

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)

REPORT
OF
CITIZENS' STATE GOVERNMENT COMMITTEE
TO
NINETY-SIXTH LEGISLATURE

Augusta, Maine
February - 1953

COMMITTEE

RICHARD M. MILLETT, CHAIRMAN, PORTLAND
FREDERICK N. ALLEN, PORTLAND
RABBI DAVID BERENT, LEWISTON
MRS. EDWARD BIRKENWALD, AUGUSTA
WALTER N. BRECKENRIDGE, WATERTOWN
EDWARD E. CHASE, CAPE ELIZABETH
ROBERT E. CLEAVES, PORTLAND
JULIAN W. DESHAIES, LEWISTON
RICHARD J. DUBORD, WATERTOWN
WILLIAM D. HAYES, BANGOR
MRS. JOSEPH I. SMITH, BATH
CHARLES WHITE, WINTHROP



EDWARD F. DOW, EXECUTIVE SECRETARY

STATE OF MAINE
CITIZENS' STATE GOVERNMENT COMMITTEE
STATE HOUSE, AUGUSTA, MAINE

February 4, 1953

To The Members of the 96th Legislature
of the State of Maine

The Citizens' State Government Committee created by the 95th Legislature to study the Government of Maine and charged with the duty of recommending to the 96th Legislature such actions as it deemed appropriate, herewith submits its report.

The committee has enjoyed the utmost cooperation of the Governor, various ex-governors and heads and subordinates of the various departments and agencies, for which we express our sincere appreciation.


In carrying out its work the committee has constantly kept in mind the purposes for which it was created and in making its recommendations has done so with the view of improved efficiency and economy in state government.

It could hardly be expected that all of the recommendations submitted represent the unanimous opinion of all members of the committee, however, the majority of such recommendations do have unanimous approval and the entire report represents the consensus of the committee. Committee members Allen and Chase do not join in the recommendations regarding liquor reorganization.

Respectfully submitted,

CITIZENS' STATE GOVERNMENT COMMITTEE

By


Richard M. Millett, Chairman

To the Members of the 96th Legislature:

The Ninety-fifth Legislature by joint resolution requested the Governor to appoint a committee of citizens to study, in cooperation with the Legislative Research Committee, the Government of Maine in all its organizations, ramifications, and relationships with a view to recommend to the Ninety-sixth Legislature such actions as may be deemed appropriate to improve efficiency, to reduce costs, and to promote an enlightened participation by the people in the formulation of public policy.

The Legislature stated in its preamble:

1. The expansion of the functions of government has produced an organization of authorities with a division of responsibilities among local, state and federal units beyond the ability of the people to readily comprehend.
2. A better public understanding of the structure of government is essential to an enduring faith of the people in the effectiveness of government in the promotion of general welfare.
3. The Ninety-fifth Legislature of Maine believes that the need for public understanding can be met only through the active participation of the citizens of the state in study and discussion of the affairs of government, to the end that existing policies and methods may be tested for their worth.

Pursuant to the foregoing resolution the governor, in April 1952, appointed a committee of twelve members. The committee immediately perfected its organization on April 28. The committee has held fourteen meetings, during which consultations were held with the governor and various ex-governors and the heads of principal departments and agencies. The committee also employed Edward F. Dow, professor of government at the University of Maine, as Executive Secretary to make such surveys and studies as it might direct.

In carrying out its studies of state government the committee has recognized the following general principles:

1. That our state government is composed of three specific branches: executive, legislative and judicial.

2. That the executive branch is vested in the Governor, who is elected by the people, and is directly responsible to the people for the proper administration of the state's affairs and to see that the laws are faithfully executed.

3. That for the chief executive to properly carry out the responsibilities with which he is charged, he must be given and must retain effective control over all functions coming within the executive branch.

4. That departments or agencies within the executive branch should be organized on a functional basis, the number of such departments or agencies kept to a practical minimum, with one administrative head for each responsible to the chief executive. Boards, commissions, and similar agencies should be utilized only when absolutely necessary for public representation, policy making, or quasi-judicial functions.

In 1930 the National Institute of Public Administration made a complete survey of the organization and administrative methods of our state government. In 1931 the legislature adopted some of the recommendations made as a result of this survey. This was a notable step forward in the administration of the executive branch of the government. It was a step toward functional organization, and resulted in the consolidation of various existing agencies and the elimination of numerous boards and commissions. Major accomplishment would include:

1. Consolidation of accounting, budget supervision, purchasing and taxation, under one head, namely, the Commissioner of Finance, which has resulted in:

- A modern accounting system.
- Excellent annual reports.

Improved departmental accounting.
Property inventories.
Improved budgeting.
Better budget control.
Modern purchasing procedure.

2. The abolition of various agencies and establishment of a department of Health and Welfare.

3. The establishment of the office of State Auditor with post audit functions, and responsible to the legislature.

Your committee, in its preliminary work, has made a thorough review of the report of the National Institute of Public Administration made in 1930, noting especially those various recommendations which have not been subsequently adopted. A thorough analysis of the entire state organization, a complete survey of the structure and functions of the various departments and agencies and a review of the biennial budget, financial reports, independent audits, and various reports of special investigations have been made by this committee. The information thus compiled, together with surveys made by our Executive Secretary, and consultations with your governor, ex-governors, and department heads, has resulted in the committee presenting certain definite recommendations to the Ninety-Sixth Legislature. The short time allotted to the committee for its study has made it impossible to make definite recommendations on all subjects brought under discussion and review, and the committee is suggesting that such subjects as are not completed be referred to some proper agency for further study.

The recommendations of this committee to the Ninety-Sixth Legislature are next given in outline, followed by supporting information.

Summary of Recommendations by the Citizens' State
Government Committee to the Ninety-Sixth Legislature

The committee recommends favorable consideration for legislation which is being introduced and which would:

1. ^{LD 407} Expand the Department of Finance to a Department of Finance and Administration, including bureaus of Property and Treasury. ^{L.D. 423}
2. Confer the powers of the Liquor Commission on two new agencies:
(a) a Bureau of Liquor Merchandising in the Department of Finance and Administration, (b) a Division of Liquor Licensing and Enforcement under an Assistant Attorney General in the Attorney General's Department, with a Board of Appeals.
3. Place the Attorney General under the appointive power of the Governor and Council.
4. Provide a four-year term for governor. ^{LD 34}
5. Provide a line budget for personal services, and control over new positions.

The committee also respectfully requests the careful consideration of the legislature on the following matters:

6. Construction of a modern office building. ^{LD 17}
7. Further study of licensing and inspection services.
8. A complete new state valuation of property on an equitable basis, coupled with reconsideration of state subsidy formulas in education and highways.
9. Continuation of the manual on "Administrative Agencies."
10. Provision for further studies by a Citizens' Committee or other agency.

Explanatory Material

Each of the ten topics listed above is discussed in the following pages:

1. Department of Finance and Administration

The Department of Finance, established in 1931, gives the Governor a measure of administrative control over three score separate state departments and agencies which he could not exercise unaided. However,

as new agencies are created from time to time the Governor's task is made more difficult.

We propose certain changes in the Department of Finance which are designed to modernize it in line with sound business practices. These changes do not add one iota of power to the office of Governor, although they should enable him to administer the large number of state agencies more effectively. The proposed Commissioner of Finance and Administration would be the chief administrative and fiscal aide to the Governor, virtually a business manager to relieve the chief executive of much detail, but always under his control and direction.

The Committee proposes four measures to bring about the desired results:

(1) An Act Creating the Department of Finance and Administration. LD 407
This bill changes the title of the "Commissioner of Finance" to "Commissioner of Finance and Administration" and extends his term to seven years. It points up duties which have lain dormant because of somewhat vague wording, by means of the following provision giving specific duty and authority:

To constantly review the administrative activities of other departments and agencies of the state, study organization and administration, investigate duplication of work and to formulate plans for better and more efficient management, and to report periodically to the governor and on request to the legislature.

This bill makes no changes in the organization of the Department of Finance - its purpose is to point up and clarify the powers of the Commissioner of Finance under a new title.

(2) Resolve Proposing an Amendment to the Constitution Repealing the Constitutional Provisions Relating to the Office of the Treasurer of State.

(3) An Act Relating to Reorganization of Office of Treasurer of State. The object of measures (2) and (3) is to transfer the Treasury

from its present Constitutional position to the status of a Treasury Bureau in the proposed Department of Finance and Administration. The Treasurer would become an appointee of the Commissioner of Finance and Administration serving without definite term, instead of being elected every two years by the Legislature. This would remove a troublesome duty from the Legislature, and at the same time place a fiscal agency with other fiscal units where it logically belongs. As far back as 1930 the Code Report recommended these changes.

(4) An Act Relating to the Superintendent of Public Buildings. *LD 423*
In order that the business functions of the state may be more effectively supervised it is the recommendation of the Committee that the Superintendent of Public Buildings be placed under the direction of the Commissioner of Finance and Administration.

2. Liquor Reorganization

The history of three member administrative commissions has not been a happy one, as shown by the record of the past seventy-five years in state and local government throughout the United States. Such agencies have had an affinity for mismanagement, irresponsibility, and corruption. The results are not purely accidental, but a natural outcome of the attempt to divide power equally among persons unfitted by training and ability to do the task assigned. Positions of this sort pay enough to attract candidates who are glad to receive a few thousand dollars a year for a day or two of work a week, but a top-notch administrator would not accept the low pay or the divided authority that go with commission positions. Even if the commission delegates administrative functions to a subordinate, the pay and authority are inadequate to get the right man, nor is it possible to prevent buck-passing between the administrator and the commissioners.

The Committee recognizes that there are two distinct functions

involved - (1) merchandising, (2) licensing and enforcement. It is proposed that authority in each area be concentrated, with responsibility squarely centered on the individual administrators.

The Committee recommends:

(1) Abolition of the Liquor Commission.

(2) Establishment of a Bureau of Liquor Merchandising in the Department of Finance. The Director of Merchandising would be appointed by the Commissioner of Finance with the approval of the Governor. The bureau head should be well paid and selected on the basis of personal integrity, training, and ability in large-scale merchandising. He would be responsible for the buying and selling of spirituous and vinous liquors now carried on by the merchandising, warehousing and stores division of the Liquor Commission. Business activities would thus be concentrated in one man. While no scheme can be devised to insulate liquor merchandising completely from politics, we believe this proposal is sound and workable.

The Committee recommends that the State Auditor be directed to review the merchandising methods employed by the Bureau of Liquor Merchandising at stated intervals and report to the legislature and governor.

(3) Licensing, enforcement, and related functions of the present Commission now performed largely by the legal, malt beverage and enforcement divisions would be handled by a Division of Liquor Licensing to be established under an Assistant Attorney General appointed by the Attorney General.

(4) An Appeals Board of three persons would serve in an appeals and advisory capacity to the Division of Licensing. It would consist of the head of the licensing division ex-officio, and two public members appointed by the Governor and Council for overlapping four-year terms. The public members would receive a per diem and travel expenses for necessary meetings. Under the present setup the Commission both grants and

revokes licenses, while under this proposal a majority of the Appeals Board would be controlled by persons who had no hand in granting licenses, but act only on refusals, suspensions, or revocations where the aggrieved party wishes a hearing. The courts would be open to further appeals as at present. The Director of Licensing would need a small staff of investigators, but as chief law enforcement officer of the state the Attorney General would look to the various law enforcement groups, both state and local, to support and cooperate with his Licensing Director.

Both administrators might well keep in mind that there should be a return to the original intent of Maine's liquor laws, namely regulation as a public service rather than the promotion of sales.

3. Appointive Attorney General

Traditionally the Attorney General acts chiefly as the legal adviser to the Governor and the various departments of state government. As such he should be appointed by and held directly responsible to the chief executive. We recommend that the Constitution be amended to remove the Attorney General from the list of constitutional officers, and a bill enacted to allow the Governor and Council to appoint this officer for a four year term.

4. Four Year Term for Governor

It has long been noted that the two-year term is conducive to weak administration, and almost constant campaigning during the first term if a Governor wishes re-election. We recommend a four-year term with not more than one re-election, in order to secure better administration and make the office more attractive to outstanding candidates.

5. Line Budget and Position Control

Under existing legislation there is no agency which can prevent the creation of a new position if a department has the available funds

LD 34

to pay a new appointee. Neither is there any specific safeguard against use of personal services money set forth in the budget detail from being used for parking lots, trucks or other uses not intended by the Legislature. We recommend: (1) that the Budget Officer be given the power and duty of forcing every new position to be justified in writing to his satisfaction. We further suggest that a list of all new positions created during the year be compiled in the Budget Office where it can be seen by any interested person; (2) that personal services be placed on a line basis in future appropriation acts to prevent diversion to other uses.

6. Office Building

The need for a state office building has been recognized for a quarter century. The Committee believes that the efficiency of state government through its various departments and the Legislature would be greatly increased if additional modern office space were available. We recommend that the Legislature take all practicable steps to accomplish this aim at the earliest possible date. A portion of the unappropriated surplus might well be set aside for an office building.

7. Licensing

A preliminary study of state licensing and inspection services made in 1951 showed serious weaknesses in the program. Inadequate service to the public, lack of adequate inspection service, multiplicity of forms and overlapping and multiplicity of inspections indicate the need for further study and action. We recommend that the Commissioner of Finance be instructed to complete the 1951 study and recommend to the next Legislature a plan or plans designed to give better licensing service and correct existing faults through elimination, consolidation, simplification, standardization, and centralization of procedures so far as practicable.

8. State Valuation

Valuations of property made by the State Tax Assessor are used by counties as their tax base, and are tied closely to formulas for state educational and highway subsidies to the towns and cities. The need for a thorough revaluation for state purposes has long been felt. The State Tax Assessor in his latest report proposes to make a wholly new valuation for 1954. We recommend that such a valuation be made, provided that a real attempt is carried out to correct inequities existing in the present and past valuations. We believe the cost will be warranted. We further recommend that a careful study of the effects of this new valuation on subsidy formulas be made and recommendations as to formula adjustment be prepared by the Education and Highway Departments for the 97th Legislature.

9. Manual on Administrative Agencies

A copy of the manual prepared by the Committee and entitled: State of Maine - Administrative Agencies - Structure and Functions, was made available to each member of the Legislature. The Committee believes the manual fills a need, and if the Legislature feels likewise it is suggested that it provide for continuation and periodic revision of such a manual for the use of the Legislature, state employees, and the public. The work could be done by a Citizens' Committee or a permanent agency such as Personnel, Finance, or the Library.

10. Citizens' Committee

The 1952-53 Committee investigated a wide range of topics as fully as time and staff permitted. It discovered a variety of matters on which fruitful research could be undertaken. The wider dissemination of public knowledge, and in some instances corrective measures, would result from action of the Legislature establishing another Citizens' Committee. A broadly representative Committee brings various points

of view to bear in scrutinizing the administrative units of government. A new Committee could take advantage of the groundwork laid by the present group and carry to completion some of the work on which considerable time and effort has been spent. It is recommended that a new Citizens' Committee be authorized, either by legislative act or joint resolution. The governor should appoint the members not later than June, 1953, in order to allow time enough for the committee to function effectively before the legislative session of 1955.

The present Committee proposes that the following subjects be given further study by a new committee or other appropriate agency:

- (1) Organization and administration of the following major agencies:
 - a. Highway Commission
 - b. Health and Welfare Department
 - c. Institutional Service Department
 - d. Employment Security Commission
 - e. Departments dealing with Conservation, such as Inland Fisheries and Game, Sea and Shore Fisheries, and Forestry
- (2) Problems of state planning.
- (3) State fire insurance.
- (4) Revision of the property tax laws.
- (5) Pardon, parole and probation.
- (6) Departmental publicity and propaganda.
- (7) Personnel problems.
- (8) Annual sessions.
- (9) Longer legislative terms.

Citizens' State Government Committee

1952-53

List of Reports Submitted
by the Secretary

0. Suggestions for Further Study
1. A State Business Manager
2. The State Liquor Commission
3. A State Office Building
4. Wanted: Better Controls Over Spending
5. The Need for State Planning
6. Licensing and Inspection
7. Department of Institutional Service
8. Civil Service in Maine
9. Commissions versus Administrators
10. Subsidies and Valuation
11. Gifts of Real Estate
12. Annual Legislation Sessions
13. Why Have "Lame Duck" Governors?
14. A Department of Conservation?

Suggestions for Further Study

0.0 Reorganization in 1930. In the year 1930 the Governor of ~~Ma~~ William Tudor Gardiner, secured a grant of money from a national foundation and employed professionals to survey the state government. The result was a comprehensive report entitled State Administrative Consolidation in Maine, which suggested drastic pruning of the more than sixty-five agencies. The report would have placed most state activities in nine major departments for the sake of economy and better administration. The recommendations made in this report were carried out in part, in 1931, resulting in major changes in health, welfare and finance, but leaving nearly 40 agencies untouched.

Since then some of the other suggestions have gradually been fulfilled, notably in the field of personnel management.

0.1 In the intervening twenty years new agencies have been created, including employment security, liquor, retirement, and civil defense. Various new boards and commissions have also sprung up. Whereas there were 2500 state employees and a twenty-five million dollar budget in 1930, there are now 6000 employees and a 70 million dollar annual expenditure, although in terms of purchasing power the increase in expenses is not as great as would appear. These increases have come about (aside from inflation) because of new and expanded services provided by state and federal laws, but have not been accompanied by comprehensive studies or efforts to determine means to keep the structure and personnel within reasonable bounds and under effective management controls.

0.2 Need for reorganization in 1953. There are now over 60 state agencies of varying size and value, a new reorganization plan seems indicated, and the Citizens' Committee might well recommend that a reorganization study should be made. A preliminary survey of state agencies leads

the writer to believe that all or nearly all state functions could be combined logically and effectively in not over twelve major departments, as follows:

1. Auditor
2. Agriculture
3. Commerce or corporations
4. Conservation
5. Education
6. Executive
7. Finance and administration
8. Health and welfare
9. Highway
10. Justice
11. Labor
12. Public safety

The state auditor would be selected by the legislature, the governor would head the executive department and appoint the heads of the other ten departments.

