SUPPLEMENT

To the

SENATE JOURNAL
FIRST SPECIAL SESSION,
NINETEENTH LEGISLATURE

REPORT ON GENERAL STATE ORGANIZATION

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Report of Special Legislative Committee on State Operations to First Special Session of the Nineteenth Legislature

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Report on Budgeting and Budgetary Control

Prepared by

GRIFFENHAGEN & ASSOCIATES
Consultants in Public Administration and Finance

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NUMBER

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SPECIAL LEGISLATIVE COMMITTEE ON STATE OPERATIONS

SPECIAL LEGISLATIVE COMMITTEE ON STATE OPERATIONS

The President announced that the report on general state organization by the special legislative committee on state operations, prepared by Griffenhagen and Associates, as well as the special committee's own report to the legislature, had been completed and was ready for distribution.

The special legislative committee's report follows:

February 23, 1950

President of the Senate, Speaker of the House, and
Members of the 19th Legislature:

Your Special Legislative Committee on State Operations, created by chapter 63 of the Session Laws of 1949, herewith submits its report, together with its recommendations.

MEETINGS

Number of meetings held.....15, totalling 30 days in all.

(With the exception of two or three cases, the meetings were attended by all six members of the committee.)

Dates of meetings: April 25, 1949

May 16, 1949

June 13, 1949

July 19-20, 1949

August 24, 1949

September 14-15, 1949

September 30 and October 1, 1949 (in Tucson)

November 3-4-5, 1949

November 21-22, 1949

December 19-20, 1949

December 27, 1949 (at Industrial School, Ft. Grant)

January 17-18-19-20-21, 1950

February 6-7-8, 1950

February 12-13-14, 1950

February 18, 1950

HEARINGS

Number of hearings (boards, departments, or organizations appearing before committee) 27

Total number of individuals appearing before committee, some of whom appeared as many as 4 times 74

Boards, departments, or organizations meeting with committee:

4/25/49—Building Program (Mr. Green and Mr. White, architects).

5/16/49—Highway Patrol Merit System Council (Mr. Bud Warner, Mr. Fred Wilson, Mr. Perry Ling).

6/13/49—Oil company representatives from Texas and New Mexico (5), along with Mr. Charles Strouss, Mr. Frank Ryley and Mr. Mr. Perry Ling.

7/19/49—Phoenix Title & Trust Co. (Mr. John M. Clements—tax matters)

7/19/49—Custodian (Mr. Tom Ison).

7/19/49—Arizona State Prison (Mr. Lon Walters, Supt.)

7/19/49—Arizona State Tuberculosis Sanatorium (Dr. J. P. Ward, Mr. Henry F. Lesem).

7/19/49—Arizona State Hospital for the Insane (Mr. Harry Whitmer, Dr. Bruce Hart, Mr. Gene Doyle).

7/20/49—State Mine Inspector (Mr. Clifford J. Murdock).

8/24/49—Board of Regents (Mr. W. R. Ellsworth, President).

9/14/49—Arizona State School for the Deaf and the Blind (Mr. E. W. Tillinghast, Supt.)

9/15/49—Arizona Industrial Commission (Chairman Jos. J. O'Neill, Members Fred E. Edwards and Ray Gilbert). (The press was also permitted to attend and a complete transcript was made of this hearing).

10/1/49—University of Arizona (Dr. J. Byron McCormick, President).

11/3/49 and 8/24/49—Secretary of State (Mr. Wesley Bolin).

11/3/49—State Examiner (Mr. Albert L. Means).

11/4/49—Arizona State College, Tempe (Dr. Grady Gammage, President of the college, and Mr. Walter Bimson, member of the Board of Regents).

11/4/49—Mountain States Tel. & Tel. Co. (Mr. F. Whitney Carroll explained the advantages of installing a centralized switching system in the state capitol).

11/4/49—State Highway Commission (members Dewey Farr, H. Earl Rogge, Louis Escalada and Clarence A. Calhoun).

11/4/49—Securities Division of the Corporation Commission (Mr. Earl Hastings).

12/19/49—Arizona Racing Commission (Mr. Melville H. Haskell, Chair-

man, Members Frank Brophy, Dennis Hunt, I. G. Beall and John Thompson).

12/20/49—Board of Directors of State Institutions for Juveniles (Mr. Wm. H. Becker, Mrs. Florence Ryan, Mr. T. D. Romero and Mr. M. L. Brooks).

12/27/49—Arizona State Industrial School, at Fort Grant (11 members of the staff, including Mr. Jack Wilson, Supt. Mr. Wilson appeared before the committee on two or three other occasions).

1/17/50—State Land Department (Mr. W. W. Lane, Land Commissioner, and Mr. Perry Ling, Asst. Attorney General).

1/17/50—Gila Junior College Board of Education (Mr. John Mickelson, Mr. J. Nat Hoopes, and Mr. W. H. Harless).

1/18/50—The chairmen of the Children's Colony Board and the Board of Directors of State Institutions for Juveniles (Mr. Harvey Taylor and Mr. Wm. H. Becker).

2/12/50, 11/3/49, 9/14/49, and 7/20/49—The Governor (Honorable Dan E. Garvey). (At one of the meetings the Governor was accompanied by two men from the B. L. Udell General Ins. Agency.)

2/12/50—Joint meeting with and at the request of the Board of Directors of State Institutions for Juveniles.

2/14/50, 11/21/49, 11/4/49 and 5/16/49—Arizona Children's Colony (Mr. J. Thos. McIntire, Superintendent).

Note: Mr. Perry Ling, Asst. Attorney General, and Mrs. Ana Frohmiller, State Auditor, have met with the committee on numerous occasions for consultation regarding various state departments.

A considerable amount of correspondence from various state departments and individual citizens, as well as from other states, has been handled through this office.

FINANCIAL STATEMENT

The committee's financial statement is appended hereto and made a part hereof, marked "Exhibit 'A' ".

GRIFFENHAGEN & ASSOCIATES—CONTRACTUAL SERVICES

A highly qualified governmental research organization was retained by this committee under the terms of two contracts, dated June 18, 1949 and August 30, 1949, copies of which are attached hereto and made a part hereof, marked Exhibits "B" and "C".

The first contractual study was of the department of public welfare of Arizona. It is the considered and unanimous opinion of the committee that the Griffenhagen report on the department of public welfare (copies of which are available in the offices of the clerk of the House and the secretary of the Senate) accurately reflects the present situation of the state department of public welfare.

A comprehensive study of the Griffenhagen reports on the department of public welfare and on the state reorganization (a top level examination and study of existing agencies of the state government) com-

pels the committee to recommend most strongly the creation of the state department of health, welfare and correction (entitled in the state reorganization report the department of health and welfare). The proposed reorganization of the department of health, welfare and correction is reflected in the Griffenhagen state reorganization report on pages 34 to 42, vol. II, part V.

While the committee acknowledges the theoretical superiority of the Griffenhagen governmental reorganization study, the committee does not recommend the complete acceptance of the entire plan, nor does it recommend the immediate adoption of all portions of the plan which the committee does favor. To effectuate the recommended elements of the plan several constitutional amendments will be necessary and it is the opinion of this committee that all of such constitutional amendments should be presented for the acceptance or rejection of the people at a special election called solely for the consideration of the proposed reorganization amendments.

Specifically, when these amendments are submitted to the people, this committee recommends the repeal of those sections of the constitution providing for the elective offices of (1) secretary of state, (2) state auditor, (3) state treasurer, (4) superintendent of public instruction, and (5) state mine inspector. In lieu of such elective offices and with the transfer of duties and coordination of responsibilities as recommended in the Griffenhagen report the committee recommends the creation of the department of health, welfare and correction, the position of post auditor, the legislative bureau,, the department of education, the department of labor (called the department of employment security in the Griffenhagen state reorganization report), the department of military affairs, the department of law, the department of revenue, and the department of state. The committee further recommends the legislative initiation of constitutional amendments pertaining to the legislative branch of government, the most important of these changes being the establishment of an annual session of the legislature and adoption of a fixed membership of the house of representatives.

Your committee is in receipt of the specialized study and report of Griffenhagen & Associates of the existing state department of public welfare, and recommends the initiation in the organization of that department of the changes and operational methods as recommended in the Griffenhagen report on state reorganization. The committee makes no detailed analysis of the welfare report for the reason that in the committee's recommendations pertaining to state reorganization that subject is covered under the proposed new department of health, welfare and correction.

As to the industrial commission, on the basis of the studies made by the special legislative committee on state operations, the committee believes that those recommendations, hereinafter made more specific, on the proposed new department of labor will accomplish the necessary improvements in the functioning and operations of that commission. A transcript taken of the hearing held September 15, 1949, and attended by all three members of the industrial commission, is available to the legislators in the state library, state capitol building.

Your committee, as an additional study, considered the centralization of the state telephone usage. A representative of the telephone company appeared before the committee, whose recommendations are endorsed by the committee and are attached hereto as Exhibit "D".

The committee had under consideration, in accordance with its authority to investigate and report on matters of state administration, the question of valuation of state properties with respect to the determination of adequate insurance protection of these properties. The survey furnished by Robert L. Blake, registered civil engineer, indicated that certain state properties had been undervalued for insurance purposes and others overvalued. The amounts of insurance carried by the state on various properties were adjusted in accordance with the findings of this report (Exhibit "E", amended insurance proposal). The survey made by Mr. Blake also will furnish basic data for valuations for many years to come by permitting the appraisal conditions based on the basic valuations as determined by the recently completed report. Your committee feels that the money spent by the governor for this report was justified, in view of (1) the more accurate appraisals available as a result of this report and (2) new average rates established by the rating bureau based on the new valuations which are substantially lower in proportion to the total amount of insurance protection offered. The detailed and comprehensive report of the insurance survey is on file in the governor's office.

In accordance with the Act creating this committee, the committee notified each of the state departments and institutions authorized to carry out a building program to furnish copies of all documents and a report on all actions necessary for the committee to discharge its obligations regarding such programs. Fine cooperation was received from such state departments. The committee was accorded the assistance of the Arizona chapter of the Associated General Contractors, which analyzed all bids, specifications, plans, required legal notices, and submitted reports showing legal compliance and proper action on the part of all such state departments. Copies of this report are available in the files of the committee.

A final major activity of the committee prior to making this report pertained to the matter of old age assistance. It was felt by the committee on the basis of factual representation from the office of the state auditor and other sources that a considerable number of recipients were in fact not qualified to receive assistance. The committee feels that the interests of those proper and duly eligible for such aid, would be best protected by an investigation properly and discreetly conducted by qualified representatives of the committee. For that purpose the committee has secured on the basis of opinions from the office of the attorney general, names and addresses of all recipients of such aid and is having an investigation made throughout the state, in line with the investigation conducted by the city of Detroit, Michigan. The results of such investigation have not been received by the committee at the time this report is being made.

The report on general state organization made by Griffenhagen & Associates is in three volumes, volume I containing parts I, II, III and IV. Part I describes generally the existing organization structure of the state government and points out principal basic weaknesses in the present system. Part II outlines various criteria that Griffenhagen & Associates believe should be considered in determining specific features of a sound and economic plan of government organization. It also discusses general problems in developing and putting into effect a reorganization plan. Parts III and IV of volume I, and all of volume II, outline Griffenhagen & Associates' proposed organizational plan for a complete and integrated state government administration. Volume III, an appendix containing schedules I, II and III, shows the present method of the managing authorities and an alphabetical index of the present

functions and organization of the 115 principal existing state agencies, with a cross reference to the proposed allocation of their functions and organization. In addition thereto, Griffenhagen & Associates have made a study of "budgeting and budgetary control" under that title, a volume of the state reorganization report, the value of which will be demonstrated by compliance therewith by the post auditor and the proposed department of finance. The recommendations of this report are concurred in and recommended by this committee. All references to volume, part and page hereafter refer to the Griffenhagen and Associates report on the general state reorganization.

Attention is called by the committee to paragraph 3, page 1, part III of volume I, entitled "Separability of proposals in the plan":

> "Many of the various arrangements of the proposed plan or reorganization are separable. There are possibly moot questions of allocations that could be decided in different ways than those proposed without material violence to the plan proposed. Some of the elements are closely interrelated but in general the plan in its major elements, and any one or more of the suggested changes can be adopted and placed in effect regardless of the others."

It will also be noted that in part III of volume I and in parts V and VI of volume II several phases have alternative proposals.

This report of the committee follows in general the sequence observed in the Griffenhagen & Associates survey for the purpose of simplifying legislative study. The sequence, therefore, is as follows:

a. Legislative branch (vol. I, part III, pages 3-14)

b. Judicial branch (vol. I, part III, pages 17-20)

c. Post auditor, called "auditor general" in Griffenhagen report (vol. I, part III, pages 14-15)

d. Executive branch, including

   (1) Governor (vol. I, part III, page 20)

   (2) Executive cabinet (vol. 1, part III, page 21)

   (3) Permanent secretariat (vol. 1, part III, page 23)

   (4) Administrative departments (vol. 1, part III, page 23 and thereafter)

   (5) Miscellaneous independent agencies (vol. II, part VI, pp. 1-4)

Your committee recommends in general the proposals of the Griffenhagen & Associates report pertaining to the legislature. In particular, the committee recommends adoption of constitutional amendments providing for: (1) annual sessions of the legislature, (2) limiting the membership of the house of representatives to such size as shall seem desirable, and (3) establishing 4 year terms for all legislators. The constitutional amendment limiting the length of legislative sessions is presently considered inadvisable. The committee makes no recommendation relative to the legislative salary and expense allowance but does recommend that the salary on the per diem basis should be continued

to be limited to not more than 60 days in any regular annual session and to not more than 20 days in any special session, and further, that the expense allowance for subsistence should be allowed for the number of days served in any session. As to standing and special legislative joint committees, this committee concurs with the Griffenhagen recommendations on the subject. As to the proposed legislative council, this committee recommends that it not be created until such time as the legislative bureau is established as is subsequently recommended in this report. As to the attaches or employees of the legislature this committee recommends the submission to the people of the joint resolution passed by the legislature in March 1947, but which failed to appear on the ballot at the following regular election.

The committee recommends the creation of the non-elective office of post auditor (vol. I, part III, pp. 14 and 15), fully adopting and recommending the plan as proposed by Griffenhagen & Associates under the term "auditor general".

The committee recommends the creation of the legislative bureau as proposed by Griffenhagen & Associates (vol. 1, part III, pp. 15-17).

In regard to the state judicial system (vol. 1, part III, pp. 17-20), the committee endorses in general the recommendations of Griffenhagen & Associates but feels that further study and consideration of the recommendations should be made by the legislature with particular study being made of this committee's additional recommendation that judicial districts, not necessarily based on county lines, be considered, the purpose being to distribute the work load of the various judges more equally than is now the case.

The committee recommends all the specific recommendations of the Griffenhagen report as to the office of governor (vol. 1, part III, pp. 20-21), with the further addition that a limitation of not more than two such 4-year terms may be served by the same person.

As to the proposed executive cabinet (vol. I, part III, pp. 21-22) and the permanent secretariat of the executive cabinet (vol. I, part III, p. 23), while the committee approves of the theory advanced by Griffenhagen & Associates, it is the committee's recommendation that the executive cabinet and permanent secretariat be not created until such time as substantially all of the state administrative departments are reorganized under the general theory of the entire reorganization plan.

As to the proposed administrative departments (vol. I, part III, pp. 23-30), the committee is in general accord with the theory and recommendations as set forth in the Griffenhagen and Associates report.

As to the proposed department of state (vol. 1, part IV, pp. 1-2), the committee concurs in the recommendations of Griffenhagen & Associates, with the following major changes: That all of the duties and functions recommended by Griffenhagen & Associates for the new department of occupational registration (vol. II, part V, pp. 26-30) be combined and coordinated with the functions proposed for the department of state. Further, the committee recommends that the state highway magazine be left in its present status until the legislature has had an opportunity to observe the operation of the new department of state in regard to its promotion of the civic, industrial and commercial interests of the state with special regard to travel and attracting new industries and tourists to the state (vol. I, part IV, p. 2, para. (7)).

As to the proposed department of law (vol. I, part IV, pp 3-4, the

committee concurs in the recommendations of Griffenhagen & Associates with the exception that the attorney general, the head of the proposed department of law, would continue to be an elected official with an exension of term to 4 years.

As to the proposed department of revenue (vol. I, part IV, pp. 4-8), the committee is in accord with the Griffenhagen & Associates recommendations, with two exceptions. The first exception is that temporarily the members of the tax commission would continue to be elected and that the proposed post of commissioner of revenue would not be created. All of the functions and authorities recommended by Griffenhagen & Associates, however, would be performed by the tax commission. The second exception is that the department of liquor licenses and control should remain in its present status, responsible to the governor, the committee feeling that that department is most similar to the organization structure and policing purpose of the racing commission and should be grouped under "miscellaneous agencies" (vol. II, part VI, p. 1), as is the racing commission and the interstate stream commission.

As to the proposed department of finance (vol. 1, part IV, pp. 8-13), the committee concurs in the Griffenhagen & Associates recommendations.

As to the proposed department of personnel (vol. I, part IV, pp. 13-16), the committee recommends that this department be not created for the reason that the other consolidation and reorganization proposed in the plan will provide the economic advantages within the separate proposed departments to a sufficient extent. The main purpose of the creation of the department of personnel would be to provide more efficient utilization of personnel by the departments and adjustments in position demands and compensation problems. This is largely accomplished by the creation of such departments as the department of health, welfare and correction, where the employee pool and the salary levels of the various divisions incorporated in that proposed department can accomplish the desired improvement in efficiency and economy.

As to the proposed department of public works (vol. II, part V, pp. 1-12), the committee concurs in the recommendations of Griffenhagen & Associates, with the exception that the highway commission in its present organization occupy the proposed position of commissioner of public works, and with the further exception that the highway magazine authorities be retained by the commission as earlier recommended in the committee's report.

As to the proposed department of natural resources (vol. II, part V, pp. 13-20), the committee concurs with the Griffenhagen & Associates theory in relation to the creation of a department of natural resources; however the committee recommends a further intensive study by the legislature in order that the very apparent and inherent conflicts of interest arising from the combination of power, water, land and the other functional authorities of the proposed board may be resolved and adjustments accomplished permitting the creation of the department of natural resources. Involved in these conflicts of interest are the long term contracts under the Arizona power authority for electric energy allocations, which have already resulted in great legislative conflict, and the legal determinations presently under consideration by the supreme court involving land matters.

As to the proposed department of agriculture (vol. II, part V, pp. 20-24, the committee concurs with the theory advanced by Griffenhagen

& Associates and specifically recommends that appropriate livestock and agricultural organizations be permitted to submit names of nominees from their groups to the governor for appointment to the board of agriculture. Representation on the board from the respective organizations should be provided for statutorily.

As to the proposed department of military affairs (vol. II, part V, pp. 24-26), the committee concurs with the recommendations of Griffenhagen & Associates.

As to the proposed department of occupational registration (vol. II, part V, pp. 26-30), the committee does not agree with Griffenhagen & Associates that the proposed functions and duties thereof should be a separate department. This committee believes that the functions of the proposed department should be transferred to the department of state with divisional status.

As to the proposed department of labor (vol. II, part V, pp. 30-33), termed in the Griffenhagen report as the department of employment security, the committee concurs with the Griffenhagen & Associates recommendations. In addition to the recommendations in the Griffenhagen report, the committee recommends that the legislature seriously consider the further transfer to the proposed department of revenue the revenue collecting aspects of this department.

As to the proposed department of health, welfare and correction (vol. II, part V, pp. 34-41), termed in the Griffenhagen report as the department of health and welfare, the committee concurs with the recommendations of Griffenhagen & Associates and desires to point out, on the basis of the specific studies made of the present problems of the department of health and of other state institutions, that this proposed department of health, welfare and correction should be immediately created by the legislature.

As to the proposed department of higher education (vol. II, part V, pp. 42-48), the committee recognizes merit in the report of Griffenhagen & Associates, particularly as to the financial controls on the institutions, but does not feel that the separate department should be established due to the recent creation, after years of effort, of the single board of regents.

As to the proposed department of public schools (vol. II, part V, pp. 48-61), the committee concurs with the recommendations of Griffenhagen & Associates, provided the present authorities of the local school boards and trustees are not subordinated to the control of the department of public schools. It should be noted that under the present system there is absolutely no control of expenditures in the public schools, with absolute authority for unlimited tax levy being placed on the respective school districts by their boards and trustees. Further clarification should be made by the legislature of those portions of this section on the proposed department of public schools that pertain to the authority previously recommended for the proposed department of finance in its central purchasing function, so that the economic advantages of central purchasing of texts and supplies be retained without jeopardizing the proper authority to select texts. One further change that this committee recommends is that the terms of the members of the proposed state board of public schools be for 6 rather than 10 years.

As to the proposed department of business regulation (vol. II, part V, pp. 61-65), the committee concurs with the recommendations of Griffenhagen & Associates but recognizes, however, the need for further study as to the method of statutory or constitutional amendment.

As to miscellaneous independent agencies (vol. II, part VI, pp. 1-4), the committee concurs generally with the comments of Griffenhagen & Associates on this subject. There are, as discussed in the Griffenhagen report, some independent agencies of the executive branch of state government which by their very nature are difficult to place in any of the proposed new state departments. The committee recommends the continuation as independent units of the state government the Arizona interstate stream commission, the board of regents of the university and state colleges of Arizona, the Arizona racing commission, the state department of liquor licenses and control, the merit system councils, which two councils, in the opinion of the committee, could be combined.

The committee further agrees with the opinion expressed by Griffenhagen & Associates on the matter of "state subsidy of private corporations" and feels that if appropriations to the two historical societies are to be continued that they should be legalized by the state's assuming at least technical control of those two societies.

In summation, the special legislative committee on state operations is aware that the adoption of the entire plan will require several constitutional amendments and that the entire plan cannot be, nor should it be effectuated simultaneously; therefore the committee recommends, for immediate consideration, the creation of the legislative bureau, the proposed appointive office of post auditor, the proposed department of finance, the proposed department of health, welfare and correction by statute enactment, and the submission to the people, either at a special election called solely for such purpose or at the next regular election, constitutional amendments providing for 4-year terms for the governor and the attorney general, with an effective date, if approved by popular vote, of January 1, 1953. Further constitutional amendments to be submitted at the same election should provide for: annual sessions of the legislature, 4 year terms for members of the legislature, the limitation of the number of house members, and the removal of constitutional limitations pertaining to employees and attaches of the legislature.

The committee, in addition to the matters previously reported on, is presently considering a suggested offer from Griffenhagen & Associates dated January 25, 1950, copy of which is appended hereto and called Exhibit "F". In substance, this organization for the sum of $20,000.00 will conduct a comprehensive tax structure survey of the state of Arizona and this committee recommends that this offer be accepted.

Other activities presently before the committee include the old age assistance investigation previously referred to, the consideration of making a reorganization study of the intermediate or county level of government, and a comprehensive survey of the future state highway construction programs.

The special legislative committee on state operations recommends the enlargment of its membership by the addition of two members from each legislative body and calls attention to the fact that through inadvertence the northern section of the state is not presently represented.

Respectfully submitted,

SPECIAL LEGISLATIVE COMMITTEE ON STATE OPERATIONS

OF THE SENATE	OF THE HOUSE
Fred J. Fritz, Chairman	Raymond G. Langham, Vice-chairman
Warner B. Mattice, Member	Carl W. Morris, Member
William F. Kimball, Member	R. H. Wallace, Member

EXHIBIT "A"

FINANCIAL STATEMENT

Travel	$ 3,070.66
Salary, secretary	1,825.74
Printing, office supplies, postage	91.97
Telephone	130.96
Transcript of industrial commission hearing	60.25
Contractual services, making extra copies of transcript of industrial commission hearing	24.00
Professional services:	
Griffenhagen weifare report	5,600.00
Griffenhagen state reorganization report	12,000.00
Cost of 75 extra copies	100.00
Total expenditures, to date	$22,903.58

EXHIBIT "B"

CONTRACT BETWEEN THE SPECIAL LEGISLATIVE COMMITTEE ON STATE OPERATIONS OF THE STATE OF ARIZONA, AND GRIFFENHAGEN & ASSOCIATES, CONSULTANTS IN PUBLIC ADMINISTRATION AND FINANCE, FOR AN EXAMINATION AND STUDY OF THE AFFAIRS AND OPERATIONS OF THE DEPARTMENT OF PUBLIC WELFARE OF THE STATE OF ARIZONA

This agreement, made and entered into this 18th day of June, 1949, by and between the Special Legislative Committee on State Operations of the State of Arizona, created pursuant to Senate Bill 114, approved March 21, 1949, hereinafter referred to as the Committee, and Griffenhagen & Associates, a national organization of consultants in public administration and finance, whose head office is in Chicago, Illinois, a partnership, hereinafter referred to as Consultants;

Witnesseth:

Whereas, the committee is desirous of having an examination and study made of the affairs and operations of the Department of Public Welfare of the State of Arizona; and

Whereas, the consultants are experienced in public administration and finance and are qualified to make such examination and study and to make reports and recommendations based thereon to the committee:

Now, therefore, in consideration of the premises and covenants and conditions hereinafter contained to be kept and performed, it is agreed as follows:

1. The committee hereby retains the consultants for the purpose of making such an examination and study of the department of public welfare of the state of Arizona.

2. The consultants agree to furnish the committee with their professional services in the making of such an examination and study and in that connection to examine the functions, affairs, and operations of the said department of public welfare, which examination and study will include a detailed study and analysis with the view of determining the

efficiency and economy of the operations of the state department of public welfare.

3. The consultants agree to commence work upon such examination and study not later than the second week of July, 1949 and to complete their work not later than September 10, 1949, if this instrument is executed before June 20, 1949. In the performance of said work the consultants shall consult with the committee for the purpose of ascertaining and carrying out the desires of the committee in the making of such examination and study, and shall work in co-operation with and under the general supervision of the committee. The consultants will prepare interim reports to the committee covering segments of completed work. The consultants will furnish at least four copies of the final report and such additional number of copies as shall be required, but not exceeding fifty.

4. The committee agrees to pay the consultants, or to cause to be paid to the consultants, a fee of five thousand six hundred dollars ($5,600.00) for services to be rendered as aforesaid; two thousand five hundred dollars ($2,500.00) to be paid at the end of thirty (30) days after the consultants' services commence; and the balance to be paid upon completion of all services to be rendered hereunder.

5. The committee also agrees to cause the consultants to be furnished with suitable office space, equipped with furniture and local telephone facilities and to make necessary information available in connection with such examination and study.

6. It is expressly understood that the consultants are acting as independent contractors hereunder and not as employees of the state of Arizona and in the general performance of said services shall act independently and with the ultimate purpose of making an objective review of the affairs and operations of the department of public welfare.

In witness whereof, the parties have hereunto set their hands and seals the day and year first written above.

THE SPECIAL LEGISLATIVE COMMITTEE ON STATE OPERATIONS OF THE STATE OF ARIZONA
By FRED J. FRITZ /s/ Chairman.

GRIFFENHAGEN & ASSOCIATES
By E. O. GRIFFENHAGEN /s/ Partner.

EXHIBIT "C"

CONTRACT BETWEEN THE SPECIAL LEGISLATIVE COMMITTEE ON STATE OPERATIONS OF THE STATE OF ARIZONA, AND GRIFFENHAGEN & ASSOCIATES, CONSULTANTS IN PUBLIC ADMINISTRATION AND FINANCE, FOR AN EXAMINATION AND STUDY OF EXISTING AGENCIES OF THE STATE GOVERNMENT OF ARIZONA

This agreement, made and entered into this 30th day of August, 1949, by and between the Special Legislative Committee on State Operations of the State of Arizona, created pursuant to Senate Bill 114, approved March 21, 1949, hereinafter referred to as the committee, and Griffenhagen & Associates, a national organization of consultants in public administration and finance, whose head office is in Chicago, Illinois, a partnership, hereinafter referred to as consultants;

Witnesseth:

Whereas, the committee is desirous of having an examination and study made of the existing agencies of the Arizona state government; and

Whereas, the consultants are experienced in public administration and finance and are qualified to make such examination and study and to make reports and recommendations based thereon to the committee;

Now, therefore, in consideration of the promises and covenants and conditions hereinafter contained to be kept and performed, it is agreed as follows:

1. The committee hereby retains the consultants for the purpose of making such an examination and study of the existing agencies of the state government.

2. The consultants agree to furnish the committee with their professional services in the making of a top level examination and study of existing agencies of the state government, such examination and study to include:

a. A study of existing agencies of the state government, including:

(1) Place in the organization.

(2) Organization for administration.

(3) A general appraisal of the present allocation of the functions among the agencies and organizations of the government.

b. Recommendations as to the type and kind of top organization of the state government which will best meet the requirements of the state of Arizona.

c. Recommendations as to the appropriate distribution of functions among all departments and agencies.

d. Recommendations as to the number and kind of agencies and organizations that should be continued, abolished, established, or combined.

e. Recommendations as to general organization for the conduct of cross-departmental functions such as financial administration and property control (including purchasing, requisitioning, disposal and storing of materials and equipment).

f. A sufficient study of existing practices relative to the compilation, justification, presentation, consideration and final approval of the state budget upon which to base any necessary recommendations for the improvement of the present system for budget preparation and control.

g. A complete plan for the establishment of a budget office, including functions, activities, powers, duties, organization, staff, relationships with the state legislature, relationships with the governor, and relationships with the several agencies and organizations of the state government including the state auditor's office and the state tax commission.

3. The consultants agree to commence work upon such examination

and study not later than the second week of September, 1949 and to complete their work not later than December 15, 1949, if this instrument is executed before September 2, 1949. In the performance of said work the consultants shall consult with the committee for the purpose of ascertaining and carrying out the desires of the committee in the making of such examination and study, and shall work in cooperation with and under the general supervision of the committee. The consultants will prepare periodically interim reports for the committee covering segments of completed work. The consultants will furnish at least four copies of the final report and such additional number of copies as shall be required, but not exceeding fifty.

4. The committee agrees to pay the consultants or cause to be paid to the consultants, a fee of twelve thousand dollars ($12,000.00) for services rendered in connection with the aforesaid examination and study; four thousand dollars ($4,000.00) to be paid on October 15, 1949, four thousand dollars ($4,000.00) to be paid on November 15, 1949, and the balance of four thousand dollars ($4,000.00) to be paid on December 15, 1949.

5. At the option of the committee, the committee may retain the consultants for the purpose of assisting the committee in the preparation of proposed legislation and providing professional and technical advice and counsel to the committee before and during the special session of the Nineteenth Legislature at which these matters may be considered. The consultants agree to render such services for a six weeks period before and during the aforesaid special session of the Nineteenth Legislature. The committee agrees to pay the consultants, or cause to be paid to the consultants, a fee of two thousand dollars ($2,000.00), said fee to be paid at the conclusion of the six weeks period of service.

6. The committee also agrees to cause the consultants to be furnished with modest office space, equipped with furniture and local telephone facilities and to make necessary information available in connection with such examination and study.

7. It is expressly understood that the consultants are acting as independent contractors hereunder and not as employees of the state of Arizona and in the general performance of said services shall act independently and with the ultimate purpose of making an objective review of the affairs and operations of the existing agencies of the state government of Arizona.

In witness whereof, the parties have hereunto set their hands and seals the day and year first written above.

THE SPECIAL LEGISLATIVE COMMITTEE ON STATE OPERATIONS OF THE STATE OF ARIZONA

By FRED J. FRITZ /s/ Chairman.

GRIFFENHAGEN & ASSOCIATES

By E. O. GRIFFENHAGEN /s/ Partner.

EXHIBIT "D"

RECOMMENDATIONS OF TELEPHONE COMPANY

It has been our experience that a centralized switching arrangement where all calls for a given concern are received and dispatched through a

private branch exchange, or some similar switching device, is not only the most efficient but also the most economical method of handling telephone calls for our patrons. Such an arrangement generally results in a minimum amount of facilities and equipment required to complete the same volume of calls more satisfactorily. Furthermore, such a system provides for supervision of the use of the service, and, consequently, should be under the administration of an individual or department with authority, if the best results are to be obtained.

At the present time, there are approximately 125 lines provided to meet the telephone requirements of the state of Arizona at the capitol, including the annexes, and the highway department at 1739 W. Jackson. Of these, forty are trunk lines serving ten private branch exchanges, of several types, and the balance are individual line unlimited business services. The monthly billing for present service is approximately $2,500 exclusive of toll charges.

Since we are not certain as to your plans for the various departmental communication systems, we are listing all of the private branch exchange services being furnished at present.

A.	Equipment					Cost
Department	**Tel. No.**	****Service**	**Trunks**	**Stations**	**Misc.**	***Total**
Governor's office	4-2161	PBXD	3	8	.70	$ 85
Attorney general	3-6148	PBXD	3	12	2.05	97
Corporation Comm.	3-5131	PBXD	4	18	5.75	129
Highway department	4-3171	PBXE	14	104	70.40	483
Industrial Commission	8-3431	PBXB	8	57	96.80	309
Public health	3-1189	PBXD	3	10	1.40	90
Social Sec. & Welfare	4-3155	PBXB	5	26	7.40	127
State land dept.	3-6128	PBXD	3	12	.90	89
Supt. public instruction	4-4159	PBXA	3	14	.50	70
Tax commission	4-3101	PBXD	4	21	4.00	135

*Total shown to nearest dollar

**PBX-A, small key operated; PBX-B, cord type; PBX-D, small dial; PBX-E, large dial private branch exchange

On the possibility that you may wish to continue all systems now in operation and merely supplement them with one additional private branch exchange to serve the balance of the departments, we are offering the information included in B and C as follows:

B. Manually operated private branch exchange excluding service listed under A above.

Service	Trunks	Tie Lines	Stations	Miscellaneous	Total
3 Pos. PBX	8	10	150	65.00	507.00

C. Dial private branch exchange excluding services listed under A above.

Service	Trunks	Tie Lines	Stations	Miscellaneous	Total
2 Pos. PBX	8	10	150	65.00	660.00

Should you wish to include any of the systems shown in A above with either B or C above, some computation would become necessary. We shall gladly furnish you estimated figures on any combinations de-

sired. The B and C arrangements would not be increased by the same amount of money as shown in A, however.

Under D and E, we have estimated the amount of equipment and monthly service charges required to provide the state of Arizona with a centralized private branch exchange system. These plans presume that all present switchboards would be eliminated. In their place, a certain amount of supplemental switching equipment of the type requiring a minimum of operation has been substituted. Too, neither of the plans contemplate the present wide use of business telephones in use by various individuals to supplement departmental service, since ample provision for adequate telephone service has been provided in the estimate of equipment and costs.

D. Manually operated private branch exchange to serve all departments.

Service	Trunks	Stations	Miscellaneous	Total
5 Pos. PBX	27	465	245.00	1438.00

E. Dial private branch exchange to serve all departments.

Service	Trunks	Stations	Miscellaneous	Total
3 Pos. PBX	27	465	245.00	1930.00

EXHIBIT "E"

AMENDED INSURANCE PROPOSAL

November 2, 1949

		Building & contents		
	Appraised value	Insurance required (90%)	Insurance now in force	Increase or decrease
Capitol & Annex	$2,786,427	$2,510,000	$2,000,000	$510,000
Hospital (Phoenix & Florence)	2,250,921	2,025,000	2,000,000	25,000
Industrial school	455,865	410,000	415,000	-5,000
Pioneers home	315,969	285,000	250,000	35,000
Prison	694,590	625,000	525,000	100,000
Prison annex (rehabilitation institute)	327,040	300,000	400,000	–100,000
Totals	$6,830,812	$6,155,000	$5,590,000	$565,000

One-fifth of the insurance covering the prison annex will expire on 11/23/49 and on all other institutions on 1/15/50 and we are showing below the approximate initial and annual renewal cost to renew the expiring insurance and to adjust the total insurance on each institution in line with the new appraisal and to maintain the expirations on an equal annual basis.

	Initial cost (current fiscal year)	Renewal cost (fiscal year 1950-51)
Capitol	$ 3,854.16	$ 2,650.56
Hospital (Phoenix & Florence)	10,442.15	7,971.00

Industrial school	2,966.56	2,360.52
Pioneers home	782.37	613.32
Prison	3,630.00	2,775.00
Prison annex (rehabilitation institute)	1,896.00	2,818.40
Totals	$23,571.24	$19,188.80
Less amounts remaining in current appropriation	9,813.00	11,000.00
Additional appropriation required	$13,758.24	8,188.80

Note: The foregoing amended premium cost quotations are based upon new average rates just established by the Arizona fire rating bureau in accordance with the new valuations. No allowance has been made for the proposed addition to the capitol annex which should be taken into consideration if and when additional funds are requested.

EXHIBIT "F"

GRIFFENHAGEN & ASSOCIATES

Consultants in Public Administration and Finance

Chicago, 333 N. Michigan Ave.
New York, 500 Fifth Ave.
Washington, 821 Fifteenth St. N.W.
Boston, 11 Beacon Street
Los Angeles, 111 W. 7th Street
Chicago, 1

January 25, 1950

The Honorable, The Chairman and the Members of the Special Legislative Committee on State Operations

State of Arizona
Phoenix, Arizona

Dear Sirs:

We understand from Mr. James E. Anderson that you are interested in receiving from us a proposal to make a study of the tax system of Arizona. Since this kind of study falls squarely within the field of our professional work (we have made similar studies in a number of different jurisdictions), we are glad to send you such a proposal.

Currently, special legislative commissions in a few other states are engaged on tax studies of one kind or another. Most of these studies are costing relatively large sums of money, under the plans of procedure being followed. These plans almost invariably involve recruiting a special staff of individuals who have never worked together, who have to start from "scratch" to develop their work program, and who almost always take more time for the work than is necessary. We know of one state tax study costing $50,000 and of another costing over $100,000. A comprehensive tax study in Arizona need not cost nearly so much.

In view of the data we already have collected about state tax systems in general and about the government of Arizona in particular, and in view of the facts that our methods of work are well-developed and that our staff members are experienced and are accustomed to working together as a team, we believe we can make a comprehensive study of the tax system of Arizona for as little as $20,000, and we hereby offer to do so. There would, of course, be a need for a few thousand dollars additional, in an appropriation measure, to provide for committee expenses of one kind and another.

We can perhaps best describe the tax study we would make for this fee by saying that it would be as comprehensive in its coverage as has been the study we have just made for you in the field of state government organization. We would study each tax measure now in effect, would evaluate these components of the tax system and the system as a whole, would examine into the possible applicability to Arizona of tax measures employed in other states but not now in effect in Arizona, and would suggest means for improving the existing tax system in Arizona. It would be a thoroughly professional study. The study would not encompass, however, any appraisal of property for tax purposes, or any determination of the amount that should be raised by taxes, or any drafting of bills to place suggested changes in the existing tax structure into effect.

Although we would, of course, like to have as much time for the study as you can conveniently give us, we are fairly sure that we can arrange to meet any reasonable deadline you feel that it is desirable to impose.

In closing, we should say that the proposal made hereinabove is based on our judgment of the kind of professional study we think you are most interested in having made. However, if money limitations make it desirable to limit the scope or intensity of the study in any way, we would be glad to give you the best service we can for whatever sum you decide should be devoted to this purpose. Our real interest is in serving you as best we possibly can.

It would be a real pleasure to serve the state of Arizona on this project.

Yours faithfully,

GRIFFENHAGEN & ASSOCIATES /s/
Griffenhagen & Associates

SPECIAL LEGISLATIVE COMMITTEE
ON STATE OPERATIONS
STATE OF ARIZONA

REPORT ON GENERAL STATE ORGANIZATION

(In Three Volumes)

VOLUME ONE

(Containing Parts I-IV)

DECEMBER 15, 1949

Prepared by

GRIFFENHAGEN & ASSOCIATES
Consultants in Public Administration and Finance

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GRIFFENHAGEN & ASSOCIATES

(Established 1911)

Consultants in Public Administration and Finance

Chicago 1, Illinois
December 15, 1949

To the Honorable
The Chairman and Members
of the Special Legislative
Committee on State Operations
Room 305 Capitol Building
Phoenix, Arizona

Dear Sirs:

We take pleasure in transmitting herewith our report entitled "Report on General State Organization."

Yours faithfully,

GRIFFENHAGEN & ASSOCIATES

REPORT ON GENERAL STATE ORGANIZATION

FOREWORD

This report deals with the structure of the organization of the state government of Arizona. In the language of the authorizing act, the purpose of the study reported upon in the following pages was to make "a thorough investigation of the affairs and operations of the various departments and institutions of the state" and to furnish a basis for making "such recommendations for consolidation, curtailment of operation or elimination of departments as will effect the greatest efficiency and economies in the conducting of the affairs of the state." This language was construed as calling for, and emphasis was placed on, devising a plan of administrative organization of the executive department best adapted for the government of the state.

This report reviews the existing plan of organization and the allocation of the functions of the state government among the several administrative departments and other agencies, and considers the broader administrative and operating relationships among them. On the basis of this review and consideration, the report also presents a plan of reorganization with certain alternatives and possible variations. This plan has as its objective the simplification and clarification of the organization structure through reduction in the number of agencies; through more logical and orderly division of activities and allocation of functions among agencies; through the concentration of work of the same general kind in the same department or other agency; and through better provisions for essential functions of administrative control and service.

The study of the existing organization structure of the state and the design of the new plan of organization, described later in this report, were strictly impersonal. They were undertaken without regard to the personnel of the present official staffs of the agencies involved. None of the conclusions or recommendations is intended as criticism, in any way, of the officials or other personnel of any existing units of organization.

The report is presented in six parts with three supplementary schedules. Part I of the report describes the existing plan of state organization and is supplemented by Schedule I of the Appendix. Following its descriptive text, the defects and weaknesses of the existing organization structure are explained briefly, and some of the problems involved in any proposed new organization structure are outlined.

Part II of the report outlines various criteria in consideration of which a sound and workable organization structure should be devised and discusses some of the general problems that are, or may be, involved in developing and putting into effect a plan of reorganization of the state government.

Part III outlines the main features of the proposed plan of reorganization and describes some of the more important general characteristics of the several proposed administrative departments.

Parts IV and V present the proposed functions and internal organization of each of the several administrative departments. The functions

of each proposed department are outlined, together with a brief statement regarding existing agencies and their functions to be placed in the proposed department. Proposals are made with respect to managing authorities, and the functions and composition of boards to be attached to, or affiliated with, the proposed departments. In some instances, suggestions are made as to the subordinate organization units of departments. These latter suggestions have not been based on detailed studies of operations, but are offered as logical arrangements under which the proposed departments can begin to function under the reorganization plan.

Part VI of the report discusses several existing agencies of the state government which present peculiar or difficult problems in relation to the proposed organization plan and which, for various reasons, should probably be continued as independent agencies in the sense that they would not be included in, or absorbed by, the plan for the several administrative departments. In this part of the report, only those existing agencies are discussed that are not covered adequately by descriptions of the proposed departments presented in Parts IV and V.

Schedule II of the Appendix is intended to serve as a finding list of principal existing agencies of the executive branch of the state government. This schedule also indicates the place in Schedule III where a brief description of the functions and organization of each such agency can be found. Schedule II further shows where, in the body of the report, and to what units the functions of each existing agency are proposed to be allocated in the new plan of organization.

Schedule III provides brief background descriptions of the functions, organization, and other features of each of the existing agencies of the executive branch of the state government which are recognized for the purposes of this report.

PART I

SUMMARY ANALYSIS OF THE EXISTING ORGANIZATION STRUCTURE OF THE STATE GOVERNMENT

1. Introduction

The purpose of Part I of this report is to describe generally the existing organization structure of the government of the State of Arizona and to point out principal basic weaknesses in the present plan. An elaboration of each of the principal basic weaknesses in the present plan is presented under a suitable topic heading. Finally, a summary statement is included to provide perspective for viewing parts of this report to follow.

2. Three Basic Branches of the State Government

a. **Basis for Separation of Functions:** The basic concept of the separation of the legislative, judicial, and executive functions of government was expressed in the federal constitution. This same requirement for separation of broad functions has been included in the constitution of Arizona, as it has in the constitutions of other states, and is accepted as a fundamental principle of the American form of government.

Article III of the Arizona state constitution relative to the distribution of powers provides:

> "The powers of the government of the State of Arizona shall be divided into three separate departments, the Legislative, the Executive, and the Judicial; and, except as provided in this Constitution, such departments shall be separate and distinct, and no one of such departments shall exercise the powers properly belonging to either of the others."

b. **Scope of Each Branch:** All three "departments" (or branches) described in the preceding section are specifically defined in the constitution. Except for the definition of the executive branch, no question arises as to the intent of the constitution.

Article IV provides that, except for legislative powers reserved to the people in the form of the initiative and referendum, "the legislative authority of the state shall be vested in the legislature, consisting of a Senate and a House of Representatives . . . "

Article VI provides that "the judicial power of the state shall be vested in a Supreme Court, superior courts, justices of the peace, and such courts inferior to the superior courts as may be provided by law."

While the constitutional definition of the executive branch is specific, it is actually less accurate than the definitions regarding the legislative and judicial branches. Article V provides that "the Executive Department of the State shall consist of Governor, Secretary of State, State

Auditor, State Treasurer, Attorney-General, and Superintendent of Public Instruction . . . "

An exact, literal interpretation of this wording would exclude all other officers and employes from the executive branch. Since there is no provision for the exercise of state powers except through one of the three basic branches, it must be assumed that the executive branch is far more extensive than this definition indicates. The logical assumption is that the definition of the executive branch includes all administrative agencies of the state government or, in other words, all agencies not in either the legislative or judicial branches.

As used in this report, therefore, the executive branch means the establishment made up of all the officers, boards, commissions, departments, institutions, divisions, bureaus, agencies, and employes engaged in the execution of the laws of the state at the state level, except those parts of the legislative and judicial branches and, also, excluding any agencies, officers, and employes of the political subdivisions of the state, such as counties.

