip chart data to clerk-typists.	Executive	Annual Saving	\$ 6,300
20. Eliminate the two chemist positions in Air Quality Control.	Executive	Annual Saving Annual Saving	\$ 8,000 \$ 9,300 (Federal)
21. Do not fill the planned addition of a chemist for Air Quality Control.	Executive	Annual Cost Avoidance	\$ 10,700
22. Install a standard filing system and eliminate all duplicate files within the Office of Administrative Services.	Executive		

Maine Land Use Regulation Commission

1. Abolish this commission and transfer functions, funds, and staff to the Department of Environmental Protection.	Legislative	Annual Saving	\$ 18,700
--	-------------	---------------	-----------

Maine Mining Bureau

1. Transfer Maine Mining Bureau functions to the State Geologist.	Legislative		
2. Place mining funds in the general fund.	Legislative	Annual Funds Transfer One-time Funds Transfer	\$ 7,000 \$ 68,600

Department of Parks and Recreation

1. Institute a work measurement study of administration personnel.	Executive	Annual Cost Avoidance One-time Cost	\$ 8,000 \$ 5,000
2. Reorganize the navigational aids marking system.	Executive	Annual Cost Avoidance One-time Cost Avoidance	\$ 34,000 \$ 8,000
3. Establish a course in public relations techniques for field personnel.	Executive		
4. Assign inspection of passenger tramways to an engineering technician.	Executive		

Department of Sea and Shore Fisheries

1. Empower the deputy commissioner with authority for operation of the department.	Executive		
2. Institute a work measurement study program for administrative personnel.	Executive	Annual Saving	\$ 5,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
3. Establish an initial and continuing training program for coastal wardens.	Executive		
4. Redefine the responsibilities of the Director of Marine Research.	Executive		
5. Integrate the Marine Fisheries Extension Service into Marketing and Promotion.	Executive		
6. Establish an Interdivisional Directors' Committee to improve communications.	Executive		
7. Consolidate personnel and payroll record-keeping functions on a statewide basis.	Executive		
8. Obtain central accounting services to allow this department to eliminate duplicate books.	Executive	Annual Saving	\$ 13,200
9. Delay filling seven positions in the Marine Research Division.	Executive	One-time Cost Avoidance	\$ 73,500

Forestry Department

1. Establish priorities and define responsibilities of supervisory personnel.	Executive		
2. Implement a training for the application of modern management techniques.	Executive		
3. Develop and implement work standards and quantitative reports for field personnel.	Executive		
4. Initiate a study to determine if highly mobile strike forces could be used more effectively to suppress fires.	Executive		
5. Combine programs and funding of the old Maine Forest District with that of Forest Fire Control-Organized Towns.	Legislative/ Executive		
6. Initiate a mechanized inventory and accountability system.	Executive		
7. Revise the method of taking physical inventories and provide classification of items and exception reporting.	Executive		
8. Change the requirement of physical plant and cyclical equipment inventory from annual to biannual.	Executive	Annual Saving	\$ 38,000
9. Implement a records management system.	Executive		
10. Initiate a mechanized system to maintain personnel information and produce various outputs.	Executive		

Department of Commerce and Industry

1. Establish the state's goals concerning industrial development and tourism.	Executive		
---	-----------	--	--

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
2. Combine the Divisions of Promotion and Information Services and transfer them to the proposed Bureau of Information and Public Relations.	Executive	Annual Saving	\$ 11,600
3. Eliminate two clerical positions from the Division of Information Services.	Executive	Annual Saving	\$ 10,800
4. Phase out the position of Exhibits and Display Manager.	Executive	Annual Saving	\$ 9,200
5. Discontinue the position of photographic laboratory assistant.	Executive	Annual Saving	\$ 3,700
6. Eliminate one copy machine.	Executive	Annual Saving	\$ 7,700
7. Transfer responsibility for maintaining Maine's Eastern States Exposition site.	Executive		
8. Minimize the expense of maintaining space in the Marden Building.	Executive	One-time Cost Avoidance	\$ 40,000
9. Resolve the status of the State Technical Services Program.	Legislative		
10. Transfer the Division of Research and Analysis to the State Planning Office.	Executive	Annual Saving	\$ 40,000
11. Eliminate five professionals and district offices from the Division of Development.	Executive	Annual Saving	\$ 112,100
12. Assign responsibility for coordinating assistance to business and industrial firms desiring to locate to Maine to an industrial development representative.	Executive		
13. Transfer a municipal coordinator and an industrial development representative from the Division of Development.	Executive		
14. Eliminate the Division of Administration.	Executive	Annual Saving	\$ 122,000
15. Increase membership of the Economic Development Advisory Council to 10.	Executive	Annual Cost	\$ 1,500
16. Transfer the Economic Development Advisory Council.	Executive		

Department of Military, Civil Defense and Veterans Services

1. Reorganize the department.	Legislative	Annual Saving	\$ 13,700
2. Consolidate storage areas of Military and Civil Defense into available space at Camp Keyes.	Executive		

Military Bureau

3. Eliminate state funding the Air National Guard.	Executive	Annual Saving	\$ 29,300
4. Phase out the position of Military Operations Specialist.	Executive	Annual Saving	\$ 5,500

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
5. Determine the feasibility of utilizing contracted services for the maintenance of state properties.	Executive		
6. Review the personnel policy to allow credit for active duty training.	Executive		
Bureau of Civil Defense			
7. Reorganize the Bureau of Civil Defense.	Executive	Annual Saving One-time Income Annual Saving	\$ 18,000 \$ 2,000 \$ 18,000 (Federal)
Bureau of Veterans Services			
8. Eliminate the position of assistant supervisor.	Executive	Annual Saving	\$ 10,600
9. Do not fill the position of secretary at the Veterans Memorial Cemetery.	Executive	Annual Cost Avoidance	\$ 4,600
10. Move the Lewiston field office to the newly constructed state armory.	Executive	Annual Saving	\$ 900
11. Study the feasibility of utilizing contracted services to perform certain functions at the Veterans Memorial Cemetery.	Executive		
Department of Public Safety			
1. Reduce vehicle maintenance costs.	Executive	Annual Saving	\$ 1,500
2. Accelerate the utilization of automatic data processing.	Executive		
3. Combine Supply with Administrative Services and Budget Control.	Executive	Annual Saving	\$ 13,500
4. Consider constructing an additional floor on the headquarters garage.	Executive		
5. Hire a clerk to process Law Enforcement Planning and Assistance Agency (LEPAA) grants.	Executive	Annual Cost	\$ 6,000 (Federal)
6. Supply each bureau director a monthly statement of the financial condition, income, and expenditure analysis.	Executive		
7. Install personnel procedures.	Executive		
8. Review the policy regarding meal allowances.	Executive		
Bureau of State Police			
9. Review use of premium grade gasoline.	Executive	Annual Saving	\$ 42,000
10. Increase the staff of the Truck Weights Section of the Traffic Division.	Executive	Annual Income One-time Cost	\$ 120,000 \$ 11,500
11. Discontinue assigning police officers as liaison to the Bureau of Civil Defense.	Executive	Annual Saving	\$ 16,500
12. Furnish Criminal Investigation with small, economy-class cars.	Executive	Annual Saving One-time Saving	\$ 9,500 \$ 23,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
13. Discontinue assignment of police officers to nonenforcement duties.	Executive	Annual Cost	\$ 17,500
14. Stop requiring 48-hour accident reports be mailed to the Traffic Division.	Executive	Annual Saving	\$ 6,800
15. Eliminate a clerk-typist position in the Criminal Identification Division.	Executive	Annual Saving	\$ 5,100
16. Buy radial instead of bias-ply tires.	Executive	Annual Saving	\$ 9,000
17. Issue Beano licenses monthly.	Legislative	Annual Saving	\$ 7,200
18. Hire civilian communications operators to free enlisted personnel for field work.	Executive	Annual Cost	\$ 76,000
19. Charge the Maine Turnpike Authority for actual costs of providing highway patrol.	Executive	Annual Cost Avoidance	\$ 199,000
20. Install a uniform crime-reporting system.	Executive		
Liquor Enforcement Bureau			
21. Consider requiring bartenders to register and obtain a license.	Legislative		
22. Issue bartender licenses on a staggered 3-year renewal basis.	Legislative		
23. Use a standardized inspection report to obtain improved inspection documentation.	Executive		
24. Require field inspectors to use dictating equipment when preparing field reports.	Executive	Annual Cost Avoidance	\$ 31,000
		One-time Cost	\$ 2,300
25. Establish a program for measuring productivity of inspectors.	Executive	Annual Saving	\$ 11,500
26. Stop performing licensing activities normally accomplished by the Bureau of Alcoholic Beverages.	Executive		
Fire Prevention Bureau			
27. Assess insurance companies a fee of 0.75% on fire insurance premiums.	Legislative	Annual Income	\$ 83,000
28. Reorganize the bureau.	Executive	Annual Cost	\$ 102,100
29. Perform fire safety inspections annually.	Executive		
30. Charge a fee to cover processing costs for taking an examination.	Legislative	Annual Income	\$ 2,800
31. Revise the fee schedule for inspection and issuance of licenses and permits.	Legislative	Annual Income	\$ 6,800
32. Issue occupational license renewals on a 2-year basis.	Legislative	Annual Saving	\$ 2,000
33. Install a cost accounting system.	Executive	Annual Saving	\$ 5,300
34. Transfer unexpended dedicated funds to the general fund at the end of fiscal 1973.	Legislative	One-time Funds Transfer	\$ 335,400

