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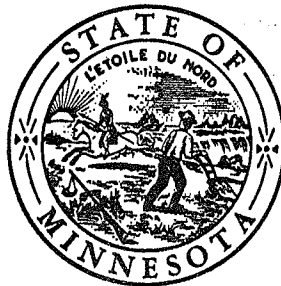
GOVERNMENTAL REORGANIZATION

A Special Message

By

Governor Orville L. Freeman

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STATE OF MINNESOTA



Delivered to a Joint Session of the
Minnesota Legislature

February 25, 1955

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GOVERNMENTAL REORGANIZATION

A Special Message by

Governor Orville L. Freeman

February 25, 1955

Mr. Speaker, Mr. President, and Members of the 59th Session of the
Minnesota Legislature:

I am privileged today to lay before you a proposal for improving and strengthening the administrative machinery of our state government, and I am grateful for your courtesy in permitting me to present this message in person before a joint session. In my earlier messages I indicated that, after consulting appropriate legislative and administrative leaders, I would submit a reorganization plan aimed at achieving greater economy and efficiency in the operation of our state services.

I regret it was not possible to present this proposal sooner, but it was essential that I first consult those with special competence in this field, and, in particular, the administrative officials who would be affected by the proposal. This was necessary to enable me to obtain the information upon which detailed recommendations could be based. This has now been accomplished, and, as a result, I am confident that my proposals are thoroughly sound and workable.

Working with the Department of Administration, I began developing the plan shortly after my election in November. We met with groups of legislators, both

conservative and liberal, and, also, with public leaders who have long been interested in this problem. After re-examining the findings of numerous studies, we evolved a plan which I believe makes careful and judicious use of many constructive proposals previously advanced by public and private research organizations.

While I would have preferred to submit the proposal before this, there is still ample time for your careful and thorough consideration. I am sure, in view of the widespread interest in this problem, that the public will appreciate our giving this important matter a high priority.

1. Introductory

As government becomes more and more complex, the need for periodic readjustment of administrative machinery becomes increasingly more important. The mounting cost of government demands that we do everything possible to eliminate waste or confusion or extravagance. We must establish a rational organizational structure based on functional groupings which will permit sound co-ordination, control, integration, and planning.

We must insist that everyone who serves the public is competent for his assigned tasks, that he performs his functions in the most economical fashion, and that he is at all times strictly accountable for his administrative performance.

My proposal is designed with these objectives in mind. Its adoption, I am convinced, will bolster the two central pillars of a strong democratic government -- administrative responsibility, and political accountability.

The necessity for reorganization has been recognized for many years. At the national level we have had the monumental study of the Federal Commission on Organization of the Executive Branch, more popularly known as the Hoover Commission. In giving effect to the Commission's work, Congress empowered the President to initiate reorganization plans which would take effect if not disapproved by Congress within 60 days of their promulgation. The use of this unusual procedure is evidence of the seriousness with which Congress regards this problem. To date, nearly 200

separate recommendations have been adopted bringing savings of hundreds of millions of dollars.

Similarly, the Council of State Governments reports that in many states there have been substantial reorganizations. Efficiency and economy have resulted wherever reorganization has been accomplished.

Reorganization is not new to Minnesota. Since the adoption of our Constitution in 1858 we have had several major revisions, the most recent of which was the Reorganization Act of 1939, which created the Department of Administration as we know it today and inaugurated central budgetary controls. Our civil service system was also established that year.

Despite the advance made in 1939, the need for further improvement cannot be denied, and has, in fact, been recognized repeatedly by this legislature. For example, in 1945 an interim committee made this statement:

"Too many governmental agencies have been created in Minnesota, many without serious thought given to the problem of organization. The governor, being the political leader of his party, the ceremonial head of the government as well as the chief executive, rarely finds enough hours in a day to give consideration to the multitude of problems presented to him by these agencies.... A state government the size of Minnesota needs only a limited number of major departments. Too many agencies hamper administrative control, impair efficiency of service to the public, and create duplication of plant, equipment and effort, and consequently waste of taxpayers' money. A remedy for this problem is consolidation of all related activities in a few major departments."

Two sessions ago the Little Hoover Commission reported to this body that there are 105 agencies in the executive branch, consisting of 35 major administrative departments and elective offices, 58 boards, commissions, and committees, and 12 semi-official agencies. Most of these agencies are either directly or indirectly the responsibility of the Governor. It is, of course, obvious that no administrator can maintain lines of communication with this number of agencies.

The central feature of my proposal is, therefore, the regrouping of many agencies into a small number of major departments, headed by single administrators responsible to the Governor. These administrators would constitute a small cabinet

of top officials to serve in a fashion similar to the President's cabinet. As it is now, when department heads come together, we are a veritable mass meeting. My proposal is aimed at strengthening both the legislative and executive branches of our government by giving to each firmer and more identifiable control over its appropriate functions. It will, I am confident, greatly facilitate execution of our respective responsibilities.

I know that this subject is fraught with controversy. Everyone who studies the problem agrees that reorganization is necessary, but not everyone supports the same solution. In developing this plan, we heard many constructive suggestions and attempted to consider them without personal or partisan prejudice. Our only concern has been the application of sound principles of administration. The fact that the plan sharply reduces the appointive power of the Governor is evidence of our sincerity on this point.

II. Guiding Principles of Reorganization

I should like now to set forth the principles that guided us in developing this plan, which, as you will see, is neither novel nor in any sense extreme. It makes selective use of the findings of many recent studies, in particular the 1950 Little Hoover Commission Report. My proposal, however, differs from the Little Hoover program in many particulars. Furthermore, my plan deals only with administrative structure and procedure and does not alter existing functions.

Common to all reorganization studies are administrative principles that are well known to management authorities, both public and private, and upon which we have based our recommendations.

First, there should be a small number of departments organized by function. Effective administration demands that the many functions of government be logically and systematically grouped and that the number of independently operating units be kept as few in number as possible. Consolidation will help to eliminate overlapping

and duplication. At the same time it will fix responsibility and will enable the Governor to perform his proper functions of co-ordination and direction.

Second, lines of administrative authority should be clear and definite.

In the welter of boards, commissions, departments, and divisions -- all holding more or less equal authority in relationship to the Governor and to each other -- it is often difficult, if not impossible, to follow the lines of administrative authority.

I have, therefore, attempted to define clear lines of authority from the Governor and the Executive Council at the top through the commissioners of the major departments. The objective here is to make the Governor a chief executive in fact as well as in theory.

Third, the staff or "housekeeping" functions should be centralized and integrated and should be directly responsible to the Governor. Certain administrative functions are common to all operations. These provide the personnel, the money, and the materials for the "line" or operating departments. Management of the housekeeping functions is the central administrative problem of any government. My proposal, therefore, calls for integrating the related functions of personnel, budgeting, accounting, purchasing, and planning.

Fourth, boards and commissions should be retained only for functions that cannot be properly directed by a single executive. In administration, as you know, there are matters that require administrative discretion that are of a quasi-legislative character, such as the setting of rates and the promulgation of rules. There are other matters requiring discretion of a quasi-judicial nature, such as the determination of benefits and the settlements of claims. It is proper that such matters be under the control of commissions that are independent of the Governor. However, it is a common experience that administration of operating agencies by board tends toward indecision, inefficiency, and diffusion of responsibility, thus impairing the administrative process. I have, therefore, followed the principle

of retaining commissions only where they are required for quasi-legislative and quasi-judicial functions, and of assigning the purely housekeeping aspect of their work to one of the major operating departments.