0.3 The following 13 reports contain various suggestions for definite action, or for further study in cases where time did not allow adequate investigation. There are various other areas of state government which would reward further investigation. The following list indicates some of the areas in which the writer believes studies should be made. In making this statement he does not mean to imply that mismanagement and corruption are rampant in our state government. He is convinced after a quarter century of contact with state affairs that there is little corruption, and better management than we have a right to expect. These points are stressed in the personnel report which follows as report number eight.

0.41 Highway administration. More than one-third of all state expenditures are made by the highway department, over 25 millions in 1952. The department should be studied as to:

- a. General organization and administration
- b. Contract procedure
- c. Abolition of the "betterment fund" and special resolves

0.42 Health and welfare. This department is second in expenditures among state agencies. It is perennially under attack from the nature of its work, but a thorough study of welfare policies might justify present policies or lead to their revision.

0.43 Governor's council. This seven member agency has recently been prominently in the news due to controversy over membership in two districts. Charges of "influence peddling" keep cropping up. A complete study of its methods and functions should indicate whether it is a necessary agency or an obsolete and unsound structure which should be eliminated.

04.4 State fire insurance. Further study should be made on this important subject. Suggested topics include:

- a. The type, coverage, adequacy and method of placing insurance
- b. State fund versus private coverage
- c. Relation of state insurance commissioner to state insurance program
- d. Inauguration of a fire safety program, including fire escapes, etc., for the state house and other state buildings.

04.5 Special revenues and special revenue funds. The growth of special revenue funds presents problems of fiscal policy which should be thought through before additional funds are created. Such funds may tend to cause extravagance, befog the fiscal picture, and add to accounting and auditing

problems.

04.6 Purchasing methods. State purchasing procedure should be studied to determine if the most effective structure and methods are in use.

0.47 Central collection agency. There has been talk of implementing the treasurer's duties to collect overdue bills. This may be a good idea but should be studied carefully as to both the advantages and disadvantages, and if decided upon as a policy, should be carried out through the setting up of methods which will do the job properly without spending more than is warranted.

0.48 Revision of property tax laws. The state's property tax laws are confused, archaic in spots, and badly in need of revision. Before a real overhauling can be made it will be necessary to codify the laws to see what we have on the books.

0.49 Pardon board and probation system. The state should set up a pardon board to relieve the governor and council. There is also need for a state probation system. Since these subjects are related, and also concern the existing state parole system, there should be a study made which will result in legislation setting up an integrated pardon, parole and probation system for the state.

0.410 Departmental publicity. The public needs to be informed about the work of its government. Just where this legitimate function ceases to provide necessary information and becomes departmental propaganda for the purpose of advertising individuals or getting funds from the legislature is a hard question to decide. A study of existing publicity arrangements might enable the state to adopt a policy for guidance in the future.

A State Business Manager

- 1.1 Introduction
 - 1.2 Experience of American cities
 - 1.21 City Manager plan
 - 1.22 Chief administrative officer
 - 1.3 Experience of states
 - 1.31 Minnesota
 - 1.32 Kansas
 - 1.33 Rhode Island
 - 1.4 The department of finance in Maine - proposed reorganization
 - 1.41 The state treasurer
 - 1.42 The motor vehicle division
 - 1.43 Records and elections
 - 1.44 Licensing and inspection
 - 1.45 Property bureau
 - 1.5 The secretary of state
 - 1.6 Four year term for governor
 - 1.7 Proposed department of administration
-

A STATE BUSINESS MANAGER

1.1 The Governor of a State is supposed to do many kinds of work; he is at various times (or even simultaneously) expected to soothe the frazzled nerves of constituents, serve as community orator, lead the legislature, mold public opinion, run for re-election, meanwhile keeping up his political fences, and administer the affairs of a multi-million dollar business which we call the state government. Sheer pressure of events may place administration last---and least---on the list. Seldom does an elected official have a feel for administration---their inclinations are more likely to be political.

 The Governor of Maine is elected for a two-year term and custom grants him a second term. Thus during a short four years, broken by a campaign for re-election, our Governor as administrator must familiarize himself with the numerous state agencies and their functions, conduct endless meetings with officials, and also with pressure group representatives, appoint to various positions, prepare a biennial budget presenting a fair picture of departmental needs balanced with realizable income, and strive to bring a degree of coordination and preserve some sense of harmony among state employees and among departments. Happy is the state when its governor has a knowledge of sound business and governmental principles to guide him over the rough spots and help him subordinate personal ambition and party politics to the public welfare.

 Investigators have long sought an idea that would prevent the adverse effects upon administration resulting from having the elective political leader as the actual administrative head. The greatest difficulty in creating an administrative officer who will relieve the chief executive is how to give him substantial powers without taking away the prestige or responsibility of the governor himself. Too much power would weaken the chief executive; too little power would make the officer so dependent on the current governor that

the incoming governor would look upon him with suspicion. Unless the administrative officer can be a permanent official, much of the potential gain is not realizable.

1.2 Experience of American cities.

1.21 The city manager plan has spread to nearly every state in the last four decades, until over a thousand communities operate under this structure. A professional manager with indefinite tenure is employed by the city council to head the administrative services of the city. While the plan has merit, it could be applied to state affairs only if a state were willing to experiment with a cabinet system of government, minus the traditional governor. This is true because in the city manager plan there is no elected head, the council serving as a kind of cabinet or administrative agency, as well as a legislative body. Critics of the manager idea claim that its greatest weakness is a lack of political leadership resulting in over-dependence on the manager.

1.22 Chief administrative officers now exist in a number of American cities, starting with San Francisco in 1931. Such an officer may be in charge of finance, utilities, health, welfare, etc. He supplements but does not supplant the elected mayor, who supplies the political leadership. If the business manager becomes a permanent, professional administrator under this plan, without at the same time rendering the mayor a figurehead, we may expect to see the plan spread. It may be especially suitable for large communities where the impersonality of the manager plan causes it to lack appeal. Low salaries or political appointments can make the plan a mockery just as they sometimes do with the manager idea.

States should not overlook the lessons to be learned from municipal experiments with managers and administrative officers.

1.3 Experience of states with the Business Manager.

State experience with a chief administrative officer, or business

manager, appears to have been rather limited. Starting with Minnesota in 1939, the idea has not won many converts. Kansas set up a so-called business manager in 1949, with narrowly limited powers. Rhode Island in 1951 created a "Department of Administration" headed by a Director. No state has a full-fledged business manager in any real sense of the term as used in private business.

1.31 Minnesota. The 1939 legislature created a Department of Administration, headed by a Business Manager. The state has received a large amount of free advertising as the "first state to set up a business manager." The truth seems to be that what they have is an agency containing some of the functions which a true business manager would have. The Department of Administration was given budget preparation and control, purchases, including central storeroom, and building construction, renting and leasing of land and other property. Accounting remains under the control of the constitutionally created office of auditor and treasury functions under a constitutionally established treasurer. The Minnesota Efficiency in Government Commission (Little Hoover Commission) in its 1950 report suggested further consolidation of related activities in the Department of Administration, including accounting and treasury functions.

1.32 Kansas. The Kansas law provides for a Business Manager for certain state agencies, with general powers of purchasing and management, subject to a Board of Administration. It is difficult to gain much inspiration from such a limited setup.

1.33 Rhode Island. The Director of Rhode Island's Department of Administration states that his agency is not a "miracle worker" which displaces the governor as chief executive, but an executive aid and a "co-worker with the line agencies." Rhode Island set up a finance department in 1939 with five divisions: budget, accounting, purchases, audit, taxation. In 1947 it added a research unit. From this agency has come the new organization,

which has taken over public buildings and automotive control from the public works department and created new divisions of central tabulating, records management, and methods and procedures. What Rhode Island has is a glorified finance department minus the treasury functions which some authorities consider essential to a well-rounded financial organization. It is the opinion of some experts that the finance officer will develop into a business manager in state government. Rhode Island may be an example of such an evolution in process.

1.4 The department of finance in Maine.

Maine has had over twenty years of experience with a department of finance. Through this department, the Governor of Maine is enabled to exercise some measure of administrative control over the more than three-score sprawling agencies of Maine government, a degree of control which would be manifestly impossible otherwise because of the large number of agencies and the legislative selection of some department heads. Even though he cannot keep in close touch with so many departments, agencies and boards, while carrying on political and legislative duties; even though he does not choose the attorney general, commissioner of agriculture, secretary of state, and treasurer, the governor does have financial controls over all agencies. He prepares and submits the biennial budget, and supervises allotments and their expenditure, with the aid of his finance officers. Taxes are collected and purchases made through the taxation and purchasing bureaus in the department of finance. As far as it goes the existing organization is sound and has proven its worth.

It is believed that with some changes in its organization and procedures the existing finance department can be made into an effective agency for business management.

All major financial matters, except for the post audit, should be included in the department of finance. Certain procedures and activities

involving central services to other agencies of government should also be brought into the department of finance.

Two financial units now outside the department of finance are the state treasury, and the motor-vehicle division in the department of state.

1.41 The State Treasurer. The state treasurer is a constitutionally created officer, elected by the legislature for a two-year term. Formerly he was ineligible to serve more than six years, but this restriction was removed by an amendment to the constitution in 1951. The treasurer's job has often been considered a part-time political plum to be battled over in the legislature. Consequently, the deputy treasurer has tended to be the actual administrator because he knew the job better than his nominal boss. Theoretically an administrative officer responsible to the governor, the treasurer is in fact virtually independent of the governor and the finance officer, although he performs important fiscal functions as the state's receiving and disbursing officer. He is responsible also for banking and investing state funds. As of September 27, 1952, there were eight employees in the department, including the treasurer and his deputy. The salary of the treasurer has often been considerably lower than that of the deputy treasurer, for reasons already given. However, the legislature has gradually increased it to the present figure of \$5,000, annually. The salary range for the deputy, whose pay scale is fixed by the personnel board, is \$90 a week to start, with a maximum of \$112, or \$5,824 on an annual basis. It seems unlikely that two top officials are needed to supervise the work of six other persons.

Placing the treasury department in the department of finance as the bureau of the treasury would bring about a further grouping of related fiscal functions. This move was advocated in 1930 but not carried out in the so-called Code Act of 1931 which created the finance department. It would also have the desirable result of preventing use of the treasurer's

job as a political football. Finally, it would reduce the number of departments and thus simplify the Governor's task somewhat.

Two steps would be necessary to bring about the desired result. First, the constitutional section on the state treasurer would have to be deleted by a simple amendment. Second, a statute would be needed setting up the treasury as a bureau in the department of finance. The treasurer should be appointed by the commissioner of finance in accord with personnel rules, thus becoming a professional career man, not subject to politics.

1.42 The motor vehicle division in the secretary of state's department is an anachronism which the code report of 1930 suggested placing in the proposed department of finance. For the fiscal year 1952 the division collected nearly seven millions of dollars, and as of September 27, 1952, the division had 107 employees out of the total staff of 122 in the department. It is thus evident that the overwhelming volume of the secretary's work is in this division. Housed separately from the secretary and his staff and having six branch offices throughout the state, the motor vehicle division is practically autonomous. Its functions are more closely related to finance than to any other phase of state work, and it is therefore recommended that a law be enacted transferring the division to the bureau of taxation where it more properly belongs.

If motor vehicles and treasury are transferred to finance we shall have a complete finance department for the first time in state history.

Three other bureaus dealing with business matters should be set up in the department of finance in order to make of it an agency covering all major aspects of business management. Their primary functions are overall management, but they include fiscal features. The three bureaus suggested are:

1. Records and elections
2. Licensing and inspection
3. Property, or buildings and grounds.

1.43 Records and elections. Presently handled by the secretary of state, records and elections should be set up as a bureau under finance. Because of the inclusion of these functions the name of the department should be changed to "administration" or "finance and administration."

1.44 Licensing and inspection. Licensing functions are scattered through various agencies in infinite profusion. In some instances it may be best to leave them where located. Generally speaking, it is desirable to consolidate licensing and inspection for reasons of economy, efficiency and most of all, for public convenience. Licensing functions of the secretary of state should be transferred to a new bureau of licensing and inspection. The general subject of licensing will be treated more fully in a later report.

1.45 Property bureau. This unit would take over all duties now included in the superintendent of public buildings' jurisdiction. It would also control the allocation of office space in accord with need. For many years this has been a touchy subject, and it was often said around the state house, and sometimes admitted by the governor, that political pressures determined the governor's decisions in such matters. Departments were summarily moved without adequate study having been made. The governor should intervene only if it is a close decision appealed from the superintendent of buildings. Re-allocations will always have to be made from time to time as needs change, and as new buildings are acquired or old ones abandoned or remodeled.

1.5 The Secretary of State. In the process of setting up a real department of administration the office of secretary of state would lose heavily. Although it is an old agency, it has been a catch-all rather than an integrated department. Maine should abolish the department by constitutional amendment, transferring functions to the most logical agencies. The division of corporations should be transferred to a department of commerce

or corporations, if and when one is established, or to the attorney general. The deputy secretary of state is concerned primarily with enforcement of the motor vehicle laws. His work could logically be placed in the attorney general's department. Another possibility would be to place it in the motor vehicle division in the bureau of taxation. In this case the attorney carrying on motor vehicle hearings might well be head of the new bureau of elections and records.

1.6 Four year term for governor. Many states now provide a four-year term for governor. If a chief administrator is to administer, or even have time to learn what it is all about, he needs more than two years. Even though we usually re-elect for a second term, the governor is scarcely through an election before he has to start campaigning for re-election. If policy making is to be effective we need a four-year term. We should also have the privilege of re-electing a good man for a second term. Prominent and able citizens might be attracted by a four year term; if we cannot always get good men under the present setup the two year term is partly to blame. The Maine constitution should be amended to provide a four year term for the governorship, with the limitation that no man should serve more than two full terms, whether served consecutively or not.

Proposed Department of AdministrationProposed DepartmentExisting Offices

Department of Administration
Budget Division

Bureaus:

1. Accounts and Control
2. Purchasing
3. Taxation and Motor Vehicles
4. Treasury
5. Records and Elections
6. Licensing and Inspection
7. Property

Department of Finance
Budget Division

Bureaus:

1. Accounts and Control
2. Purchasing
3. Taxation

Treasury Department

Secretary of State

Public Buildings

THE STATE LIQUOR COMMISSION

2.1 Suppose you are the majority stockholder in a large private business. The charter of this company sets up \$17,000 a year to pay for top management. It further requires that three general managers be hired, all with equal powers. In the past the selection of these managers has been on a basis of personal or party politics, and changes have been frequent.

Would you expect to find sound management had always prevailed, that good men had always been available? Wouldn't you attempt to get the charter changed, so that one manager could be hired? Wouldn't you also wish to see selection on the basis of ability, with tenure guaranteed so long as results were good?

The people of Maine are the stockholders in just such a business, the state liquor business, which takes in over twenty million dollars annually.

2.2 Two major changes in the state liquor setup would increase its efficiency and greatly decrease the likelihood of future scandals: --

1. The commission should be replaced by an administrator.
2. Law enforcement functions should be taken from the commission and given to the state police.

2.21 The commission. Established in 1933, the commission's powers and duties are found in chapter 57 of the Revised Statutes of 1944. Three members are appointed by the governor and council for three year terms, with the chairman designated by the governor. Salaries are \$7,000 for the chairman and \$5,000 for the other members; originally the chairman received \$4,000 and the others \$3,000. All members have equal authority, although the chairman's position carries more prestige and actual work, as is usual with chairmanships of all sorts. The law does not state whether the positions are full-time or not, but it does forbid members from engaging in the liquor business in any way, directly or indirectly, or having any "connection with (it), official, professional or otherwise," (Chap. 57, Sec. 4).

The quality of membership on the commission has not been high, with a few exceptions. It is not possible to attract top quality persons to a position which has the following handicaps: (1) low pay, (2) short term and insecurity of tenure, (3) divided authority. Furthermore, there is a strong temptation for a governor and council to reward political henchmen for party service with liquor commission jobs. Commissioners who do not resign in disgust at the frustrations and futilities of their job may be forced out because they are not in favor with the current administration, or are under public criticism, or because there is someone else who has been promised an appointment.

For some years past the gross take of the commission has exceeded twenty millions annually. In 1951 (fiscal 1950-51) the gross income was \$21,480,270 and the net profit was \$6,814,398. In 1952 the net profit was \$6,773,725. Gross income and net profit include license fees and malt beverage taxes of more than two millions annually derived from the non-monopoly features of the state liquor business; the state's so-called "monopoly" extends only to the sale of wines and spirits by bottle and case. Sound and economical business methods for handling a large business venture cannot be developed and administered by a multiple headship of three persons; they require the undivided attention and authority of one capable business executive. His title would be commissioner, he would need to be paid an adequate salary which the \$17,000 now paid commissioners would more than cover, and his position should be secure against political removal. In order to provide non-political selection and security of tenure it might be necessary to set up a committee to act as a board of nomination and advisory group. The committee would be paid only a nominal per diem and it would not be attractive to political hangers-on because it would have little authority and less pay. It should be stressed that no system will work at its best unless the governor and council will put aside political consideration when key appointments are made.

2.22 Law enforcement. Law enforcement is closely tied up with the licensing procedure of the commission. Three divisions of the department deal with these

problems: legal division, malt beverage division, and the enforcement division.

Legal division. - Applications for spirituous and vinous licenses (cocktail lounges and taverns) are received in this division, approved as to legal form and the license fees turned over to the malt beverage division for deposit with the state treasury. Applications are forwarded to the enforcement division for processing and screening, after which they are submitted to the commission for approval and then finally issued by the legal division.

Malt beverage division. - Applications for wholesale and retail malt beverage licenses (wholesalers, retailers, beer parlors) are received, together with fees. Fees are deposited in the state treasury, license applications are forwarded to the enforcement division for processing and screening, then sent to the commission for approval, after which the malt beverage division issues the licenses.