Such discussion as this report contains regarding the legislative and judicial branches is to be found in the paragraphs that follow immediately, after which the report is devoted to the executive branch as broadly defined above.

3. Legislative Branch

a. **Composition of the Legislative Branch:** As mentioned previously in this report, the legislative branch consists of a senate and a house of representatives.

Under the constitution, the senate consists of nineteen members, apportioned among the fourteen counties, elected at large within the counties. There is no identical constitutional provision restricting the size of the house of representatives to a specific number of members. It is provided that there shall be elected from each county one representative for each 2,500 votes, or major fractions thereof, cast in such county for the office of governor at the last preceding general election. On the basis of this formula, the house of representatives now has fifty-eight members.

Each county is divided into as many legislative districts as there are representatives to be elected from the county, and each such legislative district is entitled to elect one representative. Each county is redistricted not less than six months prior to each regular election for representatives. When by reason of the number of votes cast for the office of governor at the last preceding general election, the county is entitled to but one representative, the representative is elected at large. It has been held that constitutional provisions do not require the redistricting of counties to make fewer representatives.

b. **Legislative Sessions:** The constitution prescribes that sessions of the legislature shall be held biennially commencing on the second Monday of January next after the election of members of the legislature. The governor may call a special session whenever in his judgment a special session is advisable. However, it is required that the governor specify the subjects to be considered at a special session and no laws may be enacted except as relate to the subjects mentioned in the call.

The term of members of the legislature is two years. Elections are

held in November of even years, and the regular session of the legislature is held beginning in January of the odd year following.

c. **Compensation of Legislators:** Originally, the constitution provided that members of the legislature were to receive compensation at the rate of seven dollars a day for a period not to exceed sixty days in any one session and also were to receive mileage one way, by the shortest practicable route, at the rate of twenty cents a mile. This provision, and all other constitutional provisions and laws regarding the compensation of legislators, was repealed by a constitutional amendment initiated by the people, which was approved at the general election held on November 8, 1932, and became effective on November 28, 1932.

The current constitutional provision prescribes that members of the legislature shall receive eight dollars a day for a period not exceeding sixty days in any one regular session and for a period not exceeding twenty days in any one special session. They also are entitled to receive mileage one way by the shortest practicable route at the rate of twenty cents a mile.

In 1947 a law was passed which provided that "any member or employee and officer of the legislature, while absent from his usual place of residence in the service of the state during a session of the legislature, shall be reimbursed for his actual and necessary expenditures for subsistence and lodging, not to exceed the sum of ten dollars per day."

In 1949 the previous statute was amended to provide that "any member of the legislature, while absent from his usual place of residence in the service of the state during a session of the legislature, shall be reimbursed for his actual and necessary expenditures for subsistence, incidentals, and lodging, not to exceed the sum of seventeen dollars per day, and all employees or officers shall be reimbursed for such expenses in an amount not to exceed the sum of ten dollars per day, for a period not to exceed sixty days in any one regular session and for a period of not to exceed twenty days in any one special session."

Although no law could be found to support the policy, it is understood that employes and attaches of the legislature who do not live away from home during sessions receive a flat fee of three dollars per day for subsistence upon certification by appropriate members of each house.

d. **Legislative Committees:** The senate now has about twenty-three standing committees, and the house of representatives has approximately twenty-six such committees generally paralleling those of the senate.

No provision is now made for any permanent, continuing interim committees or other legislative agencies, but temporary committees of this kind may be and have been, created by one session to report to the next. It is not the intent of any comments in this report to suggest any change in the process by which such temporary bodies may be created. They usually have a special transient purpose and are a useful device for fulfilling that purpose.

e. **Attaches or Employes of the Legislature:** The constitution provides that the total number of attaches or employes of the senate shall not exceed fourteen. Attaches and employes of the house of representatives are similarly restricted by the constitution to not exceeding a number equal to two-thirds of the number of members of the house. Most of these attaches or employes serve only during legislative sessions.

The compensation of such attaches or employes, except the chief

clerk or secretary of each branch of the legislature, is limited by constitutional provision to a maximum of five dollars per day. Additional reimbursement for expenditures for subsistence and lodging are mentioned in the preceding section of this report.

4. Judicial Branch

a. **Supreme Court:** Originally the state constitution provided that the supreme court should consist of three judges. However, the constitution also provided that the number of judges could be increased by legislative action, and recently the court was increased to five judges. The judges are elected at large on nonpartisan ballots and serve overlapping terms of six years.

The constitution further prescribes that the judges shall appoint a clerk and reporter of decisions for the court who are removable at the pleasure of the appointing authorities. In addition, the supreme court now has a small staff of stenographers.

The position of chief justice is rotated every two years, and the position is held by each justice in the last two years of his term. Vacancies in the courts are filled by appointment by the governor until the next general election and qualification of a judge to hold the office.

b. **Superior Courts:** The constitution provides that there shall be a superior court in each of the fourteen counties of the state. At least one judge for these courts must be elected by the voters of the county at general elections on non-partisan ballots. The term of office is four years. Additional judges are elected to a superior court for every additional 30,000 inhabitants, or major fraction thereof, as may be provided by law. At present, there are twenty superior court judges. Twelve counties have one judge each. Pima County elects two superior court judges and Maricopa County elects six judges.

Judges of superior courts may appoint such court commissioners in their respective counties as may be deemed necessary, and this power of the judges is conferred specifically by the constitution.

The functions of court commissioners are prescribed by statute and include:

(a) Hearing an determining, in the absence or inability of the judge of a superior court, ex parte motions for orders and writs, except orders for injunctions.

(b) Taking proof and reporting their conclusions upon any matters of fact, other than an issue of fact raised by the pleadings, on which information is required by the court.

(c) Taking and approving bonds and undertakings in actions or proceedings in superior courts; examining the sureties thereon; administering oaths; and taking affidavits, depositions, acknowledgments and proof of deeds.

(d) Charging and collecting the same fees for the performance of official acts as notaries public.

In addition to charging and collecting fees, court commissioners receive a per diem fee, borne half by the state and half by the county, for each day (or part thereof) they perform services in place of the judges.

The constitution also provides that a clerk for the superior court in each county shall be elected at the time the judges of the superior courts are elected and shall serve a four-year term.

By statute it is provided that each judge of the superior court shall appoint a court reporter.

c. **Justices of the Peace:** The constitution, while generally providing for the offices of justices of the peace, prescribes that the number to be elected in incorporated cities, towns, and precincts, and their duties and jurisdiction, shall be provided by law. Some broad limitations in the jurisdiction of justices of the peace are nevertheless prescribed by the constitution. Justices of the peace are elected for four-year terms.

At present there are approximately 95 justices of the peace throughout the state. By recent statute, justices of the peace have county-wide authority inasmuch as they may preside in any precinct in the county. The constitution specifically provides (1) that courts of justices of the peace shall not be courts of record and their jurisdiction is only that as is affirmatively conferred upon them by law and (2) that, in certain cases of forcible entry and detainer, the jurisdiction of the justices of the peace courts is concurrent with that of the superior courts.

5. Executive Branch

As indicated previously in this report, the executive branch of the state government is not clearly defined. According to the definition given it for the purposes of this report, however, the executive branch comprises all of the agencies of the state government not part of, or included in, the legislative and judicial branches.

The state constitution specifically prescribes the following executive or administrative officers and agencies:

Governor

Secretary of state

State auditor

State treasurer

Attorney general

Superintendent of public instruction

State examiner

State board of education

Board of regents of the University of Arizona

Corporation commission

Mine inspector.

All of the state officers listed above are elected for terms of two years, except the state examiner who is appointed by the governor, by and with the advice and consent of the senate, for a term of two years.

The constitution provides that the state board of education shall consist of the governor, the superintendent of public instruction, the president of the University of Arizona, and principals of the state

normal schools, all as ex officio members, and a city superintendent of schools, a principal of a high school, and a county superintendent of schools to be appointed by the governor. The presidents of the state colleges at Flagstaff and Tempe serve as members of the board within the constitutional provision relating to "principals of the state normal schools."

The constitution prescribes that the regents of the state university, and the governing heads of other state education institutions, shall be appointed by the governor and that the governor shall be an ex officio member of the board of regents.

In a comprehensive article, the constitution prescribes the basic functions, and establishes the organization, of the corporation commission.

The constitution also specifically provides for the national guard of Arizona. However, except as already indicated, all other executive or administrative officers, offices, departments, and other agencies of the executive branch of the state government have been established by executive or administrative action, or by state statutes.

The following administrative departments have been established specifically by state statute and are now operating.

Banking department

Department of health

Highway department

Land department

Department of library and archives

Department of liquor licenses and control

Department of mineral resources

Department of public welfare

Some other organization units are commonly referred to as "departments," but they have not been officially recognized as such in the statutes.

In addition to the state agencies thus far mentioned, there are approximately 42 boards, 19 commissions, 11 other plural bodies variously designated as councils, committees, or societies, and a large number of other officers, bureaus, institutions, and the like which make up the over-all structure of the executive branch of the state government.

This brief outline presents a considerably oversimplified picture of the organization of the executive department. In some instances, it is impossible to determine positively whether agencies should be regarded as distinct and separate units of organization. About 115 separate organization units are recognized for the purposes of this report.

State administrative agencies vary greatly with respect to size, type, designation, and relationships to the governor and other units with which they are affiliated. Some agencies appear to operate without supervision, except such as may be exercised nominally by the governor as chief executive and as the appointing authority of the heads of those agencies.

The governor is authorized, sometimes subject to senate confirmation or other restrictions, to appoint most of the administrative officers and members of boards, commissions, and individual managing officers. This does not mean that the governor always can exercise control of the agencies of the executive department, because many of the boards and commissions, in particular, are made up of members whose terms are longer than that of the governor and therefore only a part of the membership comes up for appointment during his term.

Schedule I, in the Appendix of this report, presents a list of the principal constitutional and statutory units of organization making up the state government. The purpose of this schedule is to classify the organization units according to the form, and method of selection, of their managing authorities.

Schedule II of the Appendix provides an alphabetical finding list of the same constitutional and statutory units of state government organization, together with references to the place in the Appendix where the basic functions and organization of each unit are described and where, in the body of the report, proposals are made with respect to the allocation of their functions and their staffs in the new plan of organization.

Schedule III of the Appendix is devoted to presenting background information regarding the same constitutional or statutory units of organization, including brief descriptions of the form and method of selecting managing authorities, the principal functions, the internal organization structure, and other features.

The governor is a constitutional officer elected by the qualified voters of the state for a term of two years.

The constitution provides that the governor "shall transact all executive business with the officers of the government, civil and military . . ." His major functions and duties also are prescribed by the constitution and a number of statutory functions and duties, largely in amplification of those described in the constitution, have been added. Principal functions of the governor are outlined in the Appendix attached to, and made a part of, this report.

It is considered that the governor's two-year term is too short a period for the chief executive to accustom himself to the duties of his office and have adequate opportunity left to put his policies into effect. This situation may be aggravated by time spent in campaigning for reelection. The term should be lengthened to four years, and this change would require constitutional amendment. The advantages of lengthening the governor's term of office are discussed at greater length elsewhere in this report.

The constitution originally provided that "in case of the impeachment of the Governor, or his removal from office, death, inability to discharge the duties of his office, resignation, or absence from the State, the powers and duties of the office shall devolve upon the Secretary of State until the disability ceases, or during the remainder of the term."

By concurrent resolution of the legislature, adopted by that body and voted by the people, Section 6 of Article 5 was amended in November, 1948, to read as follows:

> "Section 6. In the event of the death of the Governor, or his resignation, removal from office, or permanent disability to discharge the duties of the office, the Secretary of State, if

holding by election, shall succeed to the office of Governor until his successor shall be elected and shall qualify. If the Secretary of State be holding otherwise than by election, or shall fail to qualify as Governor, the Attorney General, the State Auditor, the State Treasurer, or the Superintendent of Public Instruction, if holding by election, shall, in the order named, succeed to the office of Governor."

Another part of the same constitutional amendment reads:

"In the event of the impeachment of the Governor, his absence from the State, or other temporary disability to discharge the duties of the office, the powers and duties of the office of Governor shall devolve upon the same person as in the case of vacancy, but only until the disability ceases."

It is agreed in principle that succession to the office of governor should be made from elected state officers. However, the proposed plan of reorganization includes recommendations for appointment by the governor of those administrative officers now in the line of succession. As a consequence, proposals are made elsewhere in this report for substitution of the presiding officer of the senate or of the house of representatives as elective state officers to succeed to the office of governor.

As indicated earlier in this report, the executive branch of the state government includes approximately 42 boards, 19 commissions, and 11 other plural bodies variously described as councils, committees, or societies. The governor makes appointments to at least 31 boards, 17 commissions, and 5 other plural bodies, and, in addition, appoints some 26 other state officers or employes. In the aggregate, the governor is called upon to select and appoint approximately 235 persons to state agencies, although it should be understood that all appointments may not be made by a particular governor inasmuch as the terms of some appointees extend beyond the term of the appointing governor, or the terms of appointees may be indefinite and be carried over from the term of one governor to that of another governor.

6. Basic Weaknesses of the Existing Organization Structure of the Executive Branch

As indicated earlier in this report, emphasis in the proposed plan of reorganization of the state government has been placed on the executive branch, inasmuch as the most serious weaknesses or significant deficiencies in organization are believed to exist in that branch. The following comments are directed at these weaknesses and deficiencies.

Many of the weaknesses in the existing plan of organization are obvious and some others are not so readily apparent. The outstanding weaknesses or deficiencies of the plan are of the following kinds:

(a) Dispersion of authority and responsibility among too many different governing authorities.

(b) Illogical grouping of functions within and among the agencies.

(c) Complexity and inconsistency in the forms of agencies.

(d) Inappropriate functions, and excessive numbers, of boards and commissions.

(e) Ex officio memberships on boards and commissions.

These weaknesses are explained under the headings that follow. The comments overlap to a certain extent, involving in some cases discussion of the same basic defects from different points of view.

7. Dispersion of Powers Among Different Governing Authorities

It is considered axiomatic that all parts of any enterprise should be subject to coordinated planning, management, and control, subject, of course, to proper democratic checks and balances in the case of government organization. This is necessary to provide assurance that the different parts can be operated harmoniously to effect their common purpose. One of the most important sources of economy and efficiency in the administration of an enterprise as large as that of the state government of Arizona is provision for the consolidation, or, at least the central control, of certain staff services and facilitative activities of kinds that are involved in the conduct of all or most agencies, no matter what their primary functions may be.

In the state government, as a result of the splitting up and scattering of state government functions among so many different independent or partly independent authorities, separate provisions have to be made by each authority for such functions and activities as purchasing, personnel management, material stores and control, and other specialized services, to meet its own needs. Such independence of authority makes concerted action according to any comprehensive plan impossible and precludes the concentration of like work and similar staffs in the interests of economy. Each of the specialized staffs is necessarily smaller than would be needed for centralized service to the entire state government, but in the aggregate they are much greater and more expensive. The advantages to be secured from standardized practices, cooperative endeavor, large-scale buying, greater specialization, division of labor, and interchange of specialized services are largely lost.

One of the prime examples of what might be done to combine facilitative service activities lies in the field of revenue administration. Nearly every agency in the state government receives money from some source or other and several agencies are engaged in performing activities which are of major revenue producing character. While a considerable number of classes of receipts cannot be collected by a single agency, much can be done to integrate most collection activities. For example, the income of the state institutions and incidental fees connected with many state offices must necessarily be collected in connection with the work of the respective institutions and offices. However, it would be entirely practicable to combine all tax collecting functions and certain other revenue collection functions in a single department, thus reducing the number of agencies involved in this type of work.

The state tax commission is the principal agency of the state government charged with responsibility for administering taxes, yet estate taxes are assessed and collected by the estate tax commissioner, motor fuel taxes are handled by the highway department, and insurance premium taxes are collected by the corporation commission. Obviously, the work of administering the tax laws of the state should be completely coordinated if any reasonable degree of effectiveness in solving the revenue problems of the state is to be attained.

The state auditor, the state treasurer, and the tax commissioners are elected to office by popular vote, and hence, are in a large part

completely independent of the executive and legislative branches of the government. Each of these officials exercises functions that under ordinary circumstances would be considered as functions of the executive branch of a government and subject to the control of the chief executive. The dispersion of authority and responsibility for financial functions among these independent officials is considered a basic weakness in the present organization plan.

Another important aspect of the whole problem of the dispersion of powers among the various state agencies has to do with their very number. It is virtually impossible to achieve any high degree of coordinated planning, management, and control of the work of 115 separate agencies. It is most certain that their number should be reduced materially—down to a number that would be within a manageable compass.

8. Illogical Grouping of Functions Within and Among Agencies

An accepted practice in the organization of an enterprise is that of bringing together under common supervision, those functions that involve operations that can best be carried on together by means of staff and facilities of like kinds. In the executive branch of the state government, particularly, no consistent principle seems to have been followed in the matter of the grouping of functions under the authority of different administrative agencies. The lack of consistency is noticeable in two directions. Functions involving like operations are widely distributed among different agencies; and unlike functions are combined under the same authorities.

Examples readily could be extended of the separation of like functions, but only a few are mentioned to illustrate the condition:

(a) Personnel work is divided among a multiplicity of agencies.

(b) Purchasing and property control are divided among many agencies, particularly with respect to materials, supplies, and equipment needed by all or most of the state agencies.

(c) Control and management of automotive equipment are divided among many agencies having such equipment.

(d) General supervision of building maintenance, planning, and programming is decentralized among various agencies.

(e) Live stock inspections are divided among such independent agencies as the live stock sanitary board, sheep sanitary commission, state veterinarian, and the Arizona commission of agriculture and horticulture.

Examples of unlike functions, often incongruous and even incompatible, in the same agency are to be found in such cases as are described below:

(a) The highway department is responsible for the collection of gasoline and use fuel taxes and the administration of the revenue laws relating to these taxes.

(b) Dam certification work relating to the general control and supervision of the waters of the state is performed by the bridge and dam certification division of the Arizona state highway department.

(c) Licensing and regulating the occupation of real estate brokerage are carried out by the real estate department operated in fact as a division of the state land department.

Numerous improvements in the current organization plan of the executive branch of the state government can be achieved by building up main departments along functional lines and bringing work of one type together. This reallocation of functions will avoid many duplications and losses of opportunities for securing the economies that can be realized through the concentration of operating or administrative service functions.

The state has not provided for central purchasing and all of the agencies are permitted by law to negotiate their own purchases. Furthermore, the procedures for conducting purchasing negotiations vary among the several agencies and, for the most part, are not in accordance with the best approved management practices.

The responsibility for hearing appeals on assessments is a quasi-judicial function which should be vested in a board composed of persons who are not involved in tax administration. At present, those involved in hearing such appeals are also responsible for administering the corresponding tax laws.

The responsibility for post auditing should be vested in an independent auditing official who would be elected by and made responsible to the legislature and who would in no way be involved in the administration of the affairs of the state.

The importance of the problems involved in budgeting have not been accorded proper recognition in the present plan of organization through the failure to provide adequate staff services for budget preparation and review. Such staff services relative to budgeting as are rendered are provided by the state auditor's office, and the press of other duties on the time of the auditor is such that it is impossible for her to fill the combined positions of state auditor and budget officer. The entire subject of budgeting is reserved for treatment in another report, but at this point it is considered important to mention that the present assignment of responsibility for budgeting is not a logical one.

9. Complexity and Inconsistency in the Forms of Agencies

The present framework of the agencies in the executive branch of the state government is involved and confused. There are multitudinous agencies that vary among themselves in their form, in the scope of their authority, in their relationships to each other, and in their relationships to higher authority.

The heads of the several agencies are of several types, are constituted in various different ways, and have widely varying powers. Many of the agencies are headed by boards, commissions, or plural bodies otherwise designated, and some by individual officers. There is little consistency in the methods of appointment of the members of such multiple bodies, or of the individual officers. A tenure of office is prescribed in most cases, but in others it is made indefinite. In most cases, subordinate employes are appointed by the heads of the agencies, but in some instances such subordinates are appointed by higher or other authority.

In Schedule I of the Appendix state officers, offices, departments,

boards, commissions, committees, and other agencies of the state government have been classified without attempting the very difficult, if not impossible, task of determining whether or not each should be regarded as a separate and independent agency. Likewise, Schedule I makes no distinction between boards, commissions, or committees. All such plural bodies are listed under the general classification for boards. Temporary agencies, those agencies prescribed by law but now inoperative and informal committees in operation, or to which appointments have been made though the agencies may now be inoperative for lack of funds or other reason, are included in Schedule I. The classification used in this schedule is as follows:

Number of Agencies		Classification of Agencies
7	A.	Agencies headed by elected officers
20	B.	Agencies headed by individual officers appointed by the governor
13	C.	Agencies headed by individual officers appointed by authorities other than the governor
1	D.	Agencies headed by boards, all members of which are appointed by the governor
2	E.	Boards with all members elected by the people
45	F.	Boards with all members appointed by the governor
4	G.	Boards with all members appointed by authorities other than the governor
8	H.	Boards with all members acting ex officio
15	I.	Boards with some members acting ex officio and some appointed
115		All classifications

The total of 115 existing agencies and boards would be much greater if all subordinate organization units established by statute or administrative action also were included.

This summary tabulation, supported by Schedule I, illustrates the complexity and inconsistency in the forms of state agencies, particularly in the executive branch of the state government. Furthermore, there appears to be no logical plan by which the variations in the form and composition of agencies can be related to the types of functions carried on, or to other pertinent factors.

10. Inappropriate Functions, and Excessive Numbers, of Boards and Commissions

Some boards and commissions are vested with administrative or management functions relative to activities under their control, as well as with advisory, quasi-legislative, or quasi-judicial functions that ought to be kept separate for best results. Numerous examples can be cited, but it is considered that a few will illustrate the weaknesses being described. The industrial commission, corporation commission, employment security commission, and game and fish commission are but a few of the state's agencies headed by plural bodies which also are responsible for the performance of various administrative functions for which additional staffs are required.

Experience has demonstrated rather clearly that, as a general rule, administrative or managerial functions cannot be exercised with continuing effectiveness by boards, commissions, or other plural bodies. Management calls for undivided responsibility for action on countless details rather than deliberation and meeting of minds. Division of authority, delays in action, and inability to fix responsibiilty are common when powers of executive management are given to a board, commission, or committee.

However, it is desirable that certain functions be exercised by plural bodies, such as those functions involved in giving advice, making rules, and conducting hearings; and the assignment of these functions to such agencies is appropriate provided administrative powers, functions, and activities are not included.

It is to be noted, also, that there are at least 75 boards or similar plural agencies now in existence—an excessive number judged by almost any standard of reasonableness.

11. Ex Officio Memberships on Boards and Commissions

The current organization plan provides for a relatively large number of ex officio memberships on various boards and commissions. For example, the governor is an ex officio member of at least six boards or commissions. Other state officers, such as the land commissioner, treasurer, auditor, attorney general, and superintendent of public instruction also serve as ex officio members of plural bodies or as heads of other offices. Additional examples could be cited.

The state auditor and state treasurer are ex officio members of several boards or commissions and both officers serve as ex officio members of the board of trustees of the public employes' retirement fund. The functions and activities of these agencies all involve some financial matters. But, financial matters frequently are involved in many other agencies in which the state auditor and state treasurer are not designated to participate as ex officio members. The participation of these finance officers in the acts of boards and commissions, on which acts they must later pass in their capacities as treasurer and auditor, respectively, deprive them of the disinterestedness that these officers should be in a position to display in relation to the transactions of such agencies. They are not likely to have that impartiality in passing, as control officers, on transactions to which they are parties as members of boards.

Likewise, the attorney general is in a similar position from the standpoint of rendering disinterested legal advice to boards or commissions of which he is a member. His advice is just as readily available, as chief law officer, as it could be as a member of any such boards or commissions.

Frequently, attempts are made to justify the device of ex officio memberships on the ground that it provides a means to keep state officers informed of the activities of various agencies with which such ex officio members are concerned. But ex officio memberships actually tend to dissipate responsibility by rendering difficult or impossible any clear lines of authority and responsibility. Furthermore, the time and attention that can be given to the many boards and commissions of which busy executives or administrators are members can be made available only at a sacrifice of the primary functions and responsibilities of the officers.

An administrator is sometimes also an ex officio member of a board or commission which has control over the matters he is called upon to administer. In such a plan, there is also frequently the tendency or opportunity to exercise functions in an ex officio capacity, in board determinations, which properly should be handled in an executive or administrative capacity as head of a department, office, or other unit of organization other than that of a board or commission. In such cases an officer may have authority to approve or disapprove his official acts, plans, and programs that he himself is charged with carrying out, and thus to escape responsibility for his acts as an administrator.

12. Summary Statement as to Existing Organization

The natural results of such conditions as have been outlined cannot be other than failure to secure the economy and effectiveness in the conduct of the state government, particularly in the executive branch, that a unified and integrated organization would make possible and facilitate.

The organization structure of the executive branch is complex. The splitting up of functions among different independent or partly independent authorities means extra expense for such activities as purchasing, accounting, budgeting, and personnel administration. Similar functions are not brought together in single agencies in cases where they should be; and, on the other hand, widely different, and sometimes incompatible, functions are vested in certain other single agencies. There are far too many separate administrative agencies.

There is little consistency in the way agencies are headed, some being under the control of boards or commissions and some under individual officers. Some boards and commissions are restricted to non-administrative functions, while others are active in the processes of day-to-day administration. There are too many ex officio memberships on boards and commissions; and too many purely ministerial officials are elected rather than appointed.

There are other faults of the present plan of organization which are greatly in need of correction. Subsequent parts of this report are aimed at supplying a satisfactory plan to meet this end.

PART II

GENERAL CRITERIA OF A SOUND PLAN OF ORGANIZATION

1. Introduction

The purpose of Part II of this report is to outline various criteria that the authors believe should be considered in determining specific features of a sound plan of government organization, and to discuss some general problems of developing and putting into effect a plan of reorganization of the state government.

2. General Objectives of Proposed Reorganization

By the organization structure of a government is meant not only the aggregation of departments, institutions, and other agencies, but also the arrangement by which these are related to one another and to the higher officers and agencies of direction and control, the manner in which they are placed under managing authorities, and the way they are divided internally into subdivisions and set up with lines of authority running down from the managing heads. The planning of an organization implies decisions as to the allocation of functions, activities, staff, and equipment to various organization units and their subdivisions down to individual positions. The elements of proposed organization structure proposed in this report are confined largely to top levels of authority.

Changes in organization structure and relationships are not proposed merely for the sake of change. The principles that should be observed and requisites that should be supplied in setting up a sound and economical organization for state government are equally applicable as standards with which to measure the adequacy of an existing organization. These principles and requisites can be stated in a number of ways and expanded to varying degree. Such principles and requisites should be thoroughly understood and observed in any plan of organization if the plan is to have other than transitory significance and if future planning and legislation with respect to organization are to have consistent, guided direction and appropriate objectives. Unless new or enlarged functions or staffs are fitted into a sound, consistent plan, an inappropriate or uneconomical organization structure can be expected to continue or arise from future planning and adjustments.

3. Basic Criteria for Development of the Proposed State Organization Structure

a. **In general:** In the development of the proposed plan of organization for the state government of Arizona, the authors of this report have been guided by various criteria they believe should be considered in determining what features a good plan of organization should have. The various functions exercised by the state government have been viewed in the light of these criteria, and opinions reached as to the plan of organization best adapted to exercise the functions involved and to accomplish the objectives sought. In outlining basic criteria of sound organization and developing a plan of organization in accordance with

these criteria, the authors have also been guided by experience gained in their professional practice over a period of several decades and by their observations of organization structures that appear to serve satisfactorily under similar circumstances. The specific criteria used as guides in the development of the proposed plan of organization are set forth in the following paragraphs. These criteria relate to:

(1) Simplicity and directness

(2) Unity and coordination

(3) Manageable span of control

(4) Logical allocation of functions

(5) Subdivision into subordinate organization units

(6) Separation of executive, judicial, and legislative functions

(7) Proper functions of plural bodies

(8) Provision for continuity of policy

(9) Provision for competent personnel

b. **Simplicity and Definiteness:** The structure of organization should be simple, clear, and definite. The place in the organization structure of every essential activity and function should be fixed definitely, and there should be no duplication or overlapping among the functions and activities of organization units, either among those of equivalent rank or among those in adjoining levels of authority. Main departments or other agencies, and subdivisions thereof, should be held to the minimum number practicable without, however, making a cumbersome combination of unlike functions merely to attain paper simplicity. The number of levels in the organization from the bottom up to the top should also be held to the lowest practicable minimum.

c. **Unity and Coordination:** The organization should be unified and integrated. It should be so designed as to facilitate the coordination of its several activities. All the administrative work of a government should be subject to coordinated executive direction and control to the end that resources in manpower and money may be conserved and harmony of aims, action, and effort may be secured. Administrative authority, to be most effective under normal conditions, should be placed in the hands of a single executive who should be held strictly accountable for the satisfactory and economical conduct of the affairs of the entire establishment for which he is responsible.

Every subordinate organization unit engaged in administration should have a single administrative head. There should be clear lines of authority from the top down to each lowest unit head and through him to those persons for whose supervision he is responsible. Likewise, there should be clear channels from the bottom to the top so that each person will know to whom he is responsible. The head of an organization unit should be given authority over the heads of all subdivisions of that unit and subordinates should have authority commensurate with their respective responsibilities.

While it is an exaggeration to say that the state government constitutes a single enterprise in the sense of carrying on only one line of endeavor, nevertheless, it is a single unit of government established under one constitutional document and with one law-making body. Government cannot reach a uniformly high level of effectiveness in all its

branches unless those branches are integrated or coordinated and administered under uniform policies and standards of operation, service, and output.

Besides the provisions for executive control and coordination of activities, there is need in large organizations for central administrative service agencies to provide for the common needs of all departments or other agencies for certain administrative or overhead services. Such central agencies are intended to provide adequate, unified, and integrated systems for such matters as budgeting, accounting, auditing, purchasing, and for selecting, appointing, and compensating government personnel.

d. **Manageable Span of Control:** The span of control to be exercised by an administrator should be no wider than is practicable for adequate supervision. The number of persons who can be made responsible to any one supervisor, as a practical matter, varies greatly with the kind of work involved, with the number of staff assistants provided, and with the number of persons outside his own unit with whom he must deal. In almost all cases, the number responsible direct to any one supervisor should be kept relatively small.

e. **Logical Allocation of Functions:** The allocation of functions and activities should be made on the principle of placing together all functions and activities that can most effectively and economically be handled together because of similarity in character, subject matter, and type of skill required.

In conformity with this principle, one basis for assigning functions is to establish departments along functional lines. However, there are cases where a broad function does not serve as an adequate criterion as well as does the type of operation and the type of staff needed to perform the work. Furthermore, there is no object in assigning a number of functions to a single organization unit merely on the ground that those functions have a common purpose or objective where the operations involved in the exercise of such functions are so different as not to lend themselves to the same kind of direction.

So far as practicable, each unit should be sufficiently large to make possible the securing of the benefits of the centralization of all work of one kind, or of similar kinds, in one place. The application of this principle leads to the reduction of overhead for each unit to a practicable minimum, the leveling of daily, monthly, seasonal, or other variations in work loads, the combination of fractional employment, the elimination of lost or unproductive time, and a reduction in the amount of necesary equipment and facilities.

f. **Subdivision Into Subordinate Organization Units:** Subordinate units in an organization structure should be of sufficient size to bring together employes with the same or similar skills as to allow the uniform application of standardized methods and the interchange of employes in leveling off workloads. In the subdivision of a unit into subordinate units additional rules should apply.

The basis of differentiation between subordinate units on the same level, or echelon, may be function, geographic location, type of clientele, thing produced, type of skill required, service provided, or any other appropriate basis. Where only a few persons of a given skill are required for each of the skills needed in the whole organization, the type of skill usually will be the controlling basis.

On any given level, or echelon, all of the subordinate units engaged directly in operations should be on the same basis of differentiation within the parent unit. By "operations" is meant the exercise of the functions of the next higher unit as distinct from subordinate units having staff functions or auxiliary, facilitative functions.

Staff units or facilitative units should have a different basis of differentiation from that of operating units over which they exercise staff control or to which they render facilitative service.

g. **Separation of Executive, Judicial, and Legislative Functions:** In an American state government, there should be as complete a separation as possible of the executive, judicial, and legislative branches of government, if the prevailing concept of the proper division of governmental powers is not to be radically changed. It should be recognized that there are an administrative or operating branch, a policy-determining branch, and an adjudicating branch of government and that they should be kept apart from each other, with no intermingling of authority and no encroachments by one branch upon the jurisdiction, powers, or functions of the other. This calls for a clear definition of powers, the imposing of fixed responsibilities, and the setting up of barriers against the infringement of one branch upon the proper sphere of activity of the other.

h. **Proper Functions of Boards, Commissions, and Other Plural Bodies:** Boards, commissions, and other plural bodies should not be given administrative powers. Where quasi-legislative or quasi-judicial powers are to be exercised, or where it is important to provide administrators with formal sources of advice, it is appropriate to create plural bodies. The terms advisory, quasi-legislative, and quasi-judicial, as applied to governmental powers, have the following meanings as used herein:

(1) **Advisory power as to administration** means the power to advise, counsel, or recommend specific courses of action on matters of policy or procedure, including power to investigate or determine facts, but excluding power to take action on, or to carry out, courses of action recommended.

(2) **Quasi-legislative power** means the power (derived from specific enabling legislation and exercised by an agency of the executive branch of the government in amplification or interpretation of such legislation) to make substantive rules or regulations which are external in application as distinguished from administrative regulations which are internal in application.

(3) **Quasi-judicial power** means the power (derived from specific enabling legislation, and exercised by an agency of the executive branch of government) to hear and adjudicate controversies involving violations of alleged rights arising out of law or out of rules or regulations promulgated by quasi-legislative acts.

i. **Provision for Continuity of Policy:** There should be continuity of operating policy and management within the organization and its several departments.

If the gains and lessons of each month and year in perfecting the organization and the internal operating policies and procedures are not made cumulative, greatly excessive costs of government will result. There is a heavy investment in the staff of any going enterprise involved

in the training and experience that it has secured and the lessons that it has learned from its failures and successes. Upon the higher officials in particular depends the responsibility for carrying on from period to period. A high price is paid when adequate provision is not made for carrying over acquired knowledge and experience for future guidance and benefit.

History furnishes striking proof that the great gains that have been made in the progress of civilization have been realized, not through overturns of the established order and the sudden establishment of perfected forms overnight, but rather by continuous small improvements, the benefits of which have been held and added to from year to year and from generation to generation.

Each department, and the organization as a whole, should be provided with a single managing authority or directing officer qualified for the administration tasks involved and aided by adequate counsel and organized facilities to assist in supervision. When circumstances seem to require the designation of a board or commission as the authority, provision should be made nevertheless for a single executive to direct the work of the unit subject to the policy decisions and rules of the board or commissions.

Without proper, qualified management, no enterprise or state agency can be expected to operate successfully. The appointment of too many officials for short terms of office makes for too frequent interruption of the desirable continuity of policy, program, and service. Any legal and traditional restrictions on continuity of employment during effective service should be eliminated, and in their place the law, practice, and popular acceptance should be developed with ideals to the contrary.

j. **Provision for Competent Personnel:** The personnel of the organization should be chosen on the basis of fitness for the work to be done, whether it is supervisory, technical, or routine in character.

The best plan of organization structure should provide the machinery through which the personal efforts of those who make up the service and give life to the organization can be given effect. Only through capable and diligent workers, properly directed, can any human enterprise be conducted effectively and economically. If a basis and method of selection are applied that will insure the appointment of the best qualified executives available for the various supervisory posts, the levels for compensation for those posts should be high enough to attract, hold, and reward persons adequately trained and sufficiently capable to exercise the functions and carry the responsibilities assigned to them.

Officers and employes should be chosen on the basis of their special qualifications to perform the duties and exercise the responsibilities of their respective offices or employments. Qualification requirements for officers, to be effective, should be incorporated in the law. However, the determination of the qualifications possessed by any individual that may be appointed is largely a matter of judgment of the appointing authority, and there may be room for evasion of these requirements. As a safeguard, provisions should be incorporated in the law that a statement of the qualifications and experience of each candidate proposed for appointment be made a matter of record.

4. General Problems of Reorganization

a. **The Problem of Change:** In developing a plan of reorganiza-

tion, the plans should be laid so as to cause the least disruption possible of existing relationships and traditions of service wherever this can be done without violation of other criteria of organization planning.

During the course of their work in many different jurisdictions, the authors have observed that most persons will agree in the abstract that the reasoned application of the criteria listed above would result in improved government organization; but that, when it comes to certain specific cases, the criteria are considered no longer applicable for one reason or another. In other words, any change can be expected to meet with some opposition, because there are always those who are so reluctant to give up anything to which they are accustomed for anything unfamiliar to their experience that they will simply not go into the merits of what is proposed.

b. **Influence of Temporary Conditions:** The criteria set out in the foregoing paragraphs are generally accepted by authorities on the subject of organization of governments as standards that should determine the form that an efficient organization should take. All too frequently, however, strict application of these principles, in any particular reorganization project, is allowed to be interfered with by considerations of expediency and other considerations of temporary and essentially transitory character.

It is recognized that there may be need on occasion for compromise, as by making a different disposition of some office, board, and function than strict application of the criteria of sound organization would dictate. If no such concessions were made, adoption of any effective plan at all would be made difficult, if not impossible, by opposition to some of its minor details. Combinations of minorities opposed to specific items in any plan of reorganization, might build up a majority opposed to any improvement at all.

But there is seldom a valid excuse for surrender to proposals for compromise with principle merely because of the personality and ability of individual officials who hold existing offices for the time being. It may be that, in a given case, a particularly strong and capable administrator will be found to have the situation well in hand with respect to the administration of a diverse group of activities under his control, and will object to having any of them taken away from him in the interests of more effective organization. Or, an unusual case may be found in which a board of congenial and exceptionally capable persons is administering effectively, for the time being, a group of functions that, in principle, should be under the control of a single executive. It is difficult to overcome objections made in those cases to the effect that, since the functions are being exercised satisfactorily, no changes should be made that offer only prospects of theoretical advantages to be offset against the facts of effective results of the moment.

But careful consideration will show the importance of following the guidance of principle. The good results from the personality of a present incumbent are but temporary, whereas the form of organization is intended to endure for a long time. Defective organization should not be perpetuated merely because its defects are, at the moment, being overcome largely by the personal abilities of an office holder who may depart from the scene at any time. Moreover, a good plan will offset some of the damage a poor administrator can do and certainly will not hinder a good administrator.

c. **Concentration of Executive or Administrative Powers:** It is said

frequently that a major function of state government should be organized as an independent unit in order that it will be subject to more popular control and that it will be better administered than if organized as part of a regularly constituted plan of organization. The authors believe it is a mistake, generally speaking, to set up units independent of the regularly constituted state government organization. Carried to its logical conclusion, and hence to extremes, the recognition of each major function as a separate unit of state government would result literally in chaos.

Some opponents of change in the organization of state government may declare that it is dangerous to give one person too much power. Usually this declaration is interpreted to mean "too much power to do harm." It becomes an absurdity when it is taken to mean "too much power to be an effective executive or administrator". The checks on the power of a chief executive and other state officers and administrators come through appropriate provisions for selection and removal and through denial to them of any legislative powers, and not through making it impossible for them to be executives and administrators.

The proposition is advanced often that the easiest and best way to deal with an incompetent or a corrupt administration is to strip away the powers of state appointive officers and vest them in plural bodies or independent agencies or in independent elective officials. This method of dealing with incompetency or corruptness is questionable. The authors consider the best way to deal with the problem is to remove an incompetent or corrupt official through a new election, recall, or other measures for removal as recommended means for coping with other abuses of power discussed in the preceding paragraph.

d. **Constitutional Provisions:** Unless constitutional changes are to be made, all of the agencies established by the constitution must be continued. In only a few cases would the inability to make constitutional changes constitute a serious barrier to a sound organization framework, however, since in most instances agencies comparable to the constitutional agencies would have to be provided under any suitable plan of organization.

In the discussion of the proposed organization presented later in this report, a plan is presented in summary form based on the assumption that all the constitutional amendments could be secured that are needed to remove provisions in any way interfering with the best possible organization. But it should be understood clearly that the authors of this report recognize the difficulties involved in securing such amendments. The ultimate objective of this report is to present the plan as a model toward which future legislation and constitutional amendments may be directed.

e. **Federal Approval of Changes in State Agencies:** In the event that federal approval or amendment of federal legislation is required to effect changes in the functions, organization, managing authority, or other matters pertaining to existing state agencies, no really satisfactory solution of the problems introduced can be offered.

It is suggested that plans be decided upon tentatively, that bills be drafted, and that before such bills are introduced, those features on which federal approval or changes in federal legislation are required be submitted for such approval or change. If federal approval or change in federal law cannot be secured, such modifications as are necessary to meet federal objections will have to be made.

Another course of action would be to proceed with legislation but to include conditional clauses of such a character that any provisions on which federal approval or change in federal law is required and cannot be secured will not go into effect.

f. **Election of State Administrative Officers:** One of the greatest obstacles to securing a simple and readily coordinated structure for the executive branch of the state government is the constitutional provision for the election of certain officers in this branch whose functions are purely or largely administrative. Election is about the least satisfactory means for selecting administrative officers at the levels subordinate to that of the chief executive, and the tradition of independent status that applies to elective officers stands squarely in the way of progress toward an integrated administrative organization.

g. **Terms of Incumbent Officers:** Even in cases where there is no constitutional question involved and changes can be made by statute, a problem may arise as to the term of officers who have been elected for definite terms and whose positions would be eliminated or subjected to material alteration by the proposed changes. In such instances, it may be necessary to postpone the effective date of legislation transferring the functions of an agency until the date of the expiration of the term of the incumbent officer.

5. **Summary Statement as to Application of Criteria of Sound Organization:**

In applying the criteria hereinabove listed as guides in the development of a plan of organization without the defects and weaknesses of the present plan, and giving consideration to many problems of reorganization, the authors have had constantly in mind the desirability of providing for the least possible disruption of existing arrangements and relationships where they are at all satisfactory in major respects. Changes are not proposed merely for the sake of change.

In devising the proposed plan, traditions of service and well-established customs have been taken into account wherever it has been possible to do so without at the same time doing considerable violence to what, in the judgment of the authors, would be a much more desirable arrangement as far as the people of Arizona are concerned. The new plan is offered as a constructive proposal to overcome some of the more serious weaknesses in the existing organization and to supply at least the more important requisites for more effective and economical administration of the state government.

PART III

OUTLINE OF PROPOSED PLAN OF ORGANIZATION

1. Introduction

The purpose of Part III of this report is to outline a proposed plan of organization for the state government of Arizona. The proposed plan is designed to provide, to the fullest extent practicable, the requirements of an effective and economical administration of the affairs of the state government. It is also designed to avoid the major weaknesses and deficiencies of the present plan of organization, as described in the preceding Part II of this report. Succeeding parts of this report deal with the individual departments and other agencies that would be established if the proposed plan were placed in effect.

2. Proposed Legislation

The proposals in the succeeding pages are intended to present in outline all of the necessary elements of a complete and integrated plan of organization of the state government of Arizona for effective and economical administration.

The most practical and satisfactory way of providing for adoption of the proposed plan and for placing it in effect requires revision of the constitution and statutes. In addition, an administrative code should be enacted embodying many features of the proposed plan of organization which would be better than attempting to insert special provisions at the various places in the constitution and statutes where the existing units, agencies, and functions to be dealt with are now treated.

3. Separability of Proposals in the Plan

Many of the various elements of the proposed plan of reorganization are separable. There are possibly moot questions of allocations of specific functions and of combination of activities that could be decided in different ways than those proposed without material violence to the plan proposed. Some of the elements are closely interrelated, but, in general, the plan in its major elements, and any one or more of the suggested changes, can be adopted and placed in effect regardless of the others.

Any insurmountable objection on the part of any individual or group of legislators, taxpayers, administrative officials, or other interests as to any specific proposal involved in the complete plan, properly cannot be considered an objection to the plan as a whole. The remainder of the plan, to which such objections do not apply, can still be adopted and placed in effect, though, with some less advantage than is to be expected from the complete plan.

However, from another point of view, the elements embodied in the complete plan proposed may be regarded as interdependent, in that they represent closely related elements of an integrated plan based on common principles throughout, and designed to make possible the maximum benefits and economies obtainable from reorganization.

Viewed in this light, failure to act upon some of the proposals while placing others in effect, where no difference in principle is involved, would be illogical and inconsistent. It would, in effect, be a denial of the application in one place of principles that are acknowledged and applied in other places. Piecemeal acceptance of some of the proposals also could be criticized as a denial to the taxpayers of the state of the practical improvements and economies in the organization for conducting the affairs of their state government that they have a right to demand and expect. Questions of principle and form should not be decided in one way with regard to one department and in another way with regard to another department.

The separation of the various proposals and action on but part of them, or even on individual proposals, is in every way desirable if obstacles prevent the acceptance and adoption of the entire plan presented. But such action in part is desirable only as compared with no action at all, or with less complete acceptance of the proposals.

4. Need for Positive Action for Installation

It should be kept prominently in mind that such a plan of organization as is presented in this report cannot be made fully effective merely by the passage of laws setting up what the proposed departments and other agencies shall be, providing for their officers, and prescribing in outline their functions, powers, and duties.

There is also need for properly planned effort to make effective in practice the organization that the plan proposes and that the legislature purports to put into effect. To make any plan of reorganization completely effective considerable organization work is required in the actual planning and integration of the internal working groups and procedures in existing branches of organization, to fit them into the new plan. Replanning and reallocation of office quarters, so as to bring the different units proposed to be consolidated into physical relation, planning changes in the office layout and actually carrying them out, coordinating the staffs and fitting them together, fixing definite responsibilities in such a way as to develop a coordinated system of carrying out the work, revising procedures, and the like, are necessary in order to weave the separate branches of organization together and to cause them to function as integrated units in carrying out their functions as proposed under such a reorganization.