Fifth, the post-audit which checks on the financial regularity of the administration should be independent of the Governor. Under present arrangements, the books of the state government are audited by the Public Examiner, who is appointed by and responsible to the Governor. This means that the Governor's own appointee audits the Governor's books. It is basic to any system of accounting that the auditor should be independent of and not subject to the control of the person whose books he checks. In state government, therefore, the post-auditor should be responsible either to the Legislature or directly to the public. I propose, therefore, that the post-audit function be assigned to our elected State Auditor. As an elected official answerable to the public, it is appropriate that he be given this major responsibility.

The application of these principles will become clear as we turn to the details of the proposal.

III. The Plan of Reorganization

This entire proposal is developed within the framework of our existing State Constitution and can be accomplished by legislative action.

I wish to emphasize again that the plan makes no change in present functions. It simply regroups existing functions in a fashion that will provide greater clarity, better service to the public, better co-ordination and control of the executive branch, and more efficient operation at lower cost.

The large fold-out chart in this message depicts the present organization of our state government, with a numbering system showing the recommended location of functions. A second chart presents the over-all administrative structure as provided by the proposed reorganization.

PRESENT ORGANIZATION STATE of MINNESOTA

ELECTIVE OFFICIALS

ATTORNEY GENERAL

SECRETARY OF STATE

GOVERNOR

STATE AUDITOR

STATE TREASURER

R.R. & WHSE. COMM.

(15)

(4 & 5)

ADMINISTRATIVE DEPARTMENTS

ADMINISTRATION (2)

ADJUTANT GENERAL (2)

AERONAUTICS (5)

AGRICULTURE (2)

BANKING (5)

BUS. RESEARCH & DEVELOPMENT (5)

CIVIL DEFENSE (2)

CONSERVATION (2)

CRIMINAL APPREHENSION (13)

EMPLOYMENT & SECURITY (9)

HIGHWAYS (2)

INSURANCE (5)

I.R.R.R. (5)

LABOR CONCILIATOR (9)

LIQUOR CONTROL (5)+(10)

PUBLIC EXAMINER (14)

PUBLIC WELFARE (2)

SECURITIES (5)

SURVEYOR GENERAL (6)

TAXATION (2)

VETERANS AFFAIRS (11)

ADMINISTRATIVE BOARDS

ARCHIVES COMMISSION (3)

ARMORY BLDG. COMM. (17)

GOVERNORS INTER-COMM. (17)

BOARD OF EDUCATION (2)

BOARD OF HEALTH (7)

CIVIL SERVICE BOARD (3)

COMP. INSUR. BOARD (5)

INDUSTRIAL COMMISSION (9)

LIVESTOCK SAN. BOARD (4)

METRO. AIRPORT COMMISSION (17)

PAROLE BOARD (11)

POULTRY IMPROV. BOARD (4)

SOIL CONS. COMMITTEE (4)

SOLDIERS HOME BOARD (11)

STATE VETS BLDG. COMM. (1)

TEACHERS COLLEGE BOARD (2)

WATER POLL CONT. COMM. (17)

YOUTH CONS. COMMISSION (11)

POLICY BOARDS, COMMISSIONS & COMMITTEES

ALLOTMENT BOARD (1)

COM. ON INTER-STATE COOP. (16)

EQUAL. AID REVIEW COMM. (17)

EXECUTIVE COUNCIL (1)

GEOGRAPHIC BOARD (6)

GRAIN APPEAL BOARD (5)

GREAT LAKES TIDE. COMM. (5)

HIGHWAY PATROL RETIRE. ASSN. (3)

HIST. SITES & MARKERS COMM. (8)

INVESTMENT BOARD (1)

LAND EXCHANGE COMMISSION (1)

LAND USE COMMISSION (12)

PARDON BOARD (17)

PUB. EMPLOYEES RETIRE. ASSN. (17)

PUBLICATION BOARD (1)

S.D. MINN. BOUND. WATERS COMM. (16)

STATE CANVASSING BD. (17)

STATE EMPLOYEE RET. ASSN. (3)

STATE MAPPING ADVISORY BD. (17)

TEACHERS RET. ASSN. (17)

TAX APPEALS BD. (10)

TRI-STATE WATERS COMM. (12)

UNIFORM STATE LAWS COMM. (16)

UPPER MISS. ST. CROYX IMP. COMM. (5)

VOTING MACH. COMM. (1)

DISASTER RELIEF COMM. (1)

STATE EMP. INSUR. BD. (3)

EXAMINING & LICENSING BOARDS

(NOT INCLUDED IN REORGANIZATION)

ACCOUNTANCY

ARCH. ENGR. SURVEYORS

ATHLETIC COMMISSION

BARBER EXAMINERS

BASIC SCIENCES

CHIROPODY EXAMINERS

CHIROPRACTIC EXAMINERS

DENTAL EXAMINERS

ELECTRICITY BOARD

HAIRDRESSING & BEAUTY CULTURE

LAW EXAMINERS

MEDICAL EXAMINERS

NURSES

OPTOMETRY

OSTEOPATHY

PHARMACY

PSYCHOLOGISTS

VETERINARY

WATCH MAKING

INDEPENDENT OR SEMI-STATE AGENCIES

(PARTIALLY SUPPORTED BY STATE-NOT IN REORGANIZATION)

CROP IMPROV. ASSN.

D. A. V.

LIVESTOCK BREEDERS

MINN. SAFETY COUNCIL

MINN. SHEEP GROWERS

R.R. VALLEY LIVESTOCK

R.R. VALLEY DAIRYMEN

SOC. PREV. OF CRUELTY

SPANISH WAR VETS.

STATE AGRI. SOC.