Enforcement division. - This division processes and screens applications as explained above, and supervises enforcement activities. The personnel consists of a director, two clerks and nineteen inspectors. Up to 1947 the chief inspector and his men were frankly spoils positions, but by Chap. 88 of 1947 they were made subject to the provisions of the personnel law, which placed them under civil service rules as to future appointments. A major weakness in the enforcement division has been the tendency to select inspectors on a political basis, and some of the recurrent dissatisfaction with enforcement can be laid to this method of selection. Out of the present force, sixteen of the twenty were selected prior to the effective date of Chap. 88.

Another reason for unsatisfactory enforcement is the smallness of the inspection force. Still another weakness in enforcement comes from the combination of enforcement duties with licensing and other functions of the commission. It seems probable that greater efficiency would be achieved if all of the strictly law enforcement activities were taken from the commission and given to the state police. The commissioner could then concentrate licensing activities in a licensing division in place of the three overlapping divisions now

used (legal, malt beverage, enforcement) and should be able to do a better piece of work if not obliged to police his own licensees for violations of the criminal law. So long as the liquor agency has its own enforcement unit other law officers are likely to continue the present "hands off" policy except when asked to cooperate with the inspectors on a definite case.

The administrative functions of the liquor commission as now carried out could be left with the commissioner under the new setup. A small staff of investigators under the licensing division could look into applications for licenses and also check on court records of violations of law. In place of the present commission there would be the commissioner and two of his staff members to hear appeals and carry on other quasi-judicial functions of the present commission.

A STATE OFFICE BUILDING

3.1 The state house is a dignified and impressive building in which the citizens of Maine can take pride. It is beautifully landscaped, well cared for, and occupies a favorable site. When it was constructed it provided ample room for the legislature, executive, and small staff of officials then employed. It was neither designed nor intended as an office building, for which it is obviously unsuited. With the expansion of state activities and personnel in the twentieth century the agencies of state government have overflowed to various other buildings in Augusta, but since these moves have generally been regarded as temporary they have often been made to rented quarters or to buildings purchased by the state for conversion from other uses to makeshift offices. Examples are the "shirtwaist factory," a wooden building on State Street, and the Vickery-Hill publishing building on Chapel Street. In spite of temporary relief in the state house each time an agency is moved elsewhere, overcrowding continues to plague the executive branch of our state government. The bureau of taxation is the latest unit to be "evicted" from the state house (December, 1952); the move was made necessary by the addition of the sales tax unit in 1951 with 63 employees which caused the building to become overfull even by state house standards. The vocational training school which had been in the Vickery-Hill building was moved to Portland, and the tax bureau is now making use of the space released by the school. One of the unfortunate results is that taxation becomes wholly separated physically from the rest of the finance department and from the treasury department, which are still in the state house. This type of separation will continue so long as there is no central office building. It is evident that both overcrowding and splitting up of agencies lead to inefficient operation.

Other difficulties arising from the present setup are:

1. Unsuitable space must be used. Legislative hearing rooms and legislative offices must be used for offices. When the legislature arrives these rooms must be vacated and the clerks double up with others in already crowded offices or operate in corridors. Another example of unsuitable space is the unventilated area on the fifth floor, accessible only by a wooden stairway, hot in summer, and having only a few skylights for windows. These rooms might be death traps in case of a fire.

2. Overcrowding increases the already difficult heating, ventilating, and lighting problems. Stuffy and badly overheated offices seem to prevail.

3. Inflexible room arrangement creates problems of office layout and work flow, preventing use of modern office practices. Poorly arranged rooms and too many small rooms have a similar effect. Some departments are scattered from the first floor to the fifth floor.

4. Legislative sessions intensify the overcrowding, and also create an atmosphere of tension which militates against effective work. If the number of employees regularly working in the state house were reduced appreciably, the legislature would affect fewer workers adversely, and those remaining could function in greater seclusion and comfort in spite of legislative meetings and committee hearings. There would be no employees forced into corridors or moved out of their offices during sessions. Conversely, the legislature and its staff would have more room and a better atmosphere in which to operate.

3.3 It is apparent that better supervision, and more work from fewer employees should result from adequate and better arranged office space for the departments which would be housed in a new office building. There have been numerous investigations, reports, and bills on the subject of a Maine state office building. In 1929 the legislature approved construction at some future date; in 1930 the "code report" recommended an office building; in 1941 the legislature created the Maine State Office Building Authority. This agency has prepared various plans, and has purchased land at the rear of the state house. At its request the firm of Ernst and Ernst prepared a report based on a survey of space requirements. The report indicated a need of 173,000 additional feet of space as of November 15, 1949. Early in 1951 Governor Payne issued a mimeographed report on the subject of estimated costs of a five story addition to the capitol building. He pointed out that additional costs beyond the three million (\$3,697,500 if the money were borrowed on 30 year bonds at 1 1/2 %) would be needed if the state house itself should be properly remodeled, with more modern office arrangements, increased shelving for the library, and other needed modernizations effected. The legislature approved a resolve (Chap. 134, Resolves, 1951) which submitted a three million dollar bond issue to the voters on referendum in September, 1951, and the voters rejected the proposal.

3.4 Without offense to the voters and with no increase in state debt or payment of interest charges the legislature might well consider it wise to appropriate money from the unappropriated surplus of the state for the construction of a state office building in the year 1953.

3.5 The size, location, and type of construction of such a building are technical matters in part, questions of policy in part.

Whether the state should build a large building now, or a smaller one to be expanded later is largely a matter of fiscal policy. It may be said that public office buildings are too often built for show rather than utility, and that they may waste large areas and raise operating costs with high ceilings, rotundas, and other architectural embellishments. Interiors should be flexible, exteriors expandable; both operating and maintenance costs should be considered when choosing the style and materials.

WANTED: BETTER CONTROLS OVER SPENDING

4.1 Maine has come a long, long way in a short twenty years toward putting its financial house in order. But not far enough. Progress is usually possible in such matters, and with rapidly burgeoning state expenditures the need for constant improvement is greatly accelerated.

4.2 The next step. The next step is to provide more effective checks on departmental spending, so that money which the legislature thought was going for employee pay checks is not diverted to parking lots, filing cabinets or motor trucks.

4.3 A review of accomplishments will show how far we have gone. In 1931 the legislature established a central accounting office as part of a finance department; the state had operated its fiscal functions in a decentralized manner up to then. After some fumbblings and one serious defalcation, both due to an excess of inexperienced political appointees and too few professional employees in the departments of finance and treasury, the accounting work was put on a sound basis. Gradual improvements have taken place, so that a list of major accomplishments would include:

A modern accounting system

Excellent annual reports

Improved departmental accounting

Departmental inventories

Liquor inventory system

Continuing state property inventory

Better budgeting

Modern purchasing procedures

Allotment system

Encumbrance system

Budget examiners

To those who knew the state before these improvements were made, and who are familiar with accounting procedures, this is a substantial list of gains.

4.4 Preparation of the budget. Our present state budget system, enacted in 1931, provides for the coordination and presentation of departmental requests to the legislature through the budget office, budget committee, and the governor. Detailed requests showing what the departments expect to accomplish with the money they hope to get, are collected by the budget officer. Beginning in October of the even-numbered years (as in 1952) the budget committee, (composed of the governor and representatives of the legislature) and budget officer hold budget hearings. After the hearings, the governor prepares his budget and budget message with the assistance of the budget officer, and presents the budget document to the legislature in January. With a change of administration the incoming governor sits with the budget committee, since it is his budget which is in preparation, and which he will present to the new legislature in January.

The budget document which the legislature receives is a sizeable volume, showing in detail what the departments propose to spend, function by function, line by line. Up to this point the budget is a line budget. A budget is essentially an informational document, presenting in detail the past and prospective revenues and expenditures. It furnishes information as to the general character, purpose, and amount of expenditures, and data regarding particular units and their activities. Our State of Maine budget documents are full, informative and generally clear and understandable.

4.5 Legislative action on the budget. It is the function of the legislature to raise and appropriate such funds as it deems wise. In so doing it will make use of the budget document and the

proposed appropriation bill contained therein to the degree it considers desirable and convenient.

The function of an appropriation act is distinct from the budget document. Its purpose is to (1) authorize the issue of money from the treasury to meet expenditures and (2) to prescribe the purposes to which such money shall be devoted. This second purpose raises a question not present in the original budget: how far is it necessary or desirable to prescribe rigidly in advance how the money shall be spent? It would be impracticable to carry such specifications to the extent of the minute detail found in the budget document, as this would tie the hands of administrators so tightly that they could not perform their duties properly. It is impossible to foresee all contingencies or accurately forecast all costs. Therefore it is imperative that the appropriation act be less itemized than the estimates in the budget.

4.6 Maine legislative appropriations are commonly of the "lump sum" type, in which a gross amount is given to a unit of government to spend in a twelve-month, without much, if any, limitation. For example, when a departmental appropriation is lumped under "departmental operations" and \$250,000 is listed for each of the fiscal years 1951-52, 1952-53, there is no indication what amount is to be used for salaries, supplies, travel, equipment, etc. To be sure, the budget estimates prepared by the department head, discussed in budget hearings, and finally placed in the budget document do indicate the character and objects for which the money is to be used. It is doubtless true that legislators expect it to be so used, but the appropriation act does not spell it out in that much detail.

The result is that any resemblance between the work plans and budget details on the one hand, and actual expenditures, is accidental except that the total amounts are generally the same or less than the

appropriation, since allotments and encumbrances keep the departments from exceeding their funds.

4.7 The most common departure from budget details is in the use of "personal services" money for other purposes. Whether the "personal services" budget item is intentionally inflated or scarcity of labor keeps his force below the estimate, or he gains by retirements and lower cost replacements, it may happen that an administrator will have a sizeable amount of money in the "personal services" pocket at year end, from which it can be taken to be spent for repairs, equipment, maintenance, or any other legitimate use. Departments claim they need this degree of flexibility, especially when planning in uncertain times and nearly three years before the last dollar is to be expended. The budget officer and governor and council may have adequate statutory authority through the allotment system to stop transfers which result in expenditures not included in the budget estimates, but they are unlikely to use a power not spelled out for this purpose.

4.8 Perhaps the next step in our state's fiscal development should be to prepare and pass appropriation acts with more detail, especially regarding personal services; this is what many persons refer to as a "line budget." At the same time departments might be prevented from creating new positions not in the budget detail, either by specifying the maximum number of positions or by giving to the budget agency the duty of passing on all new positions. One weakness of our personnel system is the lack of definite authority in any agency to pass on the need for a new position; hence department heads who have enough money, either for personal services or elsewhere in their budget, may create jobs which they consider necessary or desirable.

Recommendations: 1. "Personal services" should be placed on a line basis in the appropriation acts, thus eliminating use of these funds for other purposes not specified in the budget and requiring more careful and accurate budgeting.

2. Position control should be placed in the budget office so that no new job can be created without its sanction. Another method, probably less effective, is to specify the maximum number of positions in the appropriation act. Perhaps both controls are needed.

THE NEED FOR STATE PLANNING

5.1 A considerable amount of planning and research are carried on at Augusta. Departments heads are responsible for the plans of their agencies, the budget officer is responsible for overall financial planning, and the governor is supposed to coordinate and direct, i.e., plan - for the whole state government. Since 1940 we have had a legislative research committee to do some of the legislative research and planning. To link the executive and legislative branches in fiscal planning there is a budget advisory committee. The state auditor makes many recommendations for better government. A somewhat different sort of state-wide planning is handled through the Maine Development Commission. From time to time the governor brings in outside consultants to establish personnel classifications and a pay plan, to make audits, or to carry on special studies of methods in order to bring about greater efficiency. From the planning and research which go on in the capital city there are great gains; without orderly planning our government would be chaotic.

5.2 There is, however, no continuing agency which is responsible for coordinating, directing, and filling in the gaps in the planning pattern, which is at present a patchwork full of holes.

5.3 There is need for over-all state planning in at least five major areas:

1. Current expenditures
2. Long term capital budget
3. Personnel
4. Organization
5. Methods

It is only in the first of these five areas that we have developed a relatively satisfactory system. We have no capital budget;

our personnel system is in need of improvement; on organization and methods our approach has been sporadic and unsystematic.

5.4 There are a number of ways through which our planning procedures might be improved, giving us more economical and efficient state government. Brief consideration will be given four of these possibilities.

5.5 1. The budget-examining work of the department of finance could be expanded. Four men are now charged with the responsibility of obtaining first hand knowledge of the problems and physical plant of all state agencies. Each agency is visited at least every three months, and the information gathered is of incalculable value in the work of the budget and appropriations committees. Budget planning can be patterned more closely on needs, and the budget officer is in a better position to advise the appropriations committee, which is obliged to lean quite heavily on his counsel. Budget examining work was started in 1949 on the recommendation of Governor Payne. It might be expanded somewhat to cover special studies and reports on methods and procedures. One person is now engaged in pioneering work of this sort, so far as his time allows. He has recently completed a splendid manual setting forth fully and accurately for the first time the procedures to be used in fiscal matters such as budgeting and purchasing. Greater accuracy and a saving of employee time will doubtless result from this publication. Now that state business has reached large proportions other manuals are needed in state affairs, as in personnel. Once made up they need to be reviewed and corrected periodically.

The statutes give the finance commissioner the duty of investigating duplication of work of departments and other agencies of the state government, studying their organization

and administration, and formulating plans for better and more effective management. (R.S. Chap. 14, Sec. 7). These provisions, placed in the law in 1931, should be implemented and made effective. It is suggested that provision be made for at least two more persons to be added to the budget staff to work with the budget officer on organization and methods studies and recommendations resulting from such studies.

2. The legislative research committee could do a far more effective job if it employed a full-time director of research and augmented its bill-drafting services. At present the director and three clerks are supposed to draft statutes, revise statutes, and assist the committee in its research projects. Since the task is impossible the staff has restricted its work largely to bill drafting and revision of statutes. The committee has found it necessary to employ special investigators frequently, and to devote much unpaid time of their own to hearings, research, and report writing. The legislative research committee has done much valuable pioneering work, but its methods, aims, and procedures should be clarified, systematized and put on a sounder basis. Fact finding as a basis for intelligent legislative action could have a much more effective place in our governmental system.

3. Citizens' state government committee. By a joint resolution of the 95th legislature the governor was invited to appoint an unpaid committee of citizens "to study the government of Maine in all its organizations, ramifications and relationships....to recommend to the 96th Legislature such actions as may be deemed appropriate to improve efficiency, to reduce costs, and to promote an enlightened participation by the people in the formulation of public policy...." It would seem to be

within the powers of the chief executive to set up such a committee at any time. Perhaps the legislature or the governor will wish to continue the present committee, or set up another. If so, it is suggested that the committee be organized early in 1953, in order to give it adequate time to find a secretary and accomplish a substantial program before the end of 1954.

4. Many states have state planning boards, and Maine should consider the wisdom of setting up such an agency. The only suggestion to be made here is that if such a board is established, it should be advisory to the finance department and the governor, not a part of an entirely new agency. The state has altogether too many agencies now for the most effective management of its affairs. Possibly the citizens' committee could serve as such a planning agency.

5.6 Conclusion. The addition of three staff members to the budget examining section of the budget office and three more to the legislative research staff, while adding more immediate expense would bring savings in the long run. Whether the citizens' committee shall be continued, and whether a state planning board should be established are matters of policy to be determined by the executive and the legislature. Both ideas should be given careful consideration.

Licensing and Inspection

6.1 Under date of August 1951 the state budget office produced a four volume Survey of State Licensing and Inspection Programs. The survey contains details of the procedures involved in getting licenses, registrations, permits or certificates, the schedule of fees, the departments involved, statutory references, and specimens of the applications, licenses and other literature used in the process. Although filling four bulky volumes the report did not include licensing and inspection procedures under the jurisdiction of the following:

Highway Commission

Liquor Commission

Secretary of State - motor vehicles and corporations

Inland Fisheries and Game

Examining Boards such as Accountants, Architects, etc.

The report does not tell how much revenue is collected through inspection and licensing, nor the amounts expended. Some of the fees collected accrue to the general fund, the revenue from others accrue to special revenue accounts. It is not possible to find the totals of income and expenditure from the state accounting system as operated at present, but from the controller's reports we can find certain items, for example, sardine inspection brought in \$75,251.60 in 1951, while fertilizer inspection yielded a mere \$1,894.19 and inspection of bedding manufactured in Maine brought \$4,380.25.

Incomplete though the 1951 survey is, it shows certain weaknesses in our licensing procedures. Over a period of many years our procedures and fees have been fixed by law, but no serious effort has been made to organize and coordinate licensing procedures in an orderly and efficient manner, nor keep fees properly related and up-to-date.

6.2 There are at least four major weaknesses in the present licensing and inspection program:

6.21 Inadequate service to licensees. The worst feature from the public point of view is the inadequacy of service resulting from lack of either a central information bureau or a central licensing bureau in Augusta. There should be one place where a prospective licensee could obtain complete information regarding all state certificates and licenses required for his type of business. At present a licensee must either employ legal aid or review personally the statutes to determine the extent to which his business should be registered or licensed and under which departments it falls.

After determining the extent of his licensing liability the licensee is still under the necessity of finding the various offices of the bureaus and divisions of state departments in Augusta to which he must apply.

By way of illustration, a prospective eating place operator who plans to serve fresh shellfish (clams, quahogs, mussels, lobsters and crabs); retail tobacco products and retail milk in conjunction with serving other foods must apply to units and locations in Augusta as follows:

- | | |
|---|----------------------|
| (1) Bureau of Health | Highway-Health Bldg. |
| (2) Dairy Division - Dept. of Agriculture | Highway-Health Bldg. |
| (3) Sales and Use Tax Unit | Vickery-Hill Bldg. |
| (4) Tobacco Tax Unit | Vickery-Hill Bldg. |
| (5) Sea and Shore Fisheries | Vickery-Hill Bldg. |

6.22 Lack of uniformity in size and design of application and certificate forms. The 1951 survey shows as many as 67 different forms in use in one agency of government. This lack of uniformity results in excessive printing and record storing costs and inconvenience to the

licensee who is obliged to carry or publicly display the required certificates or licenses applicable to his business or occupation. In many instances forms could be simplified, consolidated, made uniform, or even eliminated.