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
35. Establish a program for measuring productivity of inspectors.	Executive	Annual Saving	\$ 12,900
Vehicle Equipment Safety Commission			
36. Transfer functions of the Vehicle Safety Equipment Commission to the Department of Transportation.	Legislative		
Department of Banks and Banking			
1. Stop conducting annual on-site audits of state-chartered financial institutions examined by the FDIC or the Federal Reserve Bank.	Legislative		
2. Terminate the federal exemption to the Truth in Lending Act.	Legislative	Annual Saving	\$ 27,500
3. Transfer idle, unexpended dedicated funds to the general fund.	Legislative	Annual Funds Transfer	\$ 21,000
		One-time Funds Transfer	\$ 102,500
Department of Insurance			
1. Charge each company for expenses incurred for examinations required by law.	Executive	Annual Income	\$ 54,000
2. Employ two additional examiners.	Executive	Annual Saving	\$ 5,500
3. Issue or renew licenses for 2-year terms.	Legislative	Annual Saving	\$ 5,900
4. Charge salaries and expenses for the first deputy commissioner and clerk-steno to the dedicated fund budget.	Executive	Annual Funds Transfer	\$ 26,600
5. Transfer unexpended dedicated funds accumulated by the department to the general fund.	Legislative	Annual Funds Transfer	\$ 9,400
		One-time Funds Transfer	\$ 197,000
Real Estate Commission			
1. Publish only one list of names and addresses of licensees.	Executive	Annual Saving	\$ 2,300
2. Change the roster mailing list.	Executive	Annual Saving	\$ 400
3. Provide the administrative officer with a private office.	Executive	One-time Cost	\$ 2,000
4. Issue biennial licenses at current rate.	Legislative	Annual Saving	\$ 2,100
5. Transfer unexpended dedicated funds to the general fund.	Legislative	Annual Funds Transfer	\$ 12,800
		One-time Funds Transfer	\$ 46,800
Boxing Commission			
1. Do not make rule changes affecting boxing without formal notice and a hearing.	Executive		
2. Assign only one member of the commission to attend each boxing event.	Executive	Annual Saving	\$ 1,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
Harness Racing Commission			
1. Absorb the clerical work load, responsibilities, and records of the Running Horse Racing Commission.	Executive		
Running Horse Racing Commission			
1. Phase out the position of executive secretary and transfer responsibilities to the Harness Racing Commission.	Executive	Annual Saving	\$ 9,200
2. Eliminate seasonal employee positions.	Executive	Annual Saving	\$ 17,100
3. Abolish the commission.	Legislative	Annual Saving	\$ 3,900
Maine Industrial Building Authority			
1. Combine the Maine Industrial Building Authority (MIBA), Maine Recreation Authority (MRA), and the Maine Municipal Securities Approval Board (MMSAB).	Legislative	Annual Saving	\$ 8,800
Maine Municipal Securities Approval Board			
1. Charge companies making applications a fee which cannot be returned.	Executive	Annual Income	\$ 1,700
2. Combine the Maine Municipal Securities Board, Maine Industrial Building Authority, and the Maine Recreation Authority.	Legislative		
Public Utilities Commission			
1. Stop collecting annual fees for common carrier certificates and contract carrier and interstate carrier permits.	Legislative	Annual Cost	\$ 57,000
2. Increase the identification device fee for straight trucks and floater plates.	Legislative	Annual Income	\$ 22,000
3. Relocate the engineering technician from the Transportation Division.	Executive		
4. Eliminate the position of assistant secretary.	Executive	Annual Saving	\$ 9,200
5. Transfer the Transportation Division's idle dedicated funds to the general fund.	Legislative	Annual Funds Transfer	\$ 171,000
		One-time Funds Transfer	\$ 452,300
6. Require railroads and utilities to pay fees for requests for rate changes or discontinued service applications.	Legislative		
7. Obligate utilities and railroads to pay a fee for filing annual reports.	Legislative	Annual Income	\$ 11,000
Industrial Accident Commission			
1. Reduce the commission from four to two members and reevaluate the pay range.	Legislative	Annual Saving	\$ 23,800

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
2. Delete the budgeted position of hearings reporter.	Executive	Annual Cost Avoidance	\$ 11,300
3. Eliminate the budgeted clerk-typist.	Executive	Annual Cost Avoidance	\$ 5,200
4. Phase out the position of rehabilitation counselor and utilize services of the Department of Health and Welfare.	Executive	Annual Saving	\$ 12,800
5. Delete the position of clerk-steno when the size of the commission is reduced.	Executive	Annual Saving	\$ 6,300
6. Stop paying the ex officio member of the commission the annual fee.	Executive	Annual Saving	\$ 1,000
7. Review retention of filed materials and consider microfilming necessary records.	Executive		
8. Obtain the analysis of income and expenditures report to the commission within 10 days.	Executive		

Chief Medical Examiner

1. Provide regular annual reports on operations of the Chief Medical Examiner.	Executive
2. Transfer the report reviewing and budgetary approval functions of the examiner to the Commissioner of Public Safety.	Executive

Examining and Certifying Boards

1. Organize administrative and servicing functions of boards into a central professional and occupational licensing bureau.	Executive		
2. Require boards to provide centralized automation of license renewals and preparation of statistics as soon as possible.	Executive	Annual Saving One-time Cost	\$ 1,000 \$ 28,000
3. Renew licenses every 2 years.	Legislative	Annual Saving	\$ 6,100
4. Appoint a public member to each of the 25 boards which has no such representation.	Legislative		
5. Require each board to provide an annual report of its fiscal and program activities.	Executive		
6. Establish guidelines for annual reports.	Executive		
7. Establish a procedure at annual meetings of allowing for oral reports and answering questions.	Executive		
8. Include the boards not now covered under the Administrative Code.	Legislative		
9. Require the boards to maintain and purge their files in accordance with approved record retention schedules.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
10. Establish limits for out-of-state travel costs for board members.	Executive	Annual Saving	\$ 5,600
11. Coordinate inspection activities of the Barbers and Hairdressers Boards.	Executive	Annual Saving	\$ 9,400
12. Require boards receiving free staff support or space from general fund departments to pay costs of services.	Executive	Annual Funds Transfer	\$ 8,700
13. Require the Board of Hairdressers to sublet or discontinue renting its facilities.	Executive	Annual Saving	\$ 3,800
14. Transfer dedicated fund balances of the 26 boards to the general fund at the end of fiscal 1973.	Legislative	One-time Funds Transfer	\$ 471,700
15. Standardize per diem payments.	Legislative		

Public Education in Maine

1. Transfer responsibility for post-secondary vocational education from the Board of Education to the University of Maine.	Legislative		
2. Create the Maine Education Commission to develop a cohesive system of education as well as provide guidance to legislative action.	Legislative	Annual Cost	\$ 40,000
3. Vest in the proposed Maine Education Commission all higher education responsibilities.	Legislative		