STATE ART. SOCIETY

STATE HIST. SOCIETY

STATE HORT. SOCIETY

V. F. W.

Legend: NUMBERS INDICATE LOCATION OF ADMINISTRATIVE FUNCTIONS UNDER PROPOSED PLAN

1 EXECUTIVE COUNCIL

2 MAJOR DEPT. RETAINED

3 ADMINISTRATION

4 AGRICULTURE

5 COMMERCE

6 CONSERVATION

7 HEALTH

8 HIGHWAYS

9 LABOR

10 REVENUE

11 WELFARE

12 NON-OPERATING

13 ATTORNEY GENERAL

14 STATE AUDITOR

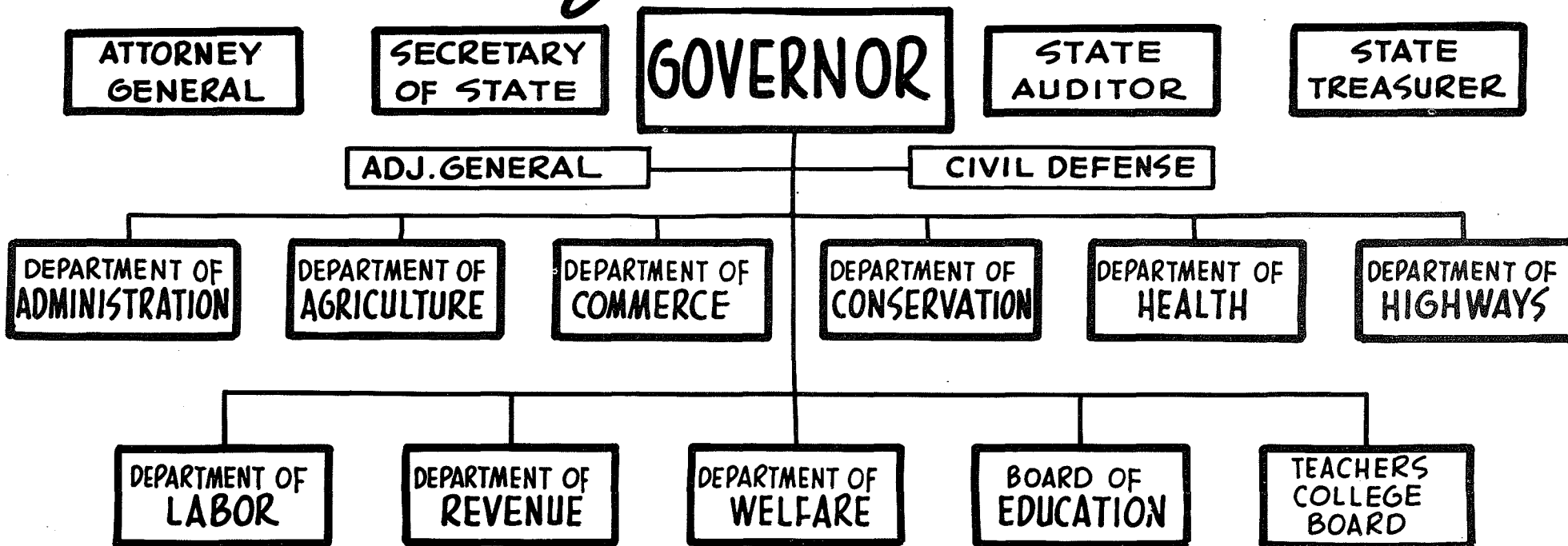
15 DUTIES OF PUBLIC EXAMINER

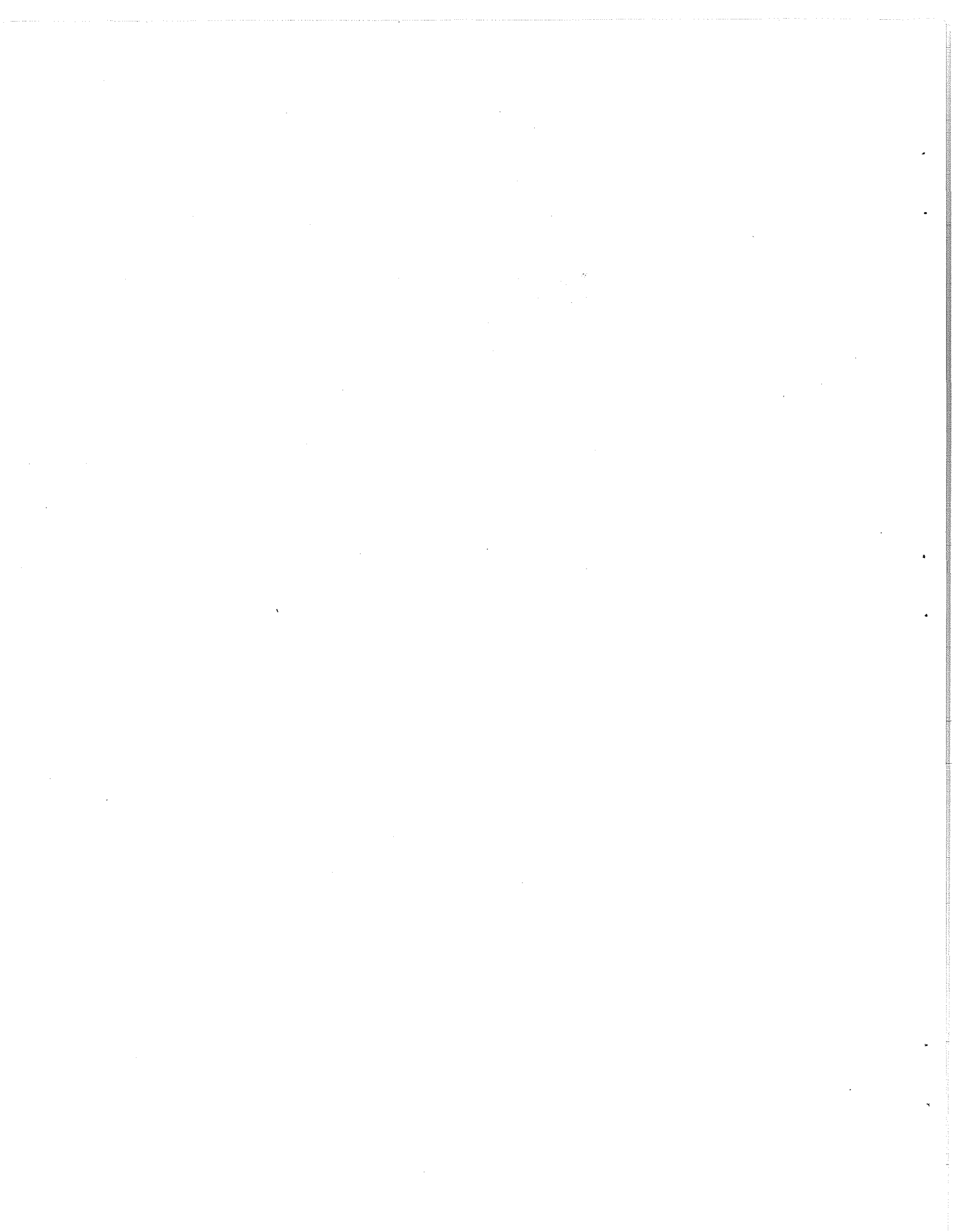
16 RETAIN... INTER-STATE FUNCTION

17 RETAIN... MISCELLANEOUS

State of Minnesota

PROPOSED REORGANIZATION





You will note on the large chart the profusion of agencies under the present organization. The recommended plan attempts, as you will observe, to regroup many of these agencies into the major departments shown on the second chart.

At the top of the administrative pyramid are the Governor and the Executive Council, which is made up of the Governor, Attorney General, Secretary of State, State Auditor, and State Treasurer. It is my thought that the Executive Council ought appropriately to have responsibility for approving all rules and regulations which have the force and effect of law. In addition to its present functions, it would have transferred to it functions now performed by the Allotment Board, the Disaster Relief Commission, the Investment Board, the Land Exchange Commission, the Publication Board, the State Veterans Service Building Commission, and the Voting Machine Commission.

The Governor

The legal position of the Governor is not greatly modified by my proposal. The number of persons he appoints is greatly reduced, but his administrative responsibility remains unchanged. The most significant way in which the Office of the Governor is affected is by the tightening of the lines of executive control and by eliminating much of the present diffusion of administrative responsibility.

Attorney General

The position of Attorney General remains unchanged, with one important exception, the transfer of the appointment of the Superintendent of the Bureau of Criminal Apprehension from the Governor to the Attorney General. The Attorney General is now responsible for the functioning of this agency and ought also to have the related appointing authority.

Secretary of State

One significant change affects the Secretary of State, the transfer of chauffeur licensing to the Highway Department. This will make possible the consolidation of the driver and chauffeur licensing, now separately performed.

State Auditor

As already indicated, the State Auditor becomes the post-auditor, assuming the functions now performed by the Public Examiner. His present duties of pre-audit and accounting are transferred to the Department of Administration. These changes will greatly enhance the role of the State Auditor, giving him the highly important responsibility of protecting the public interest.

State Treasurer

Two significant changes affect the State Treasurer. With responsibility for investments transferred to the Executive Council, he is given supervision over the investment function. The other change is the transfer of the sale of liquor stamps to the Department of Revenue.