6.23 Lack of adequate inspection service resulting in loss of revenue. In some instances the lack of adequate inspection results in the loss of license revenues. This is particularly true in the case of eating places serving fresh clams and other shellfish beyond the limits of the inspection area covered by the coastal wardens of the department of sea and shore fisheries.

6.24 Multiplicity of inspection services. This is the unavoidable result of each state agency having its own inspection unit. The result is duplication of personnel and travel expenses which might be saved if compatible inspection services were combined.

6.3 It is evident that the state of Maine should establish a central information agency to dispense application forms and information, or a central licensing agency where the licenses could actually be obtained. Better service to the public could thus be given at a saving in costs through reduction of personnel. Unfortunately we are not ready for central licensing, since we do not have enough information at hand to do the job right.

It is therefore recommended that a continuation of the 1951 licensing study be made to carry it further and bring it up-to-date. For example, the 17 professional examining boards should be studied to see if duplication of work could not be reduced, and to find out if these boards give public representation and set standards which do not unduly limit entrance to the professions involved while at the same time adequately protecting the public against the unfit.

Other questions which need to be answered after the scope and

procedure of licensing and inspection in Maine are known include:

- (1) Does the particular license serve a necessary or useful purpose at the present time?
- (2) If the license is necessary, could the particular license be combined with one or more other licenses?
- (3) If particular licenses cannot be combined, which ones can be combined as to application forms?
- (4) Are there standards and prerequisites which are a proper or necessary part of the process, or is the procedure perfunctory?
- (5) Is the license followed up by inspection?
- (6) If there is inspection, is it adequate as to frequency, thoroughness, and follow-up to secure compliance?
- (7) Which inspections could be handled by the same inspector, without too expensive training procedure?
- (8) Are the fees adequate, too high, or too low? (First decide what the fee is supposed to cover).

After such studies have been made, and proper steps taken to eliminate, consolidate, simplify and standardize licensing and inspection procedures the state will be in a position to consider the wisdom of centralizing its license and inspection work. If anything is to be done at present, it should not go further than a central informational agency, and even this would be handicapped until complete studies have been made as suggested.

Department of Institutional Service

7.1 The department of institutional service is one of the largest agencies of Maine government. As of September 27, 1952 it had 1498 employees, and its expenditure of \$5,551,045 for fiscal 1951-52 was exceeded in only three departments; Highway, Health and Welfare, and Education. The commissioner of institutions administers 13 sanatoria, reformatories and other medical and penal institutions, with an inmate population of 5631 on September 27, 1952.

7.2 From its very nature the department presents an endless variety of problems of planning and administration. Six problems will be discussed in this report.

7.21 Collection of fees from patients. The commissioner has broad general power by statute to "fix rates and collect fees" from patients or their legally liable relatives. The theory that something should be collected from those able to pay seems established by law - but how much, and from whom is not stipulated. Neither is any test of ability to pay set forth. Apparently the commissioner in office at any given moment may adopt a theory to suit himself, which he may then carry out to the best of his ability under the existing circumstances. Collection procedure and amounts recovered have varied widely. The matter is of sufficient importance to warrant establishment of clearly defined policies on:

- A. Rate schedules
- B. Legal responsibility for payment
- C. Collection procedure
- A. Fees are collected in the following institutions: Augusta State Hospital, Bangor State Hospital, Pownal State School, Central Northern, and Western Maine Sanatoria, State School for the Deaf. The remaining six institutions include five penal establishments and the Children's Home at Bath. The present

commissioner has given thought to the rate problem but we believe further study is needed so that rate schedules can be prepared on the basis of cost data. Ten dollars per week is now set as the minimum rate, with the patient or his relatives expected to pay whatever is possible. The actual cost is well above ten dollars in all institutions, rising to fifty dollars or more in the sanatoria. Latest estimates are \$56.00 per week for Central Maine Sanatorium which because of medical and surgical facilities is the most expensive of the sanatoria, \$18.33 per week at Bangor State Hospital, \$14.85 per week at Augusta State Hospital, and \$13.29 per week at Pownal State School. These figures cover current operating costs, including repairs, but do not cover capital outlay such as new construction. Patients who have a settlement in a Maine town and who are unable to pay anything become town cases for whom the sanatorium receives \$2.00 per week from town funds. Naturally the patients or their relatives like to turn the burden over to the town and state, especially after they find out others are doing it. The commissioner suggests changing the town minimum payment to \$10.00 per week which would still be only a fraction of the cost. Care must be taken in setting and enforcing sanatoria rates lest dangerously contagious cases of tuberculosis refuse to enter a sanatorium because of the cost they will assume or leave prematurely in order to "save" money after they do enter.

We have no happy and easy solution for the rate problem and believe it should receive further study. If the commissioner and his staff cannot handle such a study it might be made a special project. Possibly a candidate for an M.A. degree might be found to investigate the matter of rates and their collection. If not, it would seemingly pay to hire the work done.

B. Under the statutes the individual is responsible to pay for his treatment to the best of his ability. Relatives are also responsible, but the law does not define the degree of kinship which creates liability, and it should be clarified on that point. Towns are responsible in tuberculosis cases for the \$2.00 per week fee mentioned above; they have no legal liability for mental patients, and the whole cost falls on the state if the patient or his relatives do not pay. It is hard to see any valid reason for treating one category differently from the other so far as municipal liability is concerned. It is suggested that the towns and cities be asked to assume a share in the costs of caring for mental patients where the patient or his relatives are unable to pay a stipulated minimum, paying the difference between what the patient pays and the minimum charge set in the rate schedule.

C. Collection procedure. Sanatorium collections are all handled through the commissioner's office in Augusta, while for the other four institutions it is decentralized - that is, collections are made from the institutional offices at Bangor, Augusta, Pownal and School for the Deaf at Portland. Parole officers are used as investigators for central office collections; institutions making their own collections have no field staff whatever. It is the commissioner's opinion that two or three additional workers would be needed in the central office if all collections were to be centralized. A thorough investigation of this subject would be needed to determine (1) whether all collections should be centralized, (2) whether it would pay to have special field investigators for aid in determining ability to pay and also to help collect, or (3) if such investigatory work could be done by health and welfare department social

workers to prevent duplication of staff.

7.22 Commitment of tuberculosis victims. Most of our sanatoria patients enter voluntarily; a few, not more than 2 or 3 a year, are committed against their will by court action initiated by the department of Health and Welfare under Chapter 208 of the Laws of Maine, 1942. It is known that there are dangerously infected persons at large who should be committed for the public welfare even more than for their own good. Local physicians are supposed to report cases of which they have knowledge. One of the reasons for inaction on the part of doctors and others concerned with the problem is the inability of the state to keep committed cases in the institutions until it is safe for them to leave. Too many patients leave against advice as it is, and if committed against their will are more likely to leave prematurely. The public does not seem to be aware of the dangers and difficulties involved, but it would appear that a special study should be conducted to bring out the health menace and to suggest adequate remedies, including confinement facilities in at least one sanatorium. Once the principle became established that dangerously ill tubercular cases must enter sanatoria and could not leave until permitted by competent physicians, there would be little further resistance and fewer innocent victims would become infected with the disease by tuberculosis carriers at large.

72.3 Admission of patients to hospitals for insane. Another problem little known to the lay public is that arising from the need to admit persons to the insane hospitals who are thought to be mentally ill. Under the procedure laid down in Chapter 23, Revised Statutes, 1944, the ill person cannot be admitted against his will except by the municipal officers after notice and a hearing at which the ill person may appear. The procedure can be instituted by a petition signed by a relative or a local magistrate, and two physicians are asked to testify that they believe the person insane. If the physicians and municipal officers certify the

person to be insane he is then committed to a hospital for the insane. In emergency cases the person may be committed temporarily pending action of the municipal officers but with a certificate signed by two physicians required as in regular procedure. Emergency procedure is a part of the regular procedure, not a separate process, and unless a certificate is received from the municipal officers within 15 days the emergency detention ceases.

There are several criticisms levelled at the existing commitment procedure:

- A. It is said to be too slow and cumbrous in some instances. Even the emergency feature is not always expeditious enough to protect the public, and persons thought to be mentally ill may be held in local jails on trumped up charges as a matter of public safety.
- B. It is essentially a criminal procedure, and results in unfavorable publicity for those concerned and a stigma on the person committed. Such an individual will often hold a permanent grudge against the relative who institutes proceedings.
- C. Decisions are made by local officials and physicians who are not skilled in diagnosis of mental ills, and who do not have sufficient time to study the patient prior to their decision.
- D. In spite of the elaborate safeguards for the patient it is possible for the papers to be signed and the individual committed with no hearing, a situation thought to be rather common.

To remedy these faults a bill was drafted and enacted as Chapter 374 of the Laws of Maine, 1951. It provided for admission to insane hospitals for purposes of observation, without commitment and thus no criminal procedure or stigma. The

petition for admission on an involuntary basis had to be signed by a relative, police officer or justice of the peace, and concurred in after inquiry by one municipal officer and one physician. The new procedure was intended to place most of the burden of proof on the hospital superintendent and staff, but this attempt to set up a medical in place of a criminal procedure was declared by the Supreme Judicial Court of Maine in a 1952 decision to be an unconstitutional infringement on personal liberty. The court declared that the procedure failed to distinguish between emergency and non-emergency cases, and further failed to provide any specific means for the patient to use to test the legality of his detention.

A new law is needed, one which will satisfy the Supreme Judicial Court. The quickest and simplest procedure would seem to be to reword the 1951 act to avoid unconstitutional features. An unofficial committee consisting of the commissioner of institutions, a representative of the Maine Medical Association and of the Maine Bar Association might sit down after studying the law and the supreme court opinion and pool their suggestions. Perhaps the Chief Justice would be willing to advise them informally and unofficially, or ask one of his colleagues to do so. The revised bill could then be introduced in the legislature. As a final check, either the governor or legislature could ask the Supreme Court for an advisory opinion on the constitutionality of the proposed act.

72.4 Personnel Problems. The state institutions have been in a state of emergency for many years in their struggle to maintain a staff of employees adequate for minimum needs. If we can gain any satisfaction from the fact, it is also a nationwide problem. At the moment the greatest need is for doctors. A short supply made shorter by federal military

needs leaves little for our institutions. The highest amount being paid doctors, who are also superintendents of institutions, is \$10,192, which does not compare favorably with private practice for comparable responsibility and working conditions. For a considerable period of years we have hired refugee doctors. While some of them are excellent, in most cases they cannot qualify for private practice under our laws when they first come to this country. Once they acquire citizenship and otherwise fulfill the requirements for admission to practice here, they are likely to resign their state jobs.

A thorough study of the staffing problems of our institutions is advisable. It should go into such matters as: salaries for medical and professional positions, possibilities of in-service training, and opportunities for improving the recruiting program.

72.5 The Commissioner's office. To help him to administer one of the largest departments in the state the commissioner has a total staff of five persons, consisting of a farm coordinator, an accountant and three office employees. Heavy turnover in the staff has doubtless been a serious handicap to orderly and efficient administration in recent months, since only two employees have service prior to the spring of 1952.

The present commissioner, Mr. Greenlaw, was recently nominated by a newspaper columnist as the "hardest working department head" in the state service. It is often claimed by critics that we have too many state employees doing too little, and there may be spots where it is true. We also have spots where too few employees do too much, which is equally poor business. We should not work our department heads so hard that they are swamped with details and cannot see the woods for the trees. Nor should we force a department head to "beat his brains out" covering institutions from Presque Isle to Portland when a permanent deputy could take some of the load and allow him more time for planning and administering. Such a deputy should be a career man, selected on a competitive basis

through the state personnel system, and adequately paid. If the time comes when the commissioner's job ceases to be the political football it has been since its creation in 1939, the deputy would be in line for promotion to that position. Because of the factors outlined, there has been a lamentable lack of continuity of policy in the department. This has been a factor of great concern to the institutional superintendents, and should be of equal concern to the public and the legislature. In 1932 the legislature acted to abolish multifarious boards and bring coordination, unity, stability and continuity of policy to our state institutions. The addition of a deputy should help bring about the objectives aimed at in 1932. Additional staff beyond a deputy should await the recommendations of the commissioner.

72.6 Organization of the department. By the so-called "Code Act of 1931" (effective 1932) thirteen institutions formerly controlled by separate boards of trustees and administered in an uncoordinated fashion by 13 superintendents, were amalgamated in one bureau in the newly created department of health and welfare. In 1939 the legislature detached the bureau of institutions and made it a full-fledged department. Those who were the instigators and supporters of the change may have felt the shift logical - or they may have had political expediency in mind. The problem might well be re-examined at this time. At least three possible structures could be studied and compared:

A. The present structure

B. A return to the 1932-9 structure, with all 13 institutions under a bureau in the department of health and welfare.

C. (a) Return the 8 non-correctional institutions to health and welfare, and

(b) Create a bureau of corrections from the five penal institutions, as a segment of a department of justice headed by the attorney-general.

The writer favors either (B) or (C) above. Either solution should give the state three advantages not present in the existing situation:

- (1) There would be fewer departments for the governor to administer, a desirable objective in view of the large number now existing.
- (2) There should be better coordination of institutional problems with health and welfare problems.
- (3) The institutional administrator under (B) or the two institutional administrators under (C) could become permanent career men, not subject to political pulling and hauling. This might be the greatest gain from a change of structure, since it should place control under professional guidance with the continuity and stability in institutional direction so sorely lacking in the past.

Preface to Mr. Greenlaw's Data

Mr. Greenlaw had no hand in the preceding report, other than to furnish some of the facts upon request. The conclusions and recommendations are entirely the responsibility of the committee's secretary.

At the start of this inquiry, the secretary asked Mr. Greenlaw six questions on the collection of fees. His answers seemed to contain so much of value that they are reproduced as a part of this report.

Your secretary suggests that the committee seriously consider endorsement of Mr. Greenlaw's recommendations for legislation contained in the answer to question six at the end of the report.

It is also suggested that you recommend that accounts be not given to the Treasurer when overdue 90 days, and that all collection be left to the commissioner with the right to enlist aid from the attorney general (see Mr. Greenlaw's answer to question 2).

November 12, 1952

Mr. Edward F. Dow, Executive Secretary
Citizens' State Government Committee
State House
Augusta, Maine

Dear Mr. Dow:

In response to your inquiry of October 15, I am pleased to present to the Citizens' State Government Committee the following data:

1. What are the statutory provisions for the collection of fees from institutional inmates?

R.S. 1944, Chap. 23, Sec. 5. The Department of Institutional Service shall fix rates and collect fees for the support of patients in state hospitals, sanatoriums, and other state institutions.....

2. What supplementary regulations can the department issue?

Supplementary regulations possible under the present statutes are:

- a. Determination by the Department of patients' or relatives' ability to pay.
- b. Department may fix rates based on information obtained in (a).
- c. Department may institute suit to recover charges for care and treatment.

Under Item (c) we experience considerable difficulty in pursuing the collection of overdue accounts for the reason that accounts ninety (90) days old must be reported to the State Treasurer and, under Chapter 15, Section 8, the duties of the Treasurer are outlined as follows:

"It shall be the duty of the treasurer of state to receive and keep a record of all items of income accruing to the state including taxes levied by the state, and all such items shall be promptly certified to the treasurer of state by the department, bureau, institution, or agency of state government where such items of income originate or by which such taxes are assessed. He shall promptly collect all taxes and accounts due the state and certified to him as provided herein. In cases of neglect or refusal to pay he shall institute through the attorney-general such court actions as may be necessary to enforce payment. The provisions of this section shall not apply to the Maine unemployment compensation commission."

"Statutes of 1947, Chap. 79. R.S., c. 15, Sec. 8, amended.
The 1st sentence of section 8 of chapter 15 of the revised statutes is hereby amended to read as follows:

'It shall be the duty of the treasurer of state to receive and keep a record of all items of income accruing to the state not paid within 90 days, including taxes levied by the state, and all such items shall be promptly certified to the treasurer of state at the close of each month by the department, bureau, institution, or agency of state government where such items of income originate or by which such taxes are assessed.'

Nevertheless, even after the accounts are turned over to the Treasury Department, this Department does endeavor to make collections and in some cases to ask the Attorney General's Department to bring suit against the delinquent parties.

3 & 4. What rules has the department now in effect?
What are the collection procedures?

The rules and collection procedures, as given in the Statutes, are as follows:

State Hospitals. R.S. 1944, Chap. 23, Sec. 136. The officers ordering the commitment of a person unable to pay for his support, or becoming unable to pay for his support after commitment, or their successors, or any officer with like power to commit, shall in writing certify that fact to the department and that he has no relatives liable and of sufficient ability to pay for his support, and such certificate shall be sufficient evidence in the first instance to charge the town where the insane resided or was found at the time of his arrest for the expenses of his examination and commitment, and to charge the state for the expenses of his support in the hospital, and the department shall charge to the state the reasonable expense of his support which shall be paid by the state.

If the inability to pay for support exists at the time of commitment, and said municipal officers fail to certify such fact, as required herein, the city or town making such commitment shall be liable for the support of said person until such certificate is furnished.

R.S. 1944, Chap. 23, Sec. 138. The certificate of commitment to the hospital after a legal examination is sufficient evidence, in the first instance, to charge the town where the insane resided, or was found at the time of his arrest, for the expenses of his examination and commitment to the hospital; and when his friends or others file a bond with the treasurer of the hospital in which he is confined the state shall not be liable for his support, unless new action is had by reason of the inability of the patient or his friends longer to support him.

Pownal State School. R.S. 1944, Chap. 23, Sec. 153. All indigent and destitute persons in this state, who are proper subjects for said school and have no parents, kinsmen, or guardian able to provide for them, may be admitted as state charges and all other persons in this state, who are proper subjects for said school, when parents, kinsmen, or guardian bound by the law to support such persons are able to pay, shall pay such sum for care, education, and maintenance of such persons as the department shall determine, and such persons from other states having no such institution or similar school may be received into such school when there is room for them without excluding state charges, at a cost to such person or those who are legally responsible for their maintenance, of not less than \$3.25 per week; and the state may recover from any person admitted to said school, if able, or from persons legally liable for his support, the reasonable expenses of his support in said school.