Department of Educational and Cultural Services

1. Divest the Board of Education of its authority over matters affecting the department.	Legislative		
2. Define the role of the Board of Education as advisory to the Commissioner.	Legislative		
3. Abolish the Maine State Commission on the Arts and Humanities.	Legislative		
4. Abolish the State Museum Commission.	Legislative		
5. Delegate program approval and policy setting authority for operations of the State Museum and the Arts and Humanities Bureaus to the Commissioner.	Legislative		
6. Establish a cultural commission to act in an advisory capacity to the Commissioner.	Legislative		
7. Repeal legislation stipulating departmental organization.	Legislative		
8. Reorganize the department.	Executive		
9. Orient the Planning, Evaluation, and Research (PER) function toward considering long-term departmental objectives in coordination with the State Planning Office.	Executive	Annual Saving	\$ 31,500 (Federal)

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
10. Expand responsibilities of the Planning, Evaluation, and Research (PER) function.	Executive		
11. Increase clerical assistance to the Personnel Officer's staff to accelerate implementation of adequate personnel programs and control techniques.	Executive	Annual Cost	\$ 6,000
12. Establish a mechanized mailing center.	Executive	Annual Cost One-time Cost	\$ 12,000 \$ 15,000
13. Utilize full reproduction center services.	Executive		
14. Establish a typing pool.	Executive	Annual Saving	\$ 52,500
15. Establish an office services group responsible for the mail center, reproduction center, office supplies, and typing pool.	Executive	Annual Cost	\$ 8,000
16. Establish an administration staff function responsible for personnel, office services, and information.	Executive	Annual Cost	\$ 26,200
17. Expand the responsibilities of the federal-state coordinator to include administration of Elementary and Secondary Education Act (ESEA) Title I, II, and III funds.	Executive		
18. Establish a finance staff function which would be responsible for fiscal management and federal fund coordination.	Executive	Annual Cost	\$ 26,200
19. Create the Bureau of School Management to be responsible for operations, facilities, and services.	Executive	Annual Cost	\$ 26,200
20. Create the Bureau of Cultural Services which would be responsible for the State Museum and Maine State Library.	Executive	Annual Cost	\$ 26,200
21. Create the Bureau of Instruction to coordinate curriculum development and school approval, adult and community education, services, teacher training and certification, and Instructional Television.	Executive	Annual Cost	\$ 26,200

Bureau of Continuing Educational Resources

22. Transfer functions and staff of Higher Education Services and Facilities to the Maine Education Commission.	Legislative		
23. Reorganize the bureau.	Executive	Annual Cost Avoidance	\$ 20,300 (Federal)
24. Divide duties of the teacher education advisor between the credentials investigator and the certification officer within Personnel Development, Certification, and Placement.	Executive	Annual Cost Avoidance	\$ 16,400 (Federal)
25. Design and implement an automated system for processing teacher personnel records.	Executive	One-time Cost	\$ 30,000
26. Change the schedule for printing certificates.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
27. Utilize the new mail processing center for mailing computer-produced certificates.	Executive		
28. Readjust duties of the support staff in Personnel Development, Certification, and Placement (PDCP).	Executive	Annual Saving	\$ 15,700
29. Change the name of the Personnel Development, Certification, and Placement Section to the Personnel Development, Certification, and Placement Division.	Executive		
30. Expand responsibilities of the Adult and Community Educational Resources Division.	Executive	Annual Cost Avoidance	\$ 6,200 (Federal)
31. Transfer responsibility of the Divisions of Adult and Community Educational Resources and Personnel Development, Certification, and Placement to the Bureau of Instruction.	Executive		
32. Abolish the Bureau of Continuing Educational Resources.	Executive	Annual Saving	\$ 25,600
Bureau of Educational Resources			
33. Organize Curriculum Resources' 18 consultants into task force teams.	Executive	Annual Cost Annual Cost	\$ 5,000 \$ 9,000 (Federal)
34. Define the individual responsibilities of the consultant staff of Curriculum Resources.	Executive		
35. Transfer collating, fastening, and mailing duties of Curriculum Resources to the newly created administration group.	Executive		
36. Establish a typing pool in Curriculum Resources to fulfill typing needs.	Executive	Annual Saving Annual Saving Annual Cost Avoidance	\$ 12,400 \$ 12,200 \$ 6,200 (Federal)
37. Eliminate the position of Director, Division of School Operations.	Executive	Annual Saving Annual Cost Avoidance	\$ 20,400 \$ 6,200
38. Utilize the department's central accounting system for control of the Schooling for Indian Children and Schooling for Children in the Unorganized Territory programs.	Executive	Annual Saving	\$ 16,000
39. Discontinue operation of the three reservation schools.	Legislative	Annual Saving Annual Saving	\$ 115,500 \$ 99,500 (Federal)
40. Discontinue operation of Schooling for Children in the Unorganized Territory schools.	Legislative	Annual Saving Annual Saving	\$ 190,600 \$ 80,300 (Federal)
41. Integrate budgetary and fiscal control procedures of the Governor Baxter School for the Deaf into the system which is controlled by the Bureau of Educational Management Resources.	Executive	Annual Saving Annual Cost Avoidance	\$ 8,800 \$ 6,200

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
42. Reassign duties of the secretarial staff at the Governor Baxter School for the Deaf.	Executive	Annual Saving	\$ 5,600
43. Transfer the reporting responsibility of the Governor Baxter School for the Deaf to the Bureau of School Management.	Executive		
44. Reassign Curriculum Resources to the Bureau of Instruction.	Executive		
45. Abolish the Bureau of Educational Resources.	Executive	Annual Saving	\$ 20,400

Bureau of Educational Management Resources

46. Transfer responsibilities of the school construction accountant and eliminate the vacant position.	Executive	Annual Cost Avoidance	\$ 11,000
47. Transfer the budget accountant to the Fiscal Management Section.	Executive		
48. Assign the federal financing-letter of credit accountant to Fiscal Management.	Executive		
49. Shift audit responsibilities of the vocational program accountant.	Executive		
50. Require the Vocational Technical Institutes and School of Nursing to maintain their accounting systems.	Executive	Annual Saving	\$ 13,100
51. Transfer office service activities to the proposed administration group and eliminate Departmental Services.	Executive		
52. Eliminate the Audit Section and require schools to pay audit costs of programs supported by federal funds.	Legislative	Annual Saving Annual Saving Annual Cost	\$ 9,400 \$ 80,000 (Federal) \$ 33,500 (Federal)
53. Eliminate the position of assistant director and his secretary.	Executive	Annual Saving Annual Cost Avoidance	\$ 16,500 \$ 5,500
54. Require departmental cost centers to be accountable for correct account coding.	Executive	Annual Saving	\$ 14,400
55. Revise the accounting system to provide timely recording and reporting of fiscal and budgetary information.	Executive		
56. Automate the manual accounting operations performed by Fiscal Management.	Executive	Annual Saving One-time Cost Annual Saving	\$ 18,800 \$ 23,000 \$ 5,400 (Federal)
57. Reassign the reporting relationship of Fiscal Management to the newly created staff function of finance.	Executive		
58. Redesign the system to produce computerized statistical reports with fewer programs.	Executive	Annual Saving One-time Cost	\$ 5,600 \$ 11,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
59. Install a terminal, including card reading and printing capabilities, which would be linked with Central Computer Services.	Executive	Annual Cost One-time Cost	\$ 11,000 \$ 1,000
60. Utilize outside keypunch facilities during peak periods.	Executive	Annual Saving Annual Cost Avoidance	\$ 10,400 (Federal) \$ 5,300 (Federal)
61. Shift the reporting relationship of Statistical and Systems and Program from Management Information to the redefined Planning, Evaluation, and Research staff function.	Executive		
62. Abolish Educational Management Resources.	Executive	Annual Saving Annual Saving	\$ 68,400 \$ 5,700 (Federal)