5. Main Features of the Proposed Plan

The proposed plan of organization of the state government contemplates the following main features:

a. Legislative branch
b. Judicial branch
c. Auditor general
d. Executive branch, including

    (1) Governor
    (2) Executive cabinet
    (3) Permanent secretariat
    (4) Administrative departments
    (5) Miscellaneous independent agencies

Each of these main features of the proposed government organization structure is discussed in parts and sections of this report that follow.

6. Legislative Branch

a. **Introductory Comments as to Legislative Branch:** This report, as indicated elsewhere, is intended primarily to cover the organization, existing and proposed, of the executive branch of the state government. Accordingly, no attempt has been made in this report to treat in detail the functions and organization of the legislature. It is proposed to establish an office of auditor general and a legislative reference service which would serve the legislature primarily and would be responsible to that branch of the state government. These agencies are discussed in subsequent sections of this part of the report.

It is desirable at this point, however, to discuss some of the basic features of the organization and operations of the state legislature, to outline some of the principal weaknesses observed, and to make recommendations or suggestions for improvement of legislative organization and operations.

b. **Size of the Legislature:** An important weakness frequently found in the organization of legislative bodies is the excessive size of the membership. Although it may be extremely difficult, if not impossible, to determine scientifically the appropriate size of a state legislature both from the representational and operational points of view, there is a common conviction among students of government, and among legislators themselves, that memberships tend to be too large. Large legislative bodies are likely to become unwieldy in providing adequate physical facilities, slower in deliberations, and more ponderous in reaching decisions and taking action than are the smaller bodies.

Under the present constitutional formula for the State of Arizona, membership of the house of representatives is open to periodic adjustment and probably will be subject to increase from time to time. It is estimated that the rising population and vote of the state will require the election of about 72 members of the house at the next general election. There has been considerable discussion relative to changing legal provisions to limit membership of the house of representatives to a specific maximum and a limit of 60 members has been cited frequently.

While the size of a legislative body should be determined on the basis of providing adequate representation, consideration also should be given to the size of the area it serves, the number of people represented, and the nature of its jurisdiction. The membership of the senate is not considered unduly large. On the other hand it is believed that the present, and probable future, size of the house of representatives based on the existing constitutional formula is, and will be excessive. It is believed also the size of the house membership can be reduced substantially without either impairing its representative character or the quality of its legislative functions. A large membership does not necessarily assure that a legislative body will be fairly representative or that greater quality of incumbents or quantity of legislation can be achieved.

A smaller membership serves to concentrate responsibility, may permit greater compensation for services, and provides opportunities for numerous other benefits. Opponents of smaller legislative bodies cite such disadvantages as less representation, limited opportunities to spread the work incident to considering and enacting legislation, and the

greater force and effect of members seeking and upholding special interests.

However, it is believed that the advantages of a smaller legislature, particularly under the conditions existing in Arizona with respect to relative population and over-all development, outweigh such disadvantages as may be proposed and supported. Therefore, it is recommended that membership in the house of representatives be limited to about 60 members or less as now proposed.

c. **Regular Sessions:** Comparative data show that the laws of a large majority of states authorize only biennial regular sessions. However, from practical experience, increasing and just criticism is developing as to the efficacy of biennial sessions. This legislative schedule is being found awkward or impractical, particularly with respect to budgetary and other fiscal matters.

Many advantages have been cited by proponents of biennial sessions and there is some measure of truth in most of them. It is said that biennial sessions aid in reducing the legislature's deliberations and other action to the most important matters, thereby cutting the cost and increasing the efficiency of legislation; that with two-year intervals between regular sessions, more careful attention is given to drafting and enacting legislation because repeal or revision may not be undertaken until two years later in the absence of a special session; that the approval of budgets and passage of appropriations for a two-year period reduces the recurring efforts of state agencies in compiling estimates, preparing plans, and gathering supporting data; and that the less frequent sessions attract legislators of ability who otherwise would find frequent sessions causing excessive hardships or incompatability with respect to their other interests or business activities.

Opponents of biennial legislative sessions claim that the more widely spaced regular sessions have not improved the quality of legislation; that the biennial session does not reduce, but increases, the volume of proposed and enacted legislation; that excessive pressure and workload are placed on legislators to consider and enact legislation which has accumulated and which may be overdue and urgent; that budgetary and other government planning must be done for shorter periods to reflect accurately changing conditions and to permit more frequent checks by the legislature on expenditures and performances; and that higher compensation and longer terms will attract more capable legislators than less frequent legislative sessions.

It is considered that, while there are advantages in holding regular biennial sessions, the disadvantages outweigh the advantages and that regular annual sessions should be held and such other special sessions should be called as may be necessary. Annual legislative sessions would be more realistic in the light of the legislature's record of special sessions as discussed in succeeding paragraphs, and more in accord with the tempo of modern government operations.

d. **Special Sessions:** Since 1912, when Arizona reached statehood, there have been 19 regular biennial legislative sessions. During the same period and through 1949, there have been 37 special sessions. Only four legislatures had no special sessions and others have had as many as six or seven. On the basis of these facts, it is believed evident that the prescribed biennial regular sessions have proved inadequate to meet legislative requirements and that the schedule of biennial sessions does

not conform to the continuous and changing nature of state government functions and operations.

The advantages of annual legislative sessions have not always been gained by special sessions for at least one important reason. The constitution prescribes that "in calling such special session, the Governor shall specify the subjects to be considered at such session, and at such session no laws shall be enacted except such as relate to the subjects mentioned in the call." Numerous court decisions have held that "unless a law passed at a special session is germane to some subject in the call, the legislature is without power to pass it." This limitation on the scope of the subject matter of a special session, while considered undesirable, is not uncommon.

However, if special sessions are to be considered the equivalent of annual sessions, it is believed that this limitation on the subject matter with respect to which legislation can be considered and enacted should be removed. The state constitution contains no express statement as to the power and prerogative of the legislature to call a special session and the authority has to be implied, if it exists at all.

Appreciation of these weaknesses was confirmed to a considerable extent by a recent amendment to the constitution which provides that the governor shall call a special session upon petition of not less than two-thirds of the members of each house, which petition also designates the date for convening the session. The amendment provides further that no limitation shall be placed on the subjects which may be considered by the legislature. The limitation on the legislature to pass laws only that are within the scope of a call for a special session initiated by the governor still remains.

e. **Length of Sessions:** The state constitution makes another important distinction between regular and special sessions which precludes a completely valid substitution of a special session for an annual regular session. In prescribing biennial and special legislative sessions, the state constitution does not specifically and directly limit the length of such sessions. As a practical matter, however, the length of sessions is indirectly limited by constitutional, as well as statutory, provisions limiting the number of days in sessions that legislators will receive per diem compensation. On occasion, it has been found necessary or desirable to extend sessions beyond the limit of per diem compensation.

The laws of some other states have limited the frequency or length of legislative sessions. In some instances annual salaries for legislators have been eliminated on the ground that an important incentive otherwise would be lacking to perform legislative functions with dispatch and efficiency. However, the per diem form of compensation also has been criticized as encouraging longer sessions than necessary. Perhaps this was the purpose of the constitutional limitation regarding the number of days legislators would receive compensation.

Limiting the length of legislative sessions is considered inadvisable. With such a limitation action must be taken to circumvent the restriction; consideration and enactment of important legislation is carried over to another session; or matters are disposed of in a hurry before expiration of the session without adequate study or other attention. While legislative jams are not confined to legislatures in sessions with fixed maximum lengths, these limitations do tend to aggravate a situation which may not be wholly within the power of legislatures to avoid or control.

It is believed that sessions without limitation as to length are preferable to the present 60-day biennial regular sessions and 20-day special sessions, in that a jam or late session rush can be substantially reduced or eliminated with proper planning and scheduling. Responsibility for the careful consideration and enactment of legislation also can be more definitely and fairly placed on legislators, as they are not bound by arbitrary lengths of sessions which reflect no consideration of variable legislative conditions or other government operations.

f. **Compensation of Legislators:** The question as to the appropriate amount of compensation for legislators is difficult of solution. If legislative sessions are held biennially for periods of sixty days or less, and few if any special sessions are held, the current per diem compensation does not seem inadequate for legislators deriving additional income from businesses or occupations from which they can absent themselves during sessions without material loss of such other income. However, as sessions increase in length or number, even persons in these circumstances may find it impossible or undesirable to participate in the state government as legislators. In any event, the current per diem rate of compensation and numerous special sessions have made it virtually impossible for salaried persons of modest means to serve in the legislature and tends to confine the membership to those who have sufficient financial independence. This situation is believed not to be in accord with democratic principles.

While it may not be practicable for the state to offer compensation which is competitive with that which legislators can earn in private business or professions, the state should provide sufficient compensation in keeping with the responsibilities and duties of the office and a reasonable living standard for a legislator and his family.

g. **Term of Legislators:** A majority of states elect state senators for four-year terms, but only a small minority of states elect representatives for longer than two-year terms. As a consequence, in many states, senators serve in more than one regular session, while in but a few states do representatives serve in more than one regular session. On the other hand, a substantial number of states elect the memberships of bicameral legislatures to serve terms of equal length. Within the scope of general observations and studies made, no grounds have been found for recommending a change from the equal terms of office for members of each house in the Arizona state legislature. It is believed that the main problem is the relatively rapid turnover in membership occasioned by the two-year term of office.

At an early period of American constitutional government, there was the widespread belief that only annual elections of legislators provided full implementation of democratic principles. Although such short terms of office for state legislators rarely exist today, vestiges of that early concept persist in many states to the extent that legislators' terms of office are limited to a relatively short period of two years. In some states a compromise has been devised by providing for the frequent election of part, rather than all, of the members of legislatures in order to avoid too great or sudden a turnover in membership as to destroy, or materially restrict, desirable continuity in legislative policies. One of the disadvantages claimed for this plan is that it serves to retain in office for a longer period those legislators who have lost the confidence of the people.

There is a considerable body of opinion that short terms and frequent elections of legislators are disadvantageous in that they cause rash legis-

lation, needless and ill-advised abrupt changes in legislative policies, heavy election expenses to candidates and the people, and an undesirable and wasteful turnover in legislative membership. It seems obvious that lgislators' terms of office should not be so short as to lose the benefits of experience in office and the greater opportunity for members of the legislature to be productive of sound legislation based on this experience and the greater length of time that would be available to enact legislation after adequate study of proposed measures. On the other hand, legislators should not have such long tenure as to reduce unduly popular control over representatives of the people.

It is believed that the middle ground with respect to these two basic points of view suggests that legislators' terms of office should be of sufficient length to permit reasonable time in which legislators could demonstrate the nature of their concepts and actions. The people also should have adequate opportunities to assemble and evaluate the legislative record in passing judgment on the competency and productiveness of their representatives. In the light of conditions which have been observed, it is believed that the members of both houses of the state legislature should be elected to serve four-year terms and that the advantages to be gained from a lengthened tenure would outweigh any disadvantages that may accrue to the plan. Consideration also should be given to the use of biennial elections and staggered terms of legislators to reduce the amount of turnover in legislative membership at any one time.

h. **Legislative Standing Committees:** The complexity and volume of legislative matters has led state legislatures to organize themselves along functional lines by forming standing committees. Not only does the committee system provide a division of labor in the consideration and preparation of proposed legislation, but it also offers greater opportunities to take advantage of widely differing interests and capabilities of individual legislators, in that they can be assigned to committees dealing with legislative matters wth respect to which it is expected they can exercise competent judgment and make the most worthwhile contributions.

In specific terms, some of the principal objectives of the committee system include studying special matters of proposed legislation, conducting hearings and collecting data, applying specialized knowledge and experience of individual legislators to legislative matters and problems, and recommending action to the legislative body to which members of the committees belong. The quality and quantity of work done by the committees will depend largely on the membership and leadership. Aside from these rather obvious elements of an effective committee system, general observations suggest some improvements that can be made to increase the effectiveness of this functional organization.

It is believed that, in accordance with the normal tendency, there are too many standing committees. The elimination of some, the consolidation of others, and possibly the creation of some new committees might lead not only to a better distribution of committee workload but the committees could also be more uniformly supplied with better staffs; conflicts in schedules of committee meetings could be reduced or eliminated; and responsibility for the consideration of legislation could be fixed more clearly in fewer committees.

Consideration should be given to reorganizing the committee system so as to provide corresponding committees in both houses. This plan would provide the basis for joint committee action. The committee system would be enhanced further if the number and jurisdiction of the

committees conformed more closely with units of the executive branch of the state government. Furthermore, a parallel committee organization would make possible joint hearings and other joint operations, thereby reducing or eliminating many duplications and providing the basis for speeding up, integrating, and coordinating the work of the committees. In summary, it is highly desirable to use care in developing the committee system with respect to organization, jurisdiction, functions, membership, and the like, since it is in committees that bills should receive their major considerations, controversial issues should be resolved, and legislative policies should be determined. The committee system should be devised to the end that bills will receive the specialized, careful study that is virtually impossible on the floor of the legislature.

An important feature of the committee system is the practice of holding public hearings upon bills, resolutions, and other matters referred to them. Such hearings should have as their prime objective the presentation of facts and opinions not only by the members of committees but also by interested persons or the general public as well. The significant role of committees in determining legislative policy and action dictates that the committees should keep accurate records of their hearings and other proceedings. These records should be made available to all other members of the legislature and, to the extent practicable, to the general public.

As mentioned previously, the Arizona state legislature is handicapped considerably by the limited length of sessions. In addition to standing committees, various other devices have been employed by other state legislatures to facilitate their work in planning, studying, investigating, and formulating recommendations with respect to legislative policy and action between sessions so as to speed the work of legislatures when they convene. Among these devices are interim committees, special joint legislative committees, and legislative councils.

i. **Interim Committees:** The practice of using interim committees can be worthwhile if adequate funds are provided for the committees to carry out their work and the members demonstrate sufficient interest in, and devote a reasonable amount of time to, the work and objectives of such committees. The plan was conceived whereby all or some of the standing committees of the Arizona state legislature would serve in an interim capacity. However, a legal barrier has prevented putting the plan into effect.

The attorney general's office has ruled that, under existing law, standing committees of the legislature have official authority to act only during the period when the legislature is in session, that the committees lose their authority upon the adjournment of the legislature, and that the committees cannot utilize funds appropriated for use of the legislature after that body has adjourned. It is believed that the deficiencies in existing law can be cured by general or special legislation empowering standing committees to function between sessions and providing specific funds for the compensation of committee members and other expenses of the committees.

j. **Special Joint Legislative Committees:** Another method of facilitating the work of legislatures has been the establishment of special joint legislative committees which are similar to interim standing committees. It is generally considered that the joint committee form of organization provides a means for facilitating legislative processes effectively.

A specific example of this device is found in the existing special legislative committee on state operations which was organized pursuant to a specific act and provided with specific funds to meet the committee's expenses and to employ a staff to assist the committee in making certain studies. The main functions of joint legislative committees generally are to investigate and study particular problems and to recommend action to the legislature.

It is generally conceded that the joint membership of such committees provide an element of coordination in the policies, plans, and operations of both houses of legislature, making for speedier resolution of conflicts of opinion, and the concerted planning and taking of remedial action.

It is believed that the Arizona state legislature is in need of formal means and organization to facilitate and increase cooperation between the houses on a continuous basis. While, within the terms of enabling legislation, the existing special legislative committee on state operations probably is circumscribed to a considerable extent as to its authority and jurisdiction, it is believed that the device of an interim joint legislative committee should continue as an integral part of the state's legislative organization but on a broader and more permanent basis. This proposal leads to consideration of still another device, the legislative council, which has been gaining popularity as an organization unit of demonstrated value in the efficient performance of a legislature's assigned functions.

k. **Legislative Council:** The legislative council has features in common with a special joint legislative committee. All or most of its members are selected from the legislature. In some instances, members of the council serve ex officio, such as the presiding officer of each house. In other instances, councils have non-legislative members but it is considered that this feature of membership is undesirable or unnecessary. Any advantages claimed for non-legislative members likely can be obtained through the normal means of requesting and securing advice, counsel, or other assistance from other state officers, private citizens, or the executive cabinet discussed in the report on the proposed reorganization of the executive branch of the state government. Normally, legislative councils are established by constitution or statute which prescribes the compensation of members and authorizes the employment of such administrative staff as may be required.

The usual scope of a legislative council's authority and jurisdiction provides the most significant characteristic which distinguishes the council from other interim legislative bodies. In broad terms the functions assigned to a legislative council may include formulating the entire legislative program; preparing bills, conducting research and investigations to determine the need for, or improving the quality of, proposed or enacted legislation; and in developing legislative leadership. It is considered that the Arizona state legislature is in particular need of this type of interim and continuing organization to provide a means for facilitating the over-all legislative program and to permit continuous study of state operations and legislative requirements to the end of achieving reasonably prompt and adequate legislation.

l. **Attaches or Employes of the Legislature:** Originally, the state constitution did not contain provisions limiting the number of attaches or employes of the legislature or specifying the compensation they were to receive for their services. The present specific constitutional provisions

regulating the number and compensation of attaches or employes were included in an amendment approved at the regular election held on November 8, 1932.

It is not considered advisable to provide specific compensation of state officers and employes in the constitution and such provisions should be eliminated. This type of legal provision for compensation makes it considerably more difficult and costly to adjust compensation rates in accordance with the realities of changing economic conditions. The constitutional provisions referred to do not include specific authority to change the rates of compensation by act of the legislature as found in constitutional provisions regarding the salaries of state officers of the executive department. The undesirable inflexibility in constitutional provisions regarding the compensation of attaches or employes of the legislature is reflected in the actions of the legislature in enacting laws which supplement the constitutional rate of compensation with subsistence and lodging allowances.

Other anomalies exist with respect to this staff of the legislature. Apparently, the legislature has found the constitutional limitations regarding the number of attaches or employes each house may have equally awkward in its inflexibility. As a consequence, in order to employ additional staff over and above the constitutional limitation, each house has authorized the employment of temporary, additional staff by instructing the legislative bureau of the department of library and archives to place such employes on that organization unit's payroll.

It was reported that for the eighteenth legislature the legislative bureau hired between 8 and 11 employes for service in the senate and about 11 employes for service in the house. Also, it was reported that the legislative bureau hired about 13 employes for the house and between 19 and 21 employes for the senate of the nineteenth legislature, These figures exclude the few employes taken on by the legislative bureau, as such, to augment the regular staff of the bureau during the peak load of its assigned functions and activities.

Without undertaking considerably more study, and preferably at a time when the legislature is in session, no conclusions based on fact can be reached as to the number of attaches or employes either or both houses of the legislature can use effectively and economically. However, it is considered that any specific constitutional limitation in the size of an administrative staff is undesirable and should be eliminated. Such a provision creates barriers to meeting changing conditions in the administrative workload of the legislature. It would not be a practical limitation with respect to other branches of the state government which are expected to employ their administrative staffs efficiently and economically, and the various organization units of the executive and judicial branches are required, or should be required, to justify the number and compensation of their officers and employes.

Another inconsistency in the policies and practices regarding legislative attaches or employes is the difference in the compensation of the administrative staff placed on the legislature's payroll and that of employes assigned to the payroll of the legislative bureau. It is reported that attaches or employes serving the legislature on the legislative bureau's payroll receive a flat per diem compensation of from $8.00 to $10.00 a day. This compensation is less than that received by attaches or employes on the legislature's payroll and results in inequities that are difficult, if not impossible, to justify.

Brief mention is also made of the facts that the legislative bureau exercises no direction or supervision over such legislative attaches or employes, ultimately certifies as to their attendance and services for payroll purposes, and, in complying with the hiring requests of legislators, exercises no discretion as to the number of such attaches or employes to be assigned to its payroll for services to be performed by a separate and independent organization unit.

Legislators are aware of the unsatisfactory limitations imposed by current constitutional provisions and efforts are being made to correct some of the basic deficiencies through an amendment of the constitution. A bill was passed by the legislature in March, 1947, which for some reason failed to get on the ballot at the next regular election after that date. The proposed amendment would have eliminated the constitutional provisions regarding specific limitations as to the number and compensation of attaches or employes of the legislature.

m. **Working Conditions:** Although working conditions have not been studied in detail, certain observations have been made and comments are presented in this regard. While the general session chambers appear to be reasonably adequate in size and equipment to provide suitable working conditions, if well maintained, other facilities are lacking as to provide substantial obstacles to prompt and efficient legislative work.

There is relatively little space, and few individual offices or conference rooms are available to accommodate committees and employes or attaches of the legislature. Such facilities are so limited as to preclude many standing committees and other legislative groups from meeting at any one time under suitable conditions.

Although it is difficult to appraise accurately the requirements of the legislature with respect to physical facilities and other working conditions when it is not in session, it is believed that a comprehensive study of the matter and concerted effort to rectify deficiencies certain to be disclosed would contribute greatly to more more efficient legislative operations under reasonably suitable and pleasant working conditions.

n. **Conclusion as to Legislative Branch:** While it has been the purpose of this discussion to outline some of the basic weaknesses in the organization and operations of the state legislature and to make some recommendations or suggestions for improvements, the subject matter contained herein is not an exhaustive analysis of all the organizational and operational problems of the legislature. A thorough and constructive study of the organization, policies, procedures, and other matters involving the legislative branch of the state government would be a substantial and complex project in itself. Experience acquired in the study of legislatures in other states indicates the probability that significant improvements could be made in legislative procedures, rules, and administrative techniques designed to keep the legislature abreast of significant changes and reforms effected by other legislative bodies and to strengthen the representative government of the state.

7. Auditor General

a. **Proposed Functions:** It is proposed that there be established the office of auditor general. The auditor general would be responsible for making periodic or continuous examinations of the accounts and financial practices of the state for the primary purpose of informing the

legislature, for its guidance as to legislative policy, and to inform the public as to how well the administration is carrying out the prescribed legislative policies and is observing the approved financial plans. Other purposes would be to reveal the facts as to any improper transactions or any failures to account for state money, and to insure the application of a sound system of internal audit and other accounting procedures or systems in the various departments and agencies of the state government.

In addition, the auditor general would be responsible for prescribing correct and uniform systems of accounts for all county offices; for enforcing the keeping of such accounts, and instructing the county officers in the proper procedures for keeping the accounts and records of their offices; and for auditing the accounts of county officers at least once in each year.

All reports prepared by the auditor should be public documents accessible to the taxpayers.

The functions listed above include the post auditing functions now exercised by the state auditor and which represent the only functions of that office not to be transferred, under the new plan, to the proposed division of accounts and control in the proposed department of finance. Also, the above listed functions include all of those now exercised by the state examiner.

b. **Proposed Selection:** It would be desirable to have the auditor general elected by, and responsible to, the legislature, and to have him report to a committee of the legislature. The auditor general should have the qualifications of a public accountant.

c. **Advantages.** One of the fundamental principles of modern financial administration is that there be an independent post audit (as distinguished from a current audit or "preaudit" made before obligations are incurred and before disbursements are made) by an agency that is entirely separate and apart from the organization the accounts of which are being audited and that has had no part in authorizing, incurring, or approving any of the transactions subject to audit. There is probably not a single member of the accounting profession who would disagree with this statement.

The present position of state auditor fills the specifications for an independent post auditor in some respects but not in others. Presently, the state auditor is elected by the people, which makes him independent of the governor. The state auditor is also given post auditing powers, but his present powers also extend to keeping the books of the state, to approving expenditures, and to other operating financial functions. Thus, as a post auditor he is called upon to audit transactions in which he has already been involved as an operating financial officer of the state government.

It is recommended, therefore, that the post auditing official of the state government not be given any accounting, expenditure control, or other financial operating functions.

The work of post auditing the accounts of state officers and that of auditing the accounts of county officers is similar, in that the same technical and professional methods are used and the same type of employes are required for both types of work. By combining these functions in the same agency, it should be possible fully to integrate the work and provide for better utilization of auditing personnel.

8. Legislative Bureau

a. **Proposed Functions:** It is proposed that there be established an organization unit to be known as the legislative bureau which would be operated as part of, and controlled by, the legislative branch of the state government. However, contrary to the existing organization plan, the legislative bureau would not continue to be a subordinate organization unit of the state library, now designated as the department of library and archives. As discussed elsewhere in this report in connection with the proposed department of higher education, the functions of the existing department of library and archives, other than the legislative bureau, are proposed to be transferred to the University of Arizona. If the proposals in this report are adopted, only the legislative bureau would continue as an agency of the legislative branch of the state government rather than the entire department of library and archives as at present. In addition, the functions of the commission on uniform legislation would be transferred to the proposed legislative bureau and the commission would be abolished.

b. **Proposed Organization:** The proposed legislative bureau would be headed by a director who would be selected and appointed by the legislature. It is suggested that the qualifications for such appointment should include a legal education and a thorough knowledge of modern principles, practices, and techniques of bill-drafting, and of the compilation and codification of laws.

The director should be given authority to select and remove his own subordinates on the basis of their qualifications and fitness. All members of the staff of the legislative bureau should serve without limitation of term in view of the importance of the element of experience in this particular work and the fund of information that the force engaged upon the work would be able to acquire in the course of time, which would be a valuable asset to the legislative body.

c. **Advantages:** The state legislative bureau, both existing and proposed, is of particular interest and value in legislative processes. The principal functions of this service include making available reference material regarding the activities and acts of the state and of other governments, conducting research on legislative subjects, preparing or revising bills and other legislative measures for members or committees of the legislature, and compiling and publishing manuals, registers, and other data concerning the legislature. These are important services and should be extended.

No matter how well a legislator may visualize the particular objective that he has in mind in proposing new legislation, and no matter how well he may express the main thought with regard to the subject matter, it is probable that in the absence of a specialized bill-drafting agency many points having to do with the practical workings of the proposed legislation and its relation to existing provisions may be overlooked or inadequately provided for. The people of the state are entitled to well-considered and accurately drawn laws. The members of the legislature, to a greater or lesser degree, are unfamiliar with the act of drafting but are entitled to consultation service that will be rendered promptly and free from any dictation on policy questions or as to the subject matters that the legislation should treat. Members of the legislature should secure needed assistance in drafting legislation in order to avoid loss of time and probably imperfect results that cost the state more in the end than if such assistance were specially provided at state expense.

In the interests of efficient service and ultimate economy, the legislature should provide the staff and facilities required for an efficient legislative research and bill-drafting agency.

The existing organization plan of the state government provides such a legislative service in a subordinate agency of the department of library and archives. However, the department has other subordinate organization units primarily concerned with other library administration matters in regard to maintaining libraries on a number of other subjects such as history, genealogy, mineralogy, and general reference which are open to the public, as well as depositories for official archives.

By statute, it is provided that the director of the department of library and archives shall be in charge of the entire department and "assume direct and immediate charge of the legislative bureau and such other divisions of the department as he may see fit." In fact, the director does assume responsibility, to a considerable extent, for the immediate supervision and direction of the activities of the department as carried on by the library division and the division of Arizona history and archives.

It is considered that efficient and effective bill drafting is such a highly technical process, and so much dependent upon the cumulative acquisition of special information in the fields of proposed legislation that it deserves to be recognized as an art requiring special study and long practice. Therefore, it is believed that an adequate staff should devote full time to the functions proposed to be assigned to the legislative bureau and not dissipate time and energy in exercising other functions that are not closely related or allied to the legislative service as is the case under the current organization plan.

The proposed legislative bureau would have its facilities and staff in or conveniently close to the state library but for the most part the library materials would be maintained by the library service as a separate administrative service, thereby divorcing the legislature from ultimate responsibility for administrative matters only generally or remotely concerned with the proper functions of the legislative branch of the state government.

Further discussion of the interrelationship of the proposed legislative bureau and the state library is found in a subsequent part of this report describing the proposed department of higher education.

9. Judicial Branch

As in the case of the legislative branch, this study and report do not cover in detail the judicial branch but are intended primarily to consider the functions and organization of the executive branch of the state government. However, certain observations have been made and several suggestions are presented for improvement of the judicial system with respect to organization and the method of selecting officers or employes.

As described elsewhere in this report, the judicial power of the state is vested in a supreme court, superior courts, and courts of justices of the peace. The courts act for the state, but the lower courts are closely allied with certain local units of government for purposes of territorial jurisdiction, partial support, selection of personnel, and other purposes. The county is the principal unit of administration.

The supreme court has limited original jurisdiction but considerably

broader appellate jurisdiction in view of the relatively few levels of courts and the lack of intermediate courts of special jurisdiction. County courts have relatively broad original jurisdiction and appellate jurisdiction from courts of justices of the peace. By statute, it is provided that the supreme court, by rules promulgated from time to time, shall regulate pleading, practice, and procedure in the judicial proceedings in all courts of the state. Court decisions have held that the supreme court has an inherent right to make rules for its own government and a statutory right to make rules for all of the superior courts and that such rules have the same force and effect as statutes.

By statute, it is also provided that "the state bar, or a representative group thereof selected by said bar, shall act as an advisory board and shall, either voluntarily or upon request of a majority of the judges of the Supreme Court, consult with, recommend to, or advise the court on any matter dealt with in the rules. Any member of the state bar or any private citizen may object in writing to any rule or part thereof and may request changes. The court shall consider such objections and requests as advice and information only and may act thereon at its discretion."

It is probable that greater unification of the judicial system would be desirable and more efficient and that the supreme court should exercise even more administrative or supervisory control over the disposition of business in the lower courts. Consideration should be given to applications, to the fullest practicable extent, of general principles of unification, administrative control, and selection of personnel common to all or most of the existing state courts. Vesting the judicial power of the state in one great court to consist of the supreme court and in which all other judicial tribunals would be divisions and subdivisions would establish a basis for the centralization of the rule-making power and administrative control in the highest court of the state and provide greater unification with respect to other matters of concern to all or most of the state courts.

Some progress toward unification of the superior courts was made as a result of the passage of a constitutional amendment proposed by the legislature and voted by the people in November, 1948. This amendment consolidated all county superior courts into one court composed of all the judges of the superior court in each and all counties of the state. The principal effect of this amendment was to establish clearly that a visiting superior court judge has jurisdiction to handle all matters that may be presented to him in the regular course of the business of the superior court while he is sitting temporarily therein and that he was not confined to hearing and determining matters specifically and specially assigned to him by the local judge or other authority.

It is also recommended that the functions and membership of the state bar advisory board be changed to increase the scope of its usefulness. There should be established a permanent judicial advisory council of six members representing both the bar and the lay public, to be appointed by the governor for overlapping terms of six years. The members of the council should receive no compensation except reimbursement for necessary expenses incurred in attending meetings or performing other business of the council.

Two types of functions should be assigned to the council. It would nominate judges for appointment, and it would recommend improvements in court procedure and similar matters. The council would serve also as an appropriate organization to make any studies which the legis-

lature might direct for the improvement of the judicial system. As a composite board of attorneys and laymen, it would assist in protecting both interests in matters of court reform.

Judges of the supreme and superior courts and justices of the peace are elected. The constitution, in some instances, prescribes certain qualifications for candidates, such as the practice of law for a stated number of years, which is intended to assure a knowledge of the law. However, it is impossible for the electorate, unaided, to pass upon the possession of those peculiar qualities essential to a good judge. The personal popularity of candidates who have vote-getting power may have no relation to their qualifications. On the contrary, it may mean commitments that preclude judicial independence.

The necessity of participating in political campaigns at frequent intervals to gain election or re-election, not only may consume the time of candidates and judges, but also emphasizes consideration of political, rather than judicial, qualifications. The position of judge calls for the highest qualifications and for an impersonal and unprejudiced approach to the issues before him. The political aspects of a judge's selection may make an impersonal consideration of all matters before the court difficult. In spite of these difficulties, most judges are unwilling to be partial in their rulings and decisions, but the system whereby the judges are subject to unnecessarily embarrassing situations, if they render decisions only from an impartial and judicial outlook, is detrimental to the best interest of society and should be changed.

The relatively short terms and the necessity for judges to rely for their continuance in office on other factors than the excellence of the exercise of their judicial functions, operate against the independence of judges in their judicial capacity and against the retention of the best judges.

The problem of personnel in any judicial system is undoubtedly one of the greatest, and in making selections, there should be opportunity to examine closely into the character and fitness of candidates. This would be a major role of the suggested judicial advisory council. The best system is believed to be one of appointment, with proper machinery to aid the appointing authorities in their selections. But even with the elective system, the scrutiny of the qualifications of candidates by the bar should be given a definite place in the plan. Aside from the over-all issue of whether justices of the peace courts should be continued as a part of the state judicial system, it is believed that adequate qualifications of candidates should be established as a matter of law.

Elsewhere in this report mention has been made that the state constitution prescribes that clerks of the superior courts shall be elected for terms of four years. On the other hand, the constitution provides for the clerk of the supreme court to be appointed by the justices of that court to serve at their pleasure. It is evident therefore that there is inconsistency in the selection and control of some officers or employes in the judicial system.

The clerks of county courts are the principal officers responsible for carrying out the administrative functions of the courts. Their powers are largely ministerial. It is believed that, in the case of these officers or employes of the judicial system, appointment is preferable to election as the method of selection.

To the fullest extent practicable, court clerks should be amenable

to the direction, control, and supervision of the judges whom they serve. This cannot be assured where clerks of superior courts are selected in the manner now provided by the constitution. Furthermore, election gives no assurance of capacity to perform the technical and exacting duties of a court clerk. The fact that superior court clerks are responsible to the electorate makes them virtually independent of the control of the judges and, as a practical matter, operates in many instances to discourage judges from exercising what authority they have over the handling of routine matters of judicial administration.

It is recommended, therefore, that the constitution be amended to provide for the appointment of the clerks of the superior courts by the judges of those courts to serve during the pleasure of the appointing authorities. Each superior court clerk should be made specifically responsible to the judge, or judges, of the court to which he is attached for the work assigned to him by law or by the court.

10. Governor

The governor, under the proposed plan, would continue to be the chief executive and provide the over-all executive direction and control of the several departments and other agencies making up the executive branch of the state government. It is proposed that, by constitutional amendment, the term of office of the governor be increased from two to four years and that the constitutional provision with respect to the salary of the governor and other state officers be eliminated.

The proposed lengthening of the term would save the state from such frequent turnovers and reversals of operating policies as may be caused by the present limitation. Under present conditions, a governor has no sooner had the opportunity to familiarize himself with the problems of state government and the services to be administered, and to place in operation any policies on which he may have secured his election, than he is subject to being turned out and to being succeeded by someone else who likewise must devote the major part of his term of office to acquainting himself with the state service. It is considered that the present term of the governor is too short to establish sound policies and to afford reasonable opportunity and time for those policies to be put into effect and to be given a fair trial. Thus, the existing system permits a succession of experimental administrations which, by the time they have been able to get well developed and started, must make way for others to begin with new experiments.

Other than the recommendation that the term of office of the governor be lengthened, no other change is proposed in the office as such. However, under the proposed plan, the governor would be relieved of all ex officio memberships in boards and commissions. Also, through the executive cabinet and the executive secretary, hereinafter described, he would be aided greatly both in planning and executing administrative policies and in the supervision of state activities.

In order that the governor may exercise adequate administrative supervision over the many operations of the major departments, his immediate staff assistance should be adequate. It is believed that he should be provided with a sufficient number of executive assistants who would be his direct aides in dealing with the managerial agencies of the government. These assistants should be of high competence and tact, and with past experience in management. These executive assistants would not have power to make decisions or issue instructions in their

own right, and would not be interposed between the governor and the heads of his departments. Their sole function would be to assist the governor in the ways in which he can best use them in coordinating the activities of the operating departments and in keeping him informed.

It is contemplated that, from time to time, the governor would appoint advisory committees as he may deem advisable or necessary to render advice, make studies, and submit recommendations to him on such designated matters or subjects within the governor's jurisdiction. Presumably for such purposes the governor has appointed several such bodies, as for example, the aviation development committee, the industrial development committee, and the Thomas E. Campbell memorial commission. So far as can be determined, these agencies are not authorized to administer the expenditure of state funds and are primarily advisory in character to serve for indefinite periods or on limited objectives. No detailed comment is made with respect to these informally created boards except that they should be disbanded when their limited objectives or purposes have been completed or their functions should be assigned to appropriate, formal state agencies if it is necessary for their functions to be exercised on a long-term or continuing basis.

While it may be practicable to enlist the services of individuals to devote their time to such advisory functions without compensation, it is believed that, when the need of such boards can be justified, funds should be appropriated to reimburse the members of such boards for their necessary and actual expenses incurred in the proper exercise of their functions.

11. Executive Cabinet

a. **Proposed Composition:** To facilitate the functioning of the executive branch, an executive cabinet would be formed, made up of the heads of all the administrative departments of the executive branch of the state government. Its chairman would be the governor, and an officer known as the "executive secretary" or "secretary of the executive cabinet" would act as secretary of the cabinet and head the permanent secretariat.

b. **Proposed Functions:** A principal function of the proposed executive cabinet would be to provide and promote closer relationships among the different departments and other agencies of the state government. The cabinet would consider matters of interdepartmental relations and general administrative policies, procedures, and such other matters as the governor may submit to it.

Another function of the cabinet would be to foster interest in the state service as a whole and encourage a broader viewpoint than that of the individual department. By means of reports by, or to, the cabinet, the several department heads would be kept fully and currently informed with respect to such matters as the financial condition and financial problems of the state, the difficulties that specific departments have to overcome, and the manner in which the problems of each department relate to those of other departments and to the state government as a whole.

As closely related to such questions of coordination, the cabinet should undertake to solve problems involving the allocation of responsibility for action in matters that do not relate clearly and specifically to any one agency, but that need attention.

The cabinet also should provide the means for coordinating various research projects which might be undertaken by the several departments.

The cabinet should meet regularly or upon call of the governor. As indicated, it should be an advisory body only, the primary purpose of which should be to aid the governor by findings of fact and expressions of opinion upon such matters as are referred to it. The cabinet should not have authority to make any determination or take any action which would be binding upon the governor or any department head.

If necessary, the cabinet should set up standing committees from time to time to deal with special questions, which action would reduce or eliminate the necessity for creating ex officio boards or mixed commissions that are seldom discontinued after they have been established.

c. Advantages. Responsibility for many of the affairs and problems of state government cannot be allocated clearly to any one department even under a simplified plan of departmental organization that recognizes logical, functional divisions. Many questions of policy and administration involve the operations of several departments and others relate to the interests of the state as a whole. On those problems that relate to the work of more than one department, there should be opportunity for discussion by all the department heads who are, or may be, concerned and for the planning of joint action in which all interests will be represented. The governor, as chief executive, should have the advice of his principal aides, who are the heads of the state's major departments, on problems that are of general, rather than departmental, concern.

A need is apparent for some kind of coordinating agency in the organization structure to promote closer relationships among the different departments to an extent that is not now possible through the current organization structure. This need would not be fully met even if all the existing agencies were grouped in a small number of departments, although the problem would not then be as serious as it now is.

The outstanding example of the establishment of such an executive cabinet is found in the federal government. Very few, if any, state governments have formal provisions for such a body, although the authors have observed that chief executives in many different jurisdictions have provided similar arrangements informally from time to time. As a rule, a good administrator will schedule regular meetings of his chief subordinates regardless of whether or not he is required to do so. The advantage of providing formally for such an advisory body, then, lies deep in the help that it will afford the chief executive.

12. Permanent Secretariat of Executive Cabinet

a. **Proposed Composition:** A permanent secretariat would be the business or secretarial office of the executive cabinet. The office, or cabinet secretariat, should be headed by an officer known as the executive secretary appointed by the governor by and with the advice and consent of the senate. This officer should have indefinite tenure with power of removal by the governor. He should be chosen on the basis of his qualifications, particularly, his training and experience in the executive management of substantial business or public enterprises. His office should be considered of rank equivalent to that of the head of a major department.

b. **Proposed Functions:** The principal functions of the secretariat would include the preparation of agenda for meetings of the cabinet; the presentation of matters, with supporting facts and documents, that require consideration; and the keeping of minutes of decisions and other records of the cabinet. In addition, the executive secretary would be charged with the function of accumulating information for the use of the executive cabinet, the members thereof, and the governor, relative to the problems referred to, or requiring the attention of, the executive cabinet. Furthermore, the executive secretary could handle well in person, or arrange for the proper care by others of the permanent secretariat, many special business problems and task to the great advantage of the state. This officer also could take care of many unclassified items of state business that may find their way to the governor's office but that are of an entirely different character from the work that the secretarial staff of that office is equipped to handle.

c. **Advantages.** It should be emphasized that every effort should be made to establish the tradition, in the course of the early years following the creation of such an office, that the office is a continuing one, the principal value of which would be derived from the accumulated knowledge and experience of the incumbent. The executive secretary and his office could bridge the gap between succeeding administrations, provide at least some degree of continuity in the business policies and operating program of the state, and render invaluable aid to an incoming governor and cabinet in acquainting them with past action in such matters, and the reasons therefor, and in informing them of the status of various projects.

The office should be considered as administrative in character and as entirely outside the realm of political policy. The executive assistant should be governed by the policies of the political leaders in power and deal only with the processes involved in carrying them out. Should the office become involved in political controversies, or be staffed with campaign managers or political associates, it would by this fact lose all the value that it might otherwise have. The executive secretary and his staff should serve in connection with purely business and operating problems only.

13. Summary List of Proposed Administrative Departments

It is proposed that the executive branch of the state government be organized into five staff, auxiliary, and facilitative service departments and ten operating departments, rendering direct service to the public as follows:

Staff, Auxiliary, and Facilitative Service Departments

Department of State
Department of Law
Department of Finance
Department of Revenue
Department of Personnel

Operating Departments Rendering Direct Service to the Public

Department of Public Works
Department of Natural Resources

Department of Agriculture
Department of Military Affairs
Department of Occupational Registration
Department of Employment Security
Department of Health and Welfare
Department of Higher Education
Department of Public Schools
Department of Business Regulation

The unit of organization for the administration of state services is referred to as a "department." As noted earlier in this report, the use of the term "department" is not wholly consistent with the use of the same term for the designation of the three major branches of the state government as found in the constitution. However, use of the term is suggested with respect to major administrative organization units in spite of this conflict in order to conform to accepted practice in the terminology of organization. The three main "departments" as referred to in the state constitution, namely, the legislative, judicial, and executive "departments," should be designated instead as "branches."

The proposed plan of organization is shown graphically in Chart I. Parts IV and V of this report present details regarding the proposed administrative departments.

14. General Characteristics of Proposed Administrative Departments

a. **Functional Basis of Organization:** The principal feature of the plan of organization proposed in this report is the grouping of functions and activities, to the extent practicable, into a number of departments.