Railroad and Warehouse Commission

The Railroad and Warehouse Commission, consisting of three elected members chosen on the basis of party designation for six-year overlapping terms, has important administrative and quasi-legislative functions. My proposal abolishes the Commission as an elective agency, but continues its rate-making functions in a new Public Utilities Commission also having three members with six-year overlapping terms. Railroad and Warehouse Commission incumbents would be continued on the new commission until their terms expire. Their successors would be appointed by the Governor.

Quasi-Judicial and Quasi-Legislative Commissions

As already indicated, certain commissions whose functions are quasi-judicial or quasi-legislative are retained. In each case, the housekeeping functions are assigned to one of the major departments. The commissions proposed and the departments to which they would be attached for housekeeping purposes are as follows:

Civil Service Commission, Department of Administration
Financial Control Commission, Department of Commerce
Industrial Commission, Department of Labor
Public Utilities Commission, Department of Commerce
Tax Appeals Commission, Department of Revenue

The Major Departments

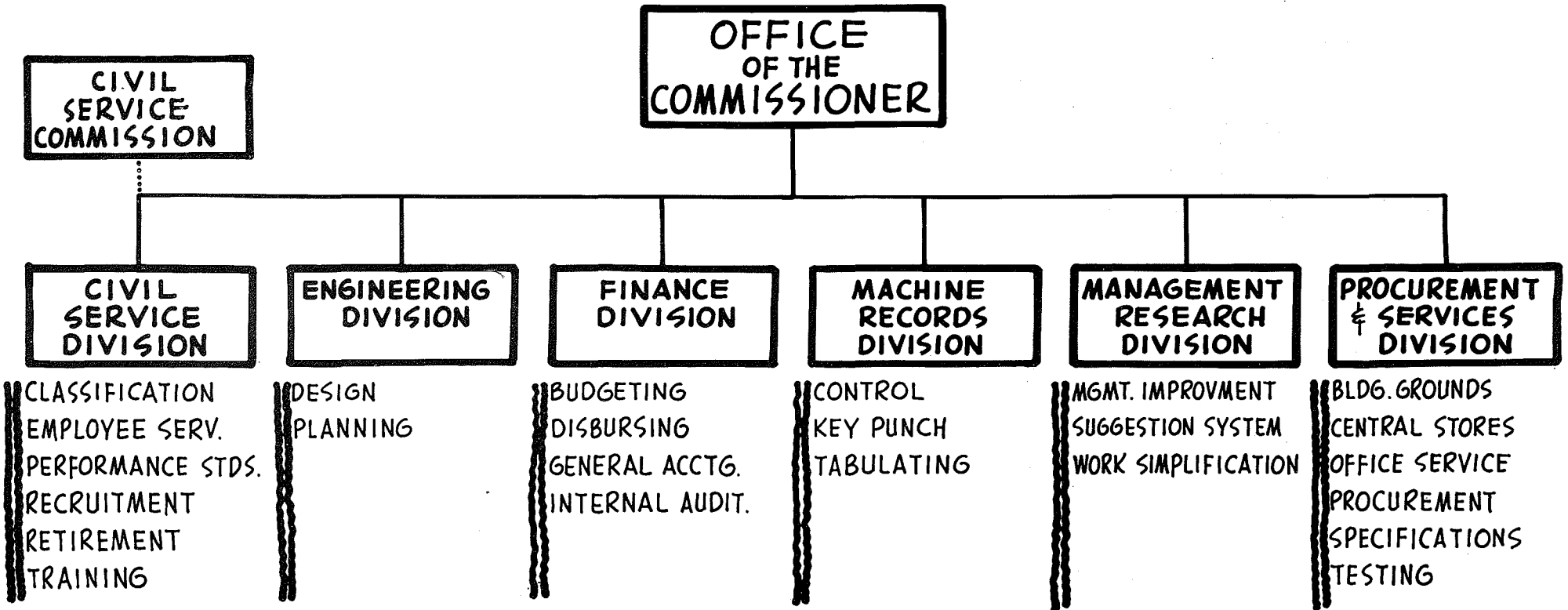
The charts that follow indicate how the functions assigned particular departments would be grouped by divisions.

Two points should be noted with respect to departmental administration:

- (1) The terms of all commissioners will be made co-terminous with the Governor except that the incumbents will serve out their terms.
- (2) There will be a sharp reduction in the number of personnel in the unclassified service. It is contemplated that only the commissioner, his deputy, and one private secretary will be in the unclassified service. With certain exceptions to be noted, all others, including division directors, will be under civil service.

I proceed now to consider the major departments proposed under this plan.

DEPARTMENT OF ADMINISTRATION

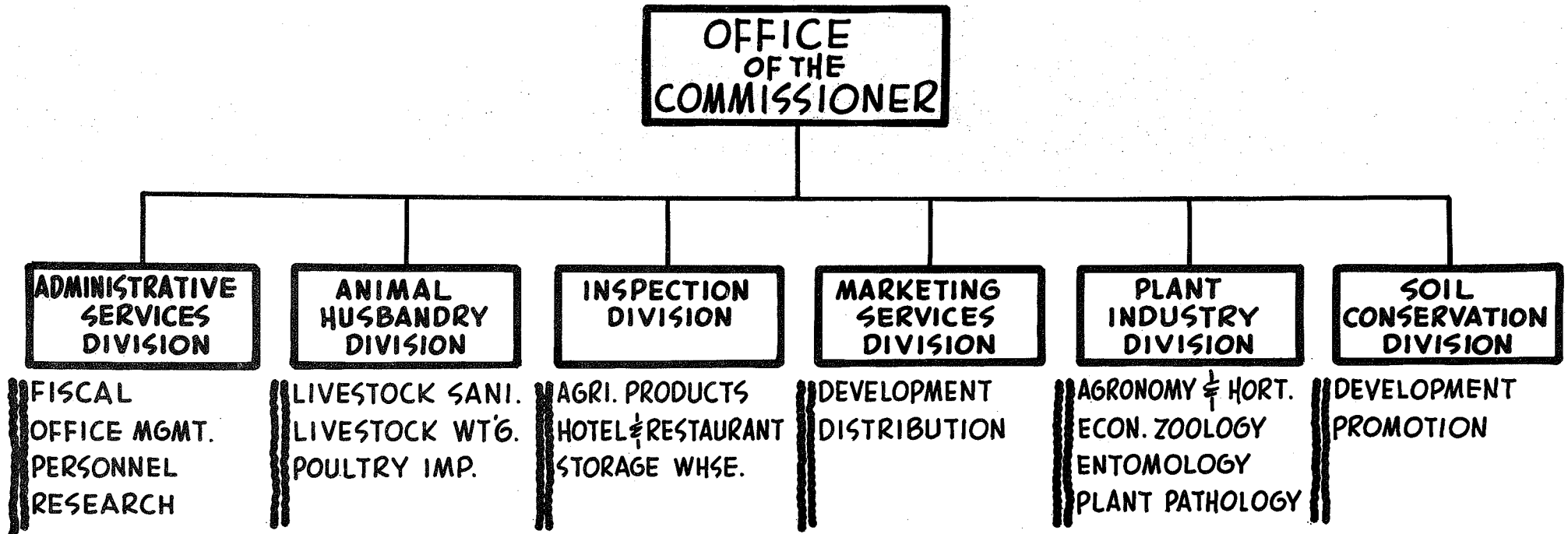


Department of Administration

The Department of Administration is the center of the administrative process of our state. The Commissioner of Administration acts for the Governor in many relationships with other department heads and advises the Governor on matters of organization, administration, and finance. He also performs vital staff services for the operating departments. In order that he may effectively execute these responsibilities, and have readily accessible the information on which to base intelligent forecasting, planning, and budgeting, his office should be strengthened by having the following functions:

- (1) The secretariat for the Executive Council.
- (2) The pre-audit and accounting functions now performed by the State Auditor.
- (3) Central payrolling and disbursing functions.
- (4) Management of public records, with appropriate safeguard against destruction of valuable records.
- (5) The housekeeping services for the retirement funds now serving state employees, subject to policies determined by their respective boards.
- (6) Administration of the Civil Service program. Later in this message I will say a further word about the problem of Civil Service.