Bureau of Special Resources

63. Replace the three full-time food service consultants in School Nutrition with five part-time, regional consultants.	Executive	Annual Saving Annual Saving	\$ 9,800 \$ 4,500 (Federal)
64. Develop and implement on-the-job training for Local Education Agency school lunch personnel.	Executive	Annual Saving	\$ 414,000 (Local)
65. Use multicopy inspection report forms for process audit reporting.	Executive	Annual Saving	\$ 6,200
66. Enforce regulations on deadlines and completeness of school lunch statistical data reporting by Local Education Agencies.	Executive		
67. Redesign reporting forms for school nutrition statistical data to simplify processing.	Executive	Annual Saving	\$ 8,800
68. Transfer responsibility for administering school nutrition subsidies.	Executive		
69. Assign reporting responsibilities of the Division of School Nutrition to the Bureau of School Management.	Executive		
70. Design and implement a system to automate the allocation, shipping, and inventory control of donated commodities.	Executive	Annual Saving One-time Cost	\$ 18,800 \$ 8,000
71. Place contracts for donated commodity storage on the basis of competitive bids.	Executive	Annual Saving	\$ 10,000 (Local)
72. Adjust the property charge to provide dedicated funds to purchase a diesel tractor.	Executive	One-time Cost Avoidance	\$ 15,000
73. Transfer reporting responsibilities of the Surplus Foods and Property Section to the Bureau of School Management.	Executive		
74. Eliminate school bus inspection responsibilities from Transportation and Safety.	Executive		
75. Remove school bus driver qualification duties from Transportation and Safety.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
76. Make payment of driver education subsidies conform to legislation.	Executive	Annual Cost	\$ 4,500
77. Transfer responsibility for student driver education to the Motor Vehicle Division.	Legislative		
78. Eliminate safety education responsibilities from Transportation and Safety.	Executive		
79. Abolish Transportation and Safety.	Executive	Annual Saving	\$ 21,700
		Annual Cost	\$ 21,400
		Avoidance	
80. Transfer idle, dedicated funds in the Maine School Building Authority account to the general fund.	Legislative	One-time Funds Transfer	\$ 77,300
81. Specify salaries of the Maine School Building Authority staff be paid from dedicated income in accordance with legislation.	Executive	Annual Funds Transfer	\$ 13,000
82. Require Maine School Building Authority fiscal accounting be controlled by the Fiscal Section of the Bureau of Educational Management Resources.	Executive		
83. Shift the function of School Facilities to the Bureau of School Management and transfer the remaining three staff members of the Division of School Services.	Executive		
84. Transfer reporting responsibilities of the Neighborhood Youth Corps to the Bureau of School Management.	Executive		
85. Abolish the Division of School Services.	Executive		
86. Redefine responsibilities of the Federal Resources Division.	Executive	Annual Saving	\$ 119,400 (Federal)
		Annual Cost	\$ 18,900 (Federal)
		Avoidance	
87. Transfer Elementary and Secondary Education Act Title funds administration to the Finance staff group.	Executive		
88. Shift responsibility for administering Instructional Television to the Bureau of Instruction.	Executive		
89. Eliminate the Division of Federal Resources.	Executive	Annual Saving	\$ 28,000 (Federal)
90. Transfer administration of the War Orphan Scholarship Program.	Executive	Annual Saving	\$ 1,000
91. Transfer the function of Civil Defense Education to the Bureau of Civil Defense.	Executive	Annual Saving	\$ 6,200 (Federal)
92. Abolish the Bureau of Special Resources.	Executive	Annual Saving	\$ 26,600
Bureau of Vocational Education			
93. Integrate individual Vocational Technical Institute budgeting and fiscal control procedures under the Bureau of Educational Management Resources.	Executive	Annual Saving	\$ 30,500
		One-time Income	\$ 85,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
94. Utilize the revised capital equipment inventory system.	Executive	Annual Saving	\$ 4,400
95. Do not construct the planned dormitory at Eastern Maine until other facilities are fully utilized.	Executive	One-time Cost Avoidance	\$ 580,000
96. Establish a Dormitory and Dining Room Management Section to be responsible for providing central management of residence and student feeding activities.	Executive	Annual Saving	\$ 109,200
97. Increase room and board charge at the Vocational Technical Institutes to the same level as the university and, if necessary, provide scholarships.	Executive	Annual Saving	\$ 86,400
98. Develop recruiting boundaries for the Vocational Technical Institutes.	Executive		
99. Make use of the centralized accounting and budget system.	Executive	Annual Saving	\$ 7,800
100. Transfer curriculum responsibilities and staff of the Division of Program Services.	Executive		
101. Turn over reporting responsibility of the Division of Adult Education's staff to the proposed Bureau of Instruction.	Executive		
102. Shift responsibility for operation of Regional Technical Vocational Centers and associated staff to School Management.	Executive		
103. Transfer reporting responsibilities of the School of Nursing and Kennebec Valley Vocational Technical Institute (KVVTI) to the Augusta College.	Legislative		
104. Transfer responsibility for the five free-standing Vocational Technical Institutes to the Vice Chancellor of Community and Vocational Education and establish them as 2-year colleges.	Legislative	Annual Saving	\$ 21,600
105. Abolish the Bureau of Vocational Education.	Legislative	Annual Saving Annual Saving	\$ 67,900 \$ 45,000 (Federal)

Maine State Library Bureau

106. Reorganize the bureau into two line divisions and a staff position of Business Manager.	Executive		
107. Shift reporting responsibility of the Bureau of Archives Service to the State Librarian.	Legislative		
108. Integrate the budgetary and fiscal control under the Bureau of Educational Management Resources.	Executive	Annual Saving	\$ 6,800
109. Initiate simplified and more timely collection procedures for fines and lost book charges.	Executive	Annual Saving	\$ 6,200 (Federal)

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
110. Increase the hours during which the library is open by utilizing part-time help under the supervision of qualified librarians.	Executive	Annual Cost	\$ 6,600
111. Disperse the general loan and reference collection to existing library locations.	Executive	Annual Saving	\$ 71,800
		Annual Saving	\$ 29,200 (Federal)
112. Utilize space freed by dispersal of the general loan and reference collection to meet vital state government needs.	Executive	Annual Saving	\$ 100,000
113. Transfer the reporting responsibility of the State Librarian to the Bureau of Cultural Services.	Executive		
State Museum Bureau			
114. Utilize a casual labor pool to meet manpower requirements.	Executive	Annual Cost	\$ 5,000
115. Integrate the State Museum Bureau's budgetary and fiscal control under the guidance of the Bureau of Educational Management Resources.	Executive		
116. Reorganize the museum into three line divisions and a staff position of administrative assistant.	Executive		
117. Transfer the reporting responsibility of the museum director to the Bureau of Cultural Services.	Executive		
Arts and Humanities Bureau			
118. Utilize the centralized accounting and budgetary control system of the department to provide accounting services.	Executive		
119. Eliminate the clerk position.	Executive	Annual Saving	\$ 8,300
120. Combine the Arts and Humanities Bureau with the State Museum Bureau.	Legislative		
121. Consolidate the management and support functions of the combined State Museum and Arts and Humanities Bureaus.	Executive	Annual Saving	\$ 20,900
		Annual Cost	\$ 4,600
		Avoidance	
122. Relocate the facilities of the Arts and Humanities Bureau in the Cultural Building.	Executive		
123. Do not purchase a new electric typewriter for the Arts and Humanities Bureau.	Executive	One-time Cost Avoidance	\$ 500
Historic Preservation Commission			
1. Place the administrative activities and staff of this commission within the Department of Educational and Cultural Services.	Legislative		
2. Combine administrative activities and staff with those of the State Museum Bureau.	Legislative		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
3. Utilize the staff of the commission to fill vacancies in the State Museum Bureau.	Executive	Annual Cost Avoidance	\$ 23,100