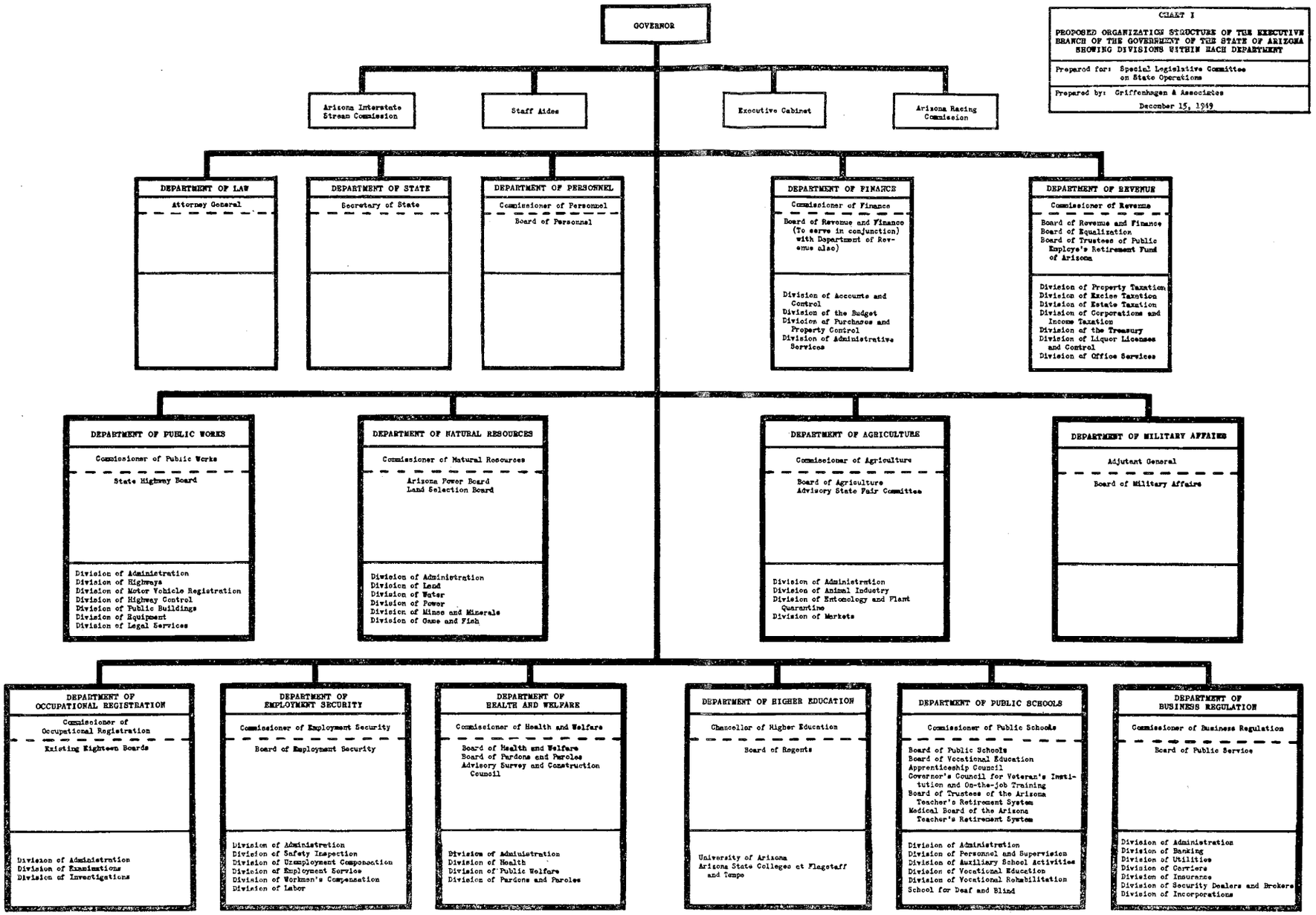
CHART I
PROPOSED ORGANIZATION STRUCTURE OF THE EXECUTIVE BRANCH OF THE GOVERNMENT OF THE STATE OF ARIZONA SHOWING DIVISIONS WITHIN EACH DEPARTMENT
Prepared for: Special Legislative Committee on State Operations
Prepared by: Griffenhagen & Associates
December 15, 1949
GOVERNOR
Arizona Interstate Stream Commission
Staff Aides
Executive Cabinet
Arizona Racing Commission
DEPARTMENT OF LAW
Attorney General
DEPARTMENT OF STATE
Secretary of State
DEPARTMENT OF PERSONNEL
Commissioner of Personnel
Board of Personnel
DEPARTMENT OF FINANCE
Commissioner of Finance
Board of Revenue and Finance (To serve in conjunction) with Department of Revenue also)
Division of Accounts and Control
Division of the Budget
Division of Purchases and Property Control
Division of Administrative Services
DEPARTMENT OF REVENUE
Commissioner of Revenue
Board of Revenue and Finance
Board of Equalization
Board of Trustees of Public Employe's Retirement Fund of Arizona
Division of Property Taxation
Division of Excise Taxation
Division of Estate Taxation
Division of Corporations and Income Taxation
Division of the Treasury
Division of Liquor Licenses and Control
Division of Office Services
DEPARTMENT OF PUBLIC WORKS
Commissioner of Public Works
State Highway Board
Division of Administration
Division of Highways
Division of Motor Vehicle Registration
Division of Highway Control
Division of Public Buildings
Division of Equipment
Division of Legal Services
DEPARTMENT OF NATURAL RESOURCES
Commissioner of Natural Resources
Arizona Power Board
Land Selection Board
Division of Administration
Division of Land
Division of Water
Division of Power
Division of Mines and Minerals
Division of Game and Fish
DEPARTMENT OF AGRICULTURE
Commissioner of Agriculture
Board of Agriculture
Advisory State Fair Committee
Division of Administration
Division of Animal Industry
Division of Entomology and Plant Quarantine
Division of Markets
DEPARTMENT OF MILITARY AFFAIRS
Adjutant General
Board of Military Affairs
DEPARTMENT OF OCCUPATIONAL REGISTRATION
Commissioner of Occupational Registration
Existing Eighteen Boards
Division of Administration
Division of Examinations
Division of Investigations
DEPARTMENT OF EMPLOYMENT SECURITY
Commissioner of Employment Security
Board of Employment Security
Division of Administration
Division of Safety Inspection
Division of Unemployment Compensation
Division of Employment Service
Division of Workmen's Compensation
Division of Labor
DEPARTMENT OF HEALTH AND WELFARE
Commissioner of Health and Welfare
Board of Health and Welfare
Board of Pardons and Paroles
Advisory Survey and Construction Council
Division of Administration
Division of Health
Division of Public Welfare
Division of Pardons and Paroles
DEPARTMENT OF HIGHER EDUCATION
Chancellor of Higher Education
Board of Regents
University of Arizona
Arizona State Colleges at Flagstaff and Tempe
DEPARTMENT OF PUBLIC SCHOOLS
Commissioner of Public Schools
Board of Public Schools
Board of Vocational Education
Apprenticeship Council
Governor's Council for Veteran's Institution and On-the-job Training
Board of Trustees of the Arizona Teacher's Retirement System
Medical Board of the Arizona Teacher's Retirement System
Division of Administration
Division of Personnel and Supervision
Division of Auxiliary School Activities
Division of Vocational Education
Division of Vocational Rehabilitation
School for Deaf and Blind
DEPARTMENT OF BUSINESS REGULATION
Commissioner of Business Regulation
Board of Public Service
Division of Administration
Division of Banking
Division of Utilities
Division of Carriers
Division of Insurance
Division of Security Dealers and Brokers
Division of Incorporations

These departments would be organized on the principle of assigning to each one such functions and activities as involve similar purposes, operations, and processes. Operations and processes would be deemed alike for this purpose of grouping when they call for the same kinds, or closely related kinds, of staffs, personnel qualifications, equipment, facilities, and supervision.

Functions that cut across department lines and are common to several departments such as accounting, personnel administration, revenue collecting, and equipment maintenance would be centralized, to the extent practicable, in the department best equipped and staffed to render such services to other departments. It should be understood that, in those cases in which it is stated that the functions of an existing agency are to be allocated to one of the proposed departments, the statement is to be taken to mean all the functions not otherwise provided for by the terms of the organization plan. Therefore, such common functions of several departments, as described above, are proposed to be transferred without specific mention except where they are among the principal functions or are otherwise of especial importance.

Where functions are to be transferred, this is not to be taken to mean, necessarily, that the functions are to continue on in just the same way as they are now performed, as to scope, as to policy, or as to method. The bringing together of related functions into a single department will make possible numerous simplifications in organization and procedure and various adjustments in emphasis. In fact, the opportunities thus provided for such improvements and economies, constitute one of the basic reasons for bringing together, within departments, like processes and operations.

b. **Heads of Departments:** Each of the proposed administrative departments would have as its head a single managing officer to be designated as the "commissioner" of the department where no more appropriate title applies. The head of each department would be appointed by the governor with the advice and consent of the senate for terms of four years and until his successor has qualified and been appointed. Each such appointment should be made on the sole basis of qualifications of the appointee to administer the affairs of the department for which he is appointed. The minimum acceptable qualifications for appointment preferably should be prescribed by law in terms of education, experience, knowledge, and skill requirements. The head of each department would serve on a full-time basis and be subject to removal by the governor only for cause and after public hearing.

Subject to such executive direction and control as may be vested in the governor by the constitution as chief executive, and by statute, the head of each department would have the management of the department of which he is head and would exercise all of the functions of the department through the department organization provided, in carrying out the provisions of law with respect to such functions, except such functions as are specifically assigned to any board attached to, or affiliated with, the department.

In each administrative department not provided with a deputy head, or general assistant to the head of the department under some other appropriate title, the department head should designate the head of some division, or other employe of the department, to act as head of the department in the absence or disability of the department head, or in case of a vacancy, to act as head of such department until such absence

or disability is terminated or such vacancy is filled. In default of such action the governor should make such a designation.

c. **Internal Organization of Departments:** The work of each department, other than that assigned to any board thereof, would be distributed among divisions provided by law, or established in accordance with law, if any divisions are required for the most efficient conduct of the work of the department. The heads of divisions would be appointed by the heads of the respective departments subject to any provisions of law in effect.

Except as it is deemed desirable to prescribe the internal organization structure of departments, including divisions and subordinate units thereof, specifically by law, the governor, on recommendation of the head of the department would be empowered to authorize, or on his own initiative would direct, changes in the internal organization structure of the administrative departments. The heads of departments would be authorized or directed to combine existing divisions, divide existing divisions, establish new divisions, change the names of divisions, add new functions to existing divisions, or transfer functions and staff from one division to another within a department. The head of a department with the approval of the governor would be empowered to create, combine, or divide subordinate units within a division, or otherwise alter the internal organization of a division, except as such subordinate units of the department, or of divisions of the department, may be specifically prescribed by law.

There would be established, in each department a division, office, or other unit to be known as the "division of administrative services," or by some other appropriate title, or there would be designated some other division, office, or unit to serve as such. In the organization unit thus established or designated, there would be centralized to the fullest practicable extent all record keeping, filing, personnel, payroll, supply, communication, stenographic, typing, and correspondence services, and any other services required by the department and the several divisions thereof. Similarly, like services of any other kind in any department, such as drafting, engineering, construction, purchasing, or mechanical repairs would be centralized, so far as practicable.

The heads of the several departments, under the general direction of the governor, would be required to take such action as necessary to perfect the organization within their departments and to systematize procedures to the end that the functions of the several departments may be exercised with the greatest degree of effectiveness and economy that can be provided.

In some of the proposed departments, particularly, those that would differ materially from the ones now in existence, recommendations are made as to the form of internal organization and some, or all, of the units that should be established are described subsequently.

d. **Department Staffs and Facilities:** The heads of administrative departments, subject to the approval of the governor, should have power to establish such subordinate positions as may be necessary and make appointments thereto, within the provisions of laws and regulations relating to civil service, appropriations, and revenues of the state; to abolish positions; to transfer duties between positions; and, in accordance with law, to transfer, remove, or otherwise change the status of employes of the departments. All employes of each department, to the

extent practicable, should be interchangeable in work assignments for such temporary periods as may be necessary to meet seasonal and emergency demands upon the department.

e. **Boards, Commissions, and Committees:** Some departments should be provided with boards, commissions, or committees having advisory, quasi-legislative, or quasi-judicial functions, or a combination of such functions. The proposed establishment of these plural bodies is indicated in the descriptions of the departments that follow in another part of this report.

Permanent boards, commissions, or committees should consider any matters involved in the administration of their respective departments that may be referred to them by the legislature, governor, or the heads of such departments, and should render such advice in regard thereto as may be requested by the referring authorities.

Each such plural body should have power, of its own motion, to make such studies and investigations as it may deem necessary to the formulation of policies, or to determine the wisdom and efficacy of the policies, plans, and procedures in effect. It should be authorized to report its findings and recommendations to the legislature, the governor, or to the head of the department, or to any or all such authorities as it may see fit.

No board, commission, or committee should have the power to prescribe or direct the conduct of any of the work of any department nor the action of the commissioner or of any subordinate employe of any department; nor have power to take any action except by vote in meeting assembled. All secretarial services required by any such plural body should be supplied by the commissioners of the several departments through the regular staffs of such departments.

The legislature, governor, and heads of departments should also be authorized to appoint from time to time such temporary informal committees as any of them may deem advisable, to render counsel to the appointing authorities on any designated matters or subjects within the jurisdiction of such authorities. These committees would be disbanded when the special purposes of their creation have expired.

Each board, commission, and committee should consist of individuals appointed on the basis of their interest in public affairs with particular reference to the subject matter involved, and their good judgment.

The members of permanent boards and commissions should be appointed by the governor, or, as quasi-legislative or quasi-judicial bodies it would be appropriate for their appointments to be made by the legislature. In order to provide for desirable continuity, appointments should be made for overlapping terms. They should be compensated for the time actually spent by them on their official duties and reimbursed for their actual and necessary expenses thereon, in such amounts as may be provided by appropriations.

f. **Administrative Rules:** The governor should be authorized to prescribe such general administrative rules for the conduct of the affairs of the departments not inconsistent with law, as he may deem necessary or expedient. Likewise, the head of each department should be empowered to prescribe such administrative rules, with the approval of the department board where such a board has been constituted, and of the governor, as he may deem necessary or expedient for the proper conduct

of the work of the department and for making effective the provisions of law, and not inconsistent therewith or with the general rules prescribed by the governor. Such administrative rules should have the force and effect of law when made or approved by the governor.

g. **Cooperation between Departments:** It should be the duty of the heads of departments to cooperate with each other, so far as practicable, in matters of common interest. Each commissioner should be required to furnish to any other, upon request, such services, labor, supplies and materials, and use of quarters and equipment, as his own facilities permit, through the same procedure and subject to the same measures of audit and control as those to which other proposed expenditures are subject, the expenses to be billed and charged to the departments served, by transfers between appropriations.

In all cases where conflicts arise between departments, or employes thereof, or where departments issue conflicting orders or make conflicting rules, the governor should settle the conflicts and amend or annul any rules or orders giving rise to such conflicts, subject to the power and authority of the legislature.

h. **Transfer of Functions:** Any agency in which functions are transferred from any other agency should be the successor in every way, with respect to such functions, to the agency in which such functions previously had been vested. Likewise, every act done in the exercise of such functions by, or under the authority of, the agency to which such functions are transferred, should be deemed to have the same force and effect as if done by the agency in which such functions previously had been vested.

i. **Transfer of Records, Equipment, and Unfinished Business:** It should be provided also, preferably in an administrative code, that all books, papers, records, and other property used or possessed by any agency in the exercise of functions transferred to any other agency shall be transferred to the agency succeeding to such functions and that any pending or unfinished business shall be taken over and completed by the agency to which the functions involved in such business are transferred, with the same powers and authority as the agency formerly exercising the functions would have had.

Where the functions of any existing agency are divided among two or more agencies, the division of the books, papers, records, and other property and the pending and unfinished business should have the approval of the governor.

j. **Transfer of Employes:** It should be provided, further, that all employes engaged in duties in any agency involved in the exercise of functions transferred to the agency succeeding thereto shall, so far as practicable, continue to perform their usual duties. Such transfers would be subject to all other provisions of law in effect respecting terms of office, removal for cause, eligibility for transfer, promotion, and other changes in employment status, and subject also to any existing provisions of law respecting the powers of any officers to discontinue unnecessary positions or to alter the duties of positions.

Where the duties of any employe are divided between the functions of two or more agencies, the agency to which the employe is transferred should be determined by the governor.

k. **Transfer of Appropriations:** The balances of appropriations made for, any special cash funds to the credit of, any agency from which

functions are transferred and available for expenditure in the exercise of such functions, would be transferred for the use or credit of the agency to which such functions are so transferred.

Where any functions, provided for by existing appropriations or cash funds not segregated to the purposes represented by such functions, are divided between two or more agencies, the division of such appropriations or cash funds should be determined with the approval of the governor.

l. **Reports:** The governor should cause to be prepared and should submit to the legislature, annual reports on the operations and finances of the executive branch of the state government and such other reports as the legislature may prescribe or as the governor may desire to submit.

The head of each department should make an annual report to the governor, and special reports as required by the governor, concerning the work of the department, with his observations and recommendations thereon and with pertinent statistics concerning the work of the department, which the governor should transmit to the legislature with such comments as he may desire to make.

All annual reports should observe the fiscal year of the state as the reporting year.

m. **Oaths:** Each department board, the head of each department, and any representative specifically authorized by the department head to conduct any inquiry, hearing, or investigation, should have authority to administer oaths and to examine witnesses under oath relative to any matter properly made a subject of such inquiry, hearing, or investigation.

15. Independent Agencies

For reasons to be explained in detail later in this report, there are several existing agencies of the state government which are recommended be continued in independent status. By "independent status" is meant that the agencies have functions of such a character that they do not lend themselves readily to integration with the work of the units of organization in the legislative or judicial branches of the state government nor with the work of the proposed administrative departments of the executive branch. However these few agencies, for which the proposed plan of administrative departments makes no provision, would be responsible directly to the governor and he would appoint their managing authorities.

Although these independent agencies are not intended to be subject to all the recommendations in this report made exclusively and specifically with respect to the proposed administrative departments, such agencies would be subject to all provisions of law that are general in their application to all agencies of the state government or of the administrative service. Their managing authorities should observe in every practicable way the principles of cooperation and coordination among the various agencies of all branches of the state government. The heads should have power to establish such divisions or other units of internal organization and such subordinate positions as may be necessary, as well as to make appointments to such positions within the limitations of appropriations provided and in accordance with laws in effect governing employment in the service of the state government.

These independent agencies should be provided with suitable quarters, equipment, services, supplies, materials, and other facilities as may be necessary to carry out their functions, subject to the limitations of appropriations provided, through the same means and subject to the same measures of control as are applicable to every other agency or administrative department of the state government.

16. Detailed Descriptions of Proposed Administrative Departments

Parts IV and V of this report to follow contain detailed descriptions of the proposed administrative departments of the executive branch of the state government. In each case, the existing agencies and functions to be placed in the proposed department are set forth, as are the form of managing authority, the functions and composition of boards attached to the department, and the advantages to result from the proposed organization. In addition, suggestions are offered as to the internal organization of some of the proposed departments where it is deemed advisable to indicate the pattern into which the various functions to be vested in a department would be fitted.

PART IV

DESCRIPTIONS OF PROPOSED STAFF DEPARTMENTS

1. Introduction

It is recognized that in any proposed plan some of the functions of the administrative organization, for various reasons, cannot be allocated to any one department, as against every possible alternative, with such finality as to preclude successful challenge. In some cases there may be no preponderance of precedents and advantages for a particular allocation as against another allocation. In other cases tradition, prejudice, or peculiar local conditions precludes an allocation that ordinarily would be accepted as sound. In still other cases proposed changes are not feasible of immediate adoption under the constitution and alternatives must be resorted to if the main features of the plan as a whole are to be adopted without undue delay. In the detailed descriptions of proposed departments to follow, allocations of functions that do not fall without question into any one department are so indicated, and alternative allocations are suggested.

This Part IV deals with those proposed departments that would have staff, auxiliary, and facilitative service functions. They are the proposed departments of state, law, revenue, finance, and personnel. The proposed operating departments are described in still another part of the report.

2. Department of State

a. **Proposed Functions:** It is proposed that the department of state would exercise the functions heretofore vested in the office of the secretary of state and some additional functions relating to publicity and promotion. Principal functions of the department would include:

(1) Taking custody of the state seal and other official records of the state not otherwise specifically assigned to other agencies.

(2) Authenticating state documents and certifying their official character under the official seal of the state.

(3) Keeping registers and performing other official acts of a similar ministerial character as may be prescribed by law.

(4) Administering the provisions of law that now or hereafter may be assigned to the secretary of state relating to the conduct or canvassing of state elections.

(5) Keeping records of such matters as appointments of state officers, commissions of notaries public, and the like.

(6) Supervising the printing, storing, distributing, and selling of copies of laws, records, journals, books, and other papers or publications deposited in the department of state pursuant to law.

(7) Promoting the civic, industrial, and commercial interests of

the state with special regard to travel and attracting new industries, tourists, and immigration to the state.

The proper exercise of publicity and promotion functions assigned to the department of state would require close coordination and cooperation with other departments and agencies of the state government, such as the proposed department of public works and the legislature reference service.

b. **Proposed Organization:** Under the proposed plan, the secretary of state would continue to be the head of the department of state.

The secretary of state is a constitutional officer who is elected for a two-year term. The normal duties of this office are largely of a ministerial character. They involve little discretionary power and almost no responsibility for important matters of state policy in exercising the functions of the office as such. Under the present constitution, however, the secretary of state is first in line of succession to the office of governor and primarily for this reason he is elected, as the constitution also requires successors to the office of governor to be elected. Inasmuch as the proposed new plan presents suggestions for a different line of succession to the governorship, the secretary of state need no longer be elected to meet this requirement.

Election is an expensive and inefficient method of selecting administrative officers. Consequently, unless wide discretion in policy determination affecting major matters of state-wide concern is vested in an administrative officer, or unless the office is part of the system of checks and balances, there does not seem to be adequate justification for election as a means of filling the office. It is, therefore, recommended that the secretary of state be made subject to appointment by the governor with the advice and consent of the senate. A constitutional amendment would be required, but until such amendment is adopted, the elected secretary of state could head the proposed department.

c. **Advantages:** The only material changes proposed are those of the definite recognition of the office of the secretary of state as a department of the state government, of the transfer of state publicity functions to that office, and of the transfer of certain functions from that office to another proposed department where they can be fitted to better advantage with other functions of similar character. It is considered that the advantages of these changes are obvious.

3. **Department of Law**

a. **Proposed Functions:** It is proposed that the department of law would exercise all the functions heretofore vested in the office of the attorney general, which would would include:

(1) Conducting, or directing the management of, all litigation in which the state is a party.

(2) Appearing for the state in the federal courts in matters in which the state is a party or may be interested.

(3) Furnishing legal advice and formal opinions to the legislature or its members, the governor, other state officers, and county attorneys, when required, on any questions of law relating to their offices or official duties or responsibilities.

(4) Rendering other legal services that may be required by the state government as a whole or any of its agencies.

The attorney general is the chief law officer of the state, and he should render, or provide for coordinating under his responsibility, the legal services required by other departments or agencies and their officers. The tendency for individual departments and other agencies to employ their own attorneys is replete with possibilities for conflicts, and for administrative action by different departments on divergent opinions on substantially the same questions of law and procedure.

It is believed that centralization of the legal work of the executive branch of the state government in the proposed department of law is desirable from the standpoint of economy and coordination and that exceptions made by the constitution or statutes should be eliminated or reduced to the fullest practicable extent. It is recognized, however, that there may be unusual circumstances which would justify the attorney general's assigning attorneys directly to units. In such cases, however, legal services rendered to state agencies by attorneys assigned to those agencies should be subject to the attorney general's over-all direction and supervision.

b. **Proposed Organization:** Under the proposed plan, the attorney general would continue to be the head of the department of law.

Under the present constitution, the attorney general must be elected by popular vote for a two-year term. However, it is believed that, except as he may be called upon as a member of various state boards to make decisions affecting matters of policy, the attorney general's functions and duties are administrative rather than policy determining.

Attorneys general are selected variously in the several states. The office is filled by appointment by the legislature, by appointment by the supreme court, by appointment by the governor, and by direct election by the people. In the federal government the attorney general is a member of the cabinet appointed by the President.

There are several theories as to the over-all purpose of the office of the attorney general which have a bearing on the manner in which this officer is selected. One theory is that the attorney general should be elected independently inasmuch as he serves primarily as a legal "watchdog" to see that other state officials comply with the law. Another theory is that the attorney general should be elected by popular vote and be responsible direct to the people when he is concerned with law enforcement as the state prosecutor. A third theory is that the attorney general primarily is the legal adviser and general counsel for the various state officers.

In all probability there is an element of fact in all three of the theories outlined. However, the authors of this report believe that the third theory presented seems to be the most valid and useful interpretation. In other words, the attorney general is primarily an aide to the chief executive and should be selected and appointed by the governor with the advice and consent of the senate.

It is not deemed advisable to prescribe by law the internal organization structure of the proposed department. Considering the relatively small size of the existing attorney general's office, and the probable size of the proposed department, it is suggested that the internal organization be left flexible to permit adjustments and changes in emphasis of functions and staff assignments as the work of the department may require.

In summary, the proposed department would be a continuation of the office of the attorney general, under a more appropriate designation of the organization unit, to achieve a desirable uniformity of organization terminology and greater standardization in the method of selecting chief administrative officers. It is proposed elsewhere in this report that other provisions be made for the functions or memberships of the various boards, commissions, and other plural bodies of which the attorney general is a member ex officio. Finally, the attorney general should exercise functional supervision over the law officers of other administrative departments, offices, or agencies for the purpose of coordinating their work.

c. **Advantages:** The only material changes proposed are those of definite recognition of the office of the attorney general as a department of the state government and greater economy, coordination, and supervision of the board function and responsibility for giving legal advice, counsel, and other services to the executive branch of the state government.

4. Department of Revenue

a. **Proposed Functions:** The proposed department of revenue would exercise the following functions:

(1) Classifying all property in the state for taxation purposes and having general supervision over the administration of the assessment and tax laws of the state.

(2) Appraising and assessing the value of all patented and unpatented mines, the value of all taxable property of railroad companies, except such real estate as is not used in the continuous operation of the railroads, and the value of all properties and franchises, including the intangible values thereof, of telephone and telegraph companies in the state and apportioning the assessments among the several counties and other taxing districts through which the lines of such companies run.

(3) Computing the average tax rates to be applied to private car companies and express companies doing business in Arizona, making assessments and notifying the companies of their respective assessments and amounts of taxes due, and collecting the taxes.

(4) Administering the imposition, collection, and distribution of sales, luxury, income, motor fuel, inheritance, and insurance premium taxes, and taxes on the gross revenue of public utility companies.

(5) Administering and enforcing the provisions of law which require the registration of every corporation organized or doing business in the state and collecting the registration fees.

(6) Administering and enforcing the provisions of law relating to the issuance of liquor licenses and maintaining control over liquor sales.

(7) Having responsibility for the custody of all state funds and the disbursement of funds on the authorization of the controller.

b. **Proposed Transfers of Functions:** The department would have all of the functions now exercised by the tax commission, the estate tax

commissioner, the state treasurer, and the department of liquor licenses and control.

The functions of collecting the motor fuel taxes and making refunds thereon would be transferred to the department of revenue from the highway department. The functions of registering corporations, assessing taxes on the gross revenues of public utility companies, and collecting insurance premium taxes, likewise, would be transferred from the corporation commission.

c. **Proposed Organization:** The head of the department of revenue would be the commissioner of revenue, appointed by the governor with the advice and consent of the senate. The qualifications for appointment should include graduation in accounting or business administration, or in law, from a college or university of recognized standing and eight years of experience in administrative, legal, or accounting work, of which five years shall have been of responsible character in tax administration, or any equivalent education and experience, and thorough knowledge of modern business methods.

A proposed board of revenue and finance and the board of equalization would serve as auxiliary boards to this department.

The board of revenue and finance would serve also as an auxiliary to the department of finance, and its functions, organization, and advantages are discussed in the next section describing the proposed department of finance.

The board of equalization would continue to serve as an ad valorem tax equalization body. The board of equalization, as in the case of the board of revenue and finance, would be an agency auxiliary to the department of revenue. It is recommended that the board be composed of five members appointed by the governor with the advice and consent of the senate for overlapping terms of five years. The board members should hold no other state, county, or municipal office.

The proposed department of revenue would be organized into eight main divisions as follows:

Division of property taxation

Division of excise taxation

Division of estate taxation

Division of corporations and income taxation

Division of the treasury

Board of trustees of public employes' retirement fund of Arizona

Division of liquor licenses and control

Division of office services

The functions of these proposed units of internal organization are set forth in the following paragraphs.

The proposed **division of property taxation** would be headed by a director, appointed by the commissioner of revenue. The functions of the division would be to classify all property in the state for taxation purposes and to make original assessments for ad valorem tax purposes of the operating property of railroad, carloading, and express companies; of all patented and unpatented producing mines; and of all properties

and franchises, including the intangible values thereof, of telephone and telegraph companies. In addition, the division would exercise supervisory duties in connection with the local assessment of other classes of property and would maintain a program of assistance to local assessors in order that all assessments of property would be made at the full cash value.

The proposed **division of excise taxation** would be headed by a director, appointed by the commissioner of revenue. The functions of the division would be to administer and enforce the imposition of taxes on excise revenues including sales, luxury, business privilege, and motor vehicle fuel taxes.

The proposed **division of estate taxation** would be headed by a director, appointed by the commissioner of revenue. The functions of the division would be to administer and enforce the provisions of the Arizona Estate Tax Act of 1937.

The proposed **division of corporations and income taxation** would be headed by a director, appointed by the commissioner of revenue. The functions of the division would be to administer and enforce the laws pertaining to the imposition and collection of income taxes and to the registration of corporations.

The proposed **division of the treasury** would be headed by a state treasurer, appointed by the commissioner of revenue. The division would have all the functions involving and related to the custody and disbursement of moneys; the investment of state funds and the custody of securities; the receipt of taxes, assessments, license fees, and other revenue and non-revenue payments; the forecasting of cash position and the making of provisions to have cash available to meet approved claims, to the extent possible; and the management of the state debt. In addition, the state treasurer should supply all secretarial and administrative services required by the board of trustees of the public employes' retirement system.

The proposed **board of trustees of public employes' retirement fund of Arizona** would consist of five members appointed by the governor, with the advice and consent of the senate, to serve overlapping terms of five years. The functions of the board would be to manage the public employes' retirement fund and to prescribe rules and regulations for the conduct of the administrative work required by the board and proposed to be performed by the staff of the division of the treasury.

The proposed **division of liquor licenses and control** would be headed by a director, appointed by the commissioner of revenue. The functions of the division would be to enforce the provisions of the liquor license and control laws; prescribe and enforce rules and regulations for the proper conduct of places of business licensed under the liquor license and control act; to hold hearings on and investigate complaints against licensees and others for non-compliance with or for violation of the liquor license and control act and to make determinations concerning penalties to be imposed, or other corrective action to be taken; and to administer and enforce the law which prohibits the sale of tobaccos to minors or the possession of tobacco by minors.

The proposed **division of office services** would furnish clerical, recordkeeping, and similar services to other divisions of the department.

d. **Advantages:** The necessity for having a single executive in general charge of all administrative activities of each department has

been recognized and a full discussion of the problem is presented elsewhere in this report. The administrative functions of the tax commission are outstanding examples of those which should not be assigned to a plural body for direction and control. Furthermore, there is no valid good reason for having elective taxing officials. It is a fallacious argument that an elective assessor will be more impartial in his decisions regarding the fixing of valuations of property for taxing purposes than would an appointive one. The real significant feature of the argument is that an elective assessor will be more amenable to reason, or putting it differently, to influence, in fixing valuations of property. This feature, incidentally, makes the case even stronger for an appointive assessor. The office of assessor is one which calls for complete freedom from personal or political pressure.

The functions of the tax commissioners are incompatible in that these administrative officials sit as a board of equalization for the purpose of hearing appeals, some of which arise from their own acts as tax commissioners, and render decisions thereon. Although, in such cases a taxpayer who is not satisfied with the decision rendered in connection with his case by the board of equalization may appeal to the courts, he should be given an impartial hearing in the first instance. It is not reasonable to expect a judge to be completely unbiased when he is called upon to judge a case in which he doubles also as the prosecutor. Under the proposed plan, the board of equalization would be retained as an auxiliary to the department of revenue, but it would have no administrative responsibility.

The functions of the department of liquor licenses and control are of both regulatory and revenue producing nature. It might be said that the regulatory functions are of such specialized character as to justify continuance of the department at its present level in the state government. On the other hand, it is obvious that the regulatory work of the department should be coordinated closely with that of administering the excise tax laws. This need for coordination plus the fact that the department has revenue producing functions would favor making the present department of liquor licenses and control a division of the department of revenue in the proposed plan. Also, it would provide opportunities for better integration of procedures and work programs if the department were placed under the department of revenue. It is understood that the work of the department of liquor licenses and control was under the control of the tax commission during the period 1933 to 1939.

The principal advantages of the proposed plan of organization for the department of revenue over the present plan can be briefly summarized as follows:

(1) It would provide for the coordination of all revenue activities and for the maximum integration of procedures, records, and reports.

(2) It would increase the effectiveness of executive authority and direction by eliminating the complexities of the present plan by placing responsibilities where they belong, and by providing better continuity in directing policies.

(3) It would eliminate overlapping and duplication of functions.

(4) It would provide for the logical assignment of functions to organization units consistent with the principles of organization

outlined earlier in this report. (These principles were not found to have been applied in designing the present plan which represents a patchwork product that is not consistent in form or logical in arrangement.)

(5) It offers opportunity to reduce the total cost of revenue administration and at the same time obtain better results.

5. Department of Finance

a. **Proposed Functions:** The functions of the proposed department of finance would be as follows:

(1) General management and control of the finances and financial operations and affairs of the state.

(2) Coordination of all the procedures for financial administration and financial control, so as to integrate them into an adequate and unified system.

(3) Rendering staff service to the governor in developing financial policies and plans for adoption, and in budgeting in accordance with such policies and plans as adopted.

(4) Accounting and financial reporting for the state as a whole.

(5) Current auditing, embracing the current audit control of cash, cash receipts, and receivables; the preaudit of all expenditures; and the investigation and audit of financial affairs and operations.

(6) Purchasing for each using agency all materials, supplies, and equipment of every description. Certain agencies may be authorized by the commissioner of finance to purchase all or certain specified items of materials and supplies according to prescribed rules and regulations, but the department of finance would have responsibility for seeing that such rules and regulations are observed by such agencies in conducting their purchase negotiations.

(7) Maintaining records of all state property, and enforcing accountability for such property assigned to state agencies.

(8) Controlling surplus property and assigning such property for use as required, and prescribing and enforcing regulations governing the condition and disposition of property of no further use to the state.

All functions listed above that are now vested in any existing agency would be transferred to, and vested in, the department of finance. Specifically, the functions that are proposed to be transferred to, and vested in, the department would include all the functions now exercised by the state auditor, except that of post auditing, and those vested in the property condemnation board. They would also include purchasing which is now a function of every agency in the state government.

b. **Proposed Organization:** The head of the department of finance would be the commissioner of finance, appointed by the governor, with the advice and consent of the senate. The commissioner of finance would be the chief financial officer of the state and the advisor of the governor and the legislature in financial matters. The qualifications for appointment should include eight years of experience in business and finance, of which five years should have been in a responsible administrative

capacity, preferably in state financial administration, or any equivalent experience, and thorough knowledge of modern business methods.

The board of revenue and finance is proposed as an auxiliary to the department of finance. It also would serve as an auxiliary to the department of revenue. The proposed board would have responsibility for the exercise of such advisory, quasi-legislative, and appeal functions as are involved in questions of policy that arise in the administration of the fiscal affairs of the state including:

(1) The consideration of applications for, and the authorization of, transfers from contingent appropriations to appropriations of the various spending agencies.

(2) The prescribing of rules for the conduct of the work of the departments of finance and revenue which would have the force of law and no such rules should become effective until so prescribed.

(3) The approval of budget estimates and other matters of administrative policy of the departments of finance and revenue before they are given effect.

(4) The approval of state depositories and all investments of state funds before such investments are made.

(5) The hearing of appeals from any acts or decisions of the commissioners of finance and revenue, or under their respective authorities, including appeals on all tax matters other than those pertaining to the equalization of assessments for ad valorem tax purposes; the hearing of cases brought before the board by either of these commissioners on the record involving the conduct of business in their respective departments; and the rendering of decisions in connection with any such hearing which shall be binding, subject to all further rights of action and judicial review that may be provided by law.

In exercising these functions the board should have the power to make, or cause to be made through either the department of finance or the department of revenue, such investigations or studies as it may deem necessary to the formulation of policies or to determining the wisdom and efficacy of the policies, plans, and procedures in effect and to report its findings and recommendations to the appropriate commissioner, the governor, and the legislature.

Neither the board nor any member thereof should have the power to direct the action of any officer or employe in the conduct of the work of the department in which he is employed, nor to take any other action except by vote in meeting assembled.

All secretarial and other services required by the board should be supplied by the commissioner of finance through the regular organization of his department.

All of the functions now exercised by the loan commission and the state certification board would be transferred to the proposed board of revenue and finance.

It is recommended that the board of revenue and finance be comprised of three members appointed for six-year overlapping terms, one every two years after the board is first constituted.

The value of the services of such a board of revenue and finance

would depend entirely upon the character and ability of its members. Every effort should, therefore, be made to insure the appointment of men of unquestioned integrity, who have demonstrated their ability in the field of business and financial management, and who have manifested interest in public affairs.

It is essential, also, that in the discharge of their duties the board members be thoroughly impartial and, therefore, they should hold no other public office nor be involved in contracts for services or for furnishing supplies and materials to the state government.

The advantages of providing certain department heads with advisory boards to assist them in the formulation of policies are discussed elsewhere in this report. It is apparent that, in the administration of matters pertaining to the revenues and finances of the state, problems will be encountered relative to which the judgment of more than one person will tend to assure the soundness of proposals under consideration. The departments of revenue and finance, therefore, are included among those which need an advisory board.

The proposed department of finance would be organized into four main divisions as follows:

Division of accounts and control

Division of the budget

Division of purchases and property control

Division of administrative services

The functions which would be exercised by these proposed units of internal organization are set forth in the following paragraphs.

The proposed **division of accounts and control** would be headed by a controller, appointed by the commissioner of finance. The division would exercise the functions in the following list:

(1) Prescribe and install a unified and integrated system of accounts, covering the form of all accounts to be kept and all financial reports to be rendered for the state as a whole and any of its agencies.

(2) Keep the general accounts of the state summarizing all the financial transactions of all agencies.

(3) Keep the detailed appropriation and allotment accounts of all agencies of the state.

(4) Prepare all accounting statements and reports relating to the financial condition of the state as a whole, to the condition and operation of state funds, to appropriations, to reserves, and to costs of operation, which shall be subject to review by the commissioner of finance before release.

(5) Maintain current audit and control of all receipts and expenditures; preaudit all commitments as evidenced by copies of advices of employment, purchase orders, contracts, service agreements, and travel authorizations and certify them as to the availability of funds before the actual obligations are incurred; and approve and settle all claims against the state and provide for their payment by issuing warrants on the state treasurer.

The proposed **division of the budget** would be headed by a director of the budget, appointed by the commissioner of finance. The division would exercise the functions listed as follows:

(1) Keep in continuous touch with the operations, plans, and needs of the several agencies of the state, and with the sources and amounts of revenue and other receipts of the state.

(2) Appraise the quantity and quality of services rendered by each department and agency, and the needs for such services and for any new services.

(3) Develop, in cooperation with the several agencies, comprehensive, long-range plans for capital outlays with due relation to the means available for financing them.

(4) Prepare the annual budget report including statements pertaining to the justification of estimates and work program schedules for the governor's approval and submission to the legislature.

(5) Recommend transfers between appropriations under the provisions of law.

(6) Examine and recommend to the governor the approval of work programs and allotments to the several departments, together with changes therein.

(7) Develop plans for improvements and economies in organization and operation of the departments, and install such plans as approved by the respective heads of departments, or as directed by the governor or by the legislature.

(8) Devise and prescribe the forms of operation reports to be required periodically from the several departments and agencies and require the several departments and agencies to make such reports.

The proposed **division of purchases and property control** would be headed by a purchasing agent, appointed by the commissioner of finance. The division would be responsible for quantity purchasing, for the combined needs of all state departments; for enforcing the use of standard specifications; for supervising and controlling emergency purchasing; for controlling stock supplies; and for the current control of properties, including the disposition of property of no further use to the state.

The purchasing agent would be given functional supervision over all purchasing activities carried on by agencies which may be authorized by the commissioner of finance to make certain of their own purchases.

The proposed **division of administrative services** would furnish clerical, reproduction, recordkeeping, mail, messenger, and similar services to other divisions and to other agencies of the state government that could, as a practical matter, use them.

c. **Advantages:** The main objections to the present organization for fiscal control are with respect to (1) the manner in which the chief financial officer is selected; (2) the lack of an adequate staff or effective budget administration, including the lack of any provision for making management studies directed to the justification of budget estimates and to the improvement of procedures and work methods; (3) the failure to provide proper control over purchasing to the end that all supplies,

materials, and equipment be purchased in the most economical manner and in accordance with modern approved business practices; (4) the failure to provide for an independent post audit; and (5) the failure to integrate all fiscal control activities under one head responsible to the chief executive officer of the state.

The above listed weaknesses have all been discussed in detail elsewhere in this report and in a companion report on budgeting and budgetary control, and need not be taken up again here. The advantages of the proposed plan of organization are the reverse of the weaknesses in the present plan.

6. Department of Personnel

a. **Proposed Functions:** The proposed department of personnel would have responsibility for the central administration of the state personnel system, except for certain education personnel, including the exercise of such administrative functions as are involved in the classification and compensation of positions in the state government service; determination of eligibility of persons for appointment on the basis of qualifications and competitive examinations; and enforcement of laws, rules, and regulations pertaining to promotions, demotions, transfers, reinstatements, re-employments, temporary appointments, changes in compensation, separations, service ratings, training, discipline, and the like.

b. **Proposed Transfers of Functions:** The administrative functions of the general types described above, now assigned to the joint merit system council, the merit system council of the Arizona highway patrol, and any other agency of the state government having positions within the scope of a state personnel system, would be transferred to the proposed department of personnel. However, the approval of the federal government may have to be secured before the functions of the joint merit system council could be transferred to the proposed department. The advisory, quasi-legislative, and quasi-judicial functions of existing state agencies would be transferred to the proposed board of personnel.

c. **Proposed Organization:** The proposed department would be headed by a commissioner of personnel appointed by the governor from a list of eligibles submitted by a proposed board of personnel in accordance with the laws, rules, and regulations of the state personnel system, the list of eligibles to be prepared on the basis of open competitive examinations. It is particularly important in the selection of a person to head a department administering a personnel merit system that even the suspicion of "political" favoritism be avoided. The commissioner should be eminently qualified through training, education, and experience. His qualifications should include graduation from a recognized college or university with specialization of study which would include training in personnel administration, and at least five years' supervisory experience in personnel administration in large business or government enterprises. The commissioner would have broad responsibility for the over-all administration of the proposed department including the appointment of the staff of the department, and the approval of policies, procedures, and practices for the administration of the department. The commissioner would be subject to removal only for cause and under such general procedures and restrictions as may be provided by law.

A board of personnel would be attached to the proposed department. It would consist of three members appointed by the governor, by and

with the advice and consent of the senate, to serve overlapping terms of six years. The members should be selected and appointed on the basis of their sympathy and interest in the application of merit principles to public employment. Members of the board should not be candidates for nomination or election to any public office or hold any other public office or position of public employment. Board members would be removable by the governor only for cause and under such general procedures and restrictions as may be provided by law.

The board of personnel would have no administrative functions but would meet periodically to exercise advisory, quasi-legislative, and quasi-judicial functions appropriate for boards. The board would not have power to prescribe or direct the conduct of any of the work of the proposed department of personnel nor the action of the commissioner or of any subordinate employe. All secretarial, investigating, and other services required by the board would be supplied by the commissioner through the regular staff of the proposed department of personnel.

The board would have advisory functions. It would consider any matters involved in the administration of the department of personnel that may be referred to it for the purpose by the legislature, governor, commissioner of personnel, or other state officers, and render such advice in regard to such matters as may be requested by the referring authorities. The board would exercise such quasi-legislative functions as promulgating, altering, or amending rules and regulations in supplementation of the laws establishing a state personnel system as may be authorized and within the limits of that authority conferred on the board by the legislature. In exercising quasi-judicial functions the board would have authority to hear and determine appeals from any acts done or decisions made by the commissioner of personnel or under his authority. The board would also determine the facts or make decisions in cases brought before it in any matter involved in the conduct of the business of the department and the rights, privileges, duties, and responsibilities of employes and other state agencies under the laws, rules, and regulations establishing or governing the state's personnel policies, procedures, and practices.

It is probable that the proposed department of personnel would have a relatively small staff at the time of its establishment. The size of the staff would depend largely on the comprehensiveness of the state personnel system established and the intensity with which the proposed department carried out its assigned functions. Consequently, it is not deemed advisable to prescribe the exact internal organization structure of the proposed department, which would be directly dependent upon the number of personnel as well as the diversification of the functions and activities of the department. It is suggested that staff services such as filing, bookkeeping, reception, purchase and supply, statistics and tabulating, and mail services be performed by a central organization unit and that other functions and activities of the department such as recruiting, examining, and classifying be performed by one or more subsidiary organization units as may be required.

During the period of transition in establishing the proposed department, the joint merit system council and the merit system council of the Arizona highway patrol would continue as independent agencies. However, it is recommended that effort be made to merge the administrative staffs of the two councils in the interests of economy and efficiency, and to avoid wasteful duplications of staffs, facilities, and activities to the fullest practicable extent. If and when the proposed department of personnel is established, it is probable that the adminis-

trative staff of both merit system councils would provide the nucleus for the staff of the proposed department.

d. **Advantages:** The advantages that could be realized through the establishment and operation of a unified comprehensive personnel system for employes of the state government through the proposed department of personnel are numerous.

An integrated personnel recruitment program throughout the state service would eliminate duplication of effort and expense due to the fact most agencies of any size have their own recruiting program. Furthermore, a centralized recruitment program would tend to encourage more applicants to apply for positions in the state service. Under a central recruiting program, an applicant would appear before the proposed department of personnel, his qualifications would be studied, and he would then be referred to an agency which has a vacancy for his particular qualifications. This is a distinct advantage during times when there is a labor shortage and when the state has to compete with outside enterprises for available personnel.

It is considered that a need exists for a proper classification of positions in the state service. Classification studies, analyses of jobs performed by various state employes, are needed to obtain a true picture of the functions and responsibilities of each position. In this way, data would be available to eliminate any inequalities of compensation for performance of similar work that may exist.

The effectiveness of personnel administration is of vital concern to all who desire to increase the effectiveness of state administration. Few, if any, factors affect more vitally the government services rendered than the quality of the men and women performing them. The complexity of modern administrative problems requires that the standards of competence in the state service be as high as available human resources will permit. The functions of personnel administration are believed to be of sufficient importance to have them exercised by a staff on the department level.

Considering the needs and conditions of the state, it is likely that the commissioner of personnel should be given authority to decentralize personnel policies, under prescribed policies, in any cases in which he may determine it to be in the best interests of the state to do so. In other words, there would be no attempt to have a tight, inflexible control within a centralized department of personnel, any more than in the case of the department of law, wherein decentralization of legal staff and services, as determined by the attorney general, is in order.

Various problems are inherent in any merit system plan. However, such a plan, if properly established and administered, should provide a proper workable basis for the solution of such problems. In this regard, great care should be exercised to provide job tenure and promotion for capable, qualified employes, but at the same time these objectives should not be permitted to prevent the prompt discharge of incompetent employes or other adjustments in employment to meet changing conditions or the capabilities or qualifications of employes.

It is difficult to estimate the savings which the proposed department of personnel and a comprehensive, effective personnel program for employes in the state service can achieve. But savings will be inevitable when it is considered that, through an efficient personnel system and the centralized control of that system through the proposed department of personnel, more efficient utilization of manpower will result.

SPECIAL LEGISLATIVE COMMITTEE
ON STATE OPERATIONS
STATE OF ARIZONA

REPORT ON GENERAL STATE ORGANIZATION

(In Three Volumes)

VOLUME TWO

(Containing Parts V and VI)

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Prepared by

GRIFFENHAGEN & ASSOCIATES

Consultants in Public Administration and Finance

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PART V

DESCRIPTIONS OF PROPOSED OPERATING DEPARTMENTS

1. Introduction

Part V of the report deals with the proposed operating departments of the executive branch of the state government. They are the departments of public works, natural resources, agriculture, military affairs, occupational registration, employment security, health and welfare, higher education, public schools, and business regulation. Each is discussed in turn in the succeeding sections.