DEPARTMENT OF AGRICULTURE

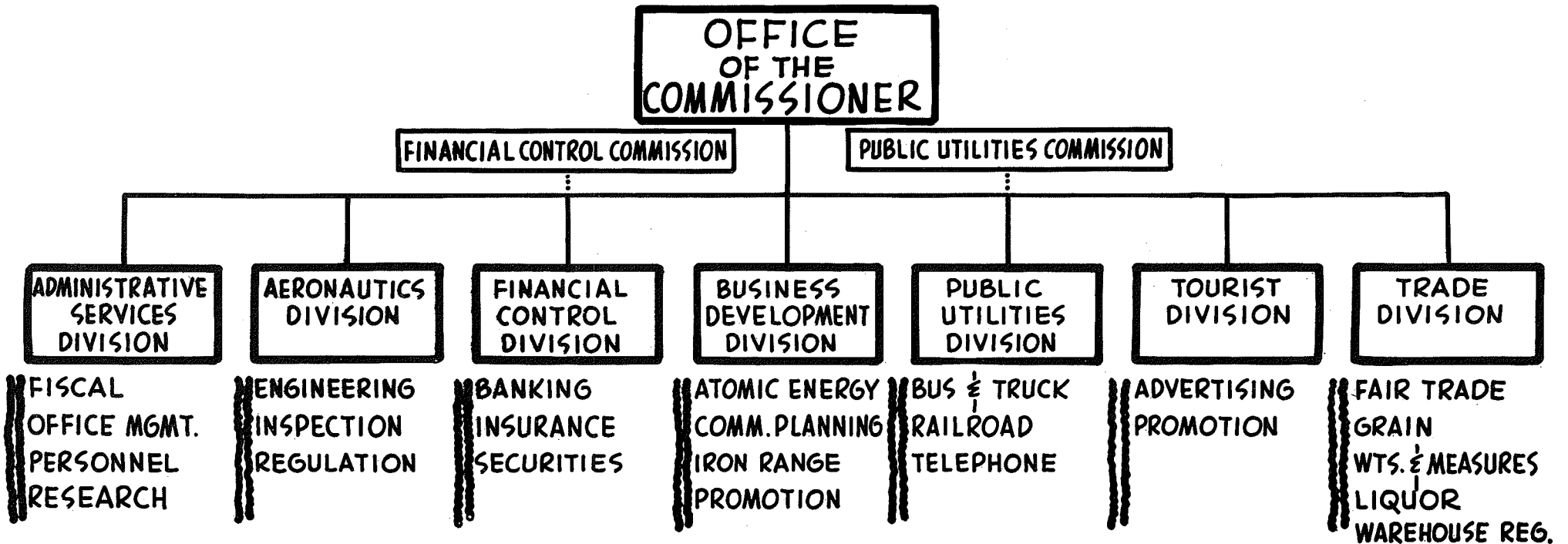


Department of Agriculture

Functions intended to assist and regulate the state's agricultural industry ought to be coordinated in the Department of Agriculture. To accomplish this, the reorganization plan:

- (1) Transfers the Livestock Sanitary and Poultry Improvement Boards to Agriculture.
- (2) Transfers from the Railroad and Warehouse Commission to Agriculture the livestock weighing and livestock buyers and dealers licensing.
- (3) Establishes the Soil Conservation Committee as advisory rather than administrative and transfers its powers to Agriculture.
- (4) Transfers from the Department of Health to Agriculture the hotel, sanitary and other health inspections, permitting consolidation of similar inspectional services now performed by the state.
- (5) Shortens the Department's name from Department of Agriculture, Dairy, and Food to Department of Agriculture.

DEPARTMENT OF COMMERCE



Department of Commerce

The need for reorganization is perhaps most apparent in the field of Commerce. The establishment of a new Department will, I believe, greatly assist the development of programs to stimulate business and industrial expansion.

Reorganization of this and the related fields of agriculture and labor will improve our opportunity for making the most effective use of all our resources, both natural and human. In particular, it will permit us to concentrate on the most potentially productive expansion areas.

In this field, the plan calls for:

(1) Establishing a Department of Commerce embracing functions now performed by:

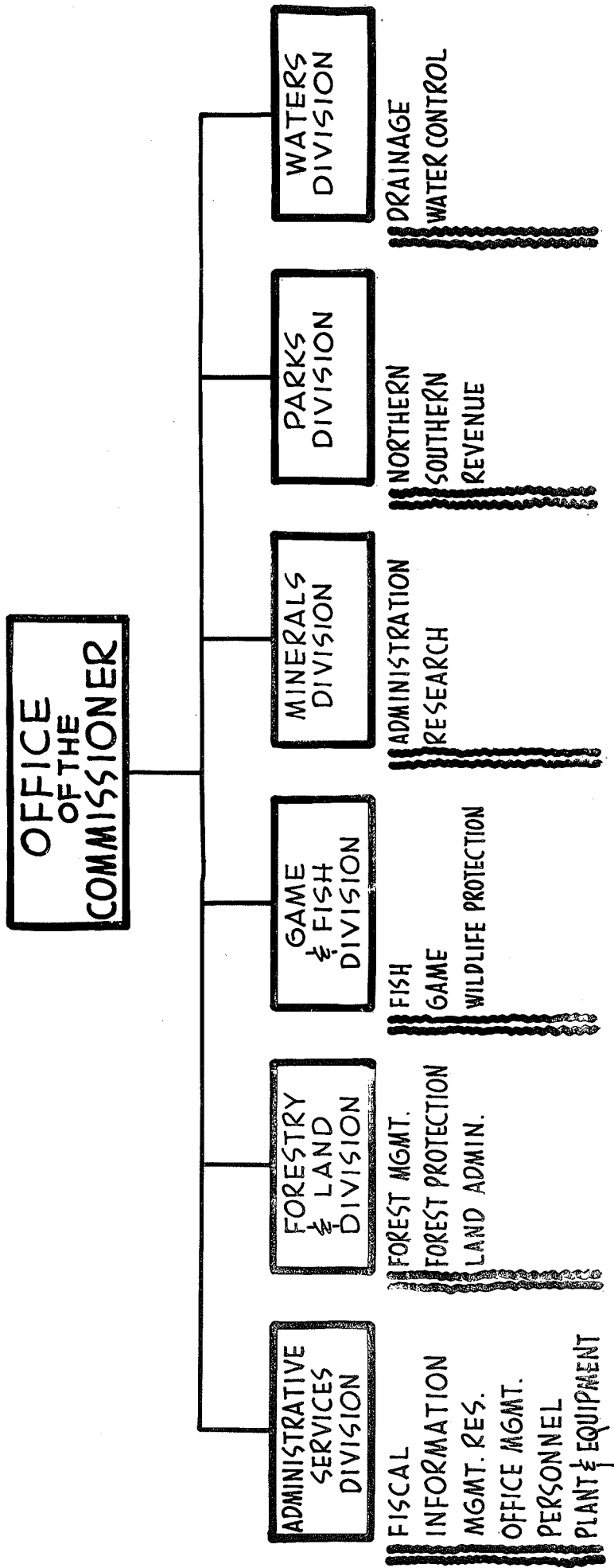
- Division of Banking
- Division of Insurance
- Division of Securities
- Department of Aeronautics
- Department of Business Research and Development
- Iron Range Resources Commission (retaining the advisory commission)
- Compensation Insurance Board
- Liquor Control Commission
- Railroad and Warehouse Commission (covering grain inspection, and regulation of weights and measures, warehouses, bus and truck, railroad and telephone)
- Great Lakes-St. Lawrence Tidewater Commission
- Upper Mississippi-St. Croix Improvement Commission

(2) Assigning the rate-making and regulatory powers presently performed by the Railroad and Warehouse Commission to the newly-created Public Utilities Commission, whose housekeeping functions will be attached to Commerce.