University of Maine

1. Relocate the Chancellor's Office to the university's central offices in Bangor.	Executive		
2. Reorganize the university to create a State University of Maine consisting of three campuses and seven Colleges of Community and Vocational Education.	Legislative		
3. Modify membership of the Board of Trustees to allow a minimum of five appointees with vocational education interests.	Legislative		
4. Compile a comprehensive manual to document procedures, policies, and responsibilities relating to accounting activities.	Executive		
5. Develop full-cost analysis so a measurement of educational cost per student by program and degree level will be established.	Executive		
6. Invest free excess cash balances in short-term bank repurchase agreements.	Executive	Annual Income	\$ 75,000
7. Utilize formal budget variance reporting.	Executive		
8. Redesign the financial control system to optimize computer utilization.	Executive	One-time Cost	\$ 50,000
9. Require university-wide utilization of centralized financial control and student information systems.	Executive		
10. Make Computer and Data Processing Services responsible for investigating potential electronic data processing applications.	Executive		
11. Expedite planned facilities for the central computer, peripheral equipment, and necessary support staff.	Legislative	One-time Cost	\$ 300,000
12. Transfer responsibility for the physical plant function to the Director of Physical Plant at Orono/Bangor.	Executive	Annual Saving	\$ 37,900
13. Make Fogler Library the coordinator of library services within the university.	Executive	Annual Saving	\$ 112,600
14. Establish the Orono bookstore as coordinator for all textbook purchases.	Executive	Annual Saving	\$ 57,300
15. Establish a central office for processing admission applications.	Executive		
16. Centralize responsibility for auxiliary enterprises under the Vice Chancellor for Business and Financial Affairs.	Executive		
17. Implement a performance appraisal system for professional staff and faculty members.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
Orono/Bangor Campus			
18. Transfer the reporting relationship of the president at Orono/Bangor to the Vice Chancellor-Academic.	Executive		
19. Close the Bangor campus.	Executive	Annual Saving	\$ 628,000
20. Sell the University of Maine at Orono/Bangor's interest in the Capehart housing project.	Executive	One-time Income	\$ 58,000
21. Utilize the suggested redesigned financial control system to maintain budgetary and financial controls at Orono/Bangor.	Executive	Annual Saving	\$ 58,500
22. Require the university and the state purchasing organizations to increase cooperation in negotiating contract arrangements.	Executive	Annual Saving	\$ 420,000
23. Continue consolidation of the admissions and student aid functions.	Executive		
24. Increase the enrollment mix of nonresident to resident students.	Executive	Annual Income	\$ 504,000
25. Intensify efforts to establish reasons for major enrollment decreases between semesters in the 1973 school year.	Executive		
26. Increase student services by providing a central clearinghouse for jobs.	Executive	Annual Cost	\$ 15,000
27. Establish the development office as the coordinator of private fund raising activities.	Executive		
28. Implement an integrated safety and training program for personnel.	Executive		
29. Construct equipment storage facilities at Aroostock Farm and Blueberry Hill, and correct the drainage problem at the latter.	Executive		
Portland-Gorham Campus			
30. Transfer the reporting relationship of the president at Portland-Gorham from the Chancellor to the Vice Chancellor-Academic.	Executive		
31. Complete the study of the Joint Action Commission on University Goals and Directions and adopt overall objectives for Portland-Gorham.	Executive		
32. Develop Gorham as the center of general academic programs and administration.	Executive		
33. Change the location of the proposed \$1.4-million science facility to Gorham.	Executive		
34. Consolidate the registrar's office at Gorham.	Executive	Annual Saving	\$ 49,400
35. Consolidate the business manager's office at Gorham.	Executive	Annual Saving	\$ 41,100

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
36. Utilize the present computerized student accounting system for Continuing Education Division.	Executive	Annual Saving	\$ 3,000
37. Eliminate the position of university archivist.	Executive	Annual Saving	\$ 15,400
Farmington Campus			
38. Transfer the reporting relationship of the president at Farmington from the Chancellor to the Vice Chancellor-Academic.	Executive		
39. Utilize the system employed by the central accounting unit for budgetary control.	Executive	Annual Saving	\$ 7,700
40. Make use of the Student Accounts Receivable (STAR) system upon its completion.	Executive	Annual Saving	\$ 15,700
41. Reduce the registrar's staff by two clerks.	Executive	Annual Saving	\$ 13,900
42. Raise the standards of building maintenance.	Executive		
43. Hire a director of physical plant to supervise maintenance, campus security, and the motor pool.	Executive		
Augusta Campus			
44. Transfer the reporting relationship of the president to the Vice Chancellor Community and Vocational Education.	Executive		
45. Employ central accounting's system of general accounting and budgetary control.	Executive		
46. Utilize the Student Accounts Receivable (STAR) system after its development by the university's central computer group.	Executive	Annual Saving	\$ 5,800
47. Raise the standards of building maintenance.	Executive		
Machias Campus			
48. Utilize central accounting's system of accounting and budgetary control.	Executive		
49. Employ the Student Accounts Receivable (STAR) system upon completion.	Executive	Annual Saving	\$ 5,900
50. Raise the standards of building maintenance.	Executive		
51. Reduce the number of cars in the campus motor pool by two.	Executive	Annual Saving One-time Income	\$ 2,700 \$ 5,000
52. Abolish the 4-year degree-granting programs.	Legislative	Annual Saving	\$ 130,000
53. Consolidate the remaining programs and staff of Machias with the Washington County College of Community and Vocational Education into a single campus.	Executive	Annual Saving	\$ 198,000
54. Defer the planned \$960,000 science building until the Washington County College location and its facility requirements have been determined.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
Presque Isle Campus			
55. Utilize the University Wide Services (UWS) system of budgetary control.	Executive		
56. Employ the Student Accounts Receivable (STAR) system upon its completion.	Executive	Annual Saving	\$ 14,800
57. Maintain records of utilization and repair of motor pool vehicles.	Executive		
58. Reduce the number of motor vehicles in the campus motor pool.	Executive	Annual Saving One-time Cost Avoidance	\$ 2,700 \$ 5,700
59. Abolish the 4-year degree-granting programs.	Legislative	Annual Saving	\$ 275,400
60. Merge the remaining programs and staff of Presque Isle with Northern Maine College of Community and Vocational Education.	Executive	Annual Saving	\$ 121,900
Fort Kent Campus			
61. Utilize University Wide Services' established system of accounting and budgetary control.	Executive		
62. Utilize the Student Accounts Receivable (STAR) system upon its completion.	Executive		
63. Investigate the possibility of acquiring the National Guard Armory at Fort Kent.	Executive		
64. Abolish the 4-year degree-granting programs.	Legislative	Annual Saving	\$ 106,100
65. Consolidate Fort Kent's administration and programs with Northern Maine College of Community and Vocational Education.	Executive	Annual Saving	\$ 139,000
Maine Maritime Academy			
1. Upgrade the present terminal facilities and do not purchase a computer.	Executive	Annual Cost Avoidance One-time Cost Avoidance Annual Cost One-time Cost	\$ 50,000 \$ 50,000 \$ 17,700 \$ 1,000
2. Automate the accounting operation and implement a student information system.	Executive	Annual Saving One-time Cost	\$ 8,300 \$ 8,000
3. Improve communications with the Computer and Data Processing Services group to keep abreast of available computer services and applications.	Executive		
4. Initiate better accounting practices.	Executive		
5. Improve supervision and training of personnel in the Fiscal Section.	Executive		
Department of Health and Welfare			
1. Initiate a schedule of preplanned regular meetings of bureau directors.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
2. Consolidate medical evaluation and qualification for Medicaid and Medicare.	Executive	Annual Saving	\$ 9,000
		Annual Saving	\$ 18,000 (Federal)
3. Consolidate accounting and data processing operations.	Executive		
4. Promote publication of the department's work in professional journals.	Executive		
5. Relocate on-line electronic data processing terminals in a central area within each district office.	Executive		
6. Investigate the possibility of consolidating the central offices into one location.	Executive		
Bureau of Social Welfare			
7. Provide central office staff managers with authority over regional programs.	Executive		
8. Develop career opportunities.	Executive		
9. Define the responsibility and accountability of Research Evaluation and Planning.	Executive		
10. Standardize data input for the Management Information Control System.	Executive		
11. Reduce overpayment of welfare benefits.	Executive	Annual Saving	\$ 522,000
		Annual Saving	\$ 1,277,000 (Federal)
12. Develop a communication system for timely distribution of policy and procedural changes to Social Welfare and Administration.	Executive		
13. Develop a computerized controls system for the Support, Enforcement, and Location Unit (SELU).	Executive		
14. Increase the amount of money collected from absent fathers by the Support Enforcement, and Location Unit.	Executive	Annual Saving	\$ 196,000
		Annual Saving	\$ 10,000 (Federal)
		Annual Saving	\$ 210,000 (Local)
15. Publicize the existence and operations of the Support, Enforcement, and Location Unit.	Executive		
16. Publicize operations of the Fraud Investigation Division of the Department of Audit.	Executive		
17. Centralize processing of categorical assistance such as aid to the aged, blind, disabled, and families with dependent children.	Executive	Annual Saving	\$ 45,000
		Annual Saving	\$ 45,000 (Federal)
Bureau of Rehabilitation			
18. Transfer payroll, budget preparation and control as well as invoice processing to the Bureau of Administration.	Executive	Annual Saving	\$ 32,200