Sanatoria. R.S. 1944, Chap. 23, Sec. 167. All patients in said sanatoriums, or relatives liable by law for their support, shall pay to the state for treatment, including board, supplies, and incidentals, the amount determined by the department; provided that the department may, after proper investigation of the financial circumstances of the patient, or relatives liable by law for his or her support, if it finds that such patient or relatives are unable to pay the amount determined as above, in whole or in part, waive such payment or so much thereof as the circumstances appear to warrant; provided further, that if such patient or relatives are unable to pay, the city, town, or plantation in which the patient has a settlement, if any, shall pay to the institution the sum of \$2.00 per week so long as the patient remains therein.

Maine School for the Deaf. R.S. 1944, Chap. 23, Sec. 169.
.... and the state shall have the entire charge, responsibility, and expense of maintaining said school.

R.S. 1944, Chap. 23, Sec. 171.and the sums necessary for the support and instruction of such children while attending said school, shall be paid by the state.

Statutes of 1951, Chap. 56. (Adding Sec. 172-A to R.S. 1944)
For each child admitted to the school, the town in which the child has a settlement, if any, shall pay to the state, to be credited to the general fund, an amount equal to the per capita cost of instruction and equipment in a public elementary school for a normal child in that town. (Effective August 20, 1951.)

R.S. 1944, Chap. 23, Sec. 173. Deaf and dumb children residing in other states may, at the discretion of the department, be admitted to said school upon the payment by their parents, guardian, or other responsible agency of a reasonable compensation to be fixed by the department.

5. How much has been recovered in the past fiscal year (1951-52) from each institution where fees are collected? What per cent of inmates does this include?

	<u>Recovered</u>	<u>No. of Patients Contributing</u>
Augusta State Hospital	\$149,951.44	21.1%
Bangor State Hospital	76,239.61	18.0%
Powmal State School	61,642.38	17.0%
Total Sanatoria - Accrued \$39,384		
Plus accounts charged off 55,604		
\$94,988	63,500.00	87.9%
Central Maine Sanatorium (Total accounts less those charged to towns)		58.3%
Western Maine Sanatorium (Total accounts less those charged to towns)		40.6%
Northern Maine Sanatorium (Total accounts less those charged to towns)		55.9%

Charge-offs - Sanatoria

1949-50.....\$ 2,122
1950-51.....\$10,347
1951-52.....\$55,604

Maine School for Deaf

\$ 5,300.00

40.0%

6. Do you believe more can and should be collected? If so, what changes should there be in the law or procedure?

I would suggest changing Sec. 172-A of Chapter 23 of the Revised Statutes of 1944 to read as follows: (School for the Deaf)

"For each child admitted to the school, the town in which the child, parent or guardian has residence, if any, shall pay to the state, to be credited to the general fund, an amount equal to the per capita cost of instruction and equipment in a public elementary school for a normal child in that town."

I would also suggest changing Sec. 167 of Chapter 23 of the Revised Statutes of 1944 to read as follows: ".....that if such patient or relatives are unable to pay, the city, town, or plantation in which the patient has a settlement, if any, shall pay to the institution the minimum sum of \$10 per week so long as the patient remains therein."

Section 169 of Chapter 23 of the Revised Statutes of 1944 should be amended by striking out the following clause:

"Said school shall be located at Portland, in the county of Cumberland, ~~and the state shall have the entire charge, responsibility, and expense of maintaining said school.~~ The government of said school is vested in the department."

Sincerely yours,

Norman U. Greenlaw
Commissioner

NUG/d

Department of Institutional Service

Supplement to Report Number Seven

Since report seven was made up I have found out that the answer given to question number five by Mr. Greenlaw (see next to last page of report number seven) should read "Charged" rather than "Recovered." Likewise in the letter of December 17 which follows, the answer to question three should read "Average weekly charges by patient (excluding town payments) 1951-52."

December 17, 1952

Mr. Edward F. Dow, Executive Secretary
Citizens' State Government Committee
State House
Augusta, Maine

Dear Mr. Dow:

The following items are in answer to your queries given to Miss Dudley over the phone recently:

1. The position of Administrative Assistant no longer exists within the Department of Institutional Service. Because I was unable to secure a person qualified with certain engineering requirements, I felt it best to delete the position.

3. This Department was able to secure a copy of the citation of the Supreme Judicial Court's decision relative to Section 374 of the Public Laws of 1951. This was obtained from Dr. Francis H. Sleeper of the Augusta State Hospital and is the only copy available to this Department. We would like to have your assurance that this copy will be returned to this Department as soon as its usefulness has expired.

3. Average weekly payment by patient (excluding town payments)

Central Maine Sanatorium

No. Paying	Amount	Total
26	\$ 2.00	\$ 52.00
1	2.50	2.50
5	3.00	15.00
4	4.00	16.00
15	5.00	75.00
1	7.00	7.00
3	8.00	24.00
3	10.00	30.00
1	17.50	17.50
<u>1</u>	<u>20.00</u>	<u>20.00</u>
60		\$259.00

Average weekly payment - \$4.32

Northern Maine Sanatorium

No. Paying	Amount	Total
21	\$ 2.00	\$ 42.00
1	2.50	2.50
.5	3.00	15.00
2	5.00	10.00
1	7.00	7.00
5	10.00	50.00
1	25.00	25.00
<u>36</u>		<u>\$151.50</u>
Average weekly payment -		\$4.21

Western Maine Sanatorium

No. Paying	Amount	Total
19	\$ 2.00	\$ 38.00
2	3.00	6.00
7	4.00	28.00
13	5.00	65.00
1	6.00	6.00
3	7.00	21.00
1	8.00	8.00
6	10.00	60.00
1	14.00	14.00
1	15.00	15.00
1	20.00	20.00
<u>55</u>		<u>\$281.00</u>
Average weekly payment -		\$5.11

Augusta State Hospital

No. Paying	Amount	Total
3	\$ 2.00	\$ 6.00
2	2.50	5.00
2	3.00	6.00
1	3.21	3.21
1	3.50	3.50
1	4.83	4.83
22	5.00	110.00
1	5.42	5.42
1	5.88	5.88
6	6.00	36.00
1	6.33	6.33
1	6.50	6.50
4	7.00	28.00
1	7.22	7.22
2	7.50	15.00
3	8.00	24.00
1	8.50	8.50
1	8.75	8.75
1	9.75	9.75
319	10.00	3190.00
1	10.63	10.63
1	10.88	10.88
<u>376</u>		<u>\$3511.40</u>
Average weekly payment -		\$9.34

DEPARTMENT OF INSTITUTIONAL SERVICE
Gross Expenditures - Comparative Statement of Expenditures
Institutional Operating Accounts

	<u>1943</u>	<u>1944</u>	<u>1945</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>
<u>Charitable & Educational</u>		<u>1/</u>			<u>2/</u>					
Military & Naval Children's Home	25,239	26,923	31,010	39,366	49,564	54,305	53,133	48,919	51,021	50,823
School for the Deaf	48,469	53,272	49,501	60,028	74,864	78,821	95,958	99,426	107,890	121,425
<u>Total Char. & Educ.</u>	<u>73,708</u>	<u>80,195</u>	<u>80,511</u>	<u>99,394</u>	<u>124,428</u>	<u>133,126</u>	<u>149,091</u>	<u>148,345</u>	<u>158,911</u>	<u>172,248</u>
<u>Mental Institutions</u>							<u>4/</u>			
Augusta State Hospital	475,127	524,303	487,653	597,838	823,662	947,747	1,093,050	1,026,522	1,157,239	1,336,701
Bangor State Hospital	439,215	462,789	474,130	575,448	667,017	740,374	775,825	839,201	939,021	1,054,887
Pownal State School	382,341	410,078	411,661	473,305	606,025	671,832	775,514	747,075	855,323	930,819
<u>Total Mental Inst.</u>	<u>1,296,683</u>	<u>1,397,170</u>	<u>1,373,444</u>	<u>1,646,591</u>	<u>2,096,704</u>	<u>2,359,953</u>	<u>2,644,389</u>	<u>2,612,798</u>	<u>2,951,583</u>	<u>3,322,407</u>
<u>State Sanatoria</u>							<u>3/</u>			
Central Maine Sanatorium	210,743	244,427	234,017	264,227	324,771	309,297	356,526	401,907	425,026	454,851
Northern Maine Sanatorium	123,550	136,371	134,161	151,651	178,734	198,787	202,466	206,494	226,877	235,024
Western Maine Sanatorium	156,494	169,648	171,389	178,628	206,452	221,478	237,755	237,946	250,043	275,215
<u>Total State Sanatoria</u>	<u>490,787</u>	<u>550,446</u>	<u>539,567</u>	<u>594,506</u>	<u>709,957</u>	<u>729,562</u>	<u>796,747</u>	<u>846,347</u>	<u>901,946</u>	<u>965,090</u>
<u>Correctional Institutions</u>										
School for Boys	84,445	116,608	137,897	135,825	150,552	153,340	151,060	136,582	154,452	160,826
School for Girls	98,031	111,075	117,970	132,839	165,955	165,823	167,427	148,152	164,650	170,279
Reformatory for Men	68,830	93,595	87,271	112,441	119,656	123,128	162,173	146,097	175,409	166,735
Reformatory for Women	88,895	94,896	99,394	103,794	138,929	135,965	145,508	126,291	146,911	150,693
<u>Total Correctional Inst.</u>	<u>340,201</u>	<u>416,174</u>	<u>442,532</u>	<u>484,899</u>	<u>575,092</u>	<u>578,256</u>	<u>626,168</u>	<u>557,122</u>	<u>641,422</u>	<u>648,533</u>
<u>Penal Institutions</u>										
Maine State Prison	180,783	190,746	188,961	233,678	293,459	286,477	321,447	325,961	368,414	369,353
TOTAL	2,382,162	2,634,731	2,625,015	3,059,068	3,799,640	4,087,374	4,537,842	4,490,573	5,022,276	5,477,631

- 1/ Farm grown produce consumed by institutions charged at wholesale market beginning 1944.
2/ Price controls lifted August, 1946.
3/ Building closed in 1947; reopened in 1949.
4/ Includes \$90,000 new construction.

Expenditures of farm operations eliminated 1944 to 1952 inclusive.

DEPARTMENT OF INSTITUTIONAL SERVICE
Comparative Statement of Dedicated Revenue
Institutional Operating Accounts

	<u>1943</u>	<u>1944</u>	<u>1945</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>
<u>Charitable & Educational</u>										
<u>Military & Naval Children's Home</u>	141	120	456	541	56	12		75	460	725
School for the Deaf	3,977	2,500	2,500	5,000	5,502	4,350	4,731	7,838	6,064	5,151
<u>Total Char. & Educ.</u>	<u>4,118</u>	<u>2,620</u>	<u>2,956</u>	<u>5,541</u>	<u>5,558</u>	<u>4,362</u>	<u>4,731</u>	<u>7,913</u>	<u>6,524</u>	<u>5,876</u>
<u>Mental Institutions</u>										
Augusta State Hospital	1,303	658	5,857	2,478	3,307	2,304	98,364	2,380	2,320	3,362
Bangor State Hospital	1,915	1,950	1,803	2,942	2,562	2,232	2,804	15,228	17,640	15,877
Pownal State School	1,383	1,085	781	2,065	862	831	736	3,837	4,451	3,869
<u>Total Mental Inst.</u>	<u>4,601</u>	<u>3,693</u>	<u>7,441</u>	<u>7,485</u>	<u>6,731</u>	<u>5,367</u>	<u>101,904</u>	<u>21,445</u>	<u>24,411</u>	<u>23,108</u>
<u>State Sanatoria</u>										
Central Maine Sanatorium	3,846	3,979	4,858	4,779	8,376	11,976	8,214	8,701	6,887	6,387
Northern Maine Sanatorium	2,329	3,375	4,681	4,325	3,745	4,404	4,800	5,642	4,839	5,026
Western Maine Sanatorium	6,874	1,424	1,785	1,928	4,290	4,282	4,214	2,246	3,103	4,638
<u>Total State Sanatoria</u>	<u>13,049</u>	<u>8,778</u>	<u>11,324</u>	<u>11,032</u>	<u>16,411</u>	<u>20,662</u>	<u>17,228</u>	<u>16,589</u>	<u>14,879</u>	<u>16,051</u>
<u>Correctional Institutions</u>										
School for Boys	891	4	574	1,191	509	127	877	1,969	2,102	2,405
School for Girls	840	1,088	1,332	1,500	1,892	1,495	1,403	2,505	2,220	1,919
Reformatory for Men	1,950	25	131	404	89	70	432	33	-	125
Reformatory for Women	251	368	585	773	3,919	355	655	392	529	702
<u>Total Correctional Inst.</u>	<u>3,932</u>	<u>1,485</u>	<u>2,622</u>	<u>3,868</u>	<u>6,409</u>	<u>2,047</u>	<u>3,367</u>	<u>4,899</u>	<u>4,851</u>	<u>5,151</u>
<u>Penal Institutions</u>										
Maine State Prison	15,752	1,379	1,456	1,506	1,968	1,107	3,060	1,744	840	1,416
TOTAL	41,452	17,955	25,799	29,432	37,077	33,545	130,290	52,590	51,505	51,602

Revenue from sale of farm produce eliminated 1944 to 1952 inclusive.

DEPARTMENT OF INSTITUTIONAL SERVICE
Comparative Statement of Undedicated Revenue From
Board & Care of Patients at State Hospitals & Sanatoria

	<u>1943</u>	<u>1944</u>	<u>1945</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>
Augusta State Hospital	56,421	77,399	70,846	86,816	92,176	121,129	126,805	130,307	156,307	168,371
Bangor State Hospital	40,769	44,598	49,007	54,443	69,446	105,389	83,293	75,907	72,382	76,226
Pownal State School	<u>8,760</u>	<u>11,283</u>	<u>12,302</u>	<u>11,083</u>	<u>14,918</u>	<u>19,540</u>	<u>29,589</u>	<u>29,521</u>	<u>48,612</u>	<u>58,196</u>
Total State Hospitals	105,950	133,280	132,155	152,342	176,540	246,058	249,687	235,735	277,301	302,793
Central Maine Sanatorium			30,782	20,562	32,437	41,495	43,166	44,333	33,902	15,842
Northern Maine Sanatorium			11,863	9,855	13,138	15,469	15,818	20,988	13,578	8,209
Western Maine Sanatorium			20,331	16,269	23,523	29,998	24,239	25,187	21,623	15,333
Emergency T.B. Fund	<u>59,471</u>	<u>62,021</u>								
Total State Sanatoria	59,471	62,021	62,976	46,686	69,098	86,962	83,223	90,508	69,103	* 39,384
Total Board & Care	165,421	195,301	195,131	199,028	245,638	333,020	332,910	326,243	346,404	342,177

* Reduction in 1952 due to above normal adjustment of Reserve for Doubtful Accounts.

Note by E.F. Dow: The above Table indicates charges made to patients rather than amounts recovered.

Civil Service in Maine

8.1 Why it was needed. A central personnel system was established in Maine by the personnel act of 1937, but no discussion of the act has much meaning unless we know what the situation was prior to 1937. Before the personnel act there were fewer than 3000 regular state employees. Selection was made by department heads, and salaries and promotions and increases in pay were determined by the heads with the approval of the governor and council. There were no standards of selection, no standards for job performance, no systematic methods of recruiting or promoting. Job titles had no meaning, inequalities of pay were numerous, and there were wide variations in hours of work. The public was seldom informed of vacancies, which were generally filled on a personal or political basis having little or no relation to fitness or training. There were no state-wide rules governing vacations, sick leave, discharge, etc., and employees had no stated rights or method of protecting their claims except through political influence. Legislators, governors and department heads were constantly importuned to give jobs, salary increases, promotions and the like. While wholesale political discharges of employees were not the rule, there were some shifts of personnel with changing administrations.

8.2 Origin of personnel act. Prior to 1937 there was a growing opinion that central personnel methods were essential to the state. In 1936 both major parties pledged to work for a law on the subject, and when reminded of this pledge the legislature did enact a bill, although many members were opposed or lukewarm on the matter, and the bill nearly failed of passage in the house of representatives. With no vital changes since 1937, the act is the basis of our personnel system in Augusta today. By taking this step the state of Maine joined Massachusetts, New York and other states which had central personnel systems. Since 1937 a number of states have enacted comprehensive laws on personnel until one-half the

states are now in the civil service ranks. Even in the remaining states a large slice of employees comes under a merit system because the federal government will not provide subsidies for employment security, health, and welfare unless employees paid with the aid of federal monies are selected under a merit system.

8.3 What does the personnel law cover?

Is it a civil service law?

Is it a good law? - These are questions often asked or implied about the 1937 act. The law covers the usual areas of personnel management including a board of three members, a full-time personnel director, and authority in the board over recruiting, salaries, job titles, promotions, hours and working conditions, and personnel rules and regulations.

The Maine personnel law is a civil service law, although the title of the law and the fact that the commission is called a "personnel board" confuse many people. These terms were thought more modern and descriptive than "civil service law" and "civil service commission," but except for terminology there is absolutely no difference and the Maine system is a "civil service" system in every respect, operating through a personnel board and its personnel department headed by a director of personnel.

The personnel law is brief, clear, and comprehensive, giving ample authority to the personnel board and director. It compares very favorably with other state and federal laws on the subject. Yet it is easy to see how an employee, ex-employee, disappointed office seeker, or a friend of any of these might mask his real aims and animosities by saying that the "personnel law is no good." The writer has heard this vague statement, but the only specific criticism of the law he has heard is the employees' association contention that the personnel board should be given the power to reinstate dismissed employees, which it cannot do under the existing act.

8.4 What has been accomplished under the personnel act? Real progress has been made in personnel matters, although slowly and painfully and obscured by the weight of world and national crises. Progress can best be seen by comparing pre - 1937 with 1952. In place of the confusion described in the first page of this report there has emerged a set of job titles and descriptions which accurately delineate each of over 500 different jobs in the state service. To complement these descriptions is a pay scale which establishes the relative value of each job to the state reasonably well and provides a spread of wages to add incentive for long service and excellent performance. Recruiting is more effective today with competitive selection on a non-political basis for the bulk of the positions. The examining procedure has been established and gradually improved to cover many types of jobs. A set of rules has been developed over the years until it comprises an up-to-date and reasonably good statement of principles on promotion, tenure, leave, separation, penalties, etc., which make for fairer and more efficient administration.