(3) Continuing the functions of the present Department of Commerce, consisting of the Commissioners of Banking, Insurance, and Securities, but renaming it the Financial Control Commission, with housekeeping functions also attached to Commerce.

(4) Retention of the Liquor Control director in the unclassified service.

DEPARTMENT OF CONSERVATION



Department of Conservation

The present Department of Conservation has recently been extensively reorganized and I believe provides a sound administrative framework.

With respect to this Department, it is proposed to transfer to it functions performed by:

- (1) The Surveyor General.
- (2) The Department of Health in the field of boat inspection.
- (3) The State Geographic Board.

My proposal also provides that the five division directors, who are now appointive, shall be placed in the classified service and that their statutory responsibilities be assigned directly to the Commissioner of Conservation.

DEPARTMENT OF HEALTH

OFFICE
OF THE
COMMISSIONER

ADMINISTRATIVE
SERVICES
DIVISION

FISCAL
OFFICE MGMT.
VITAL STATISTICS

DISEASE
CONTROL
DIVISION

CHRONIC DISEASE &
GERIATRICS
COMMUNICABLE DISEASES
MENTAL HEALTH

ENVIRONMENTAL
SANITATION
DIVISION

ENGINEERING LAB
INDUSTRIAL HEALTH
PLUMBING LICENSE UNIT
WATER POLLUTION
WATER SUPPLY

LOCAL HEALTH
SERVICE
DIVISION

DENTAL HEALTH
HOSPITAL SERVICES
MATERNAL-CHILD HEALTH
PUBLIC HEALTH ED.
PUBLIC HEALTH NURSING

MEDICAL
LAB
DIVISION

MICROBIOLOGY
SEROLOGY
VIRUS & RICKETTSIA
DULUTH ST. LOUIS CO.
BRANCH LAB

Department of Health

In keeping with the principle of clearly fixing administrative responsibility, the plan provides that the Board of Health be supplanted as an administrative agency by a Department of Health headed by a Commissioner appointed by the Governor.

The other changes affecting the Department are the transfer of hotel, sanitary, and other health inspections to Agriculture, and boat inspection to Conservation.

DEPARTMENT OF HIGHWAYS

OFFICE
OF THE
COMMISSIONER

ADMINISTRATIVE
SERVICES
DIVISION

FISCAL
INFORMATION
MGMT. RESEARCH
OFFICE MGMT.
PERSONNEL

HIGHWAY
SAFETY
DIVISION

CHAUFFEUR LIC.
DRIVERS LICENSE
HIGHWAY PATROL
SAFETY PROMOTION

INTER-GOV'T.
COOPERATION
DIVISION

COUNTY
URBAN

OPERATIONS
DIVISION

CONSTRUCTION
MAINTENANCE
TRAFFIC

PLANNING
DIVISION

BRIDGE DESIGN
MATERIALS & TESTING
RIGHT OF WAY
ROAD DESIGN

RESEARCH
DIVISION

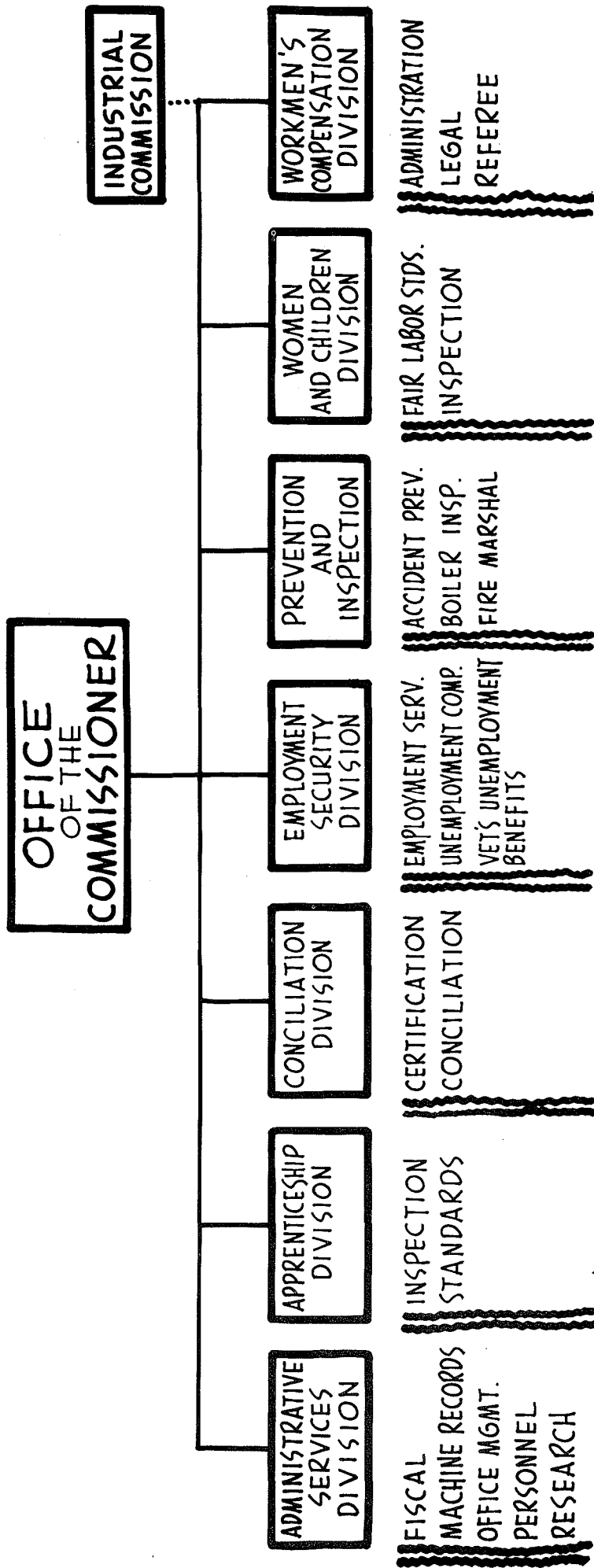
ADV. PROGRAMMING
ECONOMIC RESEARCH
STATISTICS

Department of Highways

The reorganization proposal affects the Department of Highways in one major respect, namely the consolidation within this Department of the licensing of drivers and chauffeurs.

In the interests of efficiency and safety, one state agency should license all persons operating motor vehicles. I propose, therefore, the transfer of chauffeur licensing from the Secretary of State to Department of Highways.

DEPARTMENT OF LABOR



Department of Labor

As in Agriculture and Commerce, the labor-related functions of our government are dispersed and uncoordinated. A Department of Labor will bring together the several activities of primary interest to working men and women, thereby providing much greater convenience and improved service.