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
19. Eliminate current and planned on-line terminals in district offices.	Executive	Annual Saving	\$ 7,900
		Annual Saving	\$ 18,400 (Federal)
20. Institute a program to hire blind and visually impaired individuals.	Executive		
Bureau of Medical Care			
21. Consolidate bills or claims for drug prescriptions under Medicaid on a suitable multiple item form and audit them.	Executive	Annual Saving	\$ 71,700
		Annual Saving	\$ 91,200 (Federal)
22. Institute a statistical audit system sample for payments of Medicaid bills.	Executive	Annual Saving	\$ 15,400
		Annual Saving	\$ 22,100 (Federal)
23. Reduce vendor handling fees for welfare client drug prescriptions to cover costs.	Executive	Annual Saving	\$ 44,000
		Annual Saving	\$ 56,000 (Federal)
24. Eliminate the backlog of unpaid bills.	Legislative		
25. Eliminate the bureau and distribute its functions within the department.	Executive		
26. Institute a fee system for hospital, nursing home, and boarding home licenses.	Legislative	Annual Income	\$ 85,000
Bureau of Health			
27. Increase the fee charged for testing private water samples from \$2 to \$9.	Executive	Annual Income	\$ 140,000
28. Charge a fee to cover laboratory test costs.	Executive	Annual Income	\$ 133,000
29. Merge certain dedicated fund accounts into the general fund.	Legislative	One-time Funds Transfer	\$ 202,100
30. Eliminate the requirement for a license to sell prophylactic rubber goods.	Legislative		
31. Eliminate the positions of five dental hygienists and a clerk-typist in the Division of Dental Health.	Executive	Annual Cost Avoidance	\$ 46,700
32. Fill the positions of Director of the Division of Disease Control and Director of the Division of Health Resources.	Executive		
33. Establish a graduated fee schedule for license and inspection of eating and lodging facilities.	Executive		
34. Develop a plan for recording, maintaining, and using vital health and statistical data.	Executive		
35. Compile and publish an index of available health data.	Executive		
36. Maximize the use of vital statistics.	Executive		
37. Design a data processing system to collect health data which provides effective control of current and future needs.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
38. Reorganize and consolidate health planning.	Executive	Annual Saving	\$ 9,100
		Annual Saving	\$ 9,100 (Federal)
39. Consolidate various information and education functions of the bureau into a single unit.	Executive	Annual Saving	\$ 23,000

Bureau of Administration

40. Eliminate the use of cathode ray tube terminals as an input for recording data.	Executive	Annual Saving	\$ 8,500
41. Establish a 90-day deadline for accounts due from medical vendors.	Executive	Annual Income	\$ 11,200
42. Review job classifications.	Executive		
43. Convert the remaining tabulating jobs to be processed on the central computer.	Executive	Annual Saving	\$ 17,000
		One-time Cost	\$ 2,000
44. Eliminate the truck used by Data Processing.	Executive	Annual Saving	\$ 600
45. Reduce the technical staff of Data Processing by five positions.	Executive	Annual Saving	\$ 60,000
46. Establish a quality control function.	Executive		
47. Transfer the bulk of mail and messenger functions to Central Mail Service.	Executive	Annual Saving	\$ 4,900
48. Purge and destroy closed case folders in the district offices.	Executive		
49. Eliminate the social service index file.	Executive		
50. Produce a copy of the monthly register of public assistance clients.	Executive		
51. Eliminate the food stamp file.	Executive		
52. Reduce the clerical force in the central file area.	Executive	Annual Saving	\$ 16,500
53. Improve control over capital assets.	Executive	Annual Saving	\$ 21,000
54. Relocate two multilith machines so they may be operated by one individual.	Executive	Annual Saving	\$ 6,900
55. Charge a fee to cover costs of producing and distributing the vital statistics report.	Executive	Annual Income	\$ 1,200
56. Charge a fee to cover costs of preparing plastic coated identification cards.	Executive	Annual Income	\$ 1,100

Comprehensive Health Planning Services

57. Transfer the State Comprehensive Health Planning Agency to the Bureau of Health.	Executive	Annual Saving	\$ 17,500
		Annual Saving	\$ 17,500 (Federal)
58. Discontinue general disbursement of excess State Comprehensive Health Planning Agency funds to regional agencies.	Executive	Annual Saving	\$ 10,000
		Annual Saving	\$ 10,000 (Federal)

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
Public Information and Education			
59. Staff the position of director with an experienced administrator.	Executive		
60. Cancel the professional services contract.	Executive	Annual Saving	\$ 15,000
		Annual Saving	\$ 10,000 (Federal)
61. Route all public communications and program publications through this unit.	Executive		
62. Develop a comprehensive public education program for each bureau.	Executive		

Department of Indian Affairs

1. Eliminate the deputy commissioner and create a staff position.	Executive	Annual Saving	\$ 4,900
---	-----------	---------------	----------

Department of Mental Health and Corrections

1. Increase rental charges for housing units.	Executive	Annual Saving	\$ 5,400
2. Refrain from classifying nondirect-care employees as direct personnel.	Executive		
3. Transfer the balance of the Mental Health Improvement Fund to the general fund.	Legislative	One-time Funds Transfer	\$ 1,239,300
4. Repeal the law requiring payments to hospitals be dedicated for care of those qualifying for aid to the aged, blind, or disabled.	Legislative	Annual Funds Transfer	\$ 200,000
5. Determine the course of action regarding laundry services.	Executive		
6. Establish a policy to control acquisition and maintenance of surplus vehicles.	Executive		
7. Abolish the unfilled position of coordinator of youth activities.	Legislative		
8. Provide page totals on payrolls.	Executive		

Hospital Facilities

9. Eliminate one set of inventory records on drugs and manual records on capital assets.	Executive	Annual Saving	\$ 6,000
10. Encourage a bank to provide services for patients at Bangor.	Executive	Annual Saving	\$ 7,000
11. Convert the canteen operation to concession.	Executive		
12. Evaluate the cost of performing all maintenance services.	Executive		
13. Transfer the accounts receivable function from Bangor to the Division of Reimbursement at Augusta.	Executive	Annual Saving	\$ 8,500
14. Eliminate a clerk position in treatment information systems at Augusta State Hospital.	Executive	Annual Saving	\$ 7,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
15. Rent or lease unused space at Bangor to other state agencies.	Executive	Annual Saving One-time Cost	\$ 176,000 \$ 100,000
16. Rent or lease unused accommodations at Augusta to other agencies.	Executive	Annual Saving One-time Cost	\$ 250,000 \$ 100,000
17. Dispose of surplus land at the Augusta State Hospital.	Executive	One-time Income	\$ 200,000
18. Reduce the number of telephone switch-board operator positions at Pineland to two.	Executive	Annual Saving	\$ 13,400
19. Sell excess land at Pineland Hospital.	Legislative	One-time Income	\$ 500,000
20. Standardize on no more than three brands of equipment and repair parts.	Executive	Annual Income One-time Saving	\$ 900 \$ 15,200

Correctional Facilities

21. Sell outlying lands at the Women's Correctional Center.	Legislative	One-time Income	\$ 62,500
22. Build a new facility at Hallowell for housing inmates now at Skowhegan.	Legislative	Annual Saving One-time Cost	\$ 131,000 \$ 540,000
23. Sell the vacant buildings and 30 acres at the Women's Correctional Center.	Legislative	One-time Income	\$ 1,233,000
24. Eliminate duplication in supplies inventory control at the Men's Correctional Center.	Executive	Annual Saving	\$ 7,200
25. Phase out the correctional officer position in the supply room at the Men's Correctional Center.	Executive	Annual Saving	\$ 7,900
26. Develop work programs at the Stevens School at Hallowell to perform many clerical type functions.	Executive		
27. Computerize clerical and classification activities of the Maine State Prison.	Executive	Annual Saving	\$ 7,000
28. Increase output of the woodworking operation at the Maine State Prison.	Executive	Annual Income	\$ 23,000
29. Teach computer programming at the Maine State Prison.	Executive	Annual Saving Annual Income	\$ 20,000 \$ 30,000
30. Standardize letter size and color of vehicle license plates.	Legislative		
31. Eliminate restrictions on amount each inmate can earn from production of novelties.	Executive		

Administrative Services

32. Eliminate the card punch unit.	Executive	Annual Saving	\$ 1,600
------------------------------------	-----------	---------------	----------