8.5 Criticisms and their origin. Personnel departments, whether public or private, are bound to be criticized, because of the nature of their work. In private business the personnel manager must satisfy management, employees, and public opinion, but his primary responsibility is to management. If strikes, unrest or other labor troubles are laid at his door, he may be told to change his methods or he may be replaced, but in either case the matter is unlikely to get in the newspapers or become the subject of public criticism. Public business is different in some respects from private business, and notably so in the field of personnel. Every public employee in a responsible position works in the glare of constant and pitiless publicity, and his acts may easily become the subject of criticism whereas his private counterpart would never be mentioned in the news. This is one of the necessary features of democracy, but it ren-

ders the personnel department particularly vulnerable since its stock in trade is human relations in public business. Not only does the personnel department find itself subject to the governor, department heads and employees, but also to the legislature and the public individually and collectively. Is an employee discharged? The case immediately becomes a cause celebre, and there is a tendency for the department head and personnel department to be put on trial. Does someone fail an examination? The examination system is therefore impractical, discriminatory and worthless. Does the employee association want a general wage increase? Then the personnel department should propose it, lobby for it, and if it does so, be called a tool of the employees. Does a department head want to pick his own employees without restraint? Then the system is destroying sound personnel policies in his department. Does the governor or a member of the legislature wish to repay political debts but find the examination system a hindrance? Ergo, the system is worthless and should be abolished. On the other hand, if a department head is able to short-circuit the personnel system by a subterfuge, then the system is a political setup for the advantage of the Republican party!

Criticisms such as these are obviously destructive, biassed and beside the point, but they gain much credence because the real reason and often the originator remain hidden. For example, a repeal bill which would have abolished the whole personnel system was introduced by a legislator who failed to reveal that a favored relative had not been able to secure a coveted state job because other candidates received higher grades.

8.6 Other obstacles to sound personnel practices. The state personnel system has faced obstacles fundamentally more serious than political pressures and uninformed critics. Among these obstacles have been:

1. Labor shortages
2. Inflation

3. Inadequate operating funds
4. Rapid growth of state personnel
5. Lack of information
6. Lack of support

86.1 Almost as soon as the personnel act went into effect the second World War created manpower shortages, and except for brief periods, the state has had to compete in a scarce labor market with other states, the federal government and private business. It has been true that the personnel department has been unable to supply departmental personnel needs at all times, or with the quality of candidates desired. Department heads have tended to discount such help as the personnel department has been able to give, and have often believed they could do a better job unhampered by rules and red tape.

8.62 Continued inflation has been a concomitant of labor scarcity, and has presented the personnel board with a problem which has not been completely soluble. The same statement can of course be made of private concerns, but in public business employees realize that the government is not operated on a profit basis, and they may believe that there is no real reason for not giving them any increases for which they ask. Much of the board's time has been spent on the knotty problem of pay scales and the related question of individual pay raises.

8.63 Through much of its history the personnel board has been unable to carry out all of the numerous mandates of the personnel act because of inadequate funds. The initial appropriation of \$5000 per year was to cover salaries, equipment, supplies, travel, examination procedures and all other costs of setting up and operating the personnel agency. Although the legislature soon granted larger sums which have gradually reached the 1952 appropriation of \$61,518.98, it was obviously impossible to forge ahead rapidly on a sound personnel program on the skimpy sums allocated at the

start. The examining program which is an essential of any civil service program was sketchy at first and could not be expanded rapidly. Hence many departments were allowed to select some employees without restraint for many years, which led to the criticism that the law was not adequately enforced.

86.4 State personnel roughly doubled in the 15 year period 1937-1952, thus throwing a greater burden on the personnel board than was anticipated. Coupled with small appropriations and other obstacles this increase in personnel has kept the board from catching up on its program as rapidly as could have been done otherwise.

86.5 The personnel system has always been hampered by a lack of public knowledge and understanding of its objectives and methods. Its routine activities do not constitute "news", nor has it had (nor desired) a press agent to advertise its work. After fifteen years it is little known outside Augusta, nor as well known as it should be to employees and department heads.

86.6 Closely akin to lack of information has been a lack of support or actual hostility shown toward the board by certain legislators, department heads and governors. While their motives have varied, their open or covert opposition has made the way harder for the board and its staff. It is only fair to say that such opposition is often sincere, and that it frequently changes to support on better acquaintance with personnel problems. A personnel program can never achieve maximum results unless it has the wholehearted but not uncritical support of the chief executive and most of the department heads.

8.7 Where do we stand? The Maine personnel board has 16 employees, a budget of \$61,518.98 in 1952, and jurisdiction over more than 90% of the state's 6000 employees. Game wardens, state police, and department heads are the groups exempt, or in the "unclassified" service. The total state payroll for 1952 was \$17,739,000, or more than one-fourth of the state's expenditures and the largest single item of expense. Central personnel

management is a "going concern", slightly over 15 years old. It is by no means perfect nor above criticism, however, criticism should be constructive, not destructive. If your car develops mechanical trouble you do not forthwith abandon it and take up foot travel for the rest of your natural life, nor do we burn down the barn to rid it of rats. Likewise, if the personnel system has defects the way to better personnel is not to throw away the central personnel system, nor if we are piqued at an individual in the personnel setup should we try to destroy the whole system to eliminate the individual. The following suggestions are intended to be constructive criticisms, pointing the way toward better personnel management.

8.8 Where are we going? A well-run personnel department in private business is "audited" periodically by its own staff or outside experts, who analyze the program to see if it is sound and then suggest improvements to make it better. I suggest that it is time to audit our state personnel system, and propose the following as suitable audit questions, while recognizing that definitive answers are not readily available for some of them.

8.81 The personnel board.* Is the board form the best or should we have a single administrator appointed by the governor? It is said that the latter type, as used in Maryland and in private business, gives to the governor the control which he needs for effective administration and without which he cannot be expected to give whole-hearted support to the program. On the other hand is the danger that the chief executive might use the control of the personnel administrator for political control, thus destroying sound personnel methods or preventing them from developing. At present we have a three member board which serves overlapping four year terms and receives ten dollars a day and travel costs. Thus for less than two hundred dollars a year we expect devoted public service entailing

* Questions 8.81-8.91 apply to the personnel board and its staff.

sacrifice of time and money and carrying heavy responsibilities and endless criticism but no glory. Because of the technical nature of modern personnel work the board is no better than its director, on whom it must rely for technical guidance and recommendations. The board undoubtedly takes some of the pressure off the director's shoulders, but on the other hand, this can become a buck-passing game.

8.82 Public relations. How can public relations be improved without resort to propaganda or high pressure methods? This is bound to be a continuing problem, never completely solved but requiring constant attention.

8.83 Personnel records. Are records adequate on the basis of what we can profitably use and reasonably afford? Is there any unnecessary overlapping and duplication with other agencies?

8.84 Recruiting. How effective are recruiting methods and how far can they be safely shared with operating departments? Should there be one policy for times of labor surplus and another for times of scarcity?

8.85 Examining. Is the examination system on a practical, common-sense basis as shown by results? How far do the departments share in the process and how far should they?

8.86 Selecting. When it comes to final choice of candidates what is the place of the employing department? How far do personality and character enter?

8.87 Internal organization and staff of the personnel department. Is the structure properly set up or is it too highly specialized to make the best use of a small organization? Is it effectively staffed?

8.88 Salary scales. Has the board adopted a firm and consistent policy on salary scales and salary increases?

8.89 Political pressures. How successfully has the department withstood political pressures, open or concealed? Is it able to keep down the number of provisional appointments to a minimum?

8.90 Promotional policies. How successful has the department been in furthering sound promotional plans?

8.91 Grievance procedure. Is there effective procedure for settling grievances? Are all requests heard promptly and fully and acted on expeditiously?

8.92 ^{**}Coverage. What steps should be taken to extend the classified service to include groups now exempt? How far should such coverage extend?

8.93 Department heads. How can the following results best be secured: (a) better pay, (b) better men, (c) more secure tenure?

8.94 Political activity. How may we secure legislation limiting political activity of state employees and also political activity directed at state employees without curtailing civil rights unduly?

8.95 Position control. How may we prevent the setting up of unnecessary positions? How may we secure the abolition of unnecessary positions?

8.96 Pensions. Is the state pension system financially sound? Does it help produce sound personnel results?

Commissions versus Administrators

9.1 There are at least three agencies of Maine government which would be better organized with single administrators appointed for indefinite terms and adequately paid. These are the liquor, highway and employment security commissions. Much the same arguments apply to all three agencies, and may be summarized as follows:

9.11 Terms are brief and tenure insecure.

9.12 Pay is inadequate for the kind of man we need, but more than adequate to attract political henchmen who receive \$4000 to \$7000 a year and give the state a day a week, more or less, in return. Employment security positions are full-time, at least in theory.

9.13 Divided authority prevents efficient administration, promotes buck-passing. When a business wants honest and efficient management it does not divide power, it concentrates it, and holds the manager responsible for results. Under the commission plan the public cannot hold the governor responsible, because he in turn cannot hold a commission responsible as he could a single administrator.

9.14 Commission members tend to squabble and bicker, even over minor decisions. If the chairman believes he will be out-voted he may delay decisions endlessly. A commission is said to have left a position vacant for a year because it could not agree on a candidate.

9.15 Commission members often spend an undue amount of time on personal or party politics - in fact that may be why they are on the commission, because they are small-time politicians whom the governor feels the need to placate or control.

9.16 The commission plan gives the governor and his party more jobs to fill - can this be why governors do not actively oppose this form of organization while they hold office?

9.17 The commission plan tends to unnecessary expense. Each member may feel the need for a separate office, telephone, secretary, etc. Also he may feel that a certain person should be given a job, even if it has to be created, or retained even if inefficient. Thus it is said that when a certain commission could not agree to discharge an employee, a new job was created in order to get an efficient employee without firing the inefficient one.

9.18 In practice commissions tend to delegate administration to the chairman or to a paid administrator. In either case two or more commissioners are not needed for administration. They then become useful only for appeals or similar quasi-judicial work for which they are being overpaid, and for which they are not usually fitted because of the technical nature of the work. Appeals boards should consist of full-time professional employees, delegated to that type of work on a full-time or part-time basis in accord with the amount of appeals work involved, and not likely to be influenced by political considerations.

9.2 Conclusion. If commissions are retained at all they should be on an advisory basis, paid only for the days actually served. Precedents for single administrators in all three of these agencies can be found in other states, if precedents are needed.

9.3 Added note on employment security. The State of Maine makes no direct contribution to the administrative cost of employment security, which now runs over a million dollars annually. Neither does it control the benefit payments, although it collects them from employers and pays them to the federal treasury which in turn refunds the payments to the state. This complex and nonsensical rigmarole of collection and payment tends to conceal the fact that employers and ultimately the public are spending large sums for employment security. Employer contributions in the peak year of 1943 were \$8,916,644, while benefits reached a peak of

\$11,392,398 in 1949.

Because there have been persistent critics of the benefit payment procedures and also of administrative costs it is suggested that an investigation of these matters would be timely and perhaps enlightening.

SUBSIDIES AND THE STATE VALUATION

10.1 Subsidies granted by the state of Maine to local governments are confined primarily to education and highways. Since most grants are tied to the state assessor's valuation of property by towns and cities, the so-called "state valuation" made every two years, an understanding of these grants, their operation, and their future operation, requires a study of state valuation procedure. The state tax assessor has prepared a mimeographed, four page bulletin dated March 14, 1950, in which valuation procedure is explained. The bulletin points out that "any marked change in the state valuation" would require "an equivalent change in allocation formulae." Beginning with 1952 the state valuation ceased to be used for state taxes on cities and organized towns, being replaced by the sales tax as a source of state revenue. It is still used as the basis for county taxation, forestry district taxes, and state taxes on unorganized townships.

10.2 Educational subsidy. Starting with the current school year (1952-53) the state is using a new formula for distribution of educational subsidies to towns and cities. It is found in Chapter 386, Laws of Maine, 1951. The Citizens' Committee members will recall that they have received from the department of education tables showing the result of the first apportionment under this act compared with the previous year's distribution under the old formula. Members also have explanations of both formulae. Whether the new formula is sound probably cannot be determined so soon after its inauguration.

10.3 State aid for highways. The state's funds for the joint state-aid highway funds are based on the state valuation of the various towns. A full explanation of the origin of the formula used and how it operates will be found in material supplied by Chief Engineer Barrows and attached to this report as Exhibit A, 8 pages.

10.4 State aid for snow removal. The state reimburses towns for snow removal over so-called "winter routes" as follows:

Towns valued under \$200,000 (state valuation) pay not over \$35. per mile up to 50% of the cost.

Towns valued over \$200,000 pay up to \$50. per mile but not over 50% of the cost. See Revised Statutes, 1944, Chap. 20, secs. 58-61.

10.5 Bridges on state aid and third class roads. Bridges are built on these roads by the state and financed jointly by the town, county, and state under a complicated formula which involves the state valuation. Exhibit B, 3 pages, explains the procedure.

10.6 Town road improvement fund. Town road improvement money is not allocated on the basis of state valuation, but on a \$200. minimum plus added funds on the basis of "unimproved road mileage." To complete the highway subsidy picture it is explained under Exhibit C, 3 pages.

10.7 Poor relief. Plantations valued less than \$100,000 are not liable for pauper expenses. (Revised Statutes, Chap. 82, sec. 25).

10.8 Other uses of state valuation are found in the distribution of state funds, such as the provisions found in area school charters.

Exhibit A (cont'd.)

November 20, 1952

Dr. Edward F. Dow
Executive Secretary
Citizens' State Government Committee
State House
Augusta, Maine

Dear Dr. Dow: Subject: State Aid Roads

This is in reply to your letter of October 15.

1. I am enclosing 2 copies of Sections 25, 27 and 29 of Chapter 20, Revised Statutes, which govern the appropriations by towns for state aid construction and corresponding apportionments of state aid.
2. (a) I am unable to give you the origin and reasons for these laws as originally set up. The original state aid road provision was made in 1901, and while the principle of cooperative work provided for by town appropriations and corresponding apportionments of state aid has continued over the years, the amounts have been changed from time to time by the Legislature. The formula is a matter of law, and not one of rules and regulations by the State Highway Department

I am enclosing two statements which may be helpful to illustrate the application of these provisions. This statement shows in the first column the classes of valuation as set up in the law, and then, the rate of apportionment; the limiting one-unit appropriation by the town; the corresponding one-unit state apportionment; the two-unit appropriation by the town; and the two-unit state apportionment. The law provides that towns may raise each year a maximum of two units, and likewise for the apportionment of two units of state aid, these being the maximum amounts.

- (b) I am enclosing two statements which show the number of towns in each class of valuation, on the basis of 1952. After town meetings and after action by city governments, formal notices are submitted to the State Highway Commission advising of the amount appropriated for state aid road work, and making formal application for an apportionment of corresponding state aid.
3. I have discussed with the State Highway Commission the matter of a new formula, and I believe they feel that the present formula and its application have been in use over a long period of time, and that its operation appears, in their opinion, to be fair and equitable, in consideration of the present level of appropriation by the state for state aid road work,

Exhibit A

November 20, 1952

Dr. Edward F. Dow
Executive Secretary
Citizens' State Government Committee
State House
Augusta, Maine

Dear Dr. Dow:

At the meeting of your Committee which I attended, I recall that I did not know how the limiting appropriations in connection with state aid road work were established. For instance, there was the rather odd amount of \$533.00 fixed as a unit of appropriation by the town, for towns having a valuation between the limits of \$200,000. and \$800,000. I think I have found out how this particular amount was determined.

State aid road construction has been carried on for a long period of time, beginning with 1901. Going back to 1909, certain changes were made in the laws pertaining to state aid road work, and it was provided that towns having a valuation of \$200,000 or less could appropriate any amount not exceeding \$200; towns having a valuation of over \$200,000. and not over \$800,000. could appropriate any amount not exceeding \$400; towns having a valuation of over \$800,000 and less than \$1,000,000. could appropriate any amount not exceeding \$450; towns having a valuation of over \$1,000,000 and not exceeding \$3,000,000. could appropriate an additional \$50. for each \$200,000. additional valuation or fraction thereof; towns having a valuation of \$3,000,000 and less than \$4,000,000 could appropriate \$1,000; and towns having a valuation of over \$4,000,000. could appropriate an additional \$100. for each \$1,000,000. additional valuation or fraction thereof.

When the law was again changed in 1913, which set up the present form of State Highway Commission, it appears to me that those who wrote the law evidently intended to provide that town appropriations could be increased by about one-third. This does not hold true in every case, but the 1913 law provided that towns having a valuation of under \$200,000 could appropriate \$300. as a unit, and then the unit of \$400. was increased to \$533., or an increase of one-third. It was further provided that the \$50. increases for each increase of \$200,000 in valuation be increased to \$66.00, and the \$1,000. appropriation limit for towns having a valuation of from \$3,000,000 to \$4,000,000., was increased to \$1,333. The further increase of \$100 for each \$1,000,000 increase in valuation, was increased to \$133.00.

To me, these provisions indicate that it was the intention to provide that towns could appropriate about one-third more for state aid roads, with corresponding increases in state aid. This may explain how these odd figures came about, but probably does not explain why the increase was limited to one-third.

Very truly yours,

(s) Lucius D. Barrows
Chief Engineer

LDB:GL

4. While the Commission has not suggested a new formula, it seems to me that if one were to be considered, it might be more logical to establish appropriation limits on some even figures, rather than these odd amounts.

You will also note that there is a very substantial reduction in the rate of state aid, beginning with towns having a valuation of \$1,000,001 to \$1,200,000. The rate of \$1.75 for towns having a valuation of \$800,000 to \$1,000,000 drops to \$1.22 for the next class, which is quite a sudden drop, and for this class of towns the maximum state aid drops from \$2,100. to \$1,625. It strikes me that it might be reasonable to even this up a bit, so that the maximum state aid would be a little more for towns having a valuation of \$1,000,000 to \$2,200,000. This would probably mean a change in the rates of state aid which would increase the apportionment of state aid.