2. Department of Public Works

a. **Proposed Functions:** A new organization plan is proposed for the administration of the public works activities of the state. The functions of the new department of public works would be as follows:

(1) Managing the state highway system.

(2) Planning, designing, constructing, and maintaining state highways.

(3) Acquiring the necessary land and easements for highway improvements.

(4) Enforcing the highway use laws of the state and protecting state highway facilities from damage and encroachment.

(5) Cooperating with the counties and municipalities of the state in highway planning, designing, construction, and consultation.

(6) Planning and constructing the public buildings of the state.

(7) Operating and maintaining designated public buildings.

(8) Providing an equipment repair and maintenance service for state owned vehicles.

(9) Controlling motor vehicle use, registering vehicles, and collecting use fees.

b. **Proposed Transfers of Functions:** It is proposed that all of the functions, with certain exceptions, now exercised by the Arizona highway department, the state highway commission, and the "department" of capitol building and grounds be transferred to the department of public works.

All of the functions of the Arizona highway department would be allocated to the new department, except for the dam certification work now under the state highway engineer in the bridge and dam certification division which would be placed in the proposed department of natural resources.

In addition, the management, repair, maintenance, and servicing of the state's automotive equipment and of the highway maintenance

machinery would be placed in the proposed division of equipment of the new department, regardless of the branch of the state government that uses the equipment or machinery.

c. **Proposed Organization:** The proposed organization plan for the department of public works contemplates the inclusion in one department of all the technical engineering and allied activities that can reasonably be separated from the main functional agencies of the state with the idea of bringing together as many as possible of the agencies that require technical supervision. The proposed department would be headed by a commissioner of public works, appointed by the governor, with the advice and consent of the senate. The commissioner would be responsible direct to the governor for the administration of the functions and activities of the department. The commissioner of public works should be eminently qualified by experience and training to administer a large public works program effectively and economically. He should be an outstanding executive and preferably should be an experienced public works engineer.

The principal recommendations for subdividing the department into divisions and bureaus, the proposed names of the organization units, and the titles of the supervising officers are outlined in the following tabulation:

Name of Unit	Title of Head of Unit
Department of Public Works	Commissioner of Public Works
Division of Administration	Business Manager
Accounting Bureau	Chief Accountant
Purchases and Property Bureau	Director of Purchases and Property
Administrative Services Bureau	Director of Administrative Services
Division of Highways	State Highway Engineer
Planning and Designing Bureau	Engineer of Design
Construction & Maintenance Bureau	Engineer of Construction and Maintenance
Materials Bureau	Engineer of Materials
Traffic Safety Bureau	Traffic Engineer
Highway Coordination Bureau	Highway Coordinating Engineer
Highway Districts	District Engineers
Division of Motor Vehicle Registration	Motor Vehicle Director
Titles and Liens Bureau	Supervisor of Titles and Liens
Licenses Bureau	Supervisor of Licenses
Division of Highway Patrol	Director of the Highway Patrol
Patrol Bureau	Highway Patrol Superintendent
Communications Bureau	Communications Superintendent
Operator Examination Bureau	Chief Motor Vehicle Operator Examiner
Clerical Bureau	Chief Clerk
Division of Public Buildings	Superintendent of Public Buildings
Building Development Bureau	Building Development Engineer
Building Maintenance Bureau	Building Custodian
Division of Equipment	Superintendent of Equipment
Equipment Administration Bureau	Equipment Service Clerk
Central Garage Bureau	Central Garage Supervisor
Service Garage Bureau	Service Garage Supervisor
Division of Legal Services	Legal Adviser

In addition to the organization plan described above, it is recommended that a state highway board be established, in conformance with general stipulations for advisory boards attached to administrative departments set forth elsewhere in this report.

The **state highway board** of the proposed department of public works should be created in order to advise the commissioner of public works on highway matters and to protect the officials of the department from political pressure and undue criticism by reviewing and passing on the highway construction programs of the state and proposed budgets and proposed contracts. The board members should be appointed just as are the present commissioners, and the chairman should be elected from the members. It is recommended that there be assigned to the state highway board the functions of advising with the commissioner of public works and the state highway engineer on highway matters throughout the state; proposing changes in highway policies, methods, and procedures resulting from citizen appraisal of the department and its activities; reviewing and commenting on proposed highway programs, proposed highway classification changes, and proposed contracts; and making investigations into any phase of highway operations and reporting thereon to the commissioner of public works, the state highway engineer, or the governor. Any staff services needed by the board should be provided by the commissioner of public works.

The proposed **division of administration** should be headed by a business manager who should be a qualified executive in the business administration of a large program of public works and highway development, maintenance, and operation, with a good knowledge of the department's operations and with special ability in the direction of purchasing, accounting, personnel, property control, and administrative service activities. The division of adminstration would handle the business management affairs of the entire department; conduct all accounting operations of the department and coordinate the accounting services with those of the state auditor; supervise the purchasing and personnel operations of the department under the rules and regulations of the central purchasing and personnel agencies; and administer the property control, stores, warehouses, and administrative services of the department. The division of administration would be organized internally into three bureaus, with functions as indicated in the following subparagraphs.

(1) The accounting bureau would keep the general, budgetary, and cost accounts of the department of public works; prepare regular and special accounting reports; preaudit payrolls, contract estimates, purchase and stores documents, and other expenditure documents of the department; prepare the budget of the department; exercise budgetary control; keep accounts for motor vehicle receipts and make reports thereon; and advise with supervising officials as to cost accounting and general accounting operations and field reporting.

(2) The purchases and property bureau would develop and recommend department standards and specifications for supplies, materials, and equipment; approve purchase requisitions; develop and promote the use of purchasing schedules; analyze department requirements for various commodities; coordinate the work of the bureau with the state purchasing office; develop an adequate stores and warehouse system for the department; receive, issue, and account for supplies and materials; develop standard procedures for store and warehouse control; maintain perpetual inventory records;

take inventories of stock; and generally control the property of the department.

(3) The administrative services bureau would handle the reproduction services of the department, such as multilithing, photostating, blueprinting, mimeographing, and dittoing; operate central mail and messenger services of the department; conduct the central telephone service; maintain the central files of the department; and operate a central stenographic and clerical pool.

The proposed **division of highways** of the department of public works would be headed by a state highway engineer, who should be a highway engineer licensed to practice civil engineering in Arizona and qualified to give competent technical and administrative direction to a large program of highway construction, maintenance, and operation. The division of highways would be organized internally into the existing highway districts and five bureaus, with functions as indicated in the following subparagraphs. The division of highways would exercise complete and exclusive control and jurisdiction over the state highways; develop highway plans and programs; design, locate, relocate, construct, and maintain state highways; acquire the necessary land and easements for highway improvements; issue permits for highway encroachments and for oversize and overweight loads; and cooperate with counties and municipalities of the state in road and street matters.

(1) The planning and designing bureau would make preliminary surveys for highway projects; design highways, bridges, and other structures; conduct planning and economic studies; make highway inventories and maps; prepare specifications for projects; handle contract procedures; and make traffic studies and analyses.

(2) The bureau of construction and maintenance would supervise the construction of state highways and of pertinent structures; construct highways using department forces; maintain state highways, except for traffic signs and markings; investigate applications for encroachments and overloads; issue permits for certain encroachments and overloads; make construction surveys; and review proposed highway location surveys and make suggestions for changes therein.

(3) The bureau of materials would test all materials used in the construction and maintenance of highways; test supplies purchased by the department; make soil tests and studies for highway projects; test pavement mixtures; test concrete; and conduct research into highway materials.

(4) The traffic safety bureau would conduct the accident prevention program of the state; analyze traffic accident records and recommend highway improvements; install and maintain traffic signals; install and maintain traffic signs; paint markings on pavements; designate traffic speeds; make special traffic studies at dangerous locations; examine plans for highway improvements and designate suitable traffic safety features; prescribe traffic restrictions on state highways; consult with local road and street officials on traffic problems and traffic control facilities; and recommend to the state highway engineer and to the commissioner of public works a desirable traffic code for Arizona and periodically recommend changes in the traffic code.

(5) The highway coordination bureau would develop federal

aid programs for the state and the several counties; maintain liaison on fiscal matters with the United States bureau of public roads; develop justifications for proposed federal aid projects; prepare vouchers for completed federal aid project work; deal with the counties and municipalities of the state in connection with the state highways in counties and cities and in connection with a program of state assistance to local governments in highway matters.

The proposed **division of motor vehicle registration** would be headed by a motor vehicle director, who should be an able executive with not less than five years' experience in responsible charge of the administration of motor vehicle laws, and who should be thoroughly familiar with Arizona motor vehicle laws and generally conversant with the motor vehicle laws of other states. The division would be organized internally into two bureaus, with functions as indicated in the following subparagraphs. The division of motor vehicle registration would issue titles for motor vehicles; register motor vehicles; issue drivers' licenses; collect fees for licenses and registrations; and develop rules and regulations for the collection of motor vehicle fees at motor stations, and for examining motor vehicle operators.

(1) The titles and liens bureau would review applications for motor vehicle titles and issue titles for vehicles; keep current records of all liens on motor vehicles registered in the state; clear liens when payments are made; check motor vehicles for serial numbers and body types; certify motor number changes; and prepare records of vehicles registered in Arizona.

(2) The licenses bureau would supervise the registration of motor vehicles throughout the state; provide registration plates and distribute them; maintain records of current motor vehicle registrations; review applications for drivers' licenses; issue drivers' licenses after necessary tests and examinations are made by the highway patrol; and develop rules and regulations for the collection of motor vehicle fees and licenses at border checking stations.

The proposed **division of highway patrol** would be headed by a director of highway patrol, who should be qualified to give technical and administrative direction to a highway police force and who should have not less than five years' experience in responsible charge of police work. The division would be organized internally into four bureaus, with the functions as indicated in the following subparagraphs. The division would patrol the highways of the state for the purpose of enforcing the motor vehicle laws and of protecting the highways from damage or encroachment, investigating accidents on highways and rendering assistance and first aid as necessary; prepare highway accident reports; operate border checking stations to collect motor vehicle fees and to check weights, licenses and registrations; prevent oversize and overweight loads on highways by enforcing state laws on motor vehicle sizes and weights; develop, maintain, and operate a state-wide radio communication system; and test motor vehicle operators.

(1) The patrol bureau of the division of highway patrol would patrol the highways of the state for the enforcement of highway use laws, protecting highway improvements from preventable damage, preventing or eliminating obstructions on the highways, and preventing unauthorized highway encroachments; check vehicle weights anywhere in the state, including checking stations, in order to detect overweight vehicles; require the removal of loads from

overweight vehicles; arrest violators of motor vehicle laws; investigate all accidents on highways and report thereon, render aid in cases of accidents; and operate the border checking stations for the collection of motor vehicle fees, licensing operators, and cooperating with the state entomologist.

(2) The communications bureau would plan and develop a state-wide system of radio communication for police purposes; assign wave lengths and station permits to municipalities and counties; operate and maintain the state radio system; and provide a technical installation and maintenance service for municipal and county radio installations.

(3) The operator examination bureau would examine chauffeurs and motor vehicle operators as to proper knowledge of motor vehicle laws, safety practices, and regulations of the department; and give driver tests to certain applicants for operator licenses to determine fitness to be licensed as operators or chauffeurs.

(4) The clerical bureau would provide those clerical services for the division of highway patrol that could not, as a practical matter, be centralized in the division of administration.

The proposed **division of public buildings** would be headed by a superintendent of public buildings, who should be experienced in building construction, maintenance, and management, who should be licensed to practice structural engineering or architecture in Arizona, and who should have not less than five years' experience in responsible charge of building improvement and management. The division would be organized internally into two bureaus, with functions as indicated in the following subparagraphs. The division would plan, design, and construct new public buildings for the state; remodel existing structures; maintain and operate the capitol building, the capitol annex and addition, the state highway buildings, the border checking stations, and other designated state buildings; and generally supervise the care of other state buildings.

(1) The building development bureau would develop a suitable building program for the state; plan and design state buildings; and construct and remodel such buildings.

(2) The building maintenance bureau would maintain, repair, clean, and otherwise care for the capitol building, the capitol annex and its additions, the highway buildings, the border checking stations, and other structures specifically assigned to the department for maintenance and operation; operate the elevator and other building services; supervise the concessions in state buildings; and maintain general custody of the buildings.

The proposed **division of equipment** would be headed by a superintendent of equipment, who should be thoroughly experienced in equipment management, maintenance, and servicing, and who should have not less than five years' experience in responsible charge of a large equipment program involving equipment rentals, preventive maintenance, and efficient management. The division would be organized internally into three bureaus, with functions as indicated in the following subparagraphs. The division would manage the equipment services of the state; maintain the automotive equipment and the construction and maintenance machinery of the department and that of other state departments desiring equipment service; operate a central repair shop and auxiliary repair garages at convenient points throughout the state; maintain state serv-

ice stations for motor vehicles at state garages and at other convenient locations; manage a rental system for the equipment of the department and that of other departments as they may desire; and operate an equipment pool.

(1) The equipment administration bureau of the division of equipment would supervise the equipment service of the department and that of other departments of the state; assign the equipment of the department to meet the workload and needs of the various bureaus, sections, and districts; supervise a preventive maintenance service for department equipment; establish rental rates for various classes of equipment; manage an equipment rental system for the department and for other departments desiring such service; and supervise the operation of an equipment pool.

(2) The central garage bureau would make major repairs; overhaul and rebuild all of the equipment of the department and that of other departments desiring equipment service; make minor repairs and adjustments; and service the equipment in the central area of the state and that of other departments in the central area.

(3) The service garage bureau would make minor repairs and adjustments to the automotive and construction and maintenance equipment of the department in areas outside of the central district, and supply fuel, oil, greasing, washing, tire repair, and other services to any state equipment.

The proposed **division of legal service** should be headed by a legal advisor who should be a deputy attorney general and a member of the state bar, and who should be familiar with public works operations and qualified to handle the legal work of a large department.

The division handles all of the legal work of the department; approves contracts, deeds, easements, and other documents; represents the department in condemnation or other court cases; and acts for the attorney general in rendering opinions affecting highway and other public works operations.

d. **Advantages:** In several respects, the management of the public works functions of the state is considerably less effective than it properly should be, principally because the existing organizational arrangements are unsatisfactory. It is apparent that the organizational plan for the activities ordinarily classified as public works has not been given adequate consideration, and, actually, most of the fundamental principles of organization are violated. As a result, some parts of the work are considerably more expensive than they should be, and the effort to direct and supervise the work is far greater than it would be under a suitable organization plan.

Fundamentally, the management of an administrative department by a commission is much less desirable and less effective than by a single administrative head. The entire subject of administration by commissions is discussed at some length in another part of this report. The conclusion, however, is that the direction and management of a major department of the state government by a single commissioner will eliminate some of the major defects that now exist and provide for a clear chain of command.

The idea of advisory boards attached to administrative departments is also discussed in another part of this report. There are certain activi-

ties particularly connected with the administration of highways that can be handled better by a board than by a single commissioner and, consequently, such an advisory board should be established. As already mentioned, this board should generally advise the commissioner of public works and the state highway engineer in all matters affecting the construction and maintenance and administration of the state highway system. In addition, it should review and give final approval to the highway construction program of the department, to the highway budget, and generally to highway contracts. The board should be given the opportunity to make investigations anywhere in the department of operating methods, policies, and facilities and to report thereon to the commissioner of public works or to the Governor or Legislature, if this becomes necessary, in order to correct any weaknesses that are believed to exist. The board, however, would have no administrative responsibility whatever.

By this means, the possible objections to a single administrator at the head of a public works or public agency are overcome, and all of the benefits of a single administrator responsible directly to the Governor are maintained.

The present plan of administering highway affairs by two administrative officers is unsound, provides opportunities for dissension, and also prevents the placing of responsibility squarely in either position; and consequently, the direction of the whole highway function is not performed at all except insofar as the commission itself at its infrequent meetings can exercise such direction. The proposed plan contemplates clear lines of authority from the single administrative head of the department down to the lowest supervisor. The correction of this one weakness alone will make a substantial improvement in the functioning of the department.

The proposed plan provides for a definite and clear-cut organization plan for the department and contemplates that that plan should be described and charted so that every employe in the department will know exactly his place in the organization, to whom he is responsible, for exactly what duties and activities he is responsible, and the employees who are under his direction.

This would be very different from the present arrangements. Not only are the lines of authority not clear, but in some cases heads of important agencies apparently do not know which of the main branches of the department their units are in or to whom they report officially. Some supervisors claim to be reporting to three supervisors.

The present executive secretary and the state highway engineer are both capable executives and have agreed between themselves that the department can be administered with reasonable effectiveness only if they act together in a friendly and cooperative manner. Likewise, the commission members are of an unusually high type and sincerely desire the most effective management of highway operations without political interference. Under these favorable circumstances, the management of the highway department is good although the fact that the officials are handicapped by an inadequate organization plan makes the task far more difficult than it otherwise would be.

The present organization of the division of travel and publicity, sometimes called the highway magazine division, can hardly be considered part of the highway functions. Some effort is made to justify the spending of highway funds on the magazine and other publicity work by the claim that bringing visitors to the state will increase highway gas

tax revenues. The magazine, "Arizona Highways," and the publication, "Land of Fair Color," and most of the other travel and publicity work done by the division are state publicity activities. Elsewhere in this report it is recommended that the functions of preparing and distributing these publications be transferred to the department of state. It is probable that the magazine and other publications could be made self-supporting, but any appropriation needed for other publicity and promotion should be provided from general funds. Consequently, the work of the division has not been included in the proposed department of public works.

The state engineer, who is also the state highway engineer, is responsible under the law for the review of plans for large dam structures, for the approval of such plans, for general inspection of the construction work, and for the inspection of existing dams. Actually, the work is done in the bridge and dam certification division of the highway department acting for the state engineer. The engineers of the highway department are probably best able to do the structural engineering work involved in insuring proper dam construction, but the inclusion of this activity in the department disrupts the highway work of the division out of all proportion to the benefits received. The work is not extensive, and it should properly be placed with other water resources activities and a competent engineer placed in charge. The dam certification work has not been included in the proposed department of public works.

At the present time, there is little control over the public buildings of the state and practically no planning or programing of building work. While the public buildings of the state are not extensive, there is a considerable investment of public funds in buildings, grounds, and equipment that should be protected by the careful maintenance and protection of public properties and by the intelligent planning and programing of building use and development.

It is not proper or conducive to efficient management of state properties to burden the Governor with the details of management of public buildings. The activity should be under the direction of a competent engineer or architect in the department of public works to develop comprehensive building plans and programs for the state, to assign building space in the most effective manner, and to see that the public investment in properties is adequately protected. Obviously, the maintenance and operation of the capitol building, the capitol building annex, and the highway buildings of the state, including the border checking stations, should be centralized in the new department, but the unit could very well extend the program of operation and maintenance to any other state building or institution desiring to participate in the service. All state buildings should be placed under the general functional supervision of the department to see that maintenance is properly handled, and that space is adequately utilized. The new unit should have positive control of all new building planning and for the construction and reconstruction of all public buildings.

The proposed plan of public works organization provides for a division of equipment as one of the main branches of the department. The idea behind this proposal is to provide a state-wide equipment service rather than to limit equipment operations to the highway activities. At the present time, the highway department has a main shop and 13 other shops and garages over the state to serve the equipment of the highway department, but the facilities are not being made available to other state departments or agencies. The result is that part of the equipment is

being maintained adequately but that other state equipment must be maintained and repaired in private garages, and the management of the equipment must be handled by the individual departments and sometimes by the individual employe to whom the equipment is assigned. The result is that the equipment service to these other departments is much more expensive than it would be if an efficient central equipment service were available.

The service should be established on a rental basis, and a revolving account should be established for the division of equipment. All of the equipment of the state should be placed under the control of the division of equipment, and equipment should be supplied to using agencies as needed at rental rates which, over a year's period, will pay for all of the costs of equipment service without profit or loss. The rental rates should include fair depreciation charges so that equipment cost can be recovered when its economically useful life has been served. Under such a plan, each using agency of the state would budget its equipment needs as contractual services or as rentals and would not budget any equipment purchases, repairs, fuel, or other expenses. Within the equipment revolving fund, the division would budget the entire cost of operating and servicing the state fleet of equipment.

Under the plan of organization, the division of materials is in the office of the assistant deputy state highway engineer with the planning and designing activities. Inasmuch as a large part of the activities of the materials division is connected with the construction and maintenance of highways, it is probably more satisfactory to have materials activity separate from both planning and designing and construction and maintenance. It has therefore been recommended that a separate materials bureau be established directly under the state highway engineer in the division of highways.

Traffic engineering, including traffic safety activities, have been placed under the state highway engineer in the proposed division of highways and the department of public works. It is believed that the traffic agency can be very much more effective under this arrangement than under the present plan. At present, the traffic highway engineering work is divided between the plans division, under the state highway engineer, and the traffic safety division, under the executive secretary. Actually, the traffic engineering work connected with the construction and reconstruction of highways is done in the plans division, and the special abilities of the traffic engineers in the traffic safety division are not made available on this work. It is believed that there should be very close coordination and cooperation between the traffic safety forces and those of highway design and maintenance. It is contemplated, under the proposed plan, that the preliminary designs developed in the planning and designing bureau will be submitted to the traffic safety bureau for recommendations as to special traffic facilities, such as intersections, intersection design, interchange design, sight distance curvatures, and the like.

It is believed that the proposed traffic safety bureau should be given more extensive control over traffic regulation facilities and traffic safety throughout the state. It is probable that the responsibility for signs, signals, and highway markings on all roads and streets in the state should be placed in the highway department in the traffic safety bureau. It is also extremely desirable that the highway department take a much more active part in the county and urban traffic safety programs. Many states have given the state highway forces responsi-

bility of working closely in the county and urban traffic safety programs. Many states have given the state highway forces responsibility of working closely with the local government officials to achieve uniformity and to eliminate any dangerous conditions. It is believed that the department of public works should be authorized and directed to cooperate with local traffic control officials very much more closely than at present.

The present idea of a highway patrol for the purpose of controlling highway traffic and protecting the highways, rather than the concept of a state police force, has been followed in the development of the proposed organization plan, and, consequently, the patrol forces have been kept close to the highway function in the proposed department of public works. Nevertheless, it is believed that the present patrol division could be very much more effective if certain duplications of effort were eliminated and if the responsibility for the protection of the highways through the elimination of overloaded vehicles were placed directly under the patrol division.

The checking stations at the state borders now operated by the motor vehicle division of the highway department and by the state entomologist should be placed under the control of the patrol bureau. The proposed highway bureau would inspect vehicles at the stations, collect motor vehicle fees from trucks and buses, check vehicle weights, and cooperate with the representatives of the state entomologist in the inspection of automobiles and trucks.

The present concept of limiting highway district operations to construction and maintenance has been continued in the proposed organization. It is believed that this plan, rather than a staff and line type of district highway organization, is better and more economical for Arizona. It is believed, however, that a district organization should be considerably strengthened for the more effective administration of construction and maintenance. Some steps have already been taken in this direction, but it is believed that the most effective method is to select the most able engineers in the department as district engineers and invest in the district engineers complete responsibility for all construction and maintenance work, subject only to staff supervision of the construction and maintenance specialists in the headquarters staff.

The proposed plan of reorganizing the highway functions of the state and combining them with other public works activities provides the basis for far better administration of this work and for the greater economy which can definitely be realized. It should be understood, however, that the general plan of organization proposed herein does not give the whole answer to the organization problems of the present highway department or even of the proposed department of public works. In general, the organization plan provides for the top two echelons in the proposed department. The procedures, methods and facilities should be reviewed in a comprehensive study of department operations with the idea of eliminating many inefficient and uneconomical practices, methods, and procedures and providing the basis for more efficient operation.

3. Department of Natural Resources

a. **Proposed Functions:** A new organization plan is proposed for the administration of the protection, development, and conservation of the natural resources of the state. The functions of the new department of natural resources would be as follows:

(1) Administering and selling state land, except that under the specific control of state institutions.

(2) Controlling the exploration for oil and gas and regulating the drilling, operation, and abandonment of oil or gas wells on state lands.

(3) Administering the laws relating to the settlement of veterans and relating to farm loans.

(4) Having general control and supervision of the waters of the state, the appropriation of water, and the transfer of water reports.

(5) Keeping records of irrigation and drainage wells and establishing critical areas and controlling well drilling therein.

(6) Administering the soil conservation program of the state and planning and coordinating flood control activities.

(7) Conducting resource and economic studies to promote more extensive development of mineral resources, disseminating information on resources and the disposition of products, preparing information as to the cost of producing minerals in Arizona, the United States, and foreign countries, and generally promoting more extensive exploration and mining in the state.

(8) Inspecting mine operations in the state and safety, health, and working conditions, determining the causes of mine accidents, ordering correction of unsatisfactory conditions, and stopping operations if they are not made.

(9) Managing and conserving the wildlife resources of the state to provide a continuing adequate supply, operating fisheries and bird farms, eliminating predatory animals and birds, establishing sanctuaries, and controlling hunting and fishing.

(10) Cooperating with federal agencies in the conservation and development of state lands, waters, minerals, and wildlife.

(11) Bargaining for, taking, and receiving electric energy developed by the state or by the federal government.

(12) Acquiring, constructing, and operating electric transmission systems and standby or auxiliary generating or booster plants, and generating, producing, or delivering electric energy to wholesale users.

(13) Making studies of electric energy markets, developing an equitable and feasible plan for distributing available power, and selling power to wholesale users.

(14) Cooperating with the national park service to establish national monuments and parks, and developing and operating state parks.

b. **Proposed Transfers of Functions:** These functions are those now exercised by the following existing state agencies:

(1) State land department, including soil conservation

(2) Land selection board

(3) Land settlement commission, if actually the commission now exists

(4) Board of reservoir control and supervision

(5) Arizona resources board

(6) Department of mineral resources

(7) Board of governors (department of mineral resources)

(8) Office of the state mine inspector

(9) Copper tariff board

(10) Arizona game and fish commission

(11) Arizona state highway department, only as to its dam certification and control function

(12) Arizona power authority

(13) Authority commission (power)

(14) Coronado international monument commission

Most of the functions of the Arizona state highway department would be allocated to the proposed department of public works, but it is recommended that the dam certification and control activities of the department be grouped with other dam control activities and allocated to the proposed department of natural resources.

c. **Proposed Organization Structure:** The proposed department of natural resources would be headed by the commissioner of natural resources appointed by the Governor with the advice and consent of the senate. The commissioner would be responsible direct to the governor for the administration of the functions and activities of the department. The commissioner of natural resources, in addition to being exceptionally well qualified to administer a large program of natural resources conservation and development, should have an extensive knowledge of the state's natural resources and should be sympathetic toward the general objectives of the control program of promoting development but at the same time of protecting such resources from unwise or improper use.

The internal organization of the department into divisions, showing the proposed names of the organization units and titles of their heads, is outlined in the following tabulation:

Department of Natural Resources	Commissioner of Natural Resources
Division of Administration	Business Manager
Division of Land	Director of State Lands
Division of Water	Director of State Water
Division of Power	Director of Power
Division of Mines and Minerals	Director of Mines and Minerals
Division of Game and Fish	Director of Game and Fish
Arizona Power Board	
Land Selection Board	

The proposed **division of administration** would be headed by a business manager who should be a qualified executive in the business administration of a large program of conservation and development of natural resources with a good knowledge of the department's operations and with special ability in directing the purchasing, accounting, personnel,

property control, and administrative service activities. The division of administration would handle the business management affairs for the entire department, conduct all accounting of the department and coordinate the accounting services with those of the department of finance, issue licenses and permits, supervise the purchasing and personnel operations of the department under the direction of the central agencies for purchasing and personnel, manage the property control, stores, and administrative services of the department, and conduct the department's public education and publicity programs.

The proposed **division of land** would be headed by a director of state lands, who should be intimately familiar with federal and state land laws, with the selection and exchange of federal and state lands, with the purchase, leasing, sale, and management of properties, and with oil exploration and operations. The division would lease, sell, exchange, and otherwise manage the public lands of the state, except those under the control of state institutions, to obtain the best use and greatest return from the lands and to protect the public interest in the lands; administer the retirement of farm loans; recommend to the land selection board the selection or exchange of federal and state lands; cooperate with promotion and development of the Coronado national monument and in the development and operation of state parks; cooperate with state and federal agencies in the protection and management of lands; promote the exploration for oil and gas on state lands; prepare and enforce rules and regulations for the drilling, operation, and abandonment of oil and gas wells; and secure and disseminate information on the probable existence of oil and gas; and manage the land settlement program of the state, including the purchase, improvement, subdivision, and site of lands to veterans and others.

The proposed **division of water** would be headed by a director of state water, who should be an hydraulic and structural engineer licensed to practice civil engineering in Arizona and qualified to give competent technical and administrative direction to a program of water conservation, development, and flood control. He should be thoroughly familiar with water law in Arizona and should be able to make comprehensive engineering studies and to develop broad programs of action for water development and use. The division would have general supervision and control of the waters of the state, of the appropriation of water, and of the transfer of water rights; control the construction of dams, reservoirs, and diversion and distribution systems; inspect the condition of water structures; supervise underground waters; administer the soil conservation program of the state; coordinate flood control activities; conduct research in water development and control; develop comprehensive water programs; and cooperate with federal and state agencies in the conservation and development of water resources.

The proposed **division of power** of the department of natural resources would be headed by a director of power who should be qualified by training and experience to give competent technical and administrative direction to a large power acquisition, development, transmission, and distribution program. He should preferably be an electrical engineer with electric utility management experience. The division of power would negotiate for, take, and receive electric energy from the federal government or other approved sources; acquire, construct, or operate electric transmission, generating, or booster facilities; generate, produce, or distribute electric energy to wholesale users; make studies of electric markets and needs for electric energy; develop equitable and feasible plans for distributing available energy; and sell power to wholesale users.

The proposed **division of mines and minerals** of the department of natural resources would be headed by a director of mines and minerals who should be a mining engineer licensed to practice mining engineering in Arizona and qualified to give competent technical and administrative direction to a program of developing mineral resources and of controlling the operating conditions in mines. The division of mines and minerals would promote the more extensive development of the mineral resources of the state; secure and disseminate information on markets for minerals and on the protection of the markets; develop standards for safe and healthful conditions in mines and enforce those standards, closing mining operations that fail to conform to requirements; and generally develop the data on mine operations to develop resources and to protect mining investments in the state.

The proposed **division of game and fish** of the department of natural resources would be headed by a director of game and fish who should be eminently qualified by experience and training to direct a large program of conservation of wildlife, and to give competent technical and administrative direction to the work of the department. He should be intimately familiar with the wildlife of the state and should be in sympathy with a national conservation and control program. The division of game and fish would manage and conserve the wildlife resources of the state, operate state fisheries, establish fish and game regulations and enforce them and the state laws relating to wildlife, eliminate predatory animals, conduct research in wildlife conservation, and generally administer the state laws relating to wildlife conservation.

The **Arizona power board** should be attached to the proposed department of natural resources to advise the commissioner of natural resources and the director of power on any matter pertaining to the management or operation of the power activities of the department, to hold hearings on electricity market, distribution, and rate matters, and to make special investigations and reports. The board should consist of five members appointed by the governor, with the advice and consent of the senate, for five-year overlapping terms, with one member appointed each year. Each year the board should elect from its membership a chairman and a secretary.

A **land selection board** would be attached to the proposed department of natural resources. It should comprise the governor, the attorney general, and the director of state lands, ex officio, substantially the same as at present. The functions of the board should be selecting lands from any federal lands that are available and that are recommended by the director of natural resources, and effecting exchanges of state lands for federal lands. The federal land laws require such a board and stipulate that it must comprise the governor, the attorney general, and the surveyor general. Heretofore, the land commissioner has acted as surveyor general.

d. **Advantages:** The proposed organization plan for the department of natural resources brings together in one major agency of the executive branch of the state government all of the work of conserving the natural resources of the state and of promoting and controlling the development of such resources. Fourteen existing boards, commissions, offices, and departments are combined to form the proposed department. All of these existing agencies are interrelated. In some instances, there is considerable overlapping of duties and responsibilities while in certain phases of the work desirable activities are left undone because of the difficulty in coordinating several independent units.

Obviously, the broad administrative policies governing the conservation and development of the state's natural resources should be consistent and should be integrated for the various kinds of resources, and the general planning and programing of the work should be centralized for all activities that are closely related to the conservation and development of natural resources. Policies are not now consistent and the planning and programing is not well coordinated because of the large number of agencies involved and because of the complete independence of each agency. The proposed department placed immediately under the governor provides proper organization for the flow of authority and responsibility for the establishment of consistent policies, and for overall planning and control.

Central services can generally be better and more economically administered in a large department rather than in several small agencies. Departmental accounting work, for example, would be performed in the proposed new department in a central division of administration and would replace that now done separately in the land, water, ground water, and soil conservation divisions of the land department, in the fish and game commission, in the department of mineral resources, the Arizona power authority, the office of the state mine inspector, and the copper tariff board. Similarly, other administrative services can be improved, and economies can be made by having central management. Such services as purchasing, personnel, property control, telephone communication, messenger, mail, and filing can often be provided more economically and be better coordinated with those in other departments when they are conducted centrally for a large department rather than dispersed among several smaller agencies.

The administration of water resources has suffered to some extent under the present arrangement because of inadequate provision for competent water engineering services. In many western states that have water problems similar to those of Arizona, the state engineer has served as the water engineer, but in Arizona the state engineer is the state highway engineer. Only the large dam and reservoir operations are placed under the state engineer in Arizona, and other water engineering problems are handled in the water division and the underground water division of the land department. Because of the division of the work, it has not been possible to provide sufficient funds in any one agency to secure highly qualified water engineers. In the past, it may have been a reasonable allocation of functions to make the state highway engineer responsible for large dams, but now that official is fully occupied with highway engineering duties, and the dam and reservoir work interferes with the best conduct of highway work. By bringing all water and dam control work together in a division of water, it will be possible to employ an outstanding water engineer to direct the state's water activities including dams, reservoirs, control works, and distribution systems.

Considerable public education and publicity is desirable for the most effective administration of natural resources, conservation, and development programs. Inasmuch as the work of the proposed department affects directly many citizens of the state, it is also important that good relations are maintained between the officers and employes and the public. At the present time, such work is done by each agency, if it is done at all. Actually, some public education programs are excellent, but the smaller agencies are handicapped by insufficient funds. Under the proposed department, an integrated public relations and public

education program can be developed for all functions on a more efficient basis.

In accordance with the general organization recommendations made in an earlier part of this report, the office of state mine inspector would be eliminated as an elective office and created as an appointive office in the department of natural resources. There is no good reason for this office to be elective.

The fact that a constitutional change is necessary to effect this change should not act as a deterrent to the establishment of the new department of mineral resources and the placing of the responsibility for mine inspection work on the proposed division of mines and minerals. Probably the inspector can be placed in the new department, or in any case a cooperative arrangement could be worked out until the constitutional change can be made.

A provision of the federal government requires that, if the state is to qualify for federal aid for wildlife habitat improvement, all receipts from the sale of hunting licenses must be placed in a separate fund to be used exclusively for state game operations. The necessity of maintaining the separate fund does not in any way interfere with the proposed inclusion of game and fish activities in the proposed department of natural resources. The accounting and reporting systems of the department must, of course, be competently operated so that expenses are charged correctly to the proper accounts and funds.

Thus far the work of the Arizona power authority has been limited to the bargaining for power developed by the federal government on the Colorado River and to arranging for the transmission, distribution, and sale of available energy. The authority has not yet operated any generating or transmission facilities. A large part of the preliminary work of arranging for the acquisition of electric energy has been accomplished in a satisfactory manner by the authority. The important part of the remaining work lies in development, operation, and management.

In the early stages of the work, it may have been desirable to place the work under a separate authority and to grant it special corporate powers, but it is believed that the work of managing and operating the transmission and sale of state electric energy from now on can be more effectively performed in one of the regular departments of the state government.

It has been recommended for inclusion in the proposed department of natural resources because the control of state land and state waters would be in that department. It might be contended that the activity would be properly placed in the proposed department of public works with other engineering and development operations, but because the control of the state's available water power and the electric energy produced from that water power should be developed and controlled much like other natural resources, it is believed that it would be better to place it in the department of natural resources, and to attach to the department an advisory Arizona power board.

It is believed that it is unnecessary to give special corporate powers to the electric power agency, so the present Arizona power authority and the authority commission should be abolished and the functions transferred to the proposed department of natural resources. Nevertheless, if it is held that such special corporate powers are necessary or desirable, the present law should be amended to make the Arizona power authority

consist of the department of natural resources, to make the authority commission consist of the director of natural resources, and to give the director of natural resources the power and duties of the authority commission.

The Coronado international monument commission, charged with the responsibility of cooperating with the federal government, the Republic of Mexico, and other agencies to establish an international museum and monument, is not currently active. It is presumably a temporary commission to do the one-time task of negotiating and promoting the international monument, and is not intended to participate in the development or operation of the monument or museum. The only continuing function of the commission is the accumulation of historical data relating to Coronado.

It is believed that the proposed department of natural resources can do a more effective job of promoting the proposed international monument than can a commission because it will have a full-time staff of specialists in land matters to aid in the acquisition of the facilities and because it will have continuing working relations with many federal agencies including the national park service, the forest service, and the bureau of land management. If it is found to be desirable, an advisory board can be appointed from persons who are interested in the establishment of the monument and who are intimately familiar with Coronado history. The active responsibility for research in Coronado history and for the care of historical documents should be placed in the state library agency, as is developed in another part of this report.

4. Department of Agriculture

a. **Proposed Functions:** The proposed department of agriculture would have responsibility primarily for enforcing state law relating to the animal industry, the plant industry, the bee industry, and weights and measures. It would have responsibility, also, for the general supervision of marketing activities as authorized by state law in relation to these industries in cooperation with other government agencies and private organizations.

b. **Proposed Transfers of Functions:** The proposed department would have responsibility for performing all of the functions now assigned to the agencies of state government listed as follows:

Live stock sanitary board
Arizona commission of agriculture and horticulture
Sheep sanitary commission
Office of the state veterinarian
Office of the egg inspector
Office of the state inspector of weights and measures
Office of the supervisor of inspection (of the fruit and vegetable standardization act)
Office of the agricultural prorate commissioner
Proration program committee
Arizona state fair commission

The proposed department would have responsibility for the enforcement of state law in relation to feed and fertilizer and economic poisons now enforced by the state chemist, who is appointed by the dean of the college of agriculture of the University of Arizona. The state chemist would continue to have responsibility for providing the laboratory serv-

ices needed in the enforcement of state law relating to feed and fertilizer, and economic poisons, and would have the additional responsibility of performing the laboratory work required in the enforcement of the law relating to seeds.

The proposed department would also have responsibility for enforcing state law relative to the dairy industry, except the enforcement of state statutes concerned with insuring a sanitary supply of milk and milk products which should be the responsibility of the division of health of the proposed department of health and welfare. At present the office of the state dairy commissioner has responsibility for these functions, although the state department of health may enforce its rules and regulations as to the milk supply under the general provisions of state statutes concerning sanitation.

c. **Proposed Organization:** The proposed department of agriculture would have the following boards, committees, and major organization units:

Board of agriculture
Advisory state fair committee
Office of the commissioner of agriculture
- Division of administration
- Division of animal industry
- Division of entomology and plant quarantine
- Division of markets

The proposed **board of agriculture** would consist of from three to five members appointed by the governor for five-year overlapping terms, by and with the advice and consent of the senate. This board would formulate and recommend to a commissioner of agriculture policies, rules, and regulations in accordance with state laws relative to the law enforcement and marketing programs of the department, would act in an advisory capacity to the proposed commissioner of agriculture, and would exercise the advisory functions of the type indicated in this paragraph which are now being carried out by three administrative bodies—the livestock sanitary board, the sheep sanitary commission, and the Arizona commission of agriculture and horticulture.

A suggested **advisory state fair committee** would consist of seven members appointed by the commissioner of agriculture for five-year overlapping terms. The committee would have responsibility for acting in an advisory capacity to the proposed board of agriculture and the commissioner of agriculture. It would participate in planning and conducting the state fair and would assist in promoting county fairs. A primary function would be to encourage and stimulate the interest of participants in the state fair who are not engaged in activities related to the broad fields of agriculture.

A **commissioner of agriculture**, appointed by the Governor, by and with the advice and consent of the senate, to serve at the pleasure of the governor, would head the proposed department. The commissioner should be trained and experienced in one or more of the major fields of agriculture. Preferably, he should have training and experience, also, in agricultural production and marketing, including graduation from a recognized college or university in the field of agriculture. The commissioner would have responsibility for the administration of the department and for the functions now performed by the dean of the college of agriculture of the University of Arizona as the agricultural prorate commissioner and as the appointing authority in relation to the appoint-

ment of a supervisor of inspection (of the fruit and vegetable standardization act). The office of the commissioner would coordinate the activities of the proposed divisions of the department of agriculture in relation to the state fair, but the direct supervision of the state fair would be delegated to a subunit of the office of the commissioner.

The proposed **division of administration**, headed by a director appointed by the commissioner, would have responsibility for the accounting, statistical and market news reporting, personnel administration and training, and information services of the department, including the compilation of annual reports based upon reports made by the divisions of the department.

The proposed **division of animal industry**, headed by a director appointed by the commissioner, would have responsibility for preventing the theft of livestock; controlling and eradicating infectious and contagious diseases of livestock; protecting the consumer of meats and meat products in cooperation with the public health authorities of the state; issuing licenses to persons engaged in slaughtering livestock or engaged in the retail sale of meats and meat products; and collecting license fees from business establishments licensed through the division. Essentially, the proposed division would be responsible for carrying out the functions now assigned to the livestock sanitary commission, the state veterinarian, and the sheep sanitary commission.

The proposed **division of entomology and plant quarantine**, headed by a qualified entomologist, appointed by the commissioner, would have responsibility for protecting native Arizona plants; enforcing state laws pertaining to bee culture and apiary inspection; enforcing state laws relating to seeds, feed and fertilizer, and economic poisons; preventing and eradicating plant pests and plant diseases; coordinating the inspection activities of the division with the proposed division of markets in the enforcement of state laws relating to grading and marketing fruits and vegetables and with the proposed division of animal industry in the enforcement of regulatory measures relating to the animal industry; and cooperating with other government agencies and private organizations in the eradication and control of plant pests and plant diseases.

The proposed **division of markets** would be headed by a director, appointed by the commissioner. The director should have training in the field of agriculture equivalent to graduation from a recognized college of agriculture, and should have broad experience in the enforcement of regulatory measures relative to the marketing of agricultural commodities. The division would be responsible primarily for enforcing state laws pertaining to the grading of fruit and vegetable commodities shipped from the state in interstate or foreign commerce; cooperating with the fruit and vegetable branch, production and marketing administration, United States department of agriculture; licensing and enforcing other regulatory requirements as to the growers of fruit and vegetable products and the shippers who receive, pack, ship, and sell these products; inspecting and examining eggs advertised or offered for sale in the state to determine the condition, quality, and weight thereof, with regard to their freshness and grades; establishing and enforcing rules and regulations to insure that buyers receive the quality and size of eggs for which they pay; assisting the dairy industry in improving the production and marketing of milk and milk products; enforcing state laws relative to the prevention of the adulteration of milk or milk products through the use of substitute fats and solids; issuing licenses to, and collecting license fees from, milk products manufacturer's distributors,

producer-distributors, and producer-manufacturers; enforcing state statutes relative to the grading and labeling of milk and milk products; supervising the administration of a marketing program in cooperation with the Arizona grapefruit program committee established in accordance with state laws as a proration program committee; enforcing state laws relating to selling, inspecting, testing, sealing, and confiscating scales, weights, and measures; testing scales, weights, and measures used in checking state institution supplies and reporting on such tests; weighing or measuring packages or amounts of commodities to determine if the quantities are as represented; issuing certificates and securing bonds from public weighmasters, approving the equipment, weights, and measures of such weighmasters, and regulating their activities; collecting stipulated inspection fees from owners or users of scales, other weighing devices, and measures, except in cities of more than 7,500 population; and recommending regulations and tolerances for testing weights and measures.

d. **Advantages:** Some of the advantages that may be realized through the establishment of the proposed department of agriculture are summarized in the following paragraphs.

While the live stock sanitary board and the sheep sanitary commission deal with different interests in the animal industry which are well-recognized, both of these organizations must depend, to some extent, upon the office of the state veterinarian and the Arizona commission of agriculture and horticulture in achieving their major objectives—the prevention of the theft of animals, the eradication and prevention of diseases of animals, and the development of the animal industry in cooperation with other government agencies and private organizations. The assignment of the functions of the four state agencies involved to the proposed department of agriculture would recognize existing interrelationships of these separate agencies and would permit the development of long range plans and an integrated approach to the common problems involved in the enforcement of state laws relative to the animal industry; and would simplify the coordination of the activities of the state in relation to the animal industry with the activities of the United States department of agriculture and bureau of animal industry.

If responsibilities for the enforcement of state laws relative to the eradication and the prevention of the spread of plant pests and plant diseases, and for the enforcement of state laws relative to the sale of feeds, fertilizers, seeds, and insecticides and fungicides are assigned to a proposed department of agriculture, personnel available for inspection and enforcement could be used to much better advantage than at present. The proposed department could depend upon the laboratories now under the direction of a state chemist, as at present, for research and laboratory services.

If the proposed department of agriculture is given responsibility for all of the enforcement aspects of state laws relating to the agricultural industries, and the college of agriculture of the University of Arizona is given responsibility only for research and educational activities in relation to agricultural industries, a much greater degree of desirable specialization and use of personnel will result.