The plan recommends:

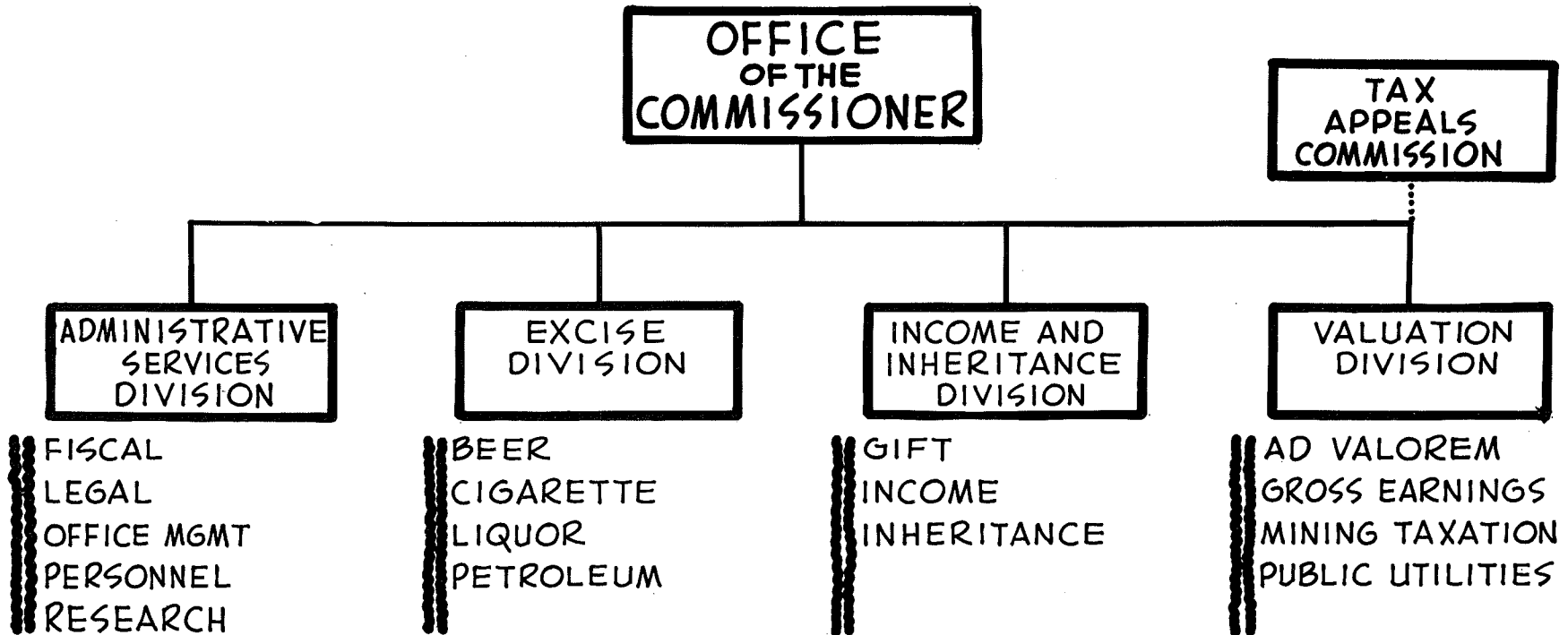
(1) Establishment of a Department of Labor bringing together the functions now performed by the Department of Employment Security, the Industrial Commission, and the Labor Conciliator.

(2) Retention of the Industrial Commission with quasi-legislative and quasi-judicial jurisdiction over workmen's compensation cases but without administrative responsibility.

(3) Transfer of the State Fire Marshal's functions to the Department of Labor where they can be related to similar prevention and inspection activities.

(4) Retention of the Labor Conciliator in the unclassified service.

DEPARTMENT OF REVENUE



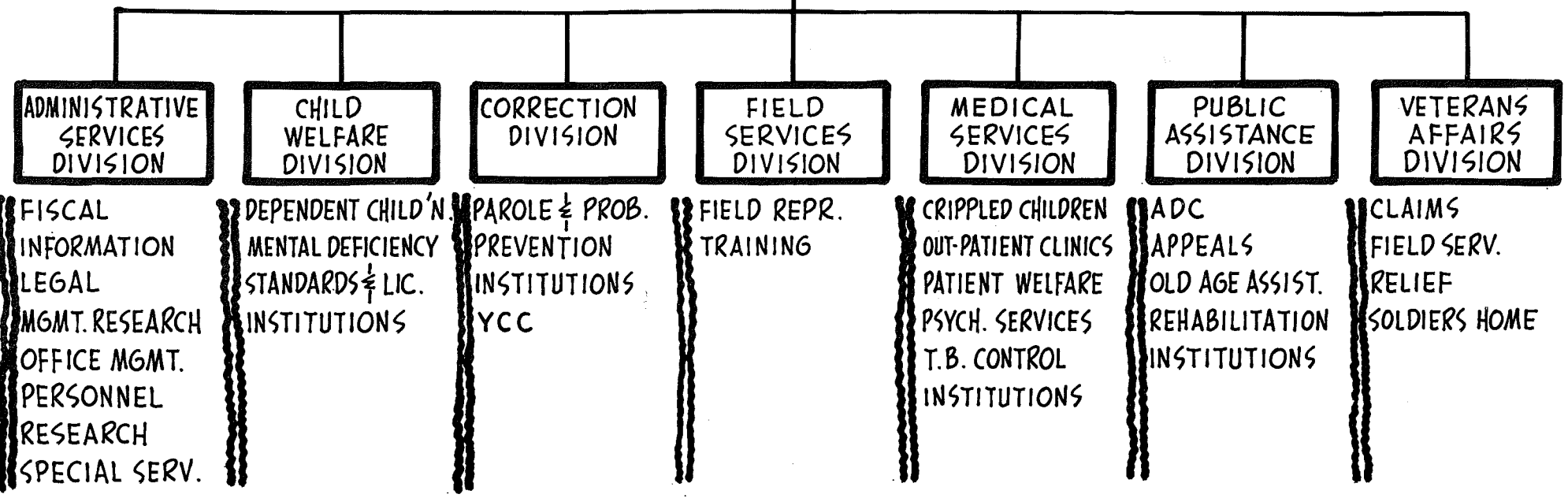
Department of Revenue

The Department of Taxation is given the new name, Department of Revenue, and there is transferred to it the following revenue collection functions:

- (1) Liquor tax from the State Treasurer.
- (2) Mortgage registration tax from the State Auditor.
- (3) Beer tax from the Liquor Control Commissioner.