Very truly yours,

(s) Lucius D. Barrows
Chief Engineer

LDB:GL
Enclosures

CHAPTER 20, REVISED STATUTES

Sec. 25

Appropriations by towns desiring state aid. R.S., c. 28, § 19. 1945, c. 128, § I. If any town desires state aid, provided by this chapter, for the building or permanent improvement of one or more of its state, or state aid highways, such town may raise and appropriate in addition to the amounts regularly raised and appropriated for the care of ways, highways, and bridges the following amounts on account of which state aid shall be paid:

Towns having a valuation of \$200,000 or less may appropriate any amount not exceeding \$300; towns having a valuation of over \$200,000 and not over \$800,000 may appropriate any amount not exceeding \$533; towns having a valuation of over \$800,000 and not over \$1,000,000 may appropriate an amount not exceeding \$600; and towns having a valuation of over \$1,000,000 and not over \$3,000,000 may appropriate in addition to the sum of \$600 an additional sum of \$66 for each \$200,000, or fraction thereof valuation in excess of \$1,000,000; towns having a valuation of over \$3,000,000 and not over \$4,000,000 may appropriate not exceeding \$1,333; and towns having a valuation of over \$4,000,000 may appropriate in addition to the sum of \$1,333 an additional sum not exceeding \$133 for each additional \$1,000,000 or fraction thereof of additional valuation.

(See § 29, re increase of state aid; 123 Me. 505; 133 Me. 70.)

Sec. 27

Apportionment to each town. R. S., c. 28, § 21. 1931, c. 251. P. & S. L., 1939, c. III. P. & S. L., 1941, c. 94. 1945, c. 128, § 3. The commission, from the fund provided for the improvement of state aid roads, shall to each town which has conformed to the provisions of section 25 and 26, for each dollar so appropriated, apportion the following amounts; to each town having a valuation of \$200,000, or less, \$3.50 for each dollar appropriated by said town; to each town having a valuation of over \$200,000 and not over \$800,000, \$2 for each dollar appropriated by said town; to each town having a valuation of over \$800,000, and not over \$1,000,000, \$1.75 for each dollar appropriated by said town; to each town having a valuation of over \$1,000,000, and not over \$1,200,000, \$1.22 for each dollar appropriated by said town; to each town having a valuation of over \$1,200,000, and not over \$1,400,000, \$1.13 for each dollar appropriated by said town; to each town having a valuation of over \$1,400,000, and not over \$1,600,000, \$1.07 for each dollar appropriated by said town; and to each town having a valuation of over \$1,600,000, \$1 for each dollar so appropriated by said town. The money appropriated by towns applying for state aid as herein-before provided, with the amount apportioned by the commission as herein-before provided, shall constitute a joint fund for the construction and improvement of the state or state aid highways in such towns.

(See § 29, re increase of state aid; 123 Me. 505; 126 Me. 287; 133 Me. 70.)

Sec. 29 Increase of state aid, when; limitation. R. S., c. 28, § 22.
1937, c. 229, § 3. 1941, c. 213. 1945, c. 128, § 4.
1949, c. 18, § I. 1951, c. 360, § I. If any town shall in
any single year increase its appropriation for state aid
roads to an amount not exceeding 2 times the maximum amount
which it may annually appropriate under the provisions of
section 25, the commission may, from any balance of said
fund for state aid construction, after the appropriations
contemplated in section 27 and subject to the provisions of
section 30 as to apportionment, appropriate a like increase
of state aid, except that all state aid in excess of that
required by the provisions of section 27 shall be used with
the state aid appropriation of the town in excess of that
required by the provisions of section 25, for the recon-
struction of improved state aid highways; such appropria-
tion shall not deprive the town of its right to the regular
annual state aid in other years; the appropriations contem-
plated by this section shall be united with a and become a
part of the joint fund referred to in section 27. Towns
may, upon petition of the selectmen of the town and approval
of the state highway commission, use a portion or all of the
state aid joint fund of the town toward the town's share of
the cost of construction or reconstruction of bridges under
the bridge act.

The provisions of this section shall apply to appro-
priations made by towns for improvement and construction of
state highways under section 25, and to the corresponding
apportionments of state aid made under the provisions of
section 27, and subject to the provisions of section 30.

(Note: The 1951 amendment was limited by section 2
of the acts as follows:

Sec. 2. Limitation. The provisions of the amendment
in section 1 hereof shall not apply to towns which
have already anticipated future state aid apporportion-
ments, until such towns shall have been reimbursed in
accordance with the provisions of section 109 of
chapter 20 of the revised statutes, as amended. This
act shall become effective July 1, 1952. Effective
July 1, 1952.

Note: This limitation was enacted to protect towns
that had already anticipated at their town meetings
held before the act was passed. It will not apply
to 1952 attempted anticipations.)

Exhibit A (cont'd.)

STATE AID HIGHWAYS

<u>VALUATION OF TOWN (1950 REPORT OF STATE ASSESSOR)</u>	<u>NUMBER OF TOWNS APPROPRIATING IN 1952</u>
Up to \$200,000 inclusive	167
\$200,001 to 800,000 "	210
\$800,001 to 1,000,000 "	26
\$1,000,001 to 1,200,000 "	15
\$1,200,001 to 1,400,000 "	15
\$1,400,001 to 1,600,000 "	10
\$1,600,001 to 1,800,000 "	6
\$1,800,001 to 2,000,000 "	8
\$2,000,001 to 2,200,000 "	5
\$2,200,001 to 2,400,000 "	4
\$2,400,001 to 2,600,000 "	6
\$2,600,001 to 2,800,000 "	2
\$2,800,001 to 3,000,000 "	5
\$3,000,001 to 4,000,000 "	12
for each additional million	35

STATE AID HIGHWAYS CONT.

\$4,000,001 to 5,000,000 inclusive	9
\$5,000,001 to 6,000,000 "	6
\$6,000,001 to 7,000,000 "	3
\$7,000,001 to 8,000,000 "	1
\$8,000,001 to 9,000,000 "	4
\$10,000,001 to 11,000,000 "	1
\$11,000,001 to 12,000,000 "	2
\$13,000,001 to 14,000,000 "	1
\$16,000,001 to 17,000,000 "	1
\$17,000,001 to 18,000,000 "	2
\$18,000,001 to 19,000,000 "	1
\$19,000,001 to 20,000,000 "	1
\$33,000,001 to 34,000,000 "	1
\$41,000,001 to 42,000,000 "	1
\$81,000,001 to 82,000,000 "	<u>1</u>
TOTAL	561

Exhibit A (cont'd.)

STATE AID HIGHWAY APPROPRIATION TABLE

<u>Valuation of town (1950 Report of State Assessor)</u>	<u>State Shall apportion for each dollar raised by Town</u>	<u>Town Appropriation for one unit</u>	<u>State Apportionment for one unit</u>	<u>Town Appropriation for two units (maximum)</u>	<u>State Apportionment for two units (maximum)</u>
Up to					
\$200,000 inclusive	\$ 3.50	\$ 300.00	\$ 1,050.00	\$ 600.00	\$ 2,100.00
\$200,001 to					
800,000 "	2.00	533.00	1,066.00	1,066.00	2,132.00
\$800,001 to					
1,000,000 "	1.75	600.00	1,050.00	1,200.00	2,100.00
\$1,000,001 to					
1,200,000 "	1.22	666.00	812.52	1,332.00	1,625.04
\$1,200,001 to					
1,400,000 "	1.13	732.00	827.16	1,464.00	1,654.32
\$1,400,001 to					
1,600,000 "	1.07	798.00	853.86	1,596.00	1,707.72
\$1,600,001 to					
1,800,000 "	1.00	864.00	864.00	1,728.00	1,728.00
\$1,800,001 to					
2,000,000 "	1.00	930.00	930.00	1,860.00	1,860.00
\$2,000,001 to					
2,200,000 "	1.00	996.00	996.00	1,992.00	1,992.00
\$2,200,001 to					
2,400,000 "	1.00	1,062.00	1,062.00	2,124.00	2,124.00
\$2,400,001 to					
2,600,000 "	1.00	1,128.00	1,128.00	2,256.00	2,256.00
\$2,600,001 to					
2,800,000 "	1.00	1,194.00	1,194.00	2,388.00	2,388.00
\$2,800,001 to					
3,000,000 "	1.00	1,260.00	1,260.00	2,520.00	2,520.00
\$3,000,001 to					
4,000,000 "	1.00	1,333.00	1,333.00	2,666.00	2,666.00
for each					
additional	1.00	133.00	133.00	266.00	266.00
million		additional	additional	additional	additional

Exhibit B

November 20, 1952

Dr. Edward T. Dow
Executive Secretary
Citizens' State Government Committee
State House
Augusta, Maine

Dear Dr. Dow: Subject: Bridges on State Aid and Third Class Roads

The state furnishes certain sums to assist towns in the construction of bridges on state aid and third-class roads. Under this act, counties pay 30% of the cost, and the balance of the cost is apportioned to the town and the state, in accordance with certain factors established in the provisions of Section 85 of Chapter 20, Revised Statutes as amended. I am enclosing two copies of Section 85.

Under this act, a petition is presented to the State Highway Commission by the municipal officers, for construction of a bridge, following which a survey is made, together with an estimate of cost, and subsequent to this, a hearing is called, usually by the State Highway Commission, at the site of the bridge, at which the county, the town and the state are represented. Each organization has one vote on the need of constructing the bridge and the approval of plans and specifications. This is followed by construction of the bridge by the State Highway Commission if the proposition is approved.

The Commission believes that this provision for bridge construction has worked out very well, and does not feel that there is any necessity of changing the provisions. During the fiscal year 1951, fifty-five of these state bridge projects were placed under construction.

Very truly yours,

(s) Lucius D. Barrows
Chief Engineer

LDB:GL
Enclosure

Exhibit B (cont'd.)

CHAPTER 20

Revised Statutes as Amended

Sec. 85. Apportionment of cost. R. S., c. 28, § 63. 1931, c. 216, Art. II, § 28. The cost of construction of a bridge built or rebuilt under the provisions of sections 84 to 92, inclusive, section 94, and sections 96 to 98, inclusive, shall be divided as follows: when the cost of said construction makes a tax rate of 5 mills or less on the valuation of the town last made by the state tax assessor, 45% by the town, 30% by the county in which said town is located, and 25% by the state; when the tax rate determined as above is 10 mills, the cost shall be borne as follows: 40% by the town, 30% by the county, and 30% by the state; when the tax rate determined as above is 15 mills, the cost shall be borne as follows: 35% by the town, 30% by the county, and 35% by the state; when the tax rate determined as above is 20 mills, the cost shall be borne as follows: 30% by the town, 30% by the county, and 40% by the state; when the tax rate determined as above is 30 mills, the cost shall be borne as follows: 25% by the town, 30% by the county, and 45% by the state; when the tax rate determined as above is 40 mills, the cost shall be borne as follows: 20% by the town, 30% by the county, and 50% by the state; when the tax rate determined as above is 60 mills, the cost shall be borne as follows: 15% by the town, 30% by the county, and 55% by the state; when the tax rate determined as above is 80 mills, the cost shall be borne as follows: 12% by the town, 30% by the county, and 58% by the state; when the tax rate determined as above is 100 mills, the cost shall be borne as follows: 10% by the town, 30% by the county, and 60% by the state. For intermediate tax rates the percentage of cost to be borne by the town and state shall be proportional, computed to the nearest tenth of 1%. When the tax rate determined as above is over 100 mills, the town shall pay a fixed sum, equivalent to 1% of its state valuation, the county 30% of the cost of construction, and the state the balance. The cost of reconstruction of a bridge owned and maintained wholly by the county, but located in a town or organized plantation, shall be borne as follows: 50% by the county, and 50% by the state.

In the event of two or more bridges being built or rebuilt simultaneously or practically so, in the same town, the basis for computing the tax rate applicable and used in determining the apportionment of cost to be borne by the state and the town shall be the total cost of each bridge as a separate unit, and the apportionments shall be determined and assessed separately for each bridge. The cost of construction shall include the complete cost of the bridge proper and such embankments, surfacing, and other work as is necessary to provide proper, adequate, and safe approaches to the bridge; the maintenance of traffic by temporary detours and structures whenever existing highways cannot satisfactorily be used for such service; and such charges for engineering, advertising, and inspection as may be incurred in the preliminary and actual construction phases of the work.

Exhibit B (cont'd.)

Unless otherwise expressed or implied, wherever the word "town" occurs in sections 84 to 91, inclusive, section 94, and sections 96 to 98, inclusive, it shall mean to include towns, cities, organized plantations, and unorganized townships.

The words "main thoroughfare" as used in sections 84 to 91, inclusive, section 94, and sections 96 to 98, inclusive, shall mean only such state aid highways and 3rd class highways as have been so designated, determined, and accepted by the state highway commission to receive aid from the state as provided by law, then the word "bridge" shall mean only such a structure as shall require a span of ten or more feet between the faces of the abutments thereof.

Exhibit C

November 20, 1952

Dr. Edward F. Dow
Executive Secretary
Citizens' State Government Committee
State House
Augusta, Maine

Dear Dr. Dow: Subject: Town Road Improvement Fund

I am enclosing two copies of the "Town Road Improvement Fund" act, Sections 42-A to 42-F inclusive, of Chapter 20, Revised Statutes as amended. Under the provisions of this act, an apportionment of \$200 is made to each town, and the balance of the state appropriation for the work is apportioned to each town on the basis of unimproved road mileage. The only appropriation at present for this work is \$500,000.

Each year the State Highway Department makes a careful checking of unimproved road mileage with the various towns and secures certificates from the municipal officers of each town, with respect to the total mileage of unimproved rural roads within their limits. For instance, for the fiscal year 1951 the unimproved road mileage was established at 9,816.51 miles. From the appropriation of \$500,000, \$125,200 was apportioned to 626 towns at the minimum rate of \$200 per town, and \$373,027.38 was apportioned to 536 of the towns at a rate of \$38.00 a mile, this apportionment being on the basis of unimproved road mileage in the towns where this apportionment was expendable. The balance of \$1,772.62 was set up for general supervision.

The Commission believes that this is a fair and workable method of apportioning the town road improvement fund. The object of this activity is, of course, to render some financial assistance to towns in connection with the improvement of town roads. You will note that the restriction to use on town roads, does not apply to the apportionment of \$200 to each town.

Very truly yours,

(s) Lucian D. Barrows
Chief Engineer

LDB:GL
Enclosure

Exhibit C (cont'd.)

CHAPTER 20

TOWN ROAD IMPROVEMENT FUND

Sec. 42-A. Town road improvement fund. 1945, c. 371, § 1. There is hereby established a special fund to be known as the "town road improvement fund." The legislature shall appropriate for each fiscal year such amounts as it shall deem proper from the general highway fund, but not to exceed 10% of the average annual gross income from the gasoline tax and registration fees for motor vehicles, the average to be that of the preceding 5-year period.

Sec. 42-B. Towns to receive funds. 1945, c. 371, § 1. 1947, c. 329, § 1. 1951, c. 359, § 2. The various towns and unorganized townships in the state shall receive from the fund for the purpose of improving such roads as the municipal officers of the towns shall designate, not less than \$200 and such other amounts as they shall be entitled to, figured on the basis of mileage of unimproved roads, including unimproved sections of state aid roads located within their respective limits as compared with the total amount of mileage of unimproved roads within the state, except that in towns where the fund is unexpendable in the judgment of the highway commission, under the limitations of sections 42-C and 42-D, no apportionment shall be made, and unexpendable balances shall be lapsed into the town road improvement fund. Such designation and the expenditure of money under the provisions of sections 42-A to 42-F, inclusive, shall be under the supervision and approval of the state highway commission.

Sec. 42-C. Purpose of expenditures. 1945, c. 371, § 1. 1947, c. 329, § 2. The expenditures of this fund shall be for drainage, machine grading, graveling and tarring, but shall not exceed the sum of \$3,000 in any 1 mile. The various towns shall furnish all local road material, including rocks, sand, gravel, etc. and shall assume and pay any cost or damages arising from any change in location, grade or drainage.

Sec. 42-D. Limitation. 1945, c. 371, § 1. 1947, c. 329, § 3. No money from this fund shall be expended on the improved sections of any road which is a part of the federal aid, state aid, 3rd class or so-called CCC roads, as it is intended to apply only to the unimproved roads of the state; provided, however, that the above limitation shall not apply to the \$200 referred to in section 42-B. Any balance unexpended by the towns at the end of any fiscal year shall remain to their credit for use in any other fiscal year to carry out the purposes of sections 42-A to 42-F, inclusive,

Sec. 42-E. Purpose. 1945, c. 371, § 1. It shall be the intent and purpose of sections 42-A to 42-E, inclusive, to set up a fund and a method for more equal distribution of money for unimproved roads than can be had by the present blanket road resolve, so called.

Exhibit C (cont'd.)

Sec. 42-F. Definition. 1947, c. 329, § 4. As a basis for allocation and expenditure of funds set up under the provisions of sections 42-A to 42-E, inclusive, the term "unimproved roads" shall mean all town ways in each city, town or unorganized township, except the following:

1. Highways, streets and ways that have not been accepted by a city or town, or highways, streets and ways within the compact sections of cities or towns;
2. Roads which have been virtually abandoned and are not being maintained even though they may not have been legally discontinued; or
3. All improved sections of federal, state, state aid, 3rd class or so-called resolve highways.

Gifts of Real Estate

11.1 Occasionally the State of Maine is the recipient of real estate for public park use or other public purpose designated by the donor. At other times the state may be named in a will or deed as contingent beneficiary or ultimate beneficiary, or the testator may indicate a wish that the state receive property at some future date.

11.2 Two such cases have come to the writer's attention. The late governor, John F. Hill, intended his home and grounds in Augusta to go to the state, as his will plainly indicated. However, this intent was not carried out, as the donor apparently left a loophole in his will through which his intent could be thwarted.¹ It is possible that greater care on the part of the state might have brought about a different result, although it is not certain.