Division of Probation and Parole

33. Establish a state position of volunteer services coordinator.	Legislative	Annual Cost	\$ 17,500
---	-------------	-------------	-----------

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
Institutional Feeding			
34. Change purchasing procedures on staples so quotations obtained are based on pool car, drop shipment, and full-load basis.	Executive	Annual Saving One-time Cost	\$ 21,200 \$ 5,000
35. Confine vendor delivery of food staples such as luncheon meats, pullman hams, corned beef, margarine, butter, and cheese to larger institutions only.	Executive		
36. Eliminate dried beef and salt pork from quarterly bidding requirements.	Executive		
37. Require standardized recipes and menus be prepared by the dietitian and be utilized in all institutions.	Executive		
38. Accumulate fresh meat needs and have Central Purchasing buy on a monthly or preferably quarterly basis.	Executive	Annual Saving	\$ 39,000
39. Require administrators to notify food services how many inmates must be fed.	Executive	Annual Saving	\$ 4,600
40. Expand the line budget to include a category for institutional food expenditures.	Legislative	Annual Saving	\$ 200,000
41. Separate feeding costs from all others in recordkeeping and budgeting.	Executive	Annual Saving	\$ 7,000
42. Eliminate four cook positions at Stevens School after it and Skowhegan are combined.	Executive	Annual Saving	\$ 25,300
43. Utilize facilities of the Augusta State Hospital to do all baking for Stevens when combined with Skowhegan.	Executive		
Maine Commission on Drug Abuse			
44. Combine this commission and the Division of Alcoholic Rehabilitation.	Executive	Annual Saving	\$ 14,100
45. Restrict grants to existing professional agencies and local governmental units which meet minimum standards.	Executive		
Department of Manpower Affairs			
1. Appoint a permanent Commissioner.	Executive		
2. Consolidate district offices providing services in the human resource area.	Executive	Annual Saving	\$ 40,000
3. Initiate a study to consolidate the department's administrative offices.	Executive		
4. Change the duties and name of the Appeals Review Board.	Legislative	Annual Saving	\$ 8,600 (Federal)
5. Eliminate the Advisory Council of State Employment Security Commission.	Executive	Annual Saving	\$ 500

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
Maine Employment Security Commission			
6. Conduct an in-depth study on the advisability of consolidating the commission's data processing facilities with those of other departments.	Executive		
7. Require the commission to pay for costs of services rendered by other departments.	Executive	Annual Income One-time Income	\$ 25,000 \$ 75,000
8. Enlarge the Fraud Investigation Division.	Executive	Annual Saving	\$ 150,000 (Federal)
9. Equalize case load of Work Incentive Program employees.	Executive	Annual Saving Annual Saving	\$ 4,000 \$ 36,000 (Federal)
10. Reconcile the benefit payment demand deposit account on a regular basis.	Executive		
Bureau of Labor and Industry			
11. Revise the schedule of boiler and elevator inspection fees.	Legislative	Annual Income	\$ 8,000
12. Institute practical file purging practices.	Executive		
13. Transfer responsibility for bedding, upholstered furniture, and stuffed toy law enforcement to the Safety Inspection Division.	Executive		
14. Computerize the wage/hour and safety inspection schedules.	Executive	Annual Saving	\$ 8,800
15. Eliminate the position of assistant director.	Executive	Annual Cost Avoidance	\$ 12,100
16. Appoint a permanent director.	Executive		
17. Eliminate two clerical positions.	Executive	Annual Saving	\$ 10,400
18. Coordinate wage data for minimum wage on public construction projects with the Maine Employment Security Commission's Data Processing Section.	Executive		
Cooperative Area Manpower Planning System			
19. Phase out the position of assistant director.	Executive	Annual Cost Avoidance	\$ 17,600 (Federal)
20. Shift the Cooperative Area Manpower Planning System (CAMPS) secretariat to the Department of Manpower Affairs.	Executive		
21. Vacate the third floor of 31 Western Avenue by transferring the Youth Service Coordination Agency.	Executive	Annual Saving	\$ 8,900
Department of Transportation			
1. Realign the structure and reporting lines at the top echelon.	Executive	Annual Saving	\$ 29,200

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
2. Eliminate vacant and unfilled positions within the department.	Executive	Annual Saving Annual Cost Avoidance	\$ 69,700 \$ 29,700
3. Improve budgeting procedures.	Executive		
4. Store records of closed cases on microfilm.	Executive		
5. Require the federal government to participate in present and future costs of the service performed by Internal Audit.	Executive	Annual Saving	\$ 5,900
6. Eliminate unjustified personal commutation in department-owned vehicles.	Executive	Annual Saving	\$ 37,600
7. Establish employment level history records by each bureau and operating unit.	Executive		
Bureau of Administration			
8. Streamline bureau operations and staffing requirements.	Executive	Annual Saving	\$ 32,500
9. Develop operating budgets and performance reports for the bureaus and units.	Executive		
10. Recover costs of printing road construction plans by increasing the price to \$18 for full-size and \$14 for half-size prints.	Executive	Annual Income	\$ 5,100
11. Purchase a collator to assemble reports.	Executive	Annual Saving One-time Cost	\$ 3,300 \$ 6,200
12. Automate recordkeeping functions.	Executive	Annual Saving One-time Cost	\$ 23,600 \$ 8,500
Bureau of Transportation Planning and Services			
13. Restructure the bureau.	Executive	Annual Saving Annual Cost Avoidance	\$ 200,800 \$ 54,000
14. Restructure the safety units within Statewide Transportation Planning.	Executive		
15. Perform a work measurement study of Mapping and Graphics.	Executive	Annual Saving	\$ 6,800
16. Review photographic groups functioning in state departments to determine if cost reductions can be realized through centralization.	Executive		
17. Stop direct sales of departmental maps and other literature to the public.	Executive		
18. Phase out reviewing newspapers to clip transportation articles.	Executive		
19. Develop a priority listing of areas where present computer capability can be applied to effect cost savings.	Executive		
20. Survey the literature and make inquiries to ascertain availability of an up-to-date listing of computer programs.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
21. Create a file of copies of all linknode diagrams within the Accident Records Section.	Executive		
22. Eliminate duplication of effort whereby the State Police and Safety Engineering put accident record data on computer tapes.	Executive		
23. Terminate Traffic Studies if no federal funds are available beyond fiscal 1973.	Executive	Annual Saving	\$ 25,300 (Federal)
Bureau of Aeronautics			
24. Allow the chief inspector to devote full-time efforts to public safety in aviation.	Executive		
25. Eliminate the bureau's accounting functions.	Executive		
26. Transfer the function of processing airport snow removal assistance requests to the Bureau of Administration.	Executive		
27. Assign the processing of aircraft registrations to the Motor Vehicle Division.	Legislative	Annual Saving	\$ 5,700
28. Revise the fee schedule for the executive aircraft to recover operating costs from those departments using it.	Executive		
29. Charge a fee commensurate with the cost of conducting airport inspections.	Legislative	Annual Income	\$ 5,500
30. Conduct a cost study in Airport Administration to determine if fees are commensurate with the services and facilities provided.	Executive		
31. Perform a work measurement study in the Bureau of Aeronautics to provide work standards and optimum staffing.	Executive	Annual Saving	\$ 12,000
32. Give authority for appointment of the director to the Commissioner.	Legislative		
Bureau of Waterways			
33. Give the Commissioner authority to appoint the director.	Legislative		
34. Maintain the bureau's offices at the State Pier to hold down operating costs.	Executive	Annual Cost Avoidance	\$ 17,000
35. Conduct a work measurement study to provide work standards and optimum staffing.	Executive	Annual Saving One-time Cost	\$ 31,500 \$ 15,000
36. Implement recommendations contained in the July 1972 audit report.	Executive		
37. Develop a local purchase procedure for quick procurement of low cost items.	Executive		
Bureau of Highways			
38. Reorganize the bureau along major functional lines.	Executive	Annual Saving Annual Cost Avoidance	\$ 639,900 \$ 161,400