DEPARTMENT OF WELFARE

OFFICE
OF THE
COMMISSIONER



Department of Welfare

Substantial progress toward unifying state welfare services was made in the 1953 legislative session. My proposal completes the unification by transferring to the Department of Public Welfare, to be known under the plan as Department of Welfare, the functions now performed by:

(1) Youth Conservation Commission

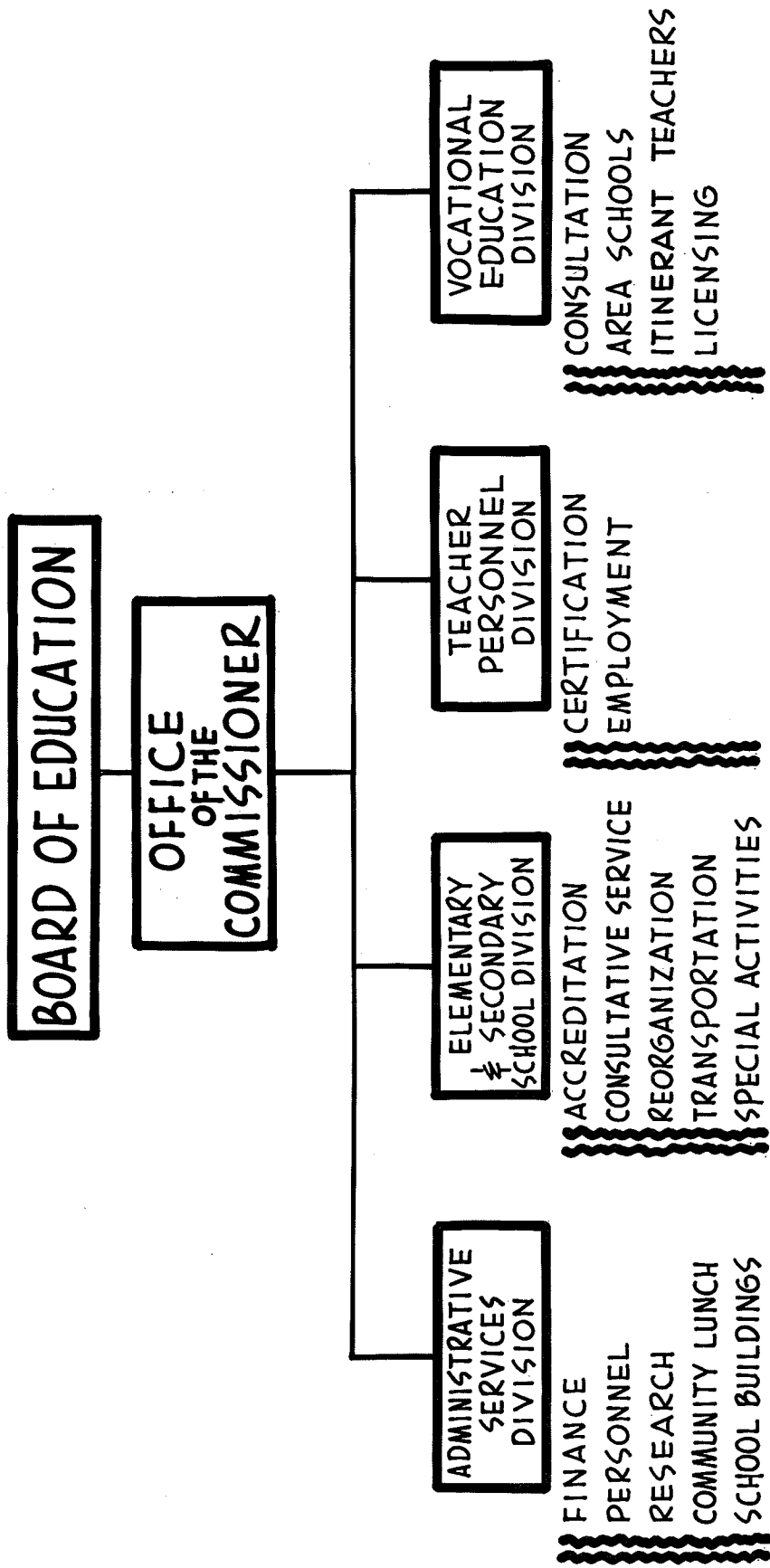
(2) Parole Board

(3) Soldiers Home Board

(4) Department of Veterans Affairs, whose activities are closely related

to and in some cases parallel those of the Department of Welfare.

DEPARTMENT OF EDUCATION



Board of Education

The Board of Education and the State Teachers College Board are retained with no change.

Advisory Committees

In the administration of many functions it is desirable, often indispensable, that representatives of the public be periodically or continuously consulted. In making such consultation possible, caution must be taken, however, not to confuse the function of advisement with the function of administration. To achieve the advantages of wide consultation I propose that the Governor be given the discretionary authority of creating an advisory committee or committees for each of the major departments, with the membership on such committees to be coterminous with the Governor. The Committee's functions would be clearly and explicitly advisory and not administrative.

Agencies Retained

A number of independent agencies are not affected by my proposal. This is true of examining boards and semi-state activities. A few others are also retained because of complication with federal legislation, because of constitutional question, or because investigations are now in process pertaining to their functions.

IV. Special Note on Civil Service

In the section dealing with the Department of Administration, I pointed out that my reorganization proposal recommends the transfer of Civil Service to that Department. I would like now to say a further word about this problem because it is a serious matter that can easily lead to misunderstanding.

The transfer of this function is also recommended by your Interim Committee on the Civil Service Program. That committee unanimously concluded, after thorough study and investigation, that the present operation of our Civil Service system is deficient and should be revitalized. My own experience in attempting to work with this Department accords with the committee's conclusion. Almost without exception department heads have vehemently protested to me the

failure of the Civil Service administration to work with them or meet the needs of either the departments or the employees.

Much of the difficulty here stems from the character of board administration. This condition has also developed in other states, with the result that a number have already adopted plans the same as or similar to the one proposed here, and efforts are under way in other states to do the same.

Let me make it clear what is proposed with respect to Civil Service. The board itself is retained as a quasi-judicial commission having authority to hear appeals on disciplinary actions affecting employees. Administration of Civil Service will be placed in the Department of Administration with the operation of the merit system the direct responsibility of the Director of Civil Service who, himself, will be under Civil Service. He will be initially appointed by the Governor from a list submitted by a committee of specially chosen leaders in the fields of management and personnel. This committee will be created by the Civil Service Commission thus providing an initial safeguard against political influence. From my experience as a member of the Minneapolis Civil Service Commission, I know the problems that board administration in this field creates, and I know with assurance that the plan proposed will be a vast improvement over the present inflexible and unresponsive system.

To talk about this proposal as a return to the spoils system is an unfortunate misrepresentation. Under this plan the Civil Service Commission will have the same power it now has to protect employees against political influence. Your own interim committee is unanimous on this point also.

Let us face this matter with clarity of view. We all know that this state has progressed far past the point where we will tolerate a return to the spoils system. The merit principle is now an established part of our system of government,

and I assure you that I will do everything in my power not only to protect it but to expand and improve it.

As evidence of this I refer again to the fact that my reorganization proposal drastically reduces the number of political appointees that the Governor would make, and, even more to the point, provides in a variety of ways for the general elevating of professional standards for the entire administration.

Progress in this area can be made only if we have a responsive Civil Service that is part of an integrated administrative program, answering the needs of both the operating departments and our employees. We do not have this now. We owe it to the state to see that it is provided.

V. The Benefits of Reorganization

In summary, the benefits of this program are many.

(1) It fixes administrative responsibility by ending diffusion of authority.

(2) It makes it possible for the Governor to maintain communication with all department heads and work with them on a cabinet basis.

(3) It provides that an elected official, the State Auditor, shall audit the books of the state.

(4) It makes budgeting easier and more effective.

(5) It places under Civil Service many high level positions now filled by the Governor.

(6) It provides greatly improved public convenience.

(7) It makes possible continuous research into governmental problems both for day-to-day administration and long-term planning.

(8) It greatly improves the liaison between the executive and legislative branches.

(9) It vastly improves personnel administration.

(10) It will mean very substantial cost reduction.

You will want, of course, to examine every detail of the proposal with the greatest of care. I am confident, on my part, that the plan is sound and workable. Departmental representatives have been consulted concerning workability of the various provisions, and I am certain that the proposal, if adopted, will vastly improve the work of the executive branch.

Thank you for your courtesy in receiving this special message.