The Arizona commission of agriculture and horticulture, the agricultural prorate commissioner, the supervisor of inspection (of the fruit and vegetable standardization act), and the grapefruit administrative committee (acting in its capacity as a proration program committee as authorized by state statute) are engaged in the enforcement of state

laws relating to the grading and marketing of fruit and vegetable commodities shipped in interstate and foreign commerce. All of these agencies and the growers of fruits and vegetables are either responsible for, or are interested in, the eradication and the prevention of the spread of plant pests and plant diseases, as well as the improvement and promotion of the fruit and vegetable industries. If the functions of these agencies were assigned to the proposed department of agriculture, it would permit the most economical and efficient use of available personnel; the present dependence of these separate agencies upon a loosely coordinated approach to the common problems of enforcement would be eliminated; and the necessity for expanding the staffs of these separate agencies to keep pace with the development of the industry would be lessened.

The functions now assigned to an office of a state inspector of weights and measures and to an egg inspector could be carried out readily as a part of the enforcement activities of the proposed department of agriculture. Under this plan, the personnel of the proposed department engaged in other inspection and law enforcement activities could cooperate on a planned basis in the egg inspection activities and in the enforcement of state laws relating to weights and measures.

The state fair commission is engaged in activities that are directly related to the promotion, development, and improvement of the agricultural industries of the state which overshadow its important activities in other fields of activity including arts and crafts, and education. The proposed department of agriculture would be strengthened in its development programs if it had responsibility for coordinating and integrating its activities with the activities of the state fair commission, which has developed a strong working relationship with agricultural and other interests of the state. The permanent staff of the proposed department, which would represent the department in every part of the state, could participate in a year-round promotion program in relation to the state fair in each community which should be of real value in the continued expansion and improvement of this activity.

The proposed department of agriculture could readily assume responsibility for the functions of the office of the dairy commissioner except for the enforcement of state laws relative to maintaining a sanitary supply of milk and milk products, which is a public health function. It would permit the elimination of one agency of state government which would simplify the organization structure and would place in one agency the regulatory functions of state government in the field of agriculture.

5. Department of Military Affairs

a. **Proposed Functions:** It is proposed that a department of military affairs would exercise all administrative functions of the state relative to the state militia, the national guard, and the cadet corps in the various colleges, schools, and other educational institutions over which the state has, or may be granted, jurisdiction. In addition, the department would provide certain services in assisting war veterans to secure state or federal benefits to which they are entitled and such other services as state law may assign as functions of the proposed department.

b. **Proposed Transfers of Functions:** It is proposed that all such administrative functions of the types described exercised by any agency of the state government would be transferred to, and vested in, the proposed department of military affairs. Specifically the administrative

functions transferred would include those now being performed by the following named agencies:

Office of the adjutant general

General staff

Arizona cadet commission

Veterans' service officer

The Arizona cadet commission would be abolished. The commission's administrative functions would be assigned to the proposed department, and its advisory and other functions, appropriately exercised by a plural body, would be assigned to a single board proposed to be attached to the department. The advisory and other functions of the superintendent of public instruction as an ex officio member of the Arizona cadet commission would continue to be performed by him in his official capacity as head of the state public school system.

The advisory, quasi-legislative, and quasi-judicial functions of the general staff would be preserved and continued as functions of a board attached to the department, but it would have no administrative functions.

c. **Proposed Organization:** The proposed department of military affairs would consist of the adjutant general and such units of internal organization as may be prescribed by state and federal laws. The governor would continue to be the commander-in-chief of the military forces of the state, except when such forces are called into the service of the United States, as now provided by the state constitution.

The adjutant general would be appointed by the governor, by and with the advice and consent of the senate, to serve a term of four years and be removable only for such causes and under such procedures as may be provided by law. The adjustant general would exercise the functions of the department through the divisions or other units of internal organization of the department.

It is proposed that there be attached to the department a board of military affairs (or "general staff" if continuance of the present title is preferred). The board would consist of from three to five members, appointed by the governor with the advice and consent of the senate, to serve overlapping terms of three or five years. Members would be selected for their special knowledge of military affairs or services. The board would have no ex officio memberships. The attorney general would continue to furnish the proposed department and board with such legal advice and other services as may be required for the proper and effective exercise of the functions proposed to be assigned to the new agencies.

No specific proposals are made as to the internal organization of the proposed department. It is suggested that the internal organization structure of the department not be prescribed by state legislation, but that flexibility be allowed to permit adjustments as may be required by federal legislation.

d. **Advantages:** The proposed department and board fundamentally are a continuation of the existing organization of the state government for exercising functions relative to the militia, national guard, cadet corps, and other military affairs throughout the state. The change in title of the proposed agency is recommended to signify definite recognition of the office of the adjutant general as a department of the state

government. There is not, and cannot well be, any integration of the work of this unit with that of other agencies of the state government, except as to certain staff services.

The advantage of placing complete administrative authority for military affairs in the adjutant general is that delays can be eliminated in the routine operations of the proposed department. At the present time, with the Arizona cadet commission and the general staff exercising certain administrative functions, responsibility is divided and opportunities are created for unnecessary delays.

While it is not considered particularly significant, it is pointed out that the adjutant general now serves on the plural body that advises him. Under the proposed plan, he would not be a member of the board of military affairs and, thus, would not be placed in a position of advising himself.

The transfer of the functions of the office of the veterans' service officer to the proposed department of military affairs would place these activities in an agency that is already dealing with the records and problems of veterans and servicemen, and a blending of much of this work would be possible. However, the disbursement of state funds for the relief or assistance of veterans, or their eligible dependents, would be made through the proposed department dealing with state welfare matters.

6. Department of Occupational Registration

a. **Proposed Functions:** It is proposed that the department of occupational registration would exercise certain administrative functions (as distinguished from the advisory, quasi-legislative, and quasi-judicial functions) which are common to, and are exercised by 18 independent boards, the real estate department, the registrar of contractors, and the office of the secretary of state. Administrative functions involved in examining and licensing attorneys, and otherwise regulating the practice of law, are excepted from the functions of the proposed department and would be left with the courts and state bar. The separate registration of physicians, midwives, and undertakers would continue to be a function of the state registrar of vital statistics necessary to the proper functioning and objectives of that office in the proposed department of health and welfare.

In the proposed department of occupational registration would be centralized all general administrative functions and activities such as are required in professional or vocational registration and regulation by existing state agencies, including clerical, secretarial, stenographic, and record-keeping work; handling applications; arranging for examination; conducting examinations; issuing licenses, certificates, and permits; maintaining registers and other records of applicants, licentiates, permittees, and business establishments; conducting investigations; making inspections; and performing similar administrative work.

The several examining boards heretofore existing, and enumerated in a subsequent section, would continue in operation. These boards would be vested with such advisory, quasi-legislative, and quasi-judicial powers as are appropriate for plural bodies with respect to the several professions and occupations within their respective jurisdictions. Specifically, the boards would continue approving the issuance, suspension, and revocation of certificates, licenses, and permits; and advising the head of

the proposed department of occupational registration, the governor, and the legislature on policies, procedures, and standards, and on such other matters as may be referred to them for consideration and study. The boards would approve all examinations before the examinations are given. With respect to their quasi-legislative functions, the boards would have power to adopt rules, regulations, and standards within the scope of their jurisdiction over a profession or occupation, on their own initiative, after giving reasonable opportunity to the head of the department to make recommendations thereon, and after giving due consideration to any recommendations made by the department head. In their quasi-judicial capacity the several boards would conduct hearings on such matters as complaints, charges, and violations of law governing professions and vocations; suspending or revoking licenses, permits, and certificates; and other matters involving appeals from the administrative action of the department. Appeals from the actions, rulings, or decisions of the several boards would be taken to the superior courts.

The several laws providing for such registration and regulation of persons engaged in various professions and vocations should be amended to reconcile and standardize, to the extent practicable, their varying provisions relating to issuing, suspending, and revoking licenses, permits, and certificates; making rules and regulations and prescribing standards; and other matters affecting the professions or occupations over which they have jurisdiction; enforcing laws, rules and regulations; prosecuting violations; taking appeals; fixing fees; and in prescribing the number of members, terms of office, compensation, and other matters with respect to board members.

Fees for examinations, registrations, and other services performed by the department, or the boards attached to it, would be collected by the department. Collections would be required to be deposited in the state treasury and the expenses of the department and affiliated boards would be paid from the state treasury under specific appropriations therefor.

The examining and licensing of applicants for admission to practice, or engage in, the several professions and vocations and the regulation of such practice or employment, should be declared, as a matter of public policy and law, to be a fundamental and inherent right of the people of the state to be administered in their interests and not the rights of the members of the several professions and vocations to be administered to their advantage. All laws of the state providing for such registration and regulation of professions or occupations should be administered with due regard to this declared policy.

b. **Proposed Transfers of Functions:** All such administrative functions of the types described in the preceding section, heretofore exercised by any agency of the state government except as noted, would be transferred to, and vested in, the proposed department of occupational registration. Specifically, such administrative functions transferred would include those of the type described now being performed by the following agencies:

State board of accountancy
Board of barber examiners
State board of examiners in the basic sciences
State board of beauty culturist examiners
State board of chiropody examiners
State board of chiropractic examiners

Registrar of contractors
Arizona state dental board
State board of funeral directors and embalmers
State board of library examiners
State board of medical examiners
Naturopathic board of examiners
State board of nurse examiners
State board of optometry
State osteopathic board of registration and examination in medicine and surgery
State board of pharmacy
Real estate board
Real estate department
Office of the secretary of state
State board of technical registration
State veterinary board

The purely administrative functions relating to the registration and regulation of contractors, real estate brokers, and certified public accountants now being exercised by the registrar of contractors, the real estate board, the real estate department, and the office of the secretary of state would be assigned to the proposed department. The functions of the secretary of state in regard to the registration and regulation of security and commodity brokers would be transferred to the proposed department of business regulation. The agencies of the registrar of contractors and the real estate department as such would be abolished.

c. **Proposed Organization:** The proposed department of occupational registration would consist of the position of the commissioner of occupational registration, the several boards listed in the preceding section, specific divisions recommended in paragraphs to follow, and such other divisions as may be provided in accordance with law.

The commissioner of occupational registration would be the head of the department and responsible for the conduct of all its administrative affairs. He would be appointed by the governor, by and with the advice and consent of the senate, for a term of four years and until his successor has qualified and been appointed. The commissioner should not be a practitioner of any of the professions, trades, or other occupations subject to regulation by the department and should not have any financial interest in any college or school which offers any course of instruction or training in any of the professions, trades, or occupations so subject, as a teacher, an officer, or a stockholder.

The several boards affiliated with the proposed department would not have any administrative functions. Secretarial, stenographic, typing, recordkeeping, and other similar administrative functions would be provided to the boards through the regular staff of the department. The boards would have from three to five members appointed by the governor, by and with the advice and consent of the senate, to serve overlapping terms of from three to five years. Recommendations with respect to the compensation of board members and other board matters are discussed generally with respect to all boards elsewhere in this report.

The commissioner would exercise the functions of the department, other than those assigned to the several boards, through the divisions provided. It is recommended that recordkeeping, examining, field inspecting, and investigating work be centralized in three divisions. These divisions would be known as the division of administration, the division of examinations, and the division of investigations.

The division of administration would be headed by a director of administration and would handle the records and other administrative routine matters common to other divisions of the department and affiliated boards where it is practicable to centralize such functions in a single division.

The division of examinations would be headed by a director of examinations required by applicants. The division should be provided with an examining staff qualified to develop and apply, with the advice and cooperation of the boards and other members of the several professions and occupations involved, the most effective examining policies and procedures it is practicable to devise.

The division of investigations would be headed by a director of investigations and would handle the field work of investigating applicants, practitioners, and business establishments. A single field force, including inspectors with such specialized training and qualifications as may be necessary, should be provided to make all the inspections and investigations required for all professions and vocations subject to regulation by the department. Cooperation from the field forces of other departments should also be secured.

The heads of the proposed divisions would be appointed by the commissioner and removable only for such causes and under such procedures as may be provided by law.

d. **Advantages:** Basically, the proposed plan provides for a continuation of the functions of the state government with respect to licensing and regulating the practice of various professions, trades, or other occupations in the public interest. However, the proposed plan involves the reallocation of functions so as to provide appropriate types of organizations and staffs to engage in the various kinds of activities required in such matters. Advisory, quasi-judicial, and quasi-legislative functions would continue to be exercised by boards as appropriate functions of plural bodies. On the other hand, purely administrative functions such as recordkeeping, conducting examinations, collecting fees, inspecting, investigating, and other functions of similar types required by all, or most boards, would be exercised by a department organization headed by a single, competent administrator.

The suggestions with reference to a department of occupational registration do not fall exactly into the same pattern as those with reference to other departments. The problems toward which the proposal for this department is directed is that of the various independent boards and other agencies engaged in the registration and regulation of professions and other vocations wherein most of the state agencies represent organizations of practitioners in the various fields covered. Either directly or indirectly the numbers of the boards are usually selected on behalf of these associations.

Each of these boards is an independent administrative agency. Most of the boards occupy separate offices. The total number of clerical employes is larger than necessary since many of the boards employ administrative staffs. If the clerical or other administrative staffs of these boards are merged and made employes of the proposed department of occupational registration so that the duties could be assigned to them without regard to the line of division among the boards, there would be opportunity for substantial savings in personnel, facilities, and equipment. Similar economies would be possible with respect to field inspectors and investigators.

In the handling of inspection and investigation work, it is believed that there would be advantages in establishing a division of investigations in the proposed department of occupational registration and the assignment to this division of all the inspection and investigation work of all the boards. The boards, in their infrequent meetings, are not fully in a position to handle administrative matters, such as the supervision of inspection and investigation work. If inspectors and investigators were in the department and under continuous departmental supervision, then work could be better supervised and more efficiently coordinated and, wherever practicable, the division of the activities among the several boards could be eliminated.

If the boards were relieved of their duties in the supervision of administrative staffs, they would have occasion to meet less frequently. The board would have more time and be able to concentrate more fully on advisory, quasi-legislative, and quasi-judicial functions which, as plural bodies, it is appropriate for them to exercise.

The preparation and holding of examinations by the staff of the department, with the boards serving in an advisory capacity, has numerous advantages. The actual conduct of written examinations is an administrative function, and if properly conducted, should meet any reasonable standards of the boards. Furthermore, it is desirable to have this function exercised by those trained in effective testing techniques. The boards would have final authority to establish standards of examinations and would be relieved only of the administrative functions involved in conducting the examinations. The examining staff should, of course, draw on the services of the proposed department of personnel to the fullest practicable extent.

7. Department of Employment Security

a. **Proposed Functions:** The proposed department of employment security primarily would have responsibility for administering the state unemployment compensation program, the state employment service, and the workmen's compensation and occupational disease disability programs; enforcing state laws relative to minimum wages, child labor, the employment of women, and accident prevention; and cooperating with other federal and state agencies in the training of veterans and in all matters relating to the general welfare of working people and the protection of children, including maintaining a cooperative working relationship with a proposed department of mineral resources in carrying out a mine safety program.

b. **Proposed Transfers of Functions:** The proposed department of employment security would have responsibility for the functions now assigned to the employment security commission and the industrial commission of Arizona.

c. **Proposed Organization:** The proposed department of employment security would have the following boards and major organization units:

Board of employment security
Office of the commissioner
Division of administration
Division of safety inspection
Division of unemployment compensation
Division of employment service

Division of workmen's compensation
Division of labor

The proposed **board of employment security** would consist of three members appointed by the governor, by and with the advice and consent of the senate, for five-year overlapping terms, subject to removal from office by the governor for cause. This body would exercise quasi-judicial functions in relation to the administration of the activities of the proposed department of employment security, including making awards with respect to claims for workmen's compensation and unemployment compensation; and making determinations with reference to appeals filed by business organizations in relation to the payment of unemployment insurance taxes and industrial insurance premiums; exercising quasi-legislative functions, such as the formulation and adoption of policies required to amplify state statutes in its field of activity; and giving advice relative to specific problems referred to it by the proposed commissioner of employment security.

The proposed department would be headed by a commissioner, appointed by the governor, by and with the advice and consent of the senate, who would serve at the pleasure of the governor. The commissioner would have broad responsibilties with respect to the administration of the department, including responsibility for the general supervision of a legal section and a medical services section which would be subunits of the **office of the commissioner.**

The proposed **division of administration** would be headed by a director, appointed by the commissioner. The director should be trained and experienced in the field of business management, preferably with experience in the administration of one or more of the major programs for which the department would have responsibility. The division would have responsibility for the general coordination of personnel administration and personnel training; the accounting activities required in the general administration of the proposed department, exclusive of the supervision of the accounting services required in collecting and disbursing funds in relation to the unemployment compensation program and in relation to the workmen's compensation program; purchasing; the general coordination of information services; the compilation of manuals of procedure as reviewed and approved by the operating divisions of the proposed department; the general supervision of buildings maintenance activities; and the operation of the business machines and tabulating equipment required in the accounting, research, and statistical activities of the proposed department.

The proposed **division of safety inspection** would be headed by a director appointed by the commissioner. The director of the division of safety inspection should be a trained and experienced safety engineer. The division would have responsibility for inspecting all industrial plants and the facilities and equipment of business establishments, with the objective of discovering and eliminating industrial hazards. The division would work in close cooperation with the mine safety inspection service of a proposed department of mineral resources.

A proposed **division of unemployment compensation** would be headed by a director, appointed by the commissioner, in accordance with the rules and regulations of the joint merit system council or of the proposed board of personnel. The division would have responsibility for the administration of the state unemployment compensation program, including the establishment of employer coverage, the collection of contribution taxes from employers as based on quarterly wage reports, the mainten-

ance of employment experience records for all the employers to qualify them for reduced contribution taxes, the maintenance of employe wage records for the purpose of determining benefit entitlement when claims are filed, the receipt of claims from individuals seeking benefits including servicemen's readjustment allowance claims, the determination of eligibility for benefits of individual claimants, the determination of benefit appeals, the ascertainment of the amount of weekly benefits to which a claimant is entitled, the suppression of fraud in relation to the unemployment compensation program, and the compilation of statistical information and reports including the compilation of statistics relative to employment information in cooperation with the federal bureau of labor statistics.

The proposed **division of employment service** would be headed by a director, appointed by the commissioner, in accordance with the rules and regulations of the joint merit system council, or of the proposed board of personnel. The division would have responsibility for operating a free employment service within the state and would carry on the national six-point program established by the United States employment service which may be summarized briefly—placement service, employe counseling and selective placement, special services to veterans, industrial services, labor market information, and community participation.

The proposed **division of workmen's compensation** would be headed by a director, appointed by the commissioner. The director should have outstanding training and experience in the field of workmen's compensation and should be capable of providing the kind of advice and counsel that would be required by the commissioner of the department and by the employment security commission attached to the department relative to all phases of the workmen's compensation program. The division would have responsibility for administering a workmen's compensation and occupational disease disability program in accordance with state law, including the collection of premiums from policy-holders and the payment of claims; cooperating with the state board of education in its vocational rehabilitation program; checking industrial insurance policies issued by private insurance companies to determine whether they conform with the requirements as set forth by state law and whether the proper classification and rates have been indicated; and processing cases arising under the workmen's compensation laws of the state, including cases involving the employer who is insured by a private insurance company, who is self-insured, or who has no industrial insurance.

The proposed **division of labor** would be headed by a director appointed by the commissioner. The director should be trained and experienced in one or more phases of the programs for which the division would be responsible. The division would have responsibility for enforcing state laws relative to minimum wages, child labor, the employment of women, and private employment agencies; assisting employes in collecting wage claims, including the enforcement of contracts regarding wage payments in relation to the veteran's on-the-job training program, and the apprenticeship training program; and cooperating with federal and other state agencies in all matters relating to the general welfare of working people and the protection of children.

d. **Advantages:** Some of the advantages that may be realized through the establishment of the proposed department of employment security are summarized in the following paragraphs.

The establishment of a department with responsibility for all of the functions related to employment security and programs for wage

earners would permit the development and execution of uniform plans for the benefit of the wage earners of the state.

The establishment of one board with quasi-judicial, quasi-legislative, and advisory functions in relation to the proposed department, which would be under the direction of a single administrative head, would eliminate the present cumbersome method of administering employment security activities and workmen's compensation by plural bodies.

A consolidation of the statistical, research, and tabulating functions of the agencies involved would effect economies through the pooling of personnel and tabulating equipment. It is reasonable to expect that, if these activities were placed under one direction, more efficient and uniform procedures could be worked out, personnel could be rotated to level out peak loads, better utilization of personnel would result, duplications in equipment might be eliminated, and savings in use of supplies would be effected. Additional advantages would obtain in making it possible to expand the scope of the research that can be done to the end that broader information may be provided to serve as a basis in formulating employment security policies.

Through the establishment of routine procedure for checking records, the possibility that disability benefits and unemployment compensation benefits may be paid to the same person would be decreased.

8. **Department of Health and Welfare**

a. **Proposed Functions:** The proposed department of health and welfare would have responsibility for carrying out and supervising the administration of the health, welfare, correction, probation and parole, and institutional care and training programs of the state government, except the training and education programs of the public school system and the Arizona school for the deaf and the blind.

b. **Proposed Transfer of Functions:** The department would have responsibility for the functions which are now the responsibility of several boards, agencies, and institutions listed as follows:

State board of health
State department of public health
Advisory survey and construction council
Arizona state board of public welfare
Arizona state department of public welfare
Welfare advisory committee
Board of pardons and paroles
Arizona children's colony board
Arizona children's colony
Board of directors of state institutions for juveniles
State industrial school
State hospital board
State hospital for the insane
Home for aged and infirm Arizona pioneers
State hospital for disabled miners
State prison
Institute of educational rehabilitation
State board of correction and rehabilitation
Convalescent home for crippled children (now in the department of public welfare)

Arizona state tuberculosis sanatorium (now in the department of public health)
Bureau of criminal identification
Veterans' relief commission

The proposed department would have responsibility for enforcing state law relative to the dairy industry from the standpoint of sanitation. This function is now shared jointly by the department of health and the office of the dairy commissioner. The remaining functions of the office of the dairy commissioner to enforce state law relative to the prevention of the adulteration of milk and milk products, the grading and labeling of milk and milk products, the licensing of, and the collecting of license fees from, milk products manufacturers, distributors, producer-distributors, and producer-manufacturers would be made the responsibility of the proposed department of agriculture.

The department would have responsibility for the functions which are now the responsibility of the veterans' relief commission and of the veterans' service officer in his capacity as the chairman of the commission. However, the functions of the office of the veterans' service officer would be delegated to a proposed department of military affairs. The functions of the veterans' relief commission are essentially social welfare functions and should be integrated with the remaining social welfare functions of the state within a single department.

c. **Proposed Organization:** The proposed department of health and welfare would have the boards, committees, and major organization units listed as follows:

Board of health and welfare
Board of pardons and paroles
Advisory survey and construction council
Office of the commissioner
Division of administration (including the various institutions)
Division of health
Division of publc welfare
Division of pardons and paroles

The **board of health and welfare** would be composed of from three to five members appointed by the governor, by and with the advice and consent of the senate, for five-year overlapping terms. This board would formulate and adopt policies, rules, and regulations in accordance with state law relative to the programs administered by the proposed department, but it would not have any direct administrative authority or authority to appoint personnel. It would serve as an appeals board in relation to the public assistance programs. This board would have responsibility for the functions indicated in this paragraph which are now being performed by the boards listed in the foregoing section of this report, except the functions of the board of pardons and paroles and of the advisory survey and construction council.

The board of health and welfare would be authorized to establish advisory committees in accordance with the general principles discussed elsewhere in this report. This would permit the continuation of such advisory committees as have been established with specific assignments in the fields of activity in which the board of health and welfare would be interested, such as the development of services for blind persons which is the primary function of the welfare advisory committee listed earlier in this report. It would permit, also the possible continuation, in an advisory capacity, of some of the present plural bodies which are en-

gaged in the development and planning of new programs and services such as the Arizona children's colony board.

The proposed **board of pardons and paroles** would be composed of three members appointed by the governor, by and with the advice and consent of the senate, for five-year overlapping terms. The governor would be empowered to remove such appointees from office for cause. The proposed board would hear and determine cases involving inmates of the state prison who are eligible for parole, and would hear and make recommendations to the governor as to cases involving inmates of the state prison relative to pardons and reductions in sentence. These quasi-judicial functions of the proposed board would include hearing such other cases as would be referred to it by a proposed director of pardons and paroles in accordance with state law, such as cases involving parole violators. The board would not participate in the direct administration of the proposed division of pardons and paroles, but would act in an advisory capacity to the department in the field of adult probation and parole.

The proposed board of pardons and paroles would have responsibility for the functions indicated in the foregoing paragraph now being performed by the existing board of pardons and paroles.

A proposed **advisory survey and construction council,** composed of nine members, appointed by the governor for five-year overlapping terms, would be responsible for advising and consulting with the proposed division of health in making surveys of existing hospital facilities, in formulating plans to be submitted to the United States public health service for providing adequate hospital facilities for the people of the state through a federal grants-in-aid program, and in the general supervision of the construction or improvement of such hospital facilities as may be approved by the public health service. This board would have responsibility for the functions performed by the existing advisory survey and construction council. The superintendent of public health would not be a member of the council.

A **commissioner of health and welfare** appointed by the governor, by and with the advice and consent of the senate, to serve at the pleasure of the governor, would head the proposed department of health and welfare. The proposed commissioner should have broad experience in the administration of a large government or business organization. Other qualifications would include a demonstrated interest in the civic and governmental affairs of the state. The proposed commissioner would have broad administrative powers, including the authority to appoint the heads of the proposed major divisions of the department in accordance with such rules and regulations as may be established by state law.

The proposed **office of the commissioner** would have responsibility for supervising the respective heads of the division of administration, the division of health, the division of public welfare, and the division of pardons and paroles; approving long-range plans for developing the over-all program of the department; coordinating the activities of the department with the activities of other state agencies; establishing administrative policies and procedures for the operation of the department; making periodic reports to the governor, to members of the state legislature, and to the general public; carrying on public relations activities; and coordinating the public information services of the department.

A proposed **division of administration** would be headed by a director, appointed by the commissioner, who should be eminiently qualified for

the position through training and experience in business and institutional management. The proposed division would have primary responsibility for developing and supervising the business management activities of the several institutions of the department and for providing staff services to all divisions and units of the department, to the extent practicable, in activities related to accounting, including cost accounting and budget preparation, purchase and supply, including the general supervision of state use production and the distribution of industrial and agricultural products among the state institutions of the department; personnel administration and personnel training programs; dietetics; research and statistics; the general coordination and supervision of the buildings maintenance and buildings construction activities of the department; and the general management of the institutions under the functional supervision of the other three major divisions.

The division of administration would operate the programs of training, medical care, and rehabilitation carried on in the institutions, but under the policies and procedures specified by the other divisions and with their technical assistance. This functional supervision and technical assistance would be given to the institutions through the division of health, the division of public welfare, and the division of pardons and paroles.

The institutions which would be a part of the department of health and welfare under the proposed plan of organization are: Arizona children's colony, industrial school, state hospital for the insane, Arizona state tuberculosis sanatorium, convalescent home for crippled children, home for aged and infirm Arizona pioneers and state hospital for disabled miners, state prison, and the Arizona institute of educational rehabilitation.

The reception, classification, and recommendations as to treatment programs for felons would be developed in the state prison through existing state prison staff, augmented by psychiatric and psychological services provided on a visiting basis. These services would be performed by a classification committee composed of prison personnel with other duties. This informal committee would be headed by a trained and experienced probation and parole officer who would be responsible primarily for coordinating the activities of the committee, and for compiling and developing case records to be used in planning for the training and eventual release of the respective inmates. The proposed classification committee would work closely with the division of pardons and paroles in developing procedures and plans that would assist the division of pardons and paroles in planning for the release of inmates of the state prison system.

The proposed **division of health** would be headed by a director appointed by the commissioner. The director should be a licensed physician, trained and experienced in the field of public health and who should have, also, the degree of master of public health. The division would have responsibility for carrying out all of the functions of the existing department of health, except the administration of the Arizona state tuberculosis sanatorium, plus the functions of a state dairy commissioner to enforce state law to insure a sanitary milk and milk products supply within the state. The division would have responsibility for coordinating the tuberculosis control program of the division of health with the medical care and treatment programs of the Arizona state tuberculosis sanatorium; providing technical supervision and assistance relative to all phases of the medical care and treatment programs and the sanitation of all of

the institutions of the proposed department; administering the federal and state financed crippled children's program; and recommending and supervising the transfer of patients from one institution to another within the proposed department for reasons involving medical care and treatment, including treatment for mental illness. The division would not have responsibility for supervising the administration of the convalescent home for crippled children or the Arizona state tuberculosis sanatorium, both of which would receive such general supervision as would be required from a proposed director of a division of administration within the department.

The proposed **division of public welfare** would be headed by a director appointed by the commissioner in accordance with the rules and regulations of the merit system council, or the proposed board of personnel, or in accordance with statutory provisions that would insure the employment of a director trained and experienced in the field of public welfare. The proposed division would have responsibility for the administration of the public welfare programs now administered by the existing department of public welfare, except the administration of the federal and state financed crippled children's program and the convalescent home for crippled children. It would have responsibility, also, for providing cash relief to veterans as well as to other persons who are eligible for relief funds provided by the state.

The proposed division of public welfare would have responsibility, through county departments of public welfare, for making case investigations to determine financial eligibility and to provide other case information as to all persons admitted to the several institutions of the proposed department. It would provide case information relative to felons sentenced to terms of imprisonment in the state prison, if the head of the state prison or the proposed director of pardons and paroles requests such case information in addition to the case information which should be provided through county probation and parole officers. In this regard, state statutes should be amended to provide that juvenile delinquents now committed directly to training institutions be committed to the proposed department of health and welfare; and that the department, through the division of public welfare, have full responsibility for the placing of such children in institutions or in other care as seems indicated in each case, including the authority to release such juveniles on parole.

No agency of state government has responsibility for coordinating the juvenile probation and parole programs of the state. Under the proposed plan of organization the division of public welfare, through its child welfare service unit, which should have staff trained and experienced in the field of juvenile probation and parole, would have responsibility for the coordination and general supervision of a state-wide program of juvenile probation and parole. Under this plan, the juvenile courts would continue to appoint juvenile probation and parole officers, but such appointments would be restricted to persons who would meet qualifications which might be established by the board of health and welfare or, possibly, by law.

The program of training and rehabilitation carried on in the state tax-supported industrial school and, to the extent practicable, the training and rehabilitation programs carried on in the privately-supported, but state-subsidized, Florence Crittenton Home and the House of the Good Shepherd would be under the technical direction of the child welfare service unit of the division of public welfare, but such technical direction should be carried on through the cooperation of the respective

heads of such institutions. At present, this function is a responsibility of the board of directors of state institutions for juveniles.

The proposed **division of pardons and paroles** would be headed by a director, appointed by the commissioner, who should be experienced and trained in probation and parole work. The proposed division would be responsible for coordinating and compiling case information relative to inmates of the state prison and institute of educational rehabilitation, who are eligible for parole, or who are to be considered for pardons, or reductions in sentence. The division would make recommendations to the board of pardons and paroles as to the disposition of all such cases. The existing board of pardons and paroles now has responsibility for carrying out the functions indicated in this paragraph.

The proposed division of pardons and paroles would also have responsibility for the functions now carried out by the existing bureau of criminal identification.

At present, the adult probation and parole activities of the state are not coordinated in a single adult probation and parole system. It is proposed that the entire adult probation and parole activities of the state be under the technical supervision of the proposed division of pardons and paroles and that the probation officers of the superior courts be authorized to supervise parole cases as well as probation cases. The superior courts, under the proposed plan, would continue to appoint probation officers, but such appointments should be restricted to persons who would meet such requirements as might be established for such positions by the proposed board of health and welfare, or possibly, by law.

There is no provision for providing jail inspection services which should be developed in conjunction with the adult corrections program. It is suggested that the division of pardons and paroles be given responsibility for carrying out this function and for assisting the localities in planning and developing uniform programs and procedures in the care and custody of inmates of local jails.

d. **Advantages:** The primary advantages to be realized from the establishment of a department of health and welfare are summarized in the following paragraphs.

The enlarged agency would give the personnel of the department a better opportunity to advance to positions of greater responsibility and compensation.

The centralized supervision and control of buildings maintenance and buildings construction programs would permit these programs to be developed and carried out on a planned basis; and would permit the standardization of design, material, and methods in the construction and rehabilitation of buildings.

The integration of accounting services, research and statistical services, and, possibly, some routine clerical services would permit a standardization of procedure in each of these respective fields of activity; and would make it possible to utilize business machines to a greater extent, which in turn should result in greater efficiency and production at no increase in over-all costs.

Expert consultation in the field of agriculture and farm management could be developed on a coordinated basis, and a better system for

the exchange of agricultural and industrial products among the institutions could be developed.

A centralized service in the field of dietetics could be developed whereby per capita food costs could be computed and comparative analyses could be made as to such costs among the several institutions of the the department.

The coordination of adult probation and parole programs on a statewide basis under the general supervision of a proposed director of pardons and paroles would prevent the necessity for expanding the staff of the existing board of pardons and paroles to provide more nearly adequate supervision for parolees.

The coordination of the juvenile probation and parole programs on a state-wide basis under the general supervision of the child welfare unit of the proposed division of public welfare would eliminate the necessity for the continued employment of parole officers by the industrial school to supervise juveniles released from the industrial school, and should result in a greater degree of coordination among personnel now engaged in child welfare services.

The establishment and development of a coordinated reception, classification, and placement service for children committed by the courts to the proposed department of health and welfare would permit a better use of institutions for children, and would permit a more comprehensive program for the care and treatment of delinquent, dependent, and neglected children. Furthermore, the per diem cost of institutional care is usually greater than the per diem cost of boarding home care for children; consequently, through the greater use of boarding homes and free homes, available funds could be used to care for a greater number of children under the proposed plan than is possible under the present plan of organization.

The transfer of older children and children who are mentally defective from the training schools for juveniles to other institutions more suitable for their care and training would be facilitated. This would be of distinct advantage in the care and treatment of such children and would relieve the training schools for juveniles of responsibilities which they are not equipped to discharge.

Enriched consultative services and staff training programs would be possible through the utilization of skills of technical staff which would be available in the proposed department. At present, the technical staffs of each of these separate agencies and institutions carry on their activities more or less independently and must be dependent upon a loosely coordinated approach to common problems affecting the individuals and families served.

A centralized information service would be of value in presenting all facets of the interrelated problems of dependency, neglect, ill health, delinquency, and crime, and the possible solution for reducing the volume and intensity of such problems.

The establishment of a jail inspection service as a function of the division of pardons and paroles would be of benefit in standardizing the policies and procedures, construction programs, medical care and treatment programs, and basic administrative practices in the administration of local jails. The operation of such an inspection service in other states has resulted in a much better use of available funds for the care and

custody of inmates of local jails and has resulted in the development of improved practices in the care and treatment of such inmates.

Under the proposed plan, county probation and parole services for juveniles and adults, county departments of health, county departments of public welfare, training schools for juveniles, correction institutions for adults, convalescent homes, hospitals, and nursing homes would receive general supervision and services from one state agency. Under the existing plan of organization, each of these agencies is carrying on a segment of a broad program for care and treatment which may be required by the members of a single family, or conceivably required by an individual in one family. Obviously, coordination of the efforts of the local and state agencies providing these necessary services is highly desirable. This desirable coordination of effort can be secured on a planned basis under the supervision of a coordinated headquarters staff which would have over-all responsibility for making all of the services of these local agencies and state institutions available to those who need such services.

Under the proposed plan of organization, the division of health would recommend and supervise the interchange of inmates and patients of the several institutions of the department for reasons involving medical care and treatment, including treatment for mental illness. Consequently, the inmates and patients served could receive the maximum benefits from the specialized medical care and treatment programs developed in the respective institutions.

The creation of the proposed department would make it possible to plan budgets for the entire institution construction program in relation to the requirements of all institutions. This would tend to insure that a long-range program would be logically and equitably apportioned among the several needs, and systematically carried out.

Even though a centralized purchasing agency is established to serve all agencies of state government, further savings in purchases of all commodities would result through standardization by a single department, in cases where authorization is granted to make direct purchases.

The centralization of statistical and accounting work in the proposed department, even though the accounting be only of an analytical nature, as prescribed by the proposed department of finance, would prove worthwhile.

The employment of qualified technical personnel to provide in-service training programs for the staffs of the various types of institutions in the proposed department would be justified. At present, most of the institutions, individually, are too small to justify the employment of staff with the technical training required to provide adequate in-service training programs.

The transfer of the functions of the bureau of criminal identification to the proposed division of pardons and paroles would eliminate the necessity for maintaining duplicate records of identification of felons which are now maintained by the present board of pardons and paroles, as well as the bureau of criminal identification. It would permit the elimination of one separate agency of state government and the staff members of the proposed division could be utilized interchangeably to perform clerical services required in relation to the probation and parole and criminal identification activities of the division.

9. Department of Higher Education

a. **Proposed Functions:** In general, the functions of the proposed department of higher education would be those now being performed by the separate institutions of higher education maintained by the state for the purpose of furnishing higher education to the people of Arizona. They may be classified as functions of general control, residence instruction, extension, instruction and assistance, research, and auxiliary services. Classified thus, the functions of the proposed department of higher education may be stated as follows:

(As to General Control by the Board of Regents)

(1) Determining general policies and adopting rules and regulations to guide the head of the department in the management of the department.

(2) Submitting to the governor a list of nominations from which he would appoint the head of the department; and, on the department head's recommendation, employing the presidents, deans, professors, and other officers and employes of the department.

(3) Acting on the recommendations of the head of the department, for approval or disapproval, on matters relating to policies that are not entirely covered by the general regulations, such as establishing and discontinuing curricula, fixing tuitions and fees, recommending allotments within the appropriations made by the legislature, fixing requirements for degrees, authorizing requests for funds for building construction, and the like.

(As to Residence Instruction)

(4) Instructing students, registered in organized colleges and subordinate departments (or divisions) or in some other appropriate schematic form of organization of related bodies of subject matter, in the several liberal arts, fine arts, social sciences, physical and biological sciences, trades or semiprofessions, and professions.

(5) Offering curricula on both the undergraduate and graduate levels.

(6) Maintaining libraries, laboratories, audiovisual instruction equipment, practice or laboratory schools, and other sources of subject matter for study by undergraduate and graduate students.

(As to Extension Instruction and Assistance)

(7) Conducting, at places in the state where such are practicable, university extension classes and correspondence courses and furnishing other university extension services, such as audiovisual education loan library, book library extension, provision of lyceum courses, and the like.

(8) Collecting, compiling, and publishing Arizona mining statistics; collecting a library and compiling a bibliography on Arizona mining and geology; collecting typical geological and mineralogical specimens for the museum of the bureau of mines; and collecting models, drawings, and descriptions of appliances used in mining and metallurgical work.

(9) Collecting and preserving archaelogical resources, specimens of mineral wealth, and the flora and fauna of Arizona for the state museum.

(10) Conducting short courses, lecturing, and advising persons engaged in agriculture and homemaking; maintaining and directing the activities of agricultural and home demonstration agents; and directing the activities of 4-H clubs.

(11) Providing guidance, help, and instruction for teachers in service.

(As to Research)

(12) Conducting organized university research, both pure and practical, in various fields of learning.

(13) Maintaining research laboratories in mining, engineering, tree-ring data and water supply, various subject fields of agriculture and home economics, and such other fields of learning as require laboratories for research, and maintaining such other agencies for organized research as are required.

(14) Encouraging individual research activities of faculty members to the extent that they are likely to be useful to the university or its activities.

(15) Maintaining and conducting the activities of the agricultural experiment station at its several locations.

(16) Publishing the results of research, distributing the reports, and in other ways disseminating information to the people of Arizona in engineering, minerals and mining, archaeology, public administration, education, agriculture, home economics, and other fields of study.

(17) Testing soils, fertilizers, insecticides, fungicides, seeds, and the like, for the proposed department of agriculture.

(As to Auxiliary Enterprises)

(18) Providing for the housing, feeding, and other subsistence requirements of students.

(19) Maintaining student social and recreational facilities, health protection services, guidance and counseling services, and other student welfare services.

(20) Maintaining a university occupational placement service for graduate students.

(21) Maintaining a state mine rescue car for purposes of mine rescue work, first aid, safety, and instruction.

b. **Proposed Transfer of Functions:** Functions that need to be tranferred to the proposed department of higher education are all of the functions now being performed by the board of regents; the University of Arizona, except two functions indicated in the next paragraph; the state colleges located at Tempe and Flagstaff; the Arizona museum of natural history (committee); the board of curators of the state library, which board should be discontinued; and the library, archives, and museum functions of the department of library and archives, including the maintenance of a legislative reference library. The functions assigned by statute to the state legislative bureau, except those of maintaining the legislative library, should remain in the legislative branch.

The function of enforcing the laws relating to seeds, soils, fertilizers,

and economic poisons should be transferred from the university to the proposed department of agriculture. However, the university should continue to perform for that department as much of the testing of seeds, soils, feeds, fertilizers, insecticides, fungicides, and the like as is found to be practicable by the department of agriculture. The function of high school inspection should be transferred to the proposed department of public schools.

c. **Proposed Organization:** The proposed organization of the department is outlined as follows:

(1) It is proposed that the state controlled, state supported institutions of higher education, namely the university and the two state colleges, be merged into a new University of Arizona; that any new higher education institutions, established in the future, be made a part of the university and that such consolidated university constitute the proposed department of higher education.

(2) The executive head of the department of higher education should be a chancellor of the University of Arizona. "Chancellor" is almost always used as the title of the officer at the head of a state university system in the states that have consolidated their institutions of higher education into such a system. He should be appointed by the governor from a list of nominations submitted by the board of regents of the University of Arizona, proposed, subject to removal only for good cause. This would require a change in the provision for election of university officers and employes from year to year. The term of office of the chancellor should be continuing and should not be ended abruptly with a change of political administration.

(3) The qualifications for chancellor should be (a) demonstrated ability to administer a university or college, either within or outside of Arizona, (b) generally, a high level of education, (c) generally, appreciation of the importance of research, preferably with a high level of accomplishment in some field of research, and (d) ability to plan the wise and economical expenditure of school funds. Sometimes, but rarely, a wise and capable administrator who does not have the last three qualifications may be selected, but it must be certain that he will rely on the advice of subordinate presidents, deans, and others, who do have knowledge of, and high ideals in, the objectives and procedures in education and research, and upon a business officer who will expend the state's moneys wisely and economically. There should be no residence, political, or other irrelevant requirement for eligibility for the position.

(4) General control, as to policy making and approval of administrative actions, but not as to any executive functions, should be vested in a board of regents of the University of Arizona, which board may well be composed, as is most of the present board of regents of the university and state colleges of Arizona, of members appointed by the governor for long, overlapping terms.

It is proposed that the number of members be reduced from ten to nine and that the two ex officio members, namely, the governor and superintendent of public instruction, be eliminated from membership on the board. It is proposed that there be nine instead of eight appointive members. The governor should appoint, with the approval of the senate, two members of the board of regents of the consolidated University of Arizona, every odd numbered year, except that every fifth biennium only one member would be appointed. The

members would hold office for ten years or until their successors have been appointed and approved. Interim vacancies, caused by death, resignation, or otherwise, should be filled, for unexpired terms, in the same manner as vacancies caused by expiration of terms. The internal organization of the board would not need to be different from that of the present board of regents except that the present subcommittee system would not be needed and the board should act as a unit on the chancellor's recommendations. The board should be, entirely, a policy-making and approval board and should give up all executive and administrative functions.

(5) The functions of the board of regents of the consolidated University of Arizona would be the same as the policy-making and approval functions of the existing board of regents of the university and state colleges of Arizona, but the executive functions of executive committees, other committees, and the board, itself, would be turned over to the board's executive officer, the chancellor of higher education, proposed.

(6) The principal units of the University of Arizona, as formed by the merger, would be the colleges and other organization units in the present university and the colleges of Tempe and Flagstaff. Their functions would not be changed, materially at least, but detailed study of the objectives, procedures, and accomplishments of the institutions might show the advisability of mergers of some of the component colleges, schools, and departments of the university and of the departments of the existing separate colleges. Detailed study might show the desirability of merging certain agencies of the separate existing institutions, such as the budgets of the institutions, general or university extension, the vocational placement of graduates, and the instruction at the graduate level as well as of some departments of instruction.

(7) The heads of the agencies at the three geographical centers, and at any additional centers organized in the future, might well be designated as presidents and the heads of the separate university colleges, at Tucson, as deans, without change in titles, each president being immediately responsible to the chancellor, and the deans of the several colleges at Tucson, to that president. However, from the standpoint of actually effectuating the consolidation of the institutions, it might be better to make the chief officers of the Tucson colleges and the Tempe and Flagstaff colleges, all deans, directly responsible to the chancellor with a vice chancellor to serve as his executive assistant at the Tucson campus. This is a matter that is relatively unimportant and could be decided by the new board of regents.

d. **Advantages:** Some of the advantages of the proposed plan of organization, and comments related thereto, are presented as follows:

(1) The proposed merger of the three institutions of higher education into a single University of Arizona, with the status of a department of higher education in the state government, will not, materially, change the existing institutions of higher education. The consolidated university will have but three campuses. Many institutions have more than that. The University of California has five or six campuses, and the Universities of Illinois, Wisconsin, Minnesota, Virginia, and many other state universities, from three to seven, each.

The major activities of the consolidated university will be those conducted at Tucson. It will not be necessary to change the names of the colleges at Tempe and Flagstaff. The principal change in all of the institutions will be the centralization of general administrative control in the chancellor, just as Arizona has already centralized policy-making and approval functions in the common board of regents. A measure of internal control will still exist in the colleges at Tempe and Flagstaff, just as it now exists in the several colleges of the University of Arizona at Tucson, but such internal control would be subject to the general administrative control of the chancellor just as the control of the colleges at Tucson are, now, subject to general control by the president of the university.