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
39. Establish work standards and optimum staffing levels by work measurement encompassing all applicable employees.	Executive	Annual Saving One-time Cost	\$ 2,170,300 \$ 250,000
40. Develop a computerized expenditure reporting system to provide timely and detailed monthly reports on project status.	Executive	Annual Cost One-time Cost	\$ 6,500 \$ 50,000
41. Reexamine assigning standard-size supervisory forces in the geographical divisions of Maintenance and State Aid.	Executive		
42. Standardize the relationship between crew size and equipment units operated.	Executive	Annual Saving	\$ 220,800
43. Update and, if economically feasible, implement the 1966 study for replacement and relocation of the repair garage at Augusta.	Executive		
44. Implement a continuing training program on inventory control concepts, methods, and procedures.	Executive		
45. Use credit cards and associated billing techniques to charge other agencies for gasoline issued by Motor Transport Service.	Executive	Annual Saving One-time Cost	\$ 1,500 \$ 2,400
46. Establish a second shift for performance of maintenance at Motor Transport garages.	Executive	Annual Saving One-time Cost Avoidance	\$ 18,400 \$ 16,000
47. Initiate and maintain a monthly equipment downtime report.	Executive	Annual Saving	\$ 188,200
48. Adopt a policy of substituting compact passenger cars for intermediate sizes.	Executive	Annual Saving One-time Saving	\$ 81,700 \$ 49,800
49. Eliminate erection and removal of snow fences in the state's southern and coastal districts.	Executive	Annual Saving	\$ 122,600
50. Provide input data for the computerized road inventory system from available information.	Executive		

Land Damage Board

1. Reduce the work week of the new clerk to a part-time basis.	Executive	Annual Saving	\$ 7,500
2. Appoint a reporter for hearings only as required and determined by the board.	Legislative	Annual Saving	\$ 6,000

Printing and Duplicating

1. Establish a Division of State Printing in the Office of Business Management.	Legislative	Annual Saving One-time Income	\$ 674,200 \$ 195,000
---	-------------	----------------------------------	--------------------------

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
Telecommunications			
1. Investigate establishment of a centralized organization to provide management and integration of the state's telecommunications activities.	Legislative		
Data Processing			
1. Establish a new central data processing organization structure.	Legislative	Annual Saving	\$ 600,000
2. Prepare a master plan, including the University of Maine, for upgrading data processing over the next 2 to 3 years.	Executive		
3. Establish system development guidelines.	Executive		
4. Consolidate data entry equipment and establish a performance monitoring program.	Executive		
5. Consolidate Maine Employment Security Commission and Department of Transportation computer facilities with Central Computer Services.	Executive		
6. Develop training programs.	Executive		

MAINE MANAGEMENT AND COST SURVEY



**SPONSORING
ORGANIZATIONS**

Sponsoring Organizations

Aetna Life & Casualty
Albany Felt Company
American Cyanamid Company
Anderson, Hayden L. V.
Arthur Andersen & Company
Androscoggin County Savings Bank
Androscoggin Life Underwriters, Inc.
Aroostook Trust Company
Atlantic Federal Savings & Loan Association
Auburn Savings & Loan Association
Augusta Savings Bank
Bancroft and Martin, Inc.
Bangor and Aroostook Railroad
Bangor Savings Bank
Bar Harbor Banking & Trust Company
Barnes Law Office
G. H. Bass & Company
Bates College
Bath Iron Works Corporation
Bath Savings Institution
Bernstein, Shur, Sawyer & Nelson
Bethel Savings Bank
Biddeford Savings Bank
Blue Rock Industries
BonAn Footwear, Inc.
Brewer Savings Bank
Brooks & Carter
R. K. Brown, Inc.
Brunswick Savings Institution
Burroughs Corporation
Burgess Fobes Paint Company
Calais Federal Savings & Loan Association
Camden & Rockland Water Company
Canal National Bank
Carbonneau, Roland J.
Casco Northern Corporation
Central Maine Power Company
Chapman & Drake Insurance
The Cheechako
Chevron Oil Company
Cianbro Corporation
Clifford & Clifford
Coles Express
Consolidated Constructors & Builders, Inc.
F. W. Cunningham & Sons
Dead River Company
Deering Ice Cream Corporation
Deering Savings & Loan Association
Delta Airlines
Depositors Corporation
Drummond, Wescott & Woodsum
Dunlap Agency
Eaton, Peabody, Bradford & Veague

Ernst & Ernst
Exxon Company
Farris and Foley
Federal Loan & Building Association
First Brunswick Federal Savings and Loan Association
First Federal Savings & Loan Association of Bath
First Federal Savings & Loan Association of Lewiston
First Federal Savings & Loan Association of Old Town
The First National Bank of Bar Harbor
First National Bank of Biddeford
First National Bank of Boston
The First National Bank of Farmington
H. B. Fleming, Inc.
Fitzgerald, Donovan & Conley
Fox & Ginn
Franklin County Savings Bank
Frenchman's Bay Motel
Guy Gannett Publishing Company
Gardiner Savings Institution
General Electric Company
Gorham Savings Bank
Gould & Scammon, Inc.
Great Northern Paper Company
Gulf Oil Company
Hannaford Brothers Company
Hillcrest Foods, Inc.
J. F. Hodgkins Company
Honeywell, Inc.
Houlton Chamber of Commerce
International Business Machines
Independent Insurance Agents Association, Inc.
International Paper Co.
Edward C. Jordan Company, Inc.
Journal Publications
Chester M. Kearney & Company
Kennebec Savings Bank
Kennebunk Savings Bank
Kennebunk Savings & Loan Association
Keyes Fibre Co.
Kingfield Savings Bank
Knox Woolen Company
A. C. Lawrence Leather Company
F. R. LePage Bakery, Inc.
Liberty Mutual Insurance Company
Livermore Falls Trust Company
Longley Associates
Machias Savings Bank
Maine Association of Life Underwriters
Maine Blue Cross and Blue Shield
Maine Bonding & Casualty Company
Maine Broadcasting System
Maine National Bank
Maine Savings Bank

Marden, Dubord, Bernier & Chandler
 Maremont Corporation
 Martin Marietta Company
 Marine Colloids, Inc.
 Masterton, R. C.
 McEachern & Hutchins, Inc.
 Mechanics' Savings Bank
 Merrill Transport Company
 Merrill Trust Company
 Mid-Maine Mutual Savings Bank
 Miller, E. Spencer
 Milliken Tomlinson Company
 Monks, Robert A. G.
 Moody's Diner & Motel
 Moosehead Manufacturing Company
 Mutual Fire Insurance Company of Saco
 National Federation of Independent Business
 New England Mutual Life Insurance Company
 New England Telephone Company
 New York Life Insurance Company
 Northeast Bankshare Association
 Northeast Insurance Company
 Northeast Merchandising Corporation
 Norway Savings Bank
 Ocean National Bank
 O'Donnell's Express
 Oxford Bank & Trust
 Oxford Paper Company
 Patrons-Oxford Mutual Insurance Company
 H. M. Payson Company
 Pelletier, Rudolph
 Penobscot Savings Bank
 Penobscot Shoe Company
 Pierce, Atwood, Scribner, Allen & McKusick
 Piscataquis Savings Bank
 Portland Savings Bank
 Porteous, Mitchell & Braun Company
 Prentiss & Carlisle Company
 Preti & Flaherty
 Prudential Insurance Company of America
 Quinco Fabrics, Inc.

Reed & Reed
 R. H. Reny, Inc.
 Rhodes, Adam
 Robinson Manufacturing Company
 Rockland Savings Bank
 Saco & Biddeford Savings Institution
 Sanford Institution for Savings
 Sanborn's Motor Express
 Sanford Savings & Loan Association
 Sanford Trust Company
 H. E. Sargent, Inc.
 Scott Paper Company
 Sears, Roebuck and Company
 Seltzer & Rydholm, Inc.
 Senter's
 George C. Shaw Company
 Skowhegan Savings Bank
 South Paris Savings Bank
 Southworth Machine Company
 Stevens, Engels & Bishop
 Stewart & Williams, Inc.
 St. Regis Paper Company
 Sun Federal Savings & Loan Association
 Talma, Inc.
 Texaco, Inc.
 Thompson, Willard, Smith & McNaboe
 Transco Distributors
 Union Mutual Life Insurance Co.
 Union Trust Company
 United Mutual-Maine Mutual Insurance Company
 Valle's Steak House
 Verrill, Dana, Philbrick, Putnam & Williamson
 S. D. Warren
 Waterville Savings & Loan Association
 Waterville Savings Bank
 Wathen & Wathen
 West Point Pepperell, Inc.
 Western Electric Co., Inc.
 Xerox
 York County Savings Bank
 York Mutual Insurance Company of Maine