11.3 In another instance it seems that the state's claim is more definite. We refer to the Camp Benson area in Newport, where it appears that the state has title to certain properties if it wishes to press its claim. Whether the state should press such claims is always debatable.

11.4 It may be questioned whether the state has a clear policy on such matters, and perhaps a policy would be impossible to formulate. It would seem that the Attorney-General's office should always be active to protect the state's interests, and in case of any doubt should confer with the governor on the policy to be pursued.

1. Details on this case are on file and available to the Committee.

Annual Legislative Sessions

12.1 Of considerable current interest is the proposal that the Maine legislature return to the practice of annual sessions. "Return" is the correct word since the state had annual sessions from 1820 to 1880. Along with most other states, we abandoned the practice. At present only Arizona, Colorado, New York, Massachusetts, Michigan, California, Maryland, New Jersey, Rhode Island and South Carolina have annual sessions. In Maryland the even year sessions are limited to 30 days for passage of financial measures; the first of such sessions was held in 1950.

12.2 It should be kept in mind that the pros and cons of annual sessions vary considerably with the type of new session under consideration. Unlimited general sessions would open the door to all kinds of bills. A short session limited to fiscal matters in the even numbered years, as in Maryland, would be a lesser change.

12.3 The number of bills introduced in our legislature has been on the increase, and sessions consequently are longer. Sessions which used to end in March, then in April, nowadays drag into the month of May. The first session to last into May was that of 1947, and the experience was repeated in 1949 and 1951. It is the gradual increase in length of sessions that has prompted much of the demand for annual sessions. It should be noted that the May sessions have come when the legislature was struggling over taxation measures.

12.4 What advantages might we gain from annual sessions? Perhaps the greatest gain would come in financial planning, which is now on a three year basis and could thus be placed on a two-year basis. At present the departments must plan their biennial expenses nearly a year before the biennium begins, so that the money is not all spent until almost three years after the requests are made out. With the most careful estimates there is bound to be a large element of guesswork involved. In a period

of inflation the budget must be padded or shortages of funds are almost inevitable, but a padded budget invites slashing because there is no exact information available on which to defend the estimated effects of inflation. If the estimated needs are granted and inflation slows down or turns deflationwise, extravagance in spending may result. Planning expenditures for only two years ahead would allow more exact budgeting and closer legislative scrutiny of appropriations. Knowing that there would be a legislative session the following year might give the lawmakers more courage to pare requests. The executive department could also exercise stricter controls over spending without danger of doing serious damage to departmental programs, since possible legislative relief would never be far away.

12.42 Annual sessions might obviate the need for special sessions, or reduce their number.

12.43 Measures defeated under the biennial system must wait two years for another trial run, even though there may be a real need for speedier action.

12.44 Annual sessions would also allow full consideration for measures which may now need to be defeated because of the pressure of time.

12.45 Annual sessions should allow more careful drafting and amending and result in fewer errors and less need for revision in later sessions.

12.51 What would be the disadvantages of annual sessions? There would be greater legislative expense; how much greater would depend on factors such as legislators' pay, and the length of the annual sessions.

12.52 It might be harder to get good legislators than at present, although this argument is two-edged. Perhaps we need a four-year term for legislators, lessening campaign problems and expense.

12.53 Annual legislatures might tend to postpone decisions on vital matters, "passing the buck" to the next session.

12.54 Pressure groups would have a field day, say opponents of annual

sessions, who claim that such interest groups already have too much to say about our laws.

12.55 Office space, always at a premium in Augusta, is in shorter supply during a session of the legislature. The legislature and its staff forces many agencies to use makeshift quarters and to overcrowd regular offices. This reduces the efficiency of the agencies concerned, but cannot be helped until an adequate office building is available. Annual sessions would aggravate the problem in the meantime.

12.56 During a session there is a nervous tension among employees and department heads throughout the state service, a natural reaction due to doubts and fears as to legislative action which might reduce or alter departmental programs. When the session ends there is great relief, the legislative will is known for another two years, and departmental programs once adjusted to the new laws can go on without fear of interruption or drastic change until a new legislature arrives. Departmental decisions and planning for the future tend to be held in abeyance pending legislative adjournment. Annual sessions would give the departments little time to adjust between sessions.

12.57 Individual legislators and committees take up some of the time of administrative employees through requests for information which take precedence over other work. These requests range from simple oral questions to complex compilations. Department heads and their aides appear before the budget committee, the appropriations committee and other committees to defend fiscal requests or answer questions. The legislative chores of state agencies would not be doubled by annual sessions but they would increase somewhat.

12.58 After each session the state administration agencies must acquaint themselves with new laws pertaining to their activities; in some cases the statutes are complicated and involved. It takes time for a de-

partment to familiarize itself with the changes and place them in effect. Oftentimes new rules and regulations must be worked out to carry out the general purposes expressed in the statutes. Annual sessions open to general legislation would render departmental administration more difficult through more frequent changes in the laws governing their functions.

12.59 Closely related to the last point is the probability that annual sessions might lead to more detailed control of departmental activities. Dabbling in administrative details which could better be handled through departmental executives is a temptation which legislators do not always avoid now, and annual sessions might cause more interference in administrative matters. Again, this is a two-edged argument, since it can be said that lack of time in biennial sessions sometimes causes the legislature to act in general terms which delegate too much discretionary authority to the administrators.

12.60 Special sessions. There are no restrictions on special sessions in Maine. Under our constitution the governor may call a session when he wishes*. Once called, it may not be confined as to subject matter or time. From 1820 to 1880 inclusive, while annual sessions were the rule, there were only three special sessions and two adjourned sessions. The first special session, that of 1842, was also the longest of the three, lasting from May 18 to May 30.

After biennial sessions started in 1881 there was a one day adjourned session in 1883 and another of the same length in 1903. The first special session of the biennial period was called in 1912 and lasted from March 20 to April 6. Since then there has been a special session nearly every two years, or a total of 18 from 1912 to 1950. Only 5 have lasted more than 5 days, and 6 adjourned the day of meeting or the next day. Seven sessions ran from 3 to 5 days each. Several of the special sessions

* "He may, on extraordinary occasions, convene the legislature....."

have been called to ratify a revision of the statutes, usually a brief and perfunctory procedure. So long as special sessions are available to the governor without limitation except his own judgment as to what is an "extraordinary occasion", and since special sessions have been brief in duration, it may be said that annual sessions are not essential.

12.61 It is also possible that sessions can be shortened through such devices as a longer legislative work week, if that is preferred to a long session, or stricter enforcement of the deadline for introduction of measures, or other procedural devices.

12.62 Finally, it is said that Maine is too small to need annual sessions, which might be necessary in a state having a large amount of business such as Massachusetts or New York.

12.7 Conclusion. Which side of the argument is stronger? Would Maine gain from annual sessions? It is the writer's opinion that: (1) unlimited annual sessions would do more harm than good, (2) it is about an even proposition as to whether short fiscal sessions should be set up in even-numbered years.

Why have "Lame Duck" Governors?

13.1 The occasional resignation of a governor near the end of his term of office to accept a seat in Congress does not create a serious crisis in Maine government. If it were the only problem generated by the four month gap between the state election in September and the inauguration of a governor and the convening of a legislature the following January, it could be disregarded.

13.2 There are other problems caused by the four month lag which seem to the writer to warrant consideration. After a September election in presidential election years we usually have a new governor-elect. To keep the "old" governor in office for four months after the election is an anti-climax. His political power and prestige as governor are practically nil, but he must nevertheless go through a round of duties and carry on the pretense of governing no matter how anxious he may be to enter business, take up his political duties elsewhere, or at least enjoy a breathing spell.

13.3 Upon the governor-elect falls the mantle of unofficial power immediately after the election. He must spend many hours on gubernatorial duties, in order to prepare for the orderly transition of administrations. Particularly is he concerned with the budget which he must present to the incoming legislature, and in the making of this new budget he has a hand through participation in budget hearings in October and consultations with the budget officer and some of the department heads. Certain department heads believe the governor-elect should spend even more time on the budget, holding personal conferences with all department heads on budgetary matters.

13.4 During the transition period the heads of major agencies are serving both the incoming and outgoing administrations, with some attendant division of attention and a certain amount of strain.

13.5 It should be noted that we are ahead of the national government in at least one respect in transition periods - our governor-elect prepares

and submits the budget to the incoming legislature whereas in the national government the outgoing administration goes through the farcical procedure of preparing and submitting a budget for its successor. On the other hand, we have a four months lag whereas there is only a ten week period in the federal system between election and inauguration.

13.6 The writer suggests two changes which he believes would bring better administration and smoother transitions between administrations in the state government.

13.61 Eliminate the September election. Often suggested as a means of saving on election costs and lightening the voters' burdens, this move would also shorten the gap between administrations by a whole month. Retention of the extra election, making three state elections in presidential years, cannot be justified except for its doubtful value as a partisan measure.

13.62 Inaugurate the governor December 1. The outgoing governor would have nearly a month to clean up and clear out, and the incoming governor would have the same amount of time to acquaint himself with state affairs before assuming full responsibility. The new governor would not be required to assume duties and expenses he now assumes four months before he takes office.

13.7 The legislature under this plan would also take office on December 1, but would not meet until January unless a special session should be necessary. If a special session should be called between the September election and January under the present plan it would be a "lame duck" session, containing defeated and retiring members in large numbers.

13.8 The two proposals above outlined would require constitutional amendments to make them effective. Statutory provisions concerning the budget procedure would also need adjustment.

Fiscal Tables

Note on Tables

Source. Tables 1, 2, 3, 5, 6, 7, were derived from materials found in: The Tax Foundation, Facts and Figures on Government Finance, 1952-53, New York, 1952. Table 4 was derived from material in: Council of State Governments, Washington Legislative Bulletin, #107, December 15, 1952, Washington, D.C. Table 8 was taken from the Bulletin, #108, January, 1952.

Interpretation. Various conclusions, all of which need caution and qualifications, may be drawn from these tables. In order to discover the origin of the figures and method of computation it is necessary to consult the sources cited above.

As an example of use of the tables, we may say that Table 4 shows that the "income" of Maine people increased 6.9% in buying power from 1942 to 1950, while the cost of state government increased 24.2% in the same period.

Table 1

Total Governmental Expenditures and Gross National Product (calendar years).

Gross product (millions of dollars)		Total	Expenditures	
			Federal	State and Local
1929	103,828	10,220	2,648	7,572
	% of Nat'l Product	9.8	2.6	7.3
1933	55,760	10,600	3,983	6,617
	%	19.	7.1	11.9
	329,232	79,490	57,751	21,739
	%	24.1	17.5	6.6

Table 2

Cost of Living and Purchasing Power of the Dollar
(1935-39 = 100)

Date (calendar year)	Consumer's Price	Purchasing Power of Dollar
1920	143.3	69.8
1930	119.4	83.8
1933	92.4	108.2
1940	100.2	99.8
1941	105.2	95.1
1942	116.6	85.8
1949	170.2	58.8
1951	185.6	53.9
1952 (6 mo.)	188.7	53.

Table 3

Income Payments to Individuals - Maine and U.S.
(calendar years)

	1929	1933	1941	1945	1951
Maine {					
millions of dollars	\$149	297	505	867	1,182
per capita dollars	\$566	364	569	1,049	1,298
U.S. {					
millions of dollars	\$82,617	46,273	92,269	157,190	242,947
per capita dollars	\$ 680	368	693	1,191	1,584

Table 4

Total Income Payments and Cost of Government, Maine and all States,
in Current and Constant Dollars 1942 and 1950.

(Dollar figures in millions of dollars)

		Total Income Payments		Percent Change	Cost of State Government Fiscal Years		Percent Change	Percent Cost to Total Income	
		1942	1950	1942-1950	1942	1950	1942-1950	1942	1950
Maine	current	680	1,083	59.3	40	74	85.	5.9	6.8
	constant	565	604	6.9	33	41	24.2		
All States	current	115,936	215,600	86.	5,821	13,183	126.5	5.	6.1
	constant	96,343	120,305	24.9	4,837	7,356	52.1		

Above figures include unemployment compensation and debt retirement

Table 5

Federal, State and Local Tax Receipts , 1941-52.

(Fiscal Years - Billions of Dollars)

	1941	1951	1952
Local	4.7	8.6	9.4
State	3.6	8.9	9.8
Federal	<u>6.9</u>	<u>46.</u>	<u>60.</u>
Total	15.2	63.6	78.9

Table 6

State of Maine Tax Collections, 1939-52

(Fiscal Years; Includes Unemployment Compensation)

	1939	1941	1945	1951	1952
Thousands of dollars	\$23,783	27,562	30,180	49,956	63,570 (preliminary)
Per Capita	\$ 28.21	32.54	37.87	54.90	71.27

Table 7

Local Tax Collections, Maine and U.S., 1942-49.

(Millions of dollars; fiscal years)

	1942	1945	1946	1947	1948	1949
Maine	30.4	31.1	35.	38.3	38.9	39.1
U.S.	4,556.6					7,224.2

Table 8

Federal Grants to Maine, 1931-1951.

(Fiscal years)

	1931	1941	1951
Dollars	\$2,030,254	4,389,922	16,531,489
Per capita	\$ 2.55	5.18	18.09
Rank	19	24	20

	<u>1951</u>	
	<u>Per Capita</u>	<u>Rank</u>
New Hampshire	16.48	23
Vermont	16.08	26
Massachusetts	19.13	17.5
Connecticut	10.84	41
Rhode Island	14.98	33
Wyoming	49.07	1
New Jersey	7.06	48

A Department of Conservation?

14.

Following the trend in nineteen of the twenty states having Departments of Conservation and Development, it is recommended that consideration be given to establishment of such a Department in Maine, which would include the first four listed below at the outset, later adding the others named.

Forestry	Parks, Monuments and Historical Sites
Fish and Game	Geologist
Sea and Shore Fisheries	Water Resources
Atlantic Sea Run Salmon	Development Commission

To quote from a recent Maryland report: "The lines dividing the different natural resources are a product of the human mind; they are purely imaginary. For instance, the problem of preserving fish in a stream cannot be separated from the problem of protecting ground water supplies, the forests along the stream and the soil in adjacent fields. Again, if a state supports numerous conservation agencies, it is inevitable that their strength will be divided and that some will be unable to secure an equitable share in the biennial appropriation of funds. Moreover, if a state divides its conservation efforts among numerous, independent departments, these efforts may be nullified by a number of conflicting policies, each too weak to command public support. Finally, where a state dissipates its authority among a number of related but independent departments, the public is frequently at a loss to know where a given responsibility lies and to whom it should address either its commendations or its complaints."

Following interviews with Commissioners Dow, Nutting and Cobb, certain inferences and conclusions may be drawn, even without conferences with the last four Departments above mentioned.

Co-operation between Departments. It seems significant that the two Department heads involved give high praise to the present co-

operation between Fish and Game and Forestry. Phrases such as "the last two years" or "recently" or "within my personal experience" were to be noted as expressions of both Commissioners. Thus it may be presumed that such a high degree of co-operation has not always existed between the Departments. Is it, therefore, not logical to assume that, under the present system but with different department heads, there could be a lapse to less co-operation or even absolute failure to recognize the interdependence of the two Departments in dealing with common problems?

Both Forestry and Fish and Game now have no authority whatever in State Parks, and it appears that the work of both Departments would be more efficient if State Parks could be designated by the Legislature as "management areas" for conservation purposes in both forestation and control of fish and game.

As far as Inland Fish and Game and Sea and Shore Fisheries are concerned, there appears to be a complete absence of any kind of relationship. Both Commissioners appeared anxious to emphasize the fact there were no common problems, both giving as a reason that Sea and Shore Fisheries interests were predominantly "commercial." Granted that the sea products are mostly marketed as food. The distinction becomes somewhat less valid when the activities of the Inland Fish and Game group are viewed realistically. While the inland fishing and hunting may be properly labeled "recreational" in nature, and possibly more "sport for sport's sake," it cannot be denied that there is a distinctly monetary aspect involved in the fishing and hunting license fees and in quite a portion of the tourist or vacationist business which the Maine Development Commission seems to regard as having definite "dollar" value. While agreeing that neither Department could or should become subordinate to the other, it appears quite possible that, on further study, both would be involved to some extent in a number of kindred matters of policy.

Personnel. The wardens in both Fish and Game and Sea and Shore Fisheries are selected by the respective Commissioners after competitive oral or written examinations, subject to the approval of the Governor and Council. They are not subject to the Department of Personnel. Why these two Departments should not be under Personnel regulations was not made clear, although it was contended that special qualifications are desirable for wardens. But this is also true of many positions in other Departments which now are required by law to be filled through the Department of Personnel. Apparently neither Commissioner would raise strenuous objections to having his Department placed on an equal basis with the rest of the State employees.

Pollution. It is obvious that this is a serious problem relating to both inland streams and marine waters. Here Water Resources might be involved but there was no opportunity to pursue the subject further.

Finances. Superficial study on the part of the members of the sub-committee tends to indicate economies may be effected but probably not in sufficient volume to be the compelling reason for creating a Department of Conservation. An analysis and discussion of certain items in the financial reports of all three Departments would be desirable for information and explanation if careful consideration is to be given their affairs.

Possible Policies. It appears that the Forestry tax is now allocated solely for fire work. It is suggested that there would be possible advantages to having part of the tax assigned to pest control. It is conceded that research is ably handled by the Federal agencies already operating laboratories for that purpose.

It seems desirable that laws be strengthened (after an education program admittedly necessary) relating to the management of forests, in giving aid (with some authority to enforce recommendations) as to what, when and where to cut and where to market lumber. (Mr. Chase, in connec-

tion with the Legislative Research Committee, has drawn up a tentative draft for a State Policy on Conservation in cutting lumber.)

The foregoing report is not intended to be either complete or conclusive, but the information at hand coupled with fairly strong inference and implications would indicate that we should recommend exploration of more related areas with a view to a thorough study of the possibilities of a proposed Department of Conservation and Development of Natural Resources.

12/2/52

Citizens' State Government Committee
Sub-Committee on Conservation
Mrs. Edward Birkenwald, Chairman
Mr. Walter Breckenridge
Mr. Charles White