The only changes required will be those made later by the department. Without detailed and comprehensive study of the requirements for and problems of higher education in Arizona, any desirable internal changes cannot be shown here. There may be possibilities for the reallocation or consolidation of some duplicated functions, and there probably will be need for improvements in facilities and staffs to provide for better education and research.

Arizona has been conservative in establishing institutions of higher education and, in 1945, took one important step toward centralization—that of placing the institutions under a common board of regents. Common professional administration, as well as common general control by a lay board, under the proposed plan will provide for the allocation of new functions and for the making of decisions, on a professional basis, when additional functions are needed or proposed or when existing functions may not be required and may be discontinued, or when and if questions of the establishment of additional university branches are to be decided, in the future, as the population of the state increases.

(2) Transfer, to the University of Arizona, of the functions of the department of library and archives in relation to all books and the library services as such, including the conduct of a state-wide library extension service, if and when activated, and the development and supervision of the museum at the state capitol, and the functions of the Arizona museum of natural history (committee), would have several advantages. The primary advantages are that the functions of state government in relation to its principal library services and museums would be integrated under one central direction and control; and the proposed department of higher education could develop a system of exchanging books and other materials among its libraries and museums which would be of mutual benefit to them, to other agencies of state government, and to the general public for which such books and other material provided, and which would reduce the necessity for maintaining duplicates of materials which are used infrequently. It would permit the ready development and maintenance of a centralized card index file, and cross reference of such books and other materials as would be under its control, which would simplify conducting research and other projects. Faculty members of the department of higher education could give professional advice and assistance to library and museum staffs in developing and publishing material related to the history of Arizona; and, probably most important of all, the state legislature would be relieved of its present inappropriate administrative function in relation to an agency of state government which not only serves the legislature but serves other agencies of state government and the general

public as well. It is not to be expected that the legislature which meets every two years would be able to give appropriate supervision to an agency of state government which should be a part of the staff service and operating agencies of the executive branch of the government. On the other hand, the legislature should maintain and control a legislative bureau to assist it in carrying out the details involved in the legislative process, and this part should not be transferred with the library, proper. If desired, the legislative bureau may continue to maintain quarters in rooms now used by the library where it can conveniently use library materials.

(3) The pattern for the general control of higher education needs to be somewhat different from that of some other departments. Education is a continuing process. Classes enter college each year and are graduated four years later. Research studies continue from year to year. Instruction and research staffs cannot be gathered together in a summer or a single year. Each vacant position requires persistent search for the best qualified person available to fill it. Capable chancellors of higher education, or presidents of universities and colleges, cannot be secured if they are subject to change every two or four years, with the change in fortunes of political parties or political factions. Capable professors, instructors, and research staffs cannot be secured if their superiors are subject to frequent change through appointment of new administrators on the basis of state political affiliation.

It is important that the appointment and removal of a chancellor, and college presidents or deans, be made from a list of nominations by a board representing several past administrations, as a measure designed to help safeguard the interests of continuity of policy and administration of a university in performing its educational and research functions.

The disruption of university and college staffs by wholesale dismissals and replacements, and the consequent loss of accreditation and association of the institutions with others of their kind, may be a serious handicap to the advancement of education.

e. **Alternative Plan of Reorganization:** An alternative plan of organization, less desirable from the standpoint of effectiveness of administrative direction and control than the plan proposed, but still an improvement over the form of organization now in effect, with its separate administrative heads, is here presented. This plan would be to permit the three present institutions of higher education to retain their corporate identities, instead of being merged in a single university. The policy-forming and approval board would consist of nine instead of ten members, all appointed as explained in the preceding proposal. No executive or other standing committees should be appointed. There would be provided for the three institutions a central and professional administration, by board appointment of a chancellor of higher education, with the presidents responsible to him. If the institutions were retained as separate units, the chancellor's work would be somewhat more difficult than if the institutions were to be merged, because there would be less coordination of the work of the institutions and there would remain the desire to make each of them a complete unit with a separate budget and services that duplicate those of the others. However, common administrative control, while retaining institutional identity, would be better than the present separate administrative control with only common policy-making and approval control by the board. The plan is worthy of consideration if, for any reason, the institutions cannot be merged.

10. Proposed Department of Public Schools

a. **Proposed Functions:** It is proposed that there be established a department of public schools. Its functions, stated in general terms, should be as follows:

(As to a State Board of Public Schools)

(1) Making rules and regulations for its own government and the government of the department and of the public schools, within its powers as established by law, and supplementary to the laws of Arizona, and approving or disapproving policies proposed by the executive head of the department, such as the establishment of regulations for the certification of teachers, and the like.

(2) Recommending to the legislature changes needed in school laws or the enactment of additional legislation.

(3) Submitting to the governor a list of nominations from which he would appoint a commissioner of public schools as executive head of the department.

(4) Appointing, on recommendation of the commissioner of public schools, officers and other employes of the department.

(5) Approving, for presentation to the legislature, a budget for operation of the department and for financial aid to public schools.

(As to the Commissioner of Education and the Department Staff)

(6) Enforcing the laws of the state and the rules and regulations of the state board of public schools relating to public schools in Arizona, such as compulsory school attendance, curriculum, certification of teachers, and the like.

(7) Preparing an annual statistical and discursive report to the governor on matters relating to the public schools and the department, and making reports required by federal agencies.

(8) Preparing and publishing Arizona laws relating to the department and public schools, rules and regulations approved by the board, administrative directives, courses of study and teaching guides, and the like.

(9) Administering the business affairs of the department, such as purchasing, accounting, and preparing the budget, or for the public schools, such as apportioning and distributing federal and state financial aid and surplus property to the public schools.

(10) Administering and supervising, at the state level, such auxiliary state-wide activities as the school lunch program, a school health program, if such should be established, and the like.

(11) Determining standards and approving college programs for the training and certifying of teachers, and the placement of teachers in public school positions.

(12) Rendering supervisory service to the public schools on such matters as organizing teachers, principals, and other personnel in the public schools for curriculum development activities; selecting groups for recommending textbooks for adoption; inspecting, ap-

proving, and accrediting public schools (to be transferred from the University of Arizona); supervising the business affairs of the county and school districts, such as purchasing, approving school budgets, and the like, if these functions should in the future be performed for local school administrative units; and other similar functions.

(13) Rehabilitating, in accordance with the provisions of state and federal laws, physically and mentally handicapped civilians, over 16 years of age, for the sole purpose of fitting them for an occupation.

(14) Assisting and guiding Arizona industries in their provisions for furnishing apprentice training to young people.

(15) Inspecting and approving institutions and industrial establishments for institutional and on-the-job training of veterans in accordance with the laws providing for such training and the requirements made by the federal veterans administration for eligibility for subsistence payments to veterans in training.

(16) Operating the Arizona school for the deaf and the blind.

(17) Administering the state teachers' retirement system in accordance with the provisions of law and as directed by the board of trustees of that agency.

b. **Proposed Transfer of Functions:** Since there is no department of public schools, or any other similar "department" of education, established by the constitution or statutes, all functions of the department of public schools will have to be transferred to it. There should be transferred to the proposed department of public schools the essential functions of the following listed agencies:

(1) State board of education.

(2) Superintendent of public instruction and his staff, now organized administratively, but not by law, as the state department of public instruction.

(3) State board of vocational education and the agencies organized administratively, but not by law, as the department of vocational education and the division of vocational rehabilitation.

(4) Apprenticeship council.

(5) Governor's council for veterans' institutional and on-the-job training.

(6) High school inspector, including the functions of inspection, approval, and accreditation of schools.

(7) Board of directors of the school for the deaf and the blind.

(8) Arizona state school for the deaf and the blind.

(9) Board of trustees of the Arizona teachers' retirement system.

(10) Medical board of the Arizona teachers' retirement system.

The functions of some of the several agencies should be transferred to various different divisions in the proposed department, and the au-

thority of others should be curtailed or discontinued. None of the existing functions of any of these agencies should be transferred to any other department than the department of public schools, proposed.

c. **Proposed Organization:** Suggestions for the organization of the proposed department of public schools are as follows:

(1) Executive Head of the Department: The executive head of the department of public schools, proposed, should be a commissioner of public schools, appointed by the governor from a list of nominations submitted by the state board of public schools, with indefinite tenure. The title of the position could be designated as commissioner of public school education if preferred, or as commissioner of public school instruction. Appointment in the manner indicated for an indefinite term would require an amendment to the constitution that provides for the popular election of a superintendent of public instruction by popular vote.

(2) Basic Qualifications for Position of Commissioner: Minimum basic qualifications for the position of commissioner of public schools should be education for public school administration at the graduate level, with attainment of a masters degree, and highly successful experience in the administration of public schools, such as in a large city or county school system, or five or more years as assistant commissioner of public schools or head of a division of a department of public schools, or fully equivalent professional training and experience. These are minimum requirements and it should be expected that the position will be filled with a person having even higher qualifications, if possible. In accordance with the practice in most of the states having appointed commissioners in charge of public schools, there should be no requirement as to residence in the state, and the best qualified available candidate, regardless of residence, within the United States, should be eligible for appointment.

(3) Disposal of Boards: It is suggested that boards be retained, formed, or discontinued as follows:

(a) The state board of public schools to be formed and the state board of education to be discontinued. The board to be formed should consist of nine members to be appointed by the Governor, with the approval of the senate, for overlapping terms of ten years, two every odd numbered year except the fifth biennium, when only one member would be appointed. It might be almost equally as well to have a seven-member board, the members appointed for overlapping terms of eight years. All members of the board should be selected from outside the profession of education.

The reason the title should be state board of public schools, or similar title, instead of state board of education, is to define the scope of the board's authority more closely and to avoid confusion between this board and the state board of higher education, elsewhere proposed.

(b) The state board of vocational education to consist, ex officio, of the members of the state board of public schools.

(c) The apprenticeship council to be continued, as at present constituted, but in the state department of public schools, proposed.

(d) The Governor's council for veterans' institutional and on-the-job training to be continued, as at present constituted, but in the state department of public schools, proposed.

(e) The board of directors, Arizona school for the deaf and the blind, to be discontinued.

(f) The board of trustees of the Arizona teachers' retirement system to be continued, as at present constituted, but in the state department of public schools, proposed.

(g) The medical board of the Arizona teachers' retirement system to be continued, as at present constituted, but in the state department of public schools, proposed.

(4) Functions of Department Boards: The principal functions of the boards to be formed for or transferred to the department of public schools, proposed, may be briefly stated as follows:

(a) The functions of the state board of public schools, proposed, have already been listed. Briefly, the board should be a policy-making board, within the limits prescribed by law, and should serve as a board to implement the laws with more detailed rules and regulations, subject to modification, at any time, by the board.

(b) The state board of vocational education should be the policy-making board with respect to matters concerning vocational education, and vocational rehabilitation.

(c) The Arizona apprenticeship council should continue to exercise the policy-making functions relating to apprenticeship education, at present performed by it, including setting standards for apprentice training, such as the terms of agreement, hours of work, related training, wages, local supervision, examinations and tests, dealing with complaints, and the like. The administration of the Arizona statutes and the council's regulations concerning apprentice education, and the certification of establishments for apprentice training, should be performed by the division of vocational education in the state department of public schools, proposed. As to the organization, it is recommended that ex officio membership of state officers be eliminated.

(d) The governor's council for veterans' institutional and on-the-job training should be continued for policy-making relative to institutional and on-the-job training. The administration of the Arizona statutes and the council's regulations relating to institutional and on-the-job training and inspection, approval, and supervision of establishments rendering training services to veterans under federal Public Law 679 should be performed by a division of vocational education in the state department of public schools, proposed. As to organization, it is recommended that ex officio membership of state officers be eliminated.

(e) The state board of public schools, proposed, should assume the corporate obligations of the board of directors, Arizona school for the deaf and the blind, and its policy-making and approval functions. The administrative and supervisory functions of the board should be transferred to the super-

intendent of the institution, subject to the directions of the commissioner of public schools proposed.

(f) The board of trustees of the Arizona teachers' retirement system should be a policy-making and approval body with full power, within the provisions of the statutes, to determine policies and make rules and regulations for the administration of the teachers' retirement system, but the administration of the statutes and board's policies should be vested in a division of the state department of public schools, proposed.

(g) The medical board of the Arizona teachers' retirement system should be continued.

(5) Divisions of the Proposed Department: The titles of functional divisions, or other equivalent organization units, of the proposed department of public schools, the titles of division heads, and brief descriptions of the functions suggested for each division, or equivalent organization unit, may be presented as follows:

(a) The proposed commissioner of public schools should head the department of public schools and have general directive authority over all of its divisions. The position of executive officer of the existing "department of vocational education" should be discontinued and the separate "department" should be discontinued. The commissioner of public schools should be granted authority to execute the laws and regulations of the federal government, the laws of the state, and the regulations of the state board of vocational education, without being given the separate title of "executive officer of the board of vocational education." The laws should specifically make the executive staff of the proposed division of vocational education and, likewise, of the division of vocational rehabilitation subject to control by the commissioner of public schools, and make them divisions of the department of public schools.

(b) Within the department, there would be a **division of administration,** to be headed by a director of administration, appointed for an indefinite term, by the commissioner of public schools. The functions of this division should be, briefly, the keeping of statistics and the preparing of reports; purchasing, accounting, auditing, budget making, and the performing of other business matters for the department and all of its divisions; administering the business affairs of the teachers' retirement system in accordance with the adopted policies of the board of trustees of the Arizona teachers' retirement system; apportioning and distributing state funds appropriated for the benefit of school administrative units, including funds for education of Indian children in public schools; acquiring and distributing surplus property; advertising for bids for textbooks and purchasing adopted textbooks, as directed; and supervising such business affairs in the county school districts as may be required in the future, such, possibly, as purchasing, accounting, budgeting, and the like.

(c) There would also be a **division of personnel and supervision,** to be headed by a director of personnel and supervision,

appointed for an indefinite term, by the commissioner. The functions of this division would be the processing of personnel transactions (supplementary to the services of the regular state personnel agency); the referring of teachers to the public schools; the administration of the laws and board regulations relating to the certification of teachers; the enforcing of standards for the training of teachers through the enforcement of certification regulations set by the board; the approval of high school and junior college curriculum standards and graduation requirements, except for vocational education, and the accreditation of public schools, all in accordance with the standards and regulations fixed by the board; organizing teachers and others and guiding them in curriculum development activities; organizing county and school district supervision activities in public elementary and secondary schools and junior colleges, and the like.

(d) A **division of auxiliary school activities**, to be headed by a director of auxiliary school activities, appointed for an indefinite term, by the commissioner, would also be established. The present function of this division would be operation of the school lunch program. When and if other auxiliary school activities are performed by the proposed department of public schools, such as the direction of a school health program, the direction of school transportation, and the like, they should be supervised by this division.

(e) A fourth unit would be a **division of vocational education**, to be headed by a director of vocational education, appointed for an indefinite term, by the commissioner. The division would perform the functions of the organization and supervision of vocational education, as at present being performed by the "department of vocational education," and the administrative functions required for apprentice training and institutional and on-the-job training of veterans. The business functions now being performed by the "department of vocational education," should be transferred to the division of administration. The division of vocational education should be physically located in the same building as the other divisions of the department as soon as possible.

(f) A fifth unit would be a **division of vocational rehabilitation**, to be headed by a director of vocational rehabilitation, appointed for an indefinite term by the commissioner. The division should perform the functions now being performed by the present division, except that the business functions should be transferred to the proposed division of administration. The division of vocational rehabilitation should be located in the same building as are other divisions of the department as soon as possible.

(g) The last principal unit would be the **school for the deaf and the blind**, to be headed by a superintendent of the school for the deaf and blind, appointed for an indefinite term by the commissioner. The school should perform the functions of training, education, subsistence, and recreation now being performed by it, except the business functions, which should be transferred to the proposed division of administration.

(6) Subordinate Units of Organization: At present, very little personnel is employed for any division, as proposed, except that of vocational education. Only in that division will lower organization be outlined, here. In the division of vocational education, proposed, there would be the:

Agricultural education section
Trades and industries education section
Homemaking education section
Distributive education section
Vocational guidance section

The functions of these sections should be approximately those of similar "services" in the existing department of vocational education except for business functions that should be transferred to the proposed division of administration.

d. **Advantages:** Certain of the reasons that may be advanced in support of the proposed plan are set forth as follows:

(1) Method of Appointing a Commissioner of Public Schools: In most states, constitutions, adopted at various times in the past, have provided for the popular election of the chief state school official, usually designated as a superintendent of public instruction. Exceptions were the New England and North Atlantic states which had appointed commissioners of education. In the last quarter century, or before, states, such as Minnesota, Missouri, Tennessee, Arkansas, and others, have provided for the appointment of a chief state school officer, amending their constitutions, if necessary. Following the customary titles used in New York, New Jersey, Massachusetts, Connecticut, and other states, the title of the position has usually been changed from superintendent of public instruction to commissioner of education, or similar title.

At present, thirty state school officials are still elected by popular vote and eighteen are appointed, in most cases by a state board of education, or similar board, but in some cases by the Governor.

(2) Necessary Delay in Organizing the Proposed Department of Public Schools: In order to make fully effective the reorganization of agencies dealing with public school and adult, non-college education, it will be necessary to amend the constitution so as to eliminate the provisions for a state board of education (Article 11, Sections 3 and 4) and a superintendent of public instruction (Article 5, Section 1).

Without such amendments, provision for a position of commissioner of public schools would saddle the state with two heads of the public school system, at the state level, such as occurred in Wyoming, when the state provided, by statute, for a position of commissioner of education, and the proposed amendment to eliminate the constitutional provision for a superintendent of public instruction failed to pass. This resulted in a double-headed state department of education for many years. The appointment of a commissioner of public schools should await the adoption of constitutional amendments eliminating the elected position of superintendent of public instruction and the board, formed largely of professional education personnel. Without such amendments, a few changes could be made, such as transferring certain functions to the present board

and elected superintendent, but the full benefits of reorganization can be secured only after constitutional amendment and reorganization from the top, down.

(3) Reasons for a Lay Member Board: The state constitution provides that the state board of education shall consist of eight members, five of which are ex officio members, and three of which are appointed by the governor from professional education personnel. All members except the governor are in the profession of education.

It is a good principle to follow, in the authors' opinion, members of a policy-making board should be laymen with respect to the field over which the board presides. The board should depend upon the recommendations of its executive officer and information furnished by his administrative staff as a basis for policy-making actions. The board should be a policy-making and not an executive board. This is so because it should represent the public's interests, where they may be opposed to professional interests, because it is the public's children who are being educated and public money that is being expended. Lay board membership is desirable to avoid any suspicion that professional or selfish interests may have entered into the making of policy decisions. Above all, lay board membership is desirable as a means of avoiding possible friction, on professional matters, between the chief executive officer and individual board members who may have different professional opinions from those of the head of the department.

A board of lay, rather than professional, members, will strengthen the administration of the department. Usually, the legislative body can have more confidence in the professionally disinterested decisions of a board whose members are not professional educators, and it will be less inclined to pass restrictive legislation and more inclined to grant to a board of lay members greater authority than it will feel safe in delegating to a board made up of professional members. However, it should be stated that, in spite of the professional character of the state board of education, it has been allowed considerable policy-making authority in some matters, such as the certification of teachers, and very little in others, such as the supervision and direction of the educative process and business processes in local school systems.

(4) Continuation of the State Board of Vocational Education: At present, a state department of vocational education is separately organized from the state department of public instruction, but neither department has been formally established by law as departments of the state government, the former being under the direction of a state board of vocational education and the latter under a state board of education, both boards consisting of the same members. It is believed that it may be desirable to continue the state board of vocational education, but the state law accepting the benefits of federal financial aid for vocational education does not establish a separate board and such was not done, administratively, for vocational rehabilitation, under a later similar act. The acceptance act for vocational education aid states that the state board of education shall be designated as the "state board for the purposes of said act" and that the board shall have "full power to cooperate with the federal board of vocational education in the administration of its (the federal act's) provisions."

Separate board organization could be discontinued, but that

seems to be unnecessary. What is highly desirable is that the administering agency be made a part of a comprehensive department of public schools (or similarly titled department) instead of a separate department. In almost all other states, there is no separate department of vocational education, though there are, sometimes, two separate boards, composed of identical personnel. Though relatively unimportant, it is suggested that the separate board organization be continued.

(5) Discontinuance of the Position of Executive Officer of the State Board of Vocational Education: The state board of vocational education appoints an "executive officer" to head its separate state department of vocational education. This is not required by statute or by the regulations of the federal board for vocational education. The regulations of the federal board require, merely, that someone be designated to serve as executive officer to assume responsibility for the administration of vocational education under the terms of the federal act. Sometime in the future, the board may decide to appoint someone other than the superintendent of public instruction as executive officer of the department of vocational education. The state board might better have designated the superintendent of public instruction as the officer to administer the act, without giving him a title of "executive officer" of a separate department. Elimination of the separate position of executive officer will permit the discontinuance of the separate department of vocational education and permit that agency to become a division in the proposed department of public schools. This will eliminate much of the friction that sometimes occurs between the two coordinate administrative departments. To merge them, will permit better coordination of their functions. No modification of laws will be required because neither department has been established by law.

(6) Elimination of Inconsistency of Organization of Existing Agencies under the State Board of Vocational Education: There are two coordinate agencies under the state board of vocational education, namely, one for vocational education and the other for vocational rehabilitation. The agency for vocational education has been designated as a department of vocational education, and the other as a division of vocational rehabilitation; but if the latter is a division, it must be a division of some other unit, which does not seem to be the case. It is not in the state department of vocational education because the director of that department exercises no control, whatever, over the director of the division of vocational rehabilitation. Both agencies have exactly the same relation to the executive officer and the state board of vocational education. Relationships are confusing. Making each a division in the department of public schools, as proposed, will help to clear present misunderstandings of relationships among the, now, separately organized agencies.

(7) Organization Location of the Function of High School Inspection: The position of high school inspector should be transferred from the University of Arizona to the proposed department of public schools, because the inspection and approval functions should belong to the department that executes the state laws relating to public schools and maintains a staff to supervise them. It may be contended that the university needs to be certain that students are prepared, properly, for admission, but only a small proportion of high school graduates enter colleges of higher education and only

a part of these enter the university. The purposes of high schools are to educate all youths of high school age. With the function of approval residing in the university, there may be a tendency to overemphasize education in preparation for college entrance at the expense of broader curricula that include practical and fine arts, the subjects of which are important to most high school pupils. For these reasons, the transfer is recommended.

(8) Organization Location of the School for the Deaf and the Blind: The school for the deaf and the blind provides special forms of education for physically handicapped pupils. It is a residence school and not a public welfare agency. Its pupils come from homes of all economic groups, when the school is in session; and return to their homes at the close of the session. Pupils must reside at the school during the school year so that the special equipment and specially trained teachers can be made available for their instruction. As special public education for pupils with certain handicaps, for the whole state, the school properly belongs in the state department of public schools. The superintendent of the school should be directly responsible to the commissioner of public schools, the school having status equivalent with that of a division in the department.

(9) Organization Location of the Teachers' Retirement System: There is no need for a separate organization unit for administering the teachers' retirement system. It can be administered by, and as a part of, the state department of public schools, proposed. No policy-making powers of control should be taken from the board of trustees of the system, which has teacher representation. It is only the functions of administering the laws and board regulations that should be transferred to the proposed department of public schools.

It is probable that, if and when the state public employes' retirement fund (Initiative Measure, No. 308, voted November 2, 1948) is in full operation, the teachers may desire that their system be taken over by, and consolidated with, the public employes' fund, since that fund provides much better for retirement than does the teachers' retirement system. Whether or not the teachers and their employers desire consolidation, it will be advisable to give consideration to the feasibility of consolidating the two systems.

e. **Move to Transfer the Functions of Vocational Rehabilitation of the Blind to the State Department of Public Welfare:** During the time of this writing, there has been made a proposal, by the state department of public welfare to the executive officer of the state board of vocational education, that the functions of vocational rehabilitation of the blind be transferred from the division of vocational rehabilitation to the state department of public welfare. The state plan for vocational rehabilitation would permit this and, also a division of the funds between the two state agencies, but the federal rehabilitation authorities would deal only with the state board of vocational education, which board is given the responsibility by law, and is required by federal law, to be the sole board for dealing with the federal rehabilitation authorities. The state department of public welfare would be required to submit its budget for rehabilitation work to the state board of vocational education for approval and the latter board would be required to certify to the correctness of the reports on the propriety of the expenditures and other matters, made by the state department of public welfare.

It is believed the transfer should not be effectuated for the following reasons:

(1) The state board of vocational education should not assume responsibility for vocational rehabilitation of the blind by another department over which its executive and administrative officers can exercise no control.

(2) Public welfare objectives are different from vocational rehabilitation objectives. The sole objectives of vocational rehabilitation are to prepare physically handicapped persons for work suited to their capacities and handicaps, without regard to need of rehabilitation for other than vocational reasons.

(3) It would seem to be unwise to separate the vocational rehabilitation of the blind from the vocational rehabilitation of the crippled and other handicapped persons, and to set up, to some extent, duplicated facilities. The division of vocational rehabilitation has outlying offices; contacts with private schools, high schools, and colleges and with industrial establishments for the training of handicapped persons; and a vocational placement service for the blind as well as for other rehabilitants.

(4) There are not enough blind persons above 16 years of age who would be eligible for vocational rehabilitation to warrant the developing of a separate staff to administer vocational rehabilitation for the blind.

(5) Many blind persons are not welfare cases and have no contacts with the state department of public welfare, yet might desire vocational rehabilitation. To transfer the rehabilitation functions for the blind, as proposed, might discourage the use of the service by blind persons, such as the several students in the university and state colleges of Arizona and other states, or apprentices in an occupation.

f. **Junior Colleges:** The problems of the establishment and operation of junior colleges are not, properly, a part of a study of the organization of state government, since junior colleges are not state institutions in Arizona. Only general supervision of junior colleges is vested in the superintendent of public instruction and the state board of education. They are under the immediate control of local boards of education, as are the high schools. In Arizona, junior colleges may be established and maintained by high school districts or by a union of high school districts, or by a county junior college district, formed for the purpose. Determination of whether or not junior colleges shall be established is left entirely to local school authorities, provided that in high school districts there are 100 or more high school pupils, and that in union or county junior college districts there are 200 or more high school pupils in average daily attendance the preceding year. In any case a district maintaining a junior college must have an assessed valuation of $5,000,000 or more.

Eligibility for state financial aid requires that a junior college must have 100 students in average daily attendance for two or more academic years preceding the application for such aid; must have suitable buildings, equipment, and campus facilities, as approved by the superintendent of public instruction; must have an academic curriculum substantially approved and accepted by the University of Arizona, for three years; and must submit a budget for the ensuing biennium, to the superintend-

ent of public instruction for approval and transmittal to the legislature together with certificate of eligibility for state aid and recommendation as to the amount of state aid to be granted. None of the state moneys may be expended for building construction or improvement, or for purchase of grounds.

In 1928 the state provided to a maximum of $15,000 annual aid for current expenses. Later the maximum was changed to $30,000 per junior college, per year. In 1949 state aid to junior colleges, meeting the requirements, was raised to a maximum of $75,000 per junior college, per year. The appropriation is made a continuing appropriation.

The granting of state aid for one-half of current expenditures, to a maximum of $75,000 per year, may or may not be too great an allowance for the present junior colleges, but the same provision would be made for any junior college, provided it has a minimum of 100 college students in average daily attendance and will match the funds to any amount, to $75,000. This would be a considerable incentive to establish junior colleges for small enrollments, possibly in places where they may not be warranted. Of course, no junior college of 100 college students in average daily attendance would expend double the maximum allowed, or $150,000, but a junior college of 200 or 300 students might be tempted to do so, with a waste of both local and state funds, or a junior college of 100 students might be willing to expend half of $50,000, or of $75,000, to secure a like amount of state funds. Rather than such a form of matching of local funds, with very little limitation as to the size of institutions to be established, it would seem to be better to grant state aid on the basis of an allowance per student in average daily attendance.

The state is correct, from an education standpoint, in placing the junior colleges in the secondary rather than the college system of education, but, sometime in the future, complications may be caused by differences in the proportion of financial support furnished the junior colleges and the first two years of the state colleges and university. When that time comes, it may be necessary to support the first two years of these institutions as junior colleges.

At present there are five centers in the state at which students can study in the thirteenth and fourteenth grades, namely, the three institutions of higher education and the two junior colleges. There may be other centers of population that need junior college facilities, but it would seem to be wise for the legislature to limit the number eligible for state aid. Possibly, this could be done by passing on each proposal to establish additional junior colleges; or requirements might be set by law, to be administered by the superintendent of public instruction, or under the proposed reorganization, by the commissioner of public schools.

11. Department of Business Regulation

a. **Proposed Functions:** It is proposed that the department of business regulation would exercise, with certain exceptions noted in a subsequent paragraph, the state's functions of supervising and regulating private organizations doing business in the state as now, or hereafter may be, prescribed by law. The functions of the proposed department would include, but not be limited to, regulation of such enterprises as public utilities, common carriers, insurance companies, banks and banking institutions, dealers or brokers in commodities or securities, and other

foreign or domestic incorporated or unincorporated organizations doing, or desiring to do, business in the state.

As discussed elsewhere in this report, the proposed department of revenue would have the functions of registering corporations, assessing taxes on the gross revenues of public utility companies, and collecting insurance premium taxes.

b. **Proposed Transfers of Functions:** Except as mentioned in the preceding paragraphs, it is proposed that all the functions of the corporation commission and the state banking department be transferred to the department of business regulation. The current function of the secretary of state of licensing security and commodity brokers likewise would be transferred to the proposed department. Consideration also should be given to transferring from the office of the secretary of state to the proposed department such functions as registering and maintaining records of trademarks, labels, and forms of advertisements.

c. **Proposed Organization:** The proposed department of business regulation would consist of the position of commissioner of business regulation, a board of public service, specific divisions recommended in paragraphs to follow, and such other divisions as may be provided in accordance with law.

The **commissioner of business regulation** would be the head of the department and responsible for the conduct of all its administrative affairs. He would be appointed by the governor, by and with the advice and consent of the senate, for a term of four years and until his successor has qualified and been appointed. The commissioner should have a degree in business administration from a recognized college or university and have majored in subjects relative to the functions and activities of the proposed department such as banking, insurance, corporation finance, or utility management, or equivalent training and experience in a similar position in government service or in the management of a commercial enterprise in the fields mentioned. He should not be a stockholder, officer, or employe, or have any other financial interest in any commercial enterprise subject to supervision and regulation by the proposed department or board of public service.

The **proposed board of public service** would consist of three members appointed by the governor, by and with the advice and consent of the senate, to serve overlapping terms of six years. Members would be removable only for cause under such general procedures and limitations as may be provided by law. Members should be selected for their education, training, and experience in a field or fields of commerce within the jurisdiction of the proposed department and board to supervise and regulate. As in the case of the head of the proposed department, no board member should be appointed to, or serve on, the board who owns stocks, bonds, or is otherwise financially interested in any commercial enterprise subject to supervision and regulation by the proposed department or board.

The proposed board would have no administrative duties or responsibilities but would exercise advisory, quasi-legislative, quasi-judicial functions, and other functions appropriate to boards as required in the administrative work of the proposed department and other agencies or officers of the state government. In broad terms, the board would exercise the functions of the existing corporation commission, other than administrative functions which would be exercised by the commissioner through the staff of the proposed department.

The board of public service would advise the commissioner, governor, legislature, and other agencies or officers of the state government with respect to such matters involved in the administration of the proposed department, and as to laws, policies, and other matters with respect to supervision and regulation of business enterprises as may be referred to it for the purpose by the referring authorities. In its quasi-legislative capacity, the board would prescribe classifications, rates, charges, rules, regulations, and orders, as authorized by law, as may be necessary to govern such enterprises in the transaction of business within the state and over which the proposed department and board have jurisdiction. In exercising quasi-judicial functions the board would have authority to make or cause investigations to be made, determine facts, hold hearings and appeals in cases brought before it on the record or by the commissioner on any matter involved in the conduct of the proposed department. Appeals from the rulings, decisions, or acts of the board would be taken to the superior courts.

The commissioner of business regulation would exercise the administrative functions of the department through the divisions provided. It is recommended that the department be organized substantially along the functional lines as the administrative staff of the existing corporation commission now is, except that in addition there would be established a division of administration and a division of banking.

The proposed **division of administration** would provide the organization and staff for the centralization of functions and activities common to all or most of such other divisions or other subordinate organization units of the proposed department as may be provided. In the division of administration would be concentrated, to the fullest practicable extent, such services as the secretarial, stenographic, clerical, recordkeeping, auditing, and investigating work as required by the department or subdivisions thereof. The head of the division would be known as the director of administration and would be appointed by the commissioner in accordance with provisions of law. It is preferable that the director be a graduate in business administration from a college or university of recognized standing and a certified public accountant or, in lieu of the qualification of formal education, comparable training and experience in auditing, investigating, and administering state regulated business enterprises.

The proposed **division of banking** would succeed to the functions of the existing state banking department, except as such functions could be centralized to advantage in the proposed division of administration. The head of the division would be known as the director of banking. The director would be appointed by the commissioner and have substantially the same qualifications as recommended for the director of administration and as now prescribed by law.

Other divisions of the proposed department would be headed by directors, appointed by the commissioner in accordance with law, and would be organized along functional lines so as to deal exclusively or primarily with such broad classifications of business enterprises subject to state supervision and regulation as utilities, carriers, insurance, security dealers or brokers, and incorporations.

d. **Advantages:** Although the proposed department of business regulation would be a new department, its functions are, for the most part, intended to be those now exercised by the corporation commission and the state banking department. However, it is believed that the proposed department provides desirable consolidation of the similar or

related functions of the two existing, and independent, agencies in a single agency and provides a suitable place for separating purely administrative functions appropriate to departmental organization from those advisory, quasi-legislative, quasi-judicial, and other functions appropriately exercised by the board form of organization.

The suggested name of the department of business regulation is but one of several that might be selected. Other titles that might be considered are:

Department of commerce

Department of corporations

Department of commercial supervision.

While no doubt a separate banking department may function effectively, it is believed that there is insufficient justification for separating these supervisory and regulatory functions from the agency charged with similar or identical functions with respect to investment, insurance, or other business enterprises which are primarily financial in character. Furthermore, the inclusion of the functions and staff of the state banking department in the proposed department of business regulation would make possible greater uniformity in supervisory and regulatory laws, policies, procedures, and practices as well as to permit greater economy and efficiency with respect to administrative services, personnel, facilities, and equipment now required by two independent agencies.

Establishing and filling the position of commissioner of business regulation would provide a single administrator and thereby permit greater uniformity in over-all administration. The span of control of the commissioner would be workable considering the size of the staffs of the corporation commission and the state banking department which would number less than fifty persons. Under the existing organization structure, the secretary of the corporation commission and the superintendent of banks are responsible for administrative direction in their respective agencies.

The recommendation that the function of assessing for taxation the properties of all public utilities be transferred to the proposed department of revenue is sound. This function is not properly vested in the corporation commission or in the proposed board of public service which also are concerned with rate-making.

The valuation of properties for tax purposes involves the application of different theories of values than in the case of valuation of properties for rate-making purposes. The processes of allocation of total property values among local units of government are closely related to the assessment processes. A tax agency is more intimately associated with the tax systems and the levels of local assessments than is a rate-making agency. Furthermore, the need for coordination in solving the revenue problems of the state as a whole requires that such an important tax function as the assessment of tremendous public utility property valuations be placed in an agency that is primarily concerned with taxes and revenue which, in the plan described in this report, is the proposed department of revenue. In other words, the recommendation to transfer this function to the agency best suited to perform it would result in a distinct advantage as far as efficient administration is concerned.

PART VI

MISCELLANEOUS INDEPENDENT AGENCIES AND SUMMARY COMMENTS

1. Introduction

As discussed in Part III of this report, there are several independent agencies of the executive branch of the state government which it is proposed be continued and operated in substantially the same form and with the same functions that those agencies now have. These agencies are discussed in the sections immediately following. Later in this part of the report various additional comments are made under appropriate headings relative to specific and general matters of the state government.

2. Arizona Interstate Stream Commission

The Arizona interstate stream commission is recommended for continuance as an independent agency in the proposed plan of organization to prosecute and defend the state's rights, privileges, and claims respecting interstate streams, particularly the Colorado River. The commission would retain its present form of organization and its present functions under the proposed plan.

Within the next few years the very important decisions will be made relative to the division of Colorado water among the several states affected. This vital task is now under way, and, inasmuch as it is primarily a one-time activity of temporary nature, it is not desirable to change its organization or direction at the present time.

The work of the commission is closely associated with that of the division of water of the proposed department of natural resources, and if it were of a continuing nature, the recommendation would be to incorporate it in that division. It is recommended that, when the major part of the work is completed, the commission be abolished and its functions be placed in the division of water of the department of natural resources.

3. Arizona Racing Commission

The Arizona racing commission is recommended for continuance as an independent agency of the state to pass on applications for racing permits, to regulate racing meets and pari-mutuel wagering, to collect racing fees for the state, and to hold hearings on complaints and disputes. The commission would retain its present form of general organization and its present functions. The internal organization, however, would be somewhat more formal than under the present plan.

The regulation of racing does not fit well into any of the regular departments that are recommended for general administration. The commission collects state revenue, but the activity does not properly belong in the proposed department of revenue because it also involves the issuance of business permits, the continuing control of all racing affairs and of the conduct of race meetings, and the adjudication of

disputes and complaints. Obviously, the activity should not be in the proposed department of occupational registration, and it is not satisfactory to place it with live stock control in the proposed department of agriculture. If it is desired to place it in a regular department, then perhaps it could best be fitted into the proposed department of revenue.

As the work of the Arizona racing commission develops, it will probably be desirable to establish two divisions in addition to the business office. There should be an auditing division to supervise the collection of wagers, the computation of pools and the payment of wagers and fees at all tracks. There should be a race control division to regulate the running of races, to investigate the condition of horses or dogs, to make saliva and other tests, and generally to enforce the regulations of the commission and the conditions of the permits to operate tracks.

4. Merit System Councils

Comment already has been made in Part IV of this report which described the functions and organization of the proposed department of personnel regarding the alternative, and less desirable, plan of continuing the joint merit system council and the merit system council of the Arizona highway patrol as independent agencies to administer merit systems confined to staffs of the state's health, welfare, and highway administrative departments.

5. State Subsidy of Private Corporations

a. **General Comments:** The constitution of Arizona prohibits the use of the tax funds of the state to subsidize private organizations. This is an appropriate restriction which is in keeping with the general principles of good public administration. When this general principle is violated, various special interests, pressure groups, and in some instances private organizations which carry on worthwhile activities are permitted to expend tax funds without submitting to the same administrative controls which are applicable to agencies of state government. Arizona subsidizes two private organizations over which it has no administrative control—the Arizona pioneers' historical society and the Prescott historical society. It is recommended that the state discontinue subsidizing these two organizations, as such subsidies would seem to violate provisions contained in the state constitution and would certainly violate a fundamental principle of good administration.

Should it be determined that the two agencies discussed in the foregoing paragraph are performing functions which should be carried on by the state, they should be performed by agencies controlled and administered by the state. If these two organizations were agencies of state government, it would be recommended that their functions be transferred to the proposed department of higher education, except for the function of the Arizona pioneers' historical society to administer such private funds of that organization as it deems appropriate for the aid of widows of its members. The functions and organization of these two private agencies are summarized in the following paragraphs.

b. **Arizona Pioneers' Historical Society:** The Arizona pioneers' historical society has responsibility for maintaining a museum and library of relics and materials on Arizona and the west; for assisting Arizona pioneers in the writing and publication of stories and other materials; for assisting persons in the use of the library materials for research purposes; for administering a special fund to aid widows of

members; and for cooperating with the department of library and archives and the Prescott historical society.

The Arizona pioneers' historical society is under the administrative control of its members who are authorized, by statute, to establish a board of directors. At present, the board of directors has a total of five members elected for two-year terms by the membership of the society. A historical secretary who is elected by the membership of the society is the executive of the agency which has a total staff of two employes.

c. **Prescott Historical Society:** The Prescott historical society has responsibility for the collection and preservation of relics of early Arizona; and for the maintenance of Sharlot Hall museum which is located in a building which formerly was the governor's mansion of the territory of Arizona. The purchase of the governor's mansion by the state, as authorized by statute in 1917, was contingent upon a guarantee by the common council of Prescott to maintain it. State statutes relate only to the purchase of the property.

The Prescott historical society is a private organization which is headed by a self-perpetuating board of directors consisting of 16 members. The president of the board of directors, elected by and from the membership of the board for a one-year term, is the executive head of the agency which has a total staff of one full-time and four part-time employes.

6. Summary

As indicated at various places elsewhere in this report, a total of 115 existing agencies have been recognized as making up the principal organization units of the executive branch of the state government. This total would be increased considerably had subordinate organization units, established by legislative or administrative action, been included. However, for purposes of the count, only the major, over-all organization units have been included. The total of 115 existing agencies can be classified as follows:

Number	Classifications of Agencies
42	Boards
19	Commissions
10	Departments
11	Committees or councils
33	Offices and agencies otherwise designated
115	Total

The proposed plan of organization for the executive branch of the state government, provides in addition to the governor's office, for 15 administrative departments to which would be attached, or affiliated, a total of 38 boards to exercise essential advisory, quasi-legislative, quasi-judicial, and other functions in assisting the proper administration of the state's operations and which functions are appropriately handled by plural bodies. Of the 38 boards, 18 are examining boards in connection with the licensing and regulating of various professions, trades, or other vocations. In addition two agencies, the interstate stream commission and the racing commission, are proposed to be continued as independent agencies outside the department form of organization for the reasons stated in the report.

Two new agencies are recommended for establishment as part of the legislative branch consisting of the office of the auditor of public accounts and the legislative bureau. The suggested permanent judicial advisory council as a part of the judicial branch is not a completely new agency but, rather, a change in the membership and expansion of the functions of the existing state bar advisory board.

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STATE OF ARIZONA

REPORT ON GENERAL STATE ORGANIZATION

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VOLUME THREE (APPENDIX)

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SCHEDULE I

List of Principal Agencies of the Executive Department of the Arizona State Government Showing Types, and Methods of Selection, of the Managing Authorities

A. **Agencies headed by elected officers:**

Attorney general, office of the
Auditor, state, office of the
Governor, office of the
Mine inspector, state, office of the
Secretary of state, office of the
Superintendent of public instruction, office of the
Treasurer, state, office of the

B. **Agencies headed by individual officers appointed by the governor:**

Adjutant general, office of the
Banking department, state
Capitol buildings and grounds, "department" of
Contractors, registrar of, office of the
Criminal identification, bureau of
Dairy commissioner, state, office of the
Deeds, commissioners of, offices of the
Educational rehabilitation, institute of
Egg inspector, state, office of the
Estate tax commissioner, office of the
Examiner, state, office of the
Hospital for disabled miners, state
Liquor licenses and control, department of
National guard of Arizona
Pioneers, home for aged and infirm Arizona
Prison, state
Real estate department
Veterans' service officer, office of the
Veterinarian, state, office of the
Weights and measures, state inspector of, office of the

C. **Agencies headed by individual officers appointed by authorities other than the governor:**

Agricultural prorate commissioner, office of the
Children's colony, Arizona
Colleges, at Flagstaff and Tempe, Arizona state
Health, state department of
Hospital for the insane, state
Industrial school, state
Inspection, supervisor of, office of the
Land department, state
Library and archives, department of
Mineral resources, department of

School for the deaf and the blind, Arizona state
University of Arizona
Welfare, Arizona state department of public

D. **Agencies headed by boards, all members of which are appointed by the governor:**

Highway department, Arizona

E. **Boards with all members elected by the people:**

Corporation commission
Tax commission, state

F. **Boards with all members appointed by the governor:**

Accountancy, state board of
Agriculture and horticulture, Arizona commission of
Aviation development committee
Barber examiners, board of
Beauty culturists examiners, state board of
Children's colony board, Arizona
Chiropody examiners, state board of
Chiropractic examiners, state board of
Copper tariff board, Arizona
Coronado international monument commission
Curators of the state library, board of
Dental board, Arizona state
Employment security commission of Arizona
Fair commission, Arizona state
Funeral directors and embalmers, state board of
Game and fish commission, Arizona
General staff (national guard)
Highway commission, state
Hospital board, state
Industrial commission of Arizona
Industrial development committee
Institutions for juveniles, board of directors of state
Legislation, commission on uniform
Livestock sanitary board
Medical examiners, state board of
Memorial commission, Thomas E. Campbell
Merit system council, Arizona joint
Merit system council of the Arizona highway patrol
Mineral resources, board of governors of the department of
Museum of natural history (committee), Arizona
Naturopathic board of examiners
Nurse examiners, state board of
Optometry, state board of
Osteopathic board of registration and examination in medicine and surgery, state
Pharmacy, Arizona state board of
Planning board
Power authority, Arizona
(Power) authority commission
Racing commission, Arizona
Real estate board
Resources board, Arizona

Retirement system, board of trustees of the Arizona teachers'
Sheep sanitary commission
Veterans' institutional and on-the-job training, governor's council for
Veterinary board, state
Welfare, Arizona state board of public

G. **Boards with all members appointed by authorities other than the governor:**

Bar examiners, committee of
Basic sciences, state board of examiners in the
Proration program committee
Retirement system, medical board of the Arizona teachers'

H. **Boards with all members acting ex officio:**

Certification, state board of
Correction and rehabilitation, state board of
Equalization, state board of
Land selection board
Land settlement commission
Library examiners, state board of
Loan commission of the state of Arizona
Property condemnation board

I. **Boards with some members acting ex officio and some appointed:**

Advisory survey and construction council
Apprenticeship council
Cadet commission, Arizona
Education, state board of
Health, state board of
Interstate stream commission, Arizona
Pardons and paroles, board of
Regents of the university and state colleges of Arizona, board of
Reservoir control and supervision, board of
Retirement fund of Arizona, board of trustees of public employees'
School for the deaf and the blind, board of directors of the Arizona state
Technical registration, state board of
Veterans' relief commission
Vocational education, state board of
Welfare advisory committee

SCHEDULE II

Alphabetical Index of the Principal Existing Agencies of the Executive Department of the Arizona State Government

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SCHEDULE III

Summary Descriptions of Functions and Organization of Principal Existing Agencies of the Executive Department of the Arizona State Government

1. **Accountancy, State Board of**

a. **Functions:** The state board of accountancy is charged with regulating the practice of public accountancy. The principal functions of the board include receiving applications, waiving or conducting examinations, issuing, suspending, and revoking certificates, collecting fees, and maintaining records of all actions of the board. The president and secretary of the board must certify to the secretary of state those persons entitled to certificates upon examination or waiver of examination. The secretary of state is required to register such persons as certified public accountants and issue certificates to them.

b. **Organization:** The board consists of five members appointed by the governor to serve overlapping terms of five years. Appointees must be certified public accountants or eligible to receive their certificates under the provisions of state law. From its own membership, the board annually elects a president, secretary, and treasurer.

2. **Adjutant General, Office of the**

a. **Functions:** The principal functions of the adjutant general, as prescribed by statute, include:

(1) Controlling the military forces of the state and adopting methods of administration not inconsistent with law and the regulations of the regular army of the United States.

(2) Superintending the preparation of all returns, reports, plans, and estimates required of the state by the military agencies of the federal government.

(3) Reporting annually to the governor on the strength and condition of the active militia and on the business transactions of his office.

(4) Caring, preserving, and repairing all military property belonging or issued to the state for the arming and equipping of the militia, and disposing of all military property found unserviceable.

(5) Preparing, under the direction of the general staff, requisitions; making purchases and issuing military property and supplies necessary to equip the active militia according to the standards prescribed by the laws and regulations of the United States.

(6) Approving the bills of all purchases and issues.

(7) Keeping an account of all expenses of all military officers, enlisted men, and military property.

b. **Organization:** The adjutant general is appointed by, and holds office at the pleasure of, the governor. By statute, the adjutant general is required to be not less than thirty years of age and have had at least three years of service not below the rank of captain in the national guard of Arizona, or in the United States army, or in the officers' reserve corps in the United States army. When the adjutant general is absent from the state, the governor is required to detail an active officer of the national guard to perform his duties. The head of the national guard must devote his entire time to his duties, for which he receives an annual salary fixed by law.

3. Advisory Survey and Construction Council

a. **Functions:** The advisory survey and construction council is responsible for advising and consulting with the department of health in making surveys of existing hospital facilities, in formulating plans to be submitted to the United States Public Health Service for providing adequate hospital facilities for the people of the state through a federal grants-in-aid program, and generally supervising the construction or improvement of such hospital facilities as may be approved by the United States Public Health Service.

b. **Organization:** The council is composed of the superintendent of public health, who serves ex officio as chairman, and nine members appointed by the governor for four-year overlapping terms.

4. Agricultural Prorate Commissioner, Office of the

a. **Functions:** The agricultural prorate commissioner is empowered to conduct hearings, inquiries, or investigations involving the institution, modification, or suspension of any prorated marketing program, and to employ or designate staff to carry out the functions of the office.

b. **Organization:** The dean of the college of agriculture of the University of Arizona is ex officio the agricultural prorate commissioner. A secretary appointed by the agricultural prorate commissioner and one other employe, both of whom are paid from funds supplied by the Arizona grapefruit program committee, representing the growers of grapefruit (as authorized by state statute as a proration program committee) administer the program by and with the cooperation of the Arizona commission of agriculture and horticulture and the office of the supervisor of inspection (of the fruit and vegetable standardization act). This organization works cooperatively with the federal grapefruit administrative committee, the California department of agriculture, the California desert grapefruit industry board, and the (California) grapefruit advisory board.

5. Agriculture and Horticulture, Arizona Commission of

a. **Functions:** The principal functions of the Arizona commission of agriculture and horticulture include appointing a state

entomologist; protecting native Arizona plants; enforcing laws pertaining to bee culture and apiary inspection; enforcing the seed laws of Arizona; and preventing plant pests and diseases. The commission laboratory makes determinations as to the insects infecting domestic animals, which determinations are submitted to the United States Bureau of Animal Husbandry, the livestock sanitary board, and the sheep sanitary commission. The inspection services of the commission are important in the enforcement of the Arizona fruit and vegetable standardization act and the citrus fruit prorate program.

b. **Organization:** The commission consists of three members appointed by the governor for six-year overlapping terms. A state entomologist, appointed by the commission for an indefinite term, heads the administrative organization of the commission which has a staff of 70 employes. The primary organization units of the commission are the office of the state entomologist, the apiary inspection service unit, eight agricultural quarantine inspection stations, ten crop pest inspection units, a red scale survey and eradication unit, and four district offices.

6. Apprenticeship Council

a. **Functions:** The apprenticeship council is responsible for offering assistance and guidance to Arizona industries in the planning and carrying out by them of nationally accepted methods or systems for the effective apprentice training and instruction of young people in the skilled crafts and trades, and for cooperating with the veterans administration in ascertaining the qualifications of industrial establishments for furnishing apprentice training to veterans in accordance with federal statutes.

b. **Organization:** The council is composed of seven appointive members and three ex officio, nonvoting members. The seven appointive members are appointed by the governor for three-year overlapping terms. The three ex officio members are the person in charge of trade and industrial education, so designated by the board for vocational education, the director of the employment service division of the employment security commission, and the director of the department of labor of the industrial commission.

The administrative unit of the council is headed by a secretary elected annually by the council. The total staff of the unit consists of three employes.

7. Attorney General, Office of the

a. **Functions:** The principal functions of the attorney general include:

(1) Prosecuting or defending all cases in the supreme court to which the state, or any officer thereof in his official capacity, is a party; appearing for the state or any officer thereof as required by the governor; and prosecuting or defending in any other court wherein the state is a party or is interested.

(2) Exercising supervisory powers over county attorneys in all matters pertaining to their offices and assisting them in the discharge of their duties.

(3) Keeping a docket of all cases in which he is required to

appear and a record of all money or property received by him or disbursements made.

(4) Giving opinions in writing to the legislature or either house thereof, to any state officer, and to any county attorney, when required, upon any questions of law relating to their offices.

(5) Purchasing in the name of the state and under the direction of the governor, any property offered for sale under execution issued upon judgments in favor of or the use of the state, and redeeming property from such prior judgment, lien, or encumbrance.

(6) Appearing for the state in any action in the courts of the United States.

(7) Instituting investigation and action for the discovery of all property which may or would escheat to the state.

It is also provided that the attorney general shall be the legal advisor of all departments of the state, and shall give such legal advice as such departments may require. With the exception of the industrial commission, an act provides that no official, board, commission, or other agency of the state, other than the attorney general, shall employ any attorney or make any expenditure or incur any indebtedness for legal services.

b. **Organization:** The attorney general is a constitutional officer and is elected for a term of two years. By statute the attorney general may, when the business of the state requires, employ assistants. The office now consists of the attorney general, a chief assistant attorney general, seven assistant attorneys general, and five secretarial or stenographic assistants.

8. **Auditor, State, Office of the**

a. **Functions:** The state auditor is the general accountant of the state and the custodian of all public books of account, vouchers, documents, and papers relating to the accounts and contracts of the state and its revenue, debt, and fiscal affairs. The principal functions of the state auditor include:

(1) Maintaining a set of double entry control accounts consisting of the budgetary and proprietary accounts of the state and subsidiary ledgers showing in detail the actual expenditures, estimated and actual income, appropriations, allotments, unallotted balances of appropriations, encumbrances outstanding, unencumbered balances of allotments, current assets, current liabilities, fixed assets, and the current surplus or deficit as the case may be, together with other accounts and records which are designed to enable the state auditor to maintain a continuous internal audit of the financial transactions of the state and its budget units, and for the reporting thereof.

(2) Making quarterly allotments of annual appropriations to classes and objects of expenditure.

(3) Prescribing and installing uniform systems of accounting and financial reporting in all agencies of the state government and exercising constant supervision and control thereover.

(4) Making a complete audit of each state department and

institution at least once each fiscal year and filing copies of the report of each audit with the governor and with the legislature.

(5) Auditing, settling, and adjusting the accounts of all state officers collecting public moneys who are required by law to pay them into the treasury.

(6) Settling with and auditing the books of the state treasurer once a month, and, in connection with each such audit, counting the cash and verifying the amounts of state funds on deposit.

(7) Preauditing every encumbrance document representing a proposed expenditure and auditing, adjusting, and settling the amounts of claims against the state payable out of funds of the state unless the claim is specifically exempted from such procedure through provisions of law.

(8) Drawing all warrants upon the treasury for money and presenting them to the governor for countersignature by him or by his authorized secretary before transmitting them to claimants.

(9) Having custody of county bonds that have been refunded by the state.

(10) Compiling the biennial budget reports presenting a complete financial plan for each fiscal year of the ensuing biennium and certifying as to the accuracy of the statements of the financial condition of the state and of income and expenditures.

(11) Prescribing the forms to be used by budget units in submitting their budget estimates and requests for appropriations.

(12) Serving at the disposal of the legislature and its appropriation committees during the time the budget report is being considered by those bodies.

(13) Issuing certificates of indebtedness in cases where the law recognizes a claim for money against the state but for which no appropriation has been made for the payment thereof and reporting the transactions to the legislature.

(14) Maintaining a continuing inventory of all state property showing the classification, appraised value, location, and use thereof and submitting a report to each regular session of the legislature and a condensed inventory report as at the close of the preceding fiscal year.

(15) Directing prosecution in the name of the state for all official delinquencies in relation to the assessment, collection, and payment of revenue.

(16) Preparing annually, at the end of each fiscal year, a report showing the financial transactions and the financial condition of the state as of the end of the fiscal year.

(17) Serving as a member of the loan commission and as a trustee of the public employes' retirement fund.

b. **Organization:** The state auditor is a constitutional officer

of the executive branch and is elected to office for a term of two years. The state auditor is third on the list relating to gubernatorial succession, although, in order to qualify, any person succeeding to the office of governor must be holding office by election. The state auditor is preceded on the list by the secretary of state and the attorney general.

The auditor has a deputy who possesses the powers and performs the duties of the state auditor during his absence from the office, but the state auditor is liable on his official bond for any official negligence or misconduct on the part of the deputy. In the event the office of the state auditor is vacated through death, incapacity, resignation, removal, or otherwise, the position is filled by appointment by the governor in the manner prescribed by law, and the deputy auditor has no right of succession due to incumbency in the position.

There are forty employes in the office, exclusive of the auditor and the deputy. The work of the office is allocated among four organization units which may be designated, functionally, as preauditing, general accounting and budgetary control, tabulating, and post auditing. The tabulating unit is now in the process of being organized, and for that reason the plan of organization has not been formally established. The work of maintaining property controls is performed by an employe who is assigned to the tabulating unit. The tabulating unit has ten employes who are engaged in keypunching, tabulating, and proofreading work. The tabulating machines are currently being used to write warrants and to maintain distributions of expenditures according to classifications and objects of expenditures. The preauditing work is performed by seven employes working under the supervision of the deputy auditor, and the program calls for the preauditing of every proposed expenditure from state funds. The general accounting and budgetary control unit has fifteen employes engaged in accountkeeping and financial reporting work. The post auditing unit is composed of six field auditors and a secretary.

9. Aviation Development Committee

a. **Functions:** The principal functions of the aviation development committee include studying the needs of the state with respect to the regulation of aviation facilities and activities within the state, determining the character of aviation regulation in other states, and making recommendations to the governor regarding state legislation, rules, regulations, and organization that are considered desirable or necessary to promote the proper growth and regulation of aviation facilities and activities within the jurisdiction of the state government. In exercising these functions, the committee also confers with various agencies of the federal government on aviation and related matters.

b. **Organization:** The committee was established in September, 1949, as an informal advisory committee to the governor. No funds have been appropriated for the use of the committee in exercising its functions. The membership consists of ten members appointed by the governor for indefinite terms. Few meetings have been held since the committee's creation.

10. Banking Department, State

a. **Functions:** The state banking department is charged with

administering the state banking laws and regulating and supervising the operations of banks, trust companies, savings and loan associations, credit unions, and other banking institutions in the state. The principal functions of the department include conducting periodic bank examinations; issuing licenses; appraising real property owned by or pledged to banks; approving applications and granting certificates authorizing banking branch offices, ordering the levy of assessments upon bank stocks; bringing actions to procure judgments dissolving banks in unsafe or unsound condition; acting as receiver and liquidating insolvent banking institutions; collecting license and examination fees; approving issuance of certificates of incorporations of banks; and maintaining numerous records and preparing various reports, many of which are not deemed public documents.

b. **Organization:** The state banking department, established by statute, is headed by the superintendent of banking who is appointed by the governor with the advice and consent of the senate to serve a term of four years. An appointee is required to have had four years' experience as cashier or managing officer, other than a director, of a bank, and may not be interested directly, or indirectly, in any bank. At present, the department consists of the superintendent of banks, a deputy examiner, and a secretary.

11. Bar Examiners, Committee of

a. **Functions:** The committee of bar examiners is charged with examining applicants to the bar and recommending to the supreme court for admission to practice law those who fulfill the requirements. The board of governors of the state bar has the power to fix and determine the qualifications for admission to practice law in the state.

b. **Organization:** The committee of bar examiners consists of not more than five members appointed by the board of governors of the state bar.

12. Barber Examiners, Board of

a. **Functions:** The board of barber examiners is charged with regulating barbering, including hair cutting, facial or scalp massages, treating, shampooing, or dyeing the hair, and applying cosmetic preparations to the scalp, face, or neck. The jurisdiction of the board does not extend to beauty culturists unless they are engaged in the practice of hair cutting. The principal functions of the board include receiving applications, conducting examinations, issuing, suspending, or revoking licenses, collecting fees, approving and licensing barber shops and barber schools, and maintaining records of all actions of the board, including detailed registers of barbers, apprentices, barber shops, and barber schools. The board is required to conduct examinations of applicants at least four times each year. The board also has power to establish minimum prices to be charged for barbering. Appeals from actions, rulings, and decisions of the board may be taken to the superior courts.

b. **Organization:** The board consists of three members appointed by the governor to serve overlapping terms of three years. Appointees are required to be practicing barbers registered or licensed under the laws of the state for at least five years immediately prior to appointment. At least one member must be a journeyman barber and one a master barber. From its own mem-

bership, the board appoints a president, a vice president, and a secretary. The president and the secretary of the board are required to devote their entire time to the business of the board and receive annual salaries as prescribed by statute. The remaining board member receives a fee for each day he is actually employed in the discharge of his official duties. The board has authority to employ such inspectors and clerks as it may deem necessary to carry out the functions of the board, and to fix their compensation. The president now serves as inspector, and a full-time secretary assists the president and the board secretary.

13. Basic Sciences, State Board of Examiners in the

a. **Functions:** The state board of examiners in the basic sciences is charged with regulating the practice of the healing arts in the state. The term "basic sciences" is defined by law to mean and include all matters pertaining to gross anatomy, physiology, chemistry, bacteriology, and hygiene. The act specifically exempts optometrists, dentists, midwives, nurses, and persons engaged in the operation of public or private laboratories doing research or other work in the usual services allied, kindred, or incidental to the sciences listed above. The jurisdiction of the board, however, does cover individuals engaged in the practice of medicine, surgery, osteopathy, and chiropractic. The principal functions of the board include receiving applications; conducting examinations; issuing, suspending, and revoking certificates; collecting fees; investigating complaints, charges, and violations of law; and maintaining records of all actions of the board including detailed registers of applicants and registrants. Appeals from actions, rulings, or decisions of the board may be taken to the superior courts.

b. **Organization:** The board consists of five members appointed by the board of regents of the University of Arizona to serve overlapping terms of six years. All members are appointed from the faculty of the university. From their own membership the board annually elects a president, a vice president, and a secretary-treasurer. The board is required to meet and conduct examinations at least four times each year. Board members receive a fee for each day actually spent in performance of their duties together with actual and necessary expenses.

14. Beauty Culturist Examiners, State Board of

a. **Functions:** The state board of beauty culturist examiners is charged with regulating the practice of beauty culture, other than barbering, including manicuring. However, manicuring may be practiced separately from other practices of beauty culture under a certificate of manicurist. The principal functions of the board include receiving applications; conducting examinations for beauty culturist, manicurist, instructor, and finger waver; issuing, suspending, and revoking licenses and certificates; approving and licensing beauty culture shops and schools; maintaining records of all actions of the board, including detailed registers of beauty culturists, manicurists, finger wavers, and beauty culture schools and shops. Appeals from actions, rulings, or decisions of the board may be taken to the superior courts.

b. **Organization:** The board consists of three members appointed by the governor to serve overlapping terms of three years. Appointees must be practicing beauty culturists who have been

registered or licensed under the laws of the state for at least five years immediately prior to appointment. At least one member shall be a journeyman beauty culturist and one a master beauty culturist. From its own membership, the board appoints annually a president, a vice president, and a secretary. The vice president acts as inspector and the president serves as assistant secretary and assistant inspector. Each member of the board receives a monthly salary prescribed by statute and necessary travel expenses. In addition, the board has authority to employ such inspectors and clerical help as may be necessary to carry out the functions of the board and to fix their compensation. At present, the board employs two stenographers.

15. Cadet Commission, Arizona

a. **Functions:** The Arizona cadet commission, usually referred to as the cadet corp commission, is charged with supervising and directing the military training and activities of various cadet corps established in schools, colleges, and other educational institutions throughout the state. It is provided that military organizations of the University of Arizona, of the state colleges, and of other educational institutions within the state as may be supported by national or state funds, and such other military schools whose curricula include not less than ten hours of military training per week and whose trustees accept the authority of the cadet commission, in military affairs, are made a part of the military organization of the state.

b. **Organization:** The commission consists of the adjutant general, the superintendent of public instruction, and one citizen member, who is appointed by the governor to serve without compensation. The adjutant general is ex officio chairman and the superintendent of public instruction is ex officio secretary. Neither of the ex officio members receives additional compensation as members or offcers of the commission.

16. Capitol Building and Grounds, "Department" of

a. **Functions:** The principal functions of the department of capitol building and grounds include:

(1) Maintaining the capitol building, the capitol building annex, and the capitol grounds in good condition.

(2) Making minor repairs to facilities and supervising major repair contracts.

(3) Operating elevators and other building machinery and equipment; and supervising the maid service.

(4) Caring for lawns, shrubs, walkways, and driveways of the capitol building and annex grounds.

(5) Maintaining watchman service in the capitol building and annex.

b. **Organization:** The responsibility for the care of the capitol buildings and grounds was transferred to the office of the governor in 1941 from the board of directors of state institutions. The agency is called a department although it is not so designated by law. It is headed by a custodian who is appointed by and reports direct to the governor. There are twenty-six employes.

17. Certification, State Board of

a. **Functions:** The state board of certification, upon receipt of a resolution submitted by the board of directors of an irrigation or water conservation district declaring that any contemplated or outstanding bonds of the district, including those authorized but not sold, should be made available to savings banks for legal investments, makes an investigation of the affairs of such district, and prepares a written report of its findings. The report of findings includes opinions as to whether the irrigation system of the district and the specific project for which the bonds under consideration are to be used, or have been used, is financially sound and feasible, whether or not the total amount of bonds issued exceeds sixty percent of the market value of the land and facilities, and other pertinent data. The board determines the eligibility of a bond to be certified by the state auditor as a legal investment. The board passes upon any expenditures made from, or obligations incurred against, the proceeds of any bonds which have been certified.

b. **Organization:** The board consists of the attorney general, the state engineer, and the superintendent of banks. The board elects one of its members as the chairman. The routine clerical work of the board is performed by clerks designated by the board members from their regularly employed staffs.

18. Children's Colony

a. **Functions:** The children's colony is responsible for the care and training of mentally defective children, but the primary activities of the agency to date have been in preparation for the establishment of an institution which is an integral part of an over-all program. Pending the completion of the institution for which funds have been appropriated and plans have been completed, the administrative staff and the board have been engaged in case finding activities and in developing collateral services which can be provided through the department of public health, the department of public welfare, the federally financed, but state-sponsored, experimental mental hygiene clinic, and other public and private agencies and institutions which deal with children.

b. **Organization:** The children's colony organization is headed by a superintendent appointed by the children's colony board for an indefinite term. State statutes define the qualifications of the superintendent who must be a trained clinical psychologist.

The organization has two employes, but preliminary plans contemplate a staff of approximately sixty-six employes and the following principal organization units:

Office of the superintendent
School training
Medical and health services
Cottage life
Social services
Business management

19. Children's Colony Board, Arizona

a. **Functions:** The Arizona children's colony board is responsible primarily for adopting general rules and regulations for the administration of a children's colony for the care, custody,

treatment, and training of mentally defective children; and for the appointment of a superintendent.

b. **Organization:** The children's colony board consists of five members appointed by the governor with the advice and consent of the senate for five-year overlapping terms.

20. Chiropody Examiners, State Board of

a. **Functions:** The state board of chiropody examiners is charged with regulating the practice of chiropody, including the treatments of ailments of the foot and leg, but not involving amputation nor the administration of an anesthetic other than local. The principal functions of the board include receiving applications; conducting examinations; issuing, suspending, or revoking licenses; collecting fees; and maintaining records of all actions of the board, including detailed registers of applicants and licenses.

b. **Organization:** The board consists of three members appointed by the governor to serve overlapping terms of three years. Each member is required to have practiced chiropody continuously in the state not less than two years immediately preceding the date of his appointment. From its own membership, the board annually is required to elect a president and a secretary. Members of the board, other than the secretary, receive no compensation for their services, as such, but are reimbursed for necessary expenses incurred in the performance of their duties. The salary of the secretary is fixed by the board. The board is required to meet not less than twice each year. No other staff is employed by the board.

21. Chiropractic Examiners, The State Board of

a. **Functions:** The state board of chiropractic examiners is charged with regulating the practice of chiropractic in the state. The principal functions of the board include receiving applications; conducting examinations; issuing, suspending, and revoking licenses; collecting fees; and maintaining records of all actions of the board, including a detailed register of all applicants and licenses.

b. **Organization:** The board consists of three members appointed by the governor to serve overlapping terms of three years. All members are required to be licensed chiropractors who have practiced chiropractic in the state for at least three years. From its own membership, the board annually elects a president, a vice president, and a secretary-treasurer. The board is required to hold regular sessions twice each year. The secretary receives an annual salary within limits imposed by statute, and other members of the board receive fees for each day they are actually engaged in the official duties. All members also receive a mileage allowance in attending board meetings. The board has no other employes.

22. Colleges at Flagstaff and Tempe, Arizona State

a. **Functions:** The principal functions of the Arizona State College at Flagstaff and the Arizona State College at Tempe are as follows:

(1) Instructing "persons in the art of teaching the branches of learning that pertain to common school education" and giving "instruction in mechanical arts and husbandry, agricultural

chemistry, the state and federal constitutions, and the rights and duties of citizens."

(2) Instructing students in branches of learning of organized departments of subject matter.

(3) Selecting students for training and preparing them for teaching in the elementary and secondary schools of Arizona.

(4) Providing a basic program of general college education.

(5) Providing basic two-year preprofessional courses for students desiring to enter professional training schools.

(6) Providing curricula in the arts and sciences leading to the degrees of bachelor of arts and bachelor of science.

(7) Providing a graduate curriculum leading to the degree of master of arts in education.

(8) Providing, for students, short practical curricula, not leading to graduation, but designed to furnish a background of knowledge and skills needed for a chosen trade or work of a semi-professional nature.

(9) Maintaining library, laboratory, and other facilities as sources of the subject matter of instruction.

(10) Maintaining laboratory or practice school facilities for the training of teachers.

(11) Providing guidance, help, and instruction for teachers in service.

(12) Maintaining a teachers' placement bureau.

(13) Maintaining subsistence facilities for students.

(14) Maintaining facilities for student social and recreational activities.

(15) Maintaining facilities for the health, guidance, and other welfare activities required by students.

b. **Organization:** The Constitution of Arizona provides for the establishment of normal schools, but the two state colleges were established as normal schools long before the adoption of the constitution. A territorial legislature established a normal school at Tempe in 1885, which was opened the next year in one room of a four-room building with an enrollment of 31 students. Another territorial legislature established a normal school at Flagstaff in 1899, which was opened the fall of the same year with a president, an assistant, and 23 students. Each school offered a two-year teacher training curriculum.

In 1925 the legislature changed the names of the institutions from Tempe Normal School to Arizona State Teachers College at Tempe and from Northern Arizona Normal School to Northern Arizona State Teachers College at Flagstaff. It granted authority to the separate boards of education of the institutions to establish four-year college curricula and to confer the degree of bachelor of science in education. In 1937 authority was granted for the

establishment of a curriculum leading to, and for the conferring of, the degree of master of arts in education.

In 1945 the names of the institutions were changed to Arizona State College at Tempe and Arizona State College at Flagstaff. The separate college boards of education were discontinued, and the colleges were placed under the control of the newly formed board of regents of the university and state colleges of Arizona. The curricula of the colleges were broadened and the institutions were authorized, by the board of regents, to grant degrees of bachelor of science and bachelor of arts to students not preparing to be teachers.

The present curricula of the colleges are closely similar but are not identical. Both institutions teach English, foreign languages, social sciences, including history, mathematics, art, music, education, psychology, commerce or business administration, health and physical education, home economics, and industrial arts. The college at Flagstaff offers industrial and trades training, in its department of industrial arts and industrial education, which is not offered by the college at Tempe in its industrial arts department. The institution at Tempe offers agriculture, library science, and military science, which is not offered by the institution at Flagstaff. While the subject fields are similar, the courses and subject matter in them differ considerably in some of the departments. Both colleges conduct summer sessions, principally for teachers in service.

The executive heads of the institutions are designated as presidents. They are appointed from year to year by the board of regents of the university and state colleges of Arizona. That board appoints the other officers and employes from year to year on recommendation of the respective presidents of the institutions.

23. Contractors, Registrar of, Office of the

a. **Functions:** The registrar of contractors is charged with regulating any person, firm, copartnership, corporation, association, or any other organization engaged in the business, act, or offer to act in the capacity of contractor in the state. Numerous statutory exceptions are provided. The principal functions of the registrar of contractors include receiving applications; issuing, suspending, and revoking licenses; investigating complaints; collecting fees; maintaining records of applications and licenses; and preparing and furnishing lists of contractors to public officials, public bodies, and any firm or individual desiring copies. Appeals from the actions, rulings, or decisions of the registrar may be taken to the superior courts.

b. **Organization:** The registrar is appointed by the governor to serve a term of two years coterminous with that of the governor. The registrar is required to maintain an office in Phoenix which shall be open to the public during regular office hours. He is also authorized to employ such staff assistance as may be necessary. The registrar receives a per diem fee for such time as he is actually employed. At present, the registrar employs about ten persons in the Phoenix office, a deputy registrar and a stenographer in the Tucson office, and part-time deputies in various counties.

24. Copper Tariff Board, Arizona

a. **Functions:** The principal functions of the Arizona copper tariff board include:

(1) Assembling and preparing data relating to the cost of producing copper in Arizona, in other states, and in foreign countries.

(2) Holding conferences with copper producers and with other persons interested in the cost of copper production.

(3) Appearing before congressional committees and other bodies to present facts as to copper production cost.

(4) Publishing and disseminating reports and data regarding copper production cost.

(5) Encouraging and promoting the copper mining industry, the development of new mines, and the increase of taxable property.

b. **Organization:** The Arizona copper tariff board consists of five members appointed by the governor for indefinite terms. A chairman and a secretary are elected from the board membership. An assistant secretary is the executive head of the work of the board. There are no other regular employes, but from the part-time salary of the assistant secretary are paid the costs of stenographic and office services.

25. Coronado International Monument Commission

a. **Functions:** The Coronado international monument commission, by statute, has the power to cooperate with the United States, the Republic of Mexico, the government of any other state, local governmental units, and private societies, corporations, and individuals in the promotion and development of a Coronado memorial museum to be located in the area designated as the Coronado national monument; to promote any activity, development, or exhibit which will tend to bring to public attention the common cultural tradition and inheritance of neighboring countries for the improvement of cultural relations; to purchase and sell real or personal property, or receive donations thereof, to be used for the purposes of the act establishing the commission; to employ such assistance and make such other expenditures as may be necessary in carrying out the purposes of the commission; to make application to and contract with the government of the United States, or any agency thereof, to obtain moneys appropriated by the United States for public works, but no such contract shall obligate the state to advance any moneys for such public works other than moneys in the Coronado international monument fund; and to engage in any such other activities in connection with its powers as it deems advisable. The commission is inactive, essentially, and has had no meetings since it was re-established in 1949.

b. **Organization:** The commission consists of five members appointed by the governor for five-year overlapping terms. The commission has no staff.

26. Corporation Commission

a. **Functions:** The principal functions of the corporation commission include:

(1) Supervising and regulating all public utilities in Arizona, fixing their rates and making and enforcing reasonable rules and regulations affecting their employes and patrons; and assessing the gross revenue of public utilties.

(2) Issuing certificates of incorporation to companies organized under the laws of Arizona, and licensing corporations to do business in Arizona.

(3) Investigating all proposed sales of stocks and securities to the general public and determining the solvency of the corporation involved and whether its plan of business and proposed contract is fair and equitable, thereby promising a fair return on the stocks, bonds, or securities offered for sale.

(4) Enforcing all laws governing insurance companies, including the examination of accounts, determination of solvency, and general supervision.

(5) Supervising and regulating all motor carriers and private motor carriers, and fixing, altering, regulating, and determining just, reasonable, and sufficient rates, fares, charges, and classifications.

(6) Regulating and supervising railroads and public service corporations in the state.

b. **Organization:** The corporation commission consists of three members, elected for six-year overlapping terms. The members are full time employes. The governor may fill vacancies until the next general election.

The executive head of the agency is the chairman of the commission who is elected by and from the membership of the commission for an indefinite term. State statutes provide that the corporation commission shall appoint a secretary, insurance actuary, director of insurance, supervisor of insurance rates, and director of the securities division of the commission.

The corporation commission has a total of 33 employes, and the organization units which are directly under the supervision of the commission are listed as follows:

Office of the secretary
Accounting and cashier
Public utilities
Motor carrier
Rates and tariff
Incorporating
Insurance
Investment and securities

27. Correction and Rehabilitation, State Board of

a. **Functions:** The principal functions of the state board of correction and rehabilitation include supervising the administration and operation of the state educational rehabilitation institutions

which at present consist only of the institute of educational rehabilitation for youthful and first offenders, located about two miles from the state prison; appointing the superintendent or chief administrative officer of each such institution and fixing his salary, unless it is prescribed by law; establishing and inaugurating the operation of any penal, corrective, or educational institution for which provision may be made by law; prescribing rules and regulations for the government of the board and the administration of institutions under its control; and employing and fixing the compensation of assistants, teachers, and other employes required for the administration of the act establishing the educational rehabilitation system.

b. **Organization:** The board consists of three members, who are the governor, the superintendent of the state prison, and the superintendent of the state institute of educational rehabilitation. The state institute of educational rehabilitation is discussed in this report as a part of the state prison system.

28. Criminal Identification, Bureau of

a. **Functions:** The bureau of criminal identification is responsible primarily for developing and maintaining a central file of records of criminals for the use of peace officers of the State of Arizona and for providing reciprocal services to agencies of the federal government and of other states relative to the identifying and apprehending of criminals.

b. **Organization:** The bureau is headed by a superintendent appointed by the governor, by and with the consent of the senate, for an indefinite term. The superintendent, by statute, must be a recognized fingerprint expert.

The superintendent and the assistant superintendent make up the entire staff of the agency.

29. Curators of the State Library, Board of

a. **Functions:** The board of curators of the state library has responsibility for appointing the director of the state library, subject to confirmation by the senate, in the event that a vacancy occurs in that office while the legislature is not in session, or, if the legislature fails to act if it is in session.

b. **Organization:** The board consists of three members appointed by the governor for six-year terms.

30. Dairy Commissioner, State

a. **Functions:** The state dairy commission is responsible primarily for supervising the production of all dairy products to prevent adulteration of dairy products and unsanitary methods of production; for licensing and collecting license fees from milk products manufacturers, distributors, producer-distributors, and producer-manufacturers; for cooperating with the state and local public health departments in insuring a sanitary milk and dairy products supply; for enforcing state statutes relative to the grading and labeling of milk and milk products; and for assisting the dairy industry in improving the production and marketing of milk and milk products.

b. **Organization:** The dairy commissioner is appointed by the governor with the consent of the senate for a two-year term coterminous with that of the governor. The organization has a total of five employes.

31. **Deeds, Commissioner of, Office of the**

a. **Functions:** Commissioners of deeds may, within the state or country for which appointed, administer and certify oaths; take and certify depositions and acknowledgments or proofs; provide and keep an official seal; and authenticate all official acts with seal. The acts of these state officers, when certified, have the same force and effect as if done and certified in the state by any officer authorized to perform such acts.

b. **Organization:** By statute it is provided that the governor may appoint in each state of the United States, or in any foreign country, one or more commissioners of deeds to hold office for four years. At present the state has only one commissioner of deeds who is stationed at Chicago, Illinois.

32. **Dental Board, Arizona State**

a. **Functions:** The Arizona state dental board is charged with regulating the practice of dentistry in the state. The principal functions of the board include establishing uniform and reasonable minimum standards of educational requirements to be observed by dental schools for recognition by the board; passing upon the reputability and classification of dental schools in accordance with their compliance with such standards; conducting examinations; issuing, suspending, and revoking licenses; investigating charges of misconduct of licensees; collecting fees; and maintaining records of all actions of the board, including a detailed register of applicants and licensees. Appeals from the actions, rulings, and decisions of the board may be taken to the superior courts.

b. **Organization:** The board consists of five members appointed by the governor to serve overlapping terms of five years. Appointees are selected from a list of practitioners recommended for appointment by the Arizona state dental society. From its own membership the board annually elects a president and a secretary-treasurer. The board is required to meet not less than twice each year to conduct examinations but may meet as often as required to transact other business. It is authorized to fix the compensation of its members within statutory limits. At present the board employs additional personnel consisting of a stenographer and an investigator.

33. **Education, State Board of**

a. **Functions:** Some of the principal functions of the state board of education, as provided by statute, most of which are effectuated by the superintendent of public instruction and his staff, are as follows:

(1) Making rules and regulations for its own government and the government of its executive officers and prescribing their duties in supplementation of the duties prescribed for them in the statutes; determining state education policies and delegating the execution of the policies to its executive officer, the superintendent of public instruction.

(2) Exercising general supervision over and regulating, subject to the provisions of law, the operation of the Arizona public school system.

(3) Requiring that the state school laws be enforced and aiding in the enforcement of laws relating to schools, health, compulsory education, child labor, and child conservation.

(4) Recommending to the legislature changes needed in school laws or the enactment of additional legislation.

(5) Appointing, on recommendation of the superintendent of public instruction, executive officers, deputies, clerks, and other employes of the board.

(6) Preparing a budget for carrying out the purposes of the board and presenting such budget to the legislature as a basis for appropriations for support of the educational agencies of of Arizona, which the board controls or the state aids.

(7) Controlling, supervising, and prescribing rules and regulations for the certification of teachers; revoking certificates or life diplomas for cause; and providing institutes for the in-service training of teachers.

(8) Naming the subjects to be taught in elementary schools and optional subjects, the "optional lists to include manual training, household arts, and kindergartens."

(9) Prescribing and enforcing the use of a course of study in the public schools, determining the number of credits necessary for graduating from the high schools, and prescribing "the qualifications for admittance to the state teachers' colleges and the state university."

(10) Prescribing and enforcing the use of a uniform series of elementary school textbooks, adopting and enforcing rules and regulations governing the distribution of and accounting for textbooks, and preparing and approving annual lists of supplementary books.

(11) Providing for the education of Indians in the public schools and providing for the expenditure of federal funds designated for that purpose.

(12) Making agreements for the operation of school lunchrooms and prescribing regulations for their operation.

(13) Preparing, publishing, and distributing reports relating to the educational welfare of the state.

b. **Organization:** The state constitution provides that: "The general conduct and supervision of the public school system shall be vested in a state board of education, a state superintendent of public instruction, county superintendents, and such governing boards for the state institutions as may be provided by law." (Art. 11, Sec. 2). It provides, further, that: "The state board of education shall be composed of the following members: the governor, the superintendent of public instruction, the president of the university, the principals of the normal schools, as ex officio members, and a city superintendent of schools, a principal of a high school,

and a county superintendent of schools, to be appointed by the governor. The powers and duties of the board are such as may be prescribed by law." (Art. 11, Sec. 3). The constitution provides, further, that: "The superintendent of public instruction shall be a member, and secretary, of the state board having control of public instruction in any state institution. His duties shall be prescribed by law." (Art. 11, Sec. 4).

The board is required to hold four regular meetings each year and may hold special meetings on call by the president of the board, who is elected by the board from among its members.

34. Educational Rehabilitation, Institute of

a. **Functions:** The institute of educational rehabilitation is responsible for the custody, care, and rehabilitation of youthful and first offenders among the state prison population who are assigned to the institute by state prison officials.

b. **Organization:** The institute is headed by a superintendent appointed by the state board of correction and rehabilitation of which he is a member. The superintendent of the state prison, by statute, is a member of the board, and the governor is the third member. The superintendent of the institute is appointed for an indefinite term.

The institute has a staff of 40 employes. In addition to the office of the superintendent, the organization units of the institute are: education, fire prevention, buildings maintenance, yard guard, and work gang guard. The state prison staff provides all of the auxiliary services required by the institute such as accounting, keeping inmate and personnel records, purchasing, stores and property control, medical and dental care, and pre-parole services. The fire prevention unit of the institute provides its services to a state hospital branch which is adjacent.

35. Egg Inspector, State, Office of the

a. **Functions:** The principal functions of the state egg inspector include inspecting and examining eggs advertised or offered for sale in the state to determine the condition, quality and weight thereof, with regard to their freshness and grades; establishing and enforcing rules and regulations to insure that buyers receive the quality and size of eggs for which they pay; and providing sundry clerical services required by the capitol building and grounds unit of the office of the governor.

b. **Organization:** The state egg inspector is appointed by the governor, with the consent of the senate, for a two-year term coterminous with that of the governor. The staff consists of four full-time and part-time employes.

36. Employment Security Commission of Arizona

a. **Functions:** The employment security commission of Arizona is responsible primarily for the administration of an employment service and an unemployment compensation system in accordance with state statutes based upon federal statutes, rules, and regulations.

b. **Organization:** The commission consists of three members

appointed by the governor for two-year terms coterminous with the term of the governor.

The commission has two principal administrative units, the employment service division and the unemployment compensation division, each of which is headed by a director appointed for indefinite terms by the commission in accordance with the rules and regulations of the joint merit system council. The respective heads of each of these two principal units report direct to the commission.

The commission has a total of 288 employes of whom 153½ are assigned to the employment service division and 134½ are assigned to the unemployment compensation division. Each division carries on all of its activities independently except for the joint services provided by a fiscal unit in the unemployment compensation division and a legal unit under the general supervision of the commission. Consequently, each division maintains the remainder of its own staff services including personnel and training, research and statistics, public relations and information, management standards, and policies and procedures. Each of the divisions has its own field supervisors, local office managers, and local office staff, but there is some interchange of services on a cooperative basis among local office staff members who are housed in the same quarters.

A veterans' employment service unit, financed from federal funds, acts in an advisory capacity to the employment service division staff.

37. Equalization, Board of

a. **Functions:** The principal functions of the board of equalization include:

(1) Equalizing the valuations and assessments of all property among persons of the same assessment district, among cities and towns of the same county, and among the different counties of the state.

(2) Equalizing assessments made by the board members themselves in the first instance in their capacities as tax commissioners.

(3) Reconvening any county board of equalization at any time after its adjournment; ordering such board to raise or lower the valuation of any property of any person, or the valuation of any class of property; and ordering or directing such board or any assessor to value property, or classes of property, in such way as to the commission may seem just and necessary.

(4) Transmitting to the board of supervisors of each county on or before the second Monday in August of each year, a statement of the changes, if any, which have been made in the assessment and of the rate of tax which is to be levied and collected within such county for state purposes. The board meets annually in the office of the state tax commission.

b. **Organization:** The board is composed of the three tax commissioners serving ex officio. The chairman and secretary of the tax commission are ex officio chairman and secretary, respectively, of the board.

38. Estate Tax Commissioner, Office of the

a. **Functions:** The principal functions of the estate tax commissioner include:

(1) Enforcing the law which requires that tax returns on estates of deceased persons be filed with the commissioner for investigation and final adjudication.

(2) Assessing and collecting estate taxes, issuing receipts therefor, issuing certificates of credit to the federal estate tax division showing the amount of taxes paid, and issuing waivers on non-taxable estates.

(3) Releasing the contents of safe deposit boxes and bank accounts of deceased persons as prescribed by law.

(4) Requiring life insurance companies to file reports on all deceased residents setting forth, in each case, the amount of insurance issued to the deceased and the payee.

(5) Maintaining a card index of each estat etax return filed with the commissioner showing bank accounts and safe deposit boxes released, insurance policies, and other pertinent data.

b. **Organization:** The commissioner is appointed by the governor, with the consent of the senate, for a term of six years. He is assisted in the administration of the estate tax act by an assistant estate tax commissioner appointed by the commissioner for a term subject to the discretion of the commissioner. There are no other employes in the office.

39. Examiner, State, Office of the

a. **Functions:** The state examiner is responsible for prescribing correct and uniform systems of accounts for all county offices, for enforcing the keeping of such accounts, and for instructing the county officers in the proper mode of keeping the accounts and records of their offices. He is personally required by law to visit each county seat of the state without prior notice and at irregular intervals at least twice in each year and to audit the accounts of county officers at least once in each year. He also audits the accounts of precinct officers. The scope of the audit includes the verification of the propriety of each item of receipt and expenditure and an accounting of all moneys, securities, and other assets which are held on public account. It also includes the determination as to whether or not appropriations exceed the statutory limit and whether or not expenditures exceed the budgets. He approves the official bonds of county officers after first ascertaining the character and financial standing of the sureties thereof and may require that new and satisfactory bonds be furnished when conditions so warrant. He receives and examines statements of accounts submitted by county treasurers and makes reports thereon to the governor. He also reports to the governor any irregularities found in the accounts of county and precinct officers and cooperates with the attorney general and with county attorneys in the prosecution thereof.

The county officers whose accounts are required to be audited by the state examiner include the assessors, recorders, sheriffs, treasurers, clerks of the courts, boards of supervisors, and school

superintendents. In addition, he audits the accounts of approximately 95 justices of the peace and of 465 school district officials. Since there are 14 counties in the state, the state examiner is required to audit the accounts of 465 officials.

b. **Organization:** The state examiner is appointed by the governor, by and with the advice and consent of the senate, for a term of two years. The law provides that the state examiner shall be a skillful accountant versed in the theory and practice of bookkeeping, and who is not an incumbent of any other public office nor a stockholder, officer, trustee, assignee, or employe of any banking, savings, nor financial corporation.

The staff of the state examiner consists of a chief deputy, three senior accountants, three junior accountants, and a secretary.

40. Fair Commission, Arizona State

a. **Functions:** The Arizona state fair commission is responsible primarily for conducting and directing state fairs, exhibits, contests, and entertainments for the purposes of promoting and advancing the pursuits and interests of the several counties of the state, and of producing revenue; for the custody, control and maintenance of all state fair property, and for assisting in raising funds for the construction of state fair facilities and improvements; for assisting the counties of the state in financing county fairs; for charging and collecting admission fees and fees for the use of the facilities of the fair grounds when the commission deems it advisable; for appointing fair or ground marshals with the authority of peace officers when necessary; and for receiving and disbursing donations in accordance with the wishes of the donors. The commission may apply to and contract with the federal government or any agencies thereof to obtain money for public works.

b. **Organization:** The Arizona state fair commission consists of seven members appointed by the governor for three-year overlapping terms.

The administrative organization of the commission is headed by a secretary (executive secretary), appointed by the commission, for a one-year term.

The staff of the commission consists of four regular full time employes. In addition, the commission has approximately 200 or more seasonal employes during a year, depending upon the number of events scheduled and the extent of the state fair program, and an additional 40 or more persons provide services to the commission by contract.

The permanent staff of four employes of the commission is organized into one organization unit under the secretary to the commission. During the state fair, the temporary staff is subdivided into organization units as follows: publicity, premium book and commercial space, entry, ticket, veterinary, police, maintenance, and 16 departments having responsibility respectively for the 16 major categories of exhibits of the state fair. The commission supplements the work of its paid staff by contracting with private business organizations and individuals for special services such as decorating, electrical work, plumbing, carpentry, painting, and making signs.

41. Funeral Directors and Embalmers, State Board of

a. **Functions:** The state board of funeral directors and embalmers is charged with regulating the embalming and care and disposition of dead human bodies. The board has jurisdiction over embalmers, funeral directors, funeral establishments, and apprentice embalmers within the state. The principal functions of the board include prescribing standards of efficiency, qualifications, and courses of study; receiving applications; conducting examinations; issuing, suspending, or revoking licenses and certificates; formulating, adopting, and distributing a code of ethics; investigating complaints and conducting hearings; collecting fees; and maintaining records of all actions of the board, including detailed registers of applicants, apprentices, embalmers, funeral directors, funeral establishments, and approved colleges of embalming. Actions, rulings, and decisions of the board are subject to review or appeal to the superior courts.

b. **Organization:** The board consists of three members appointed by the governor to serve identical terms of two years. Two members are required to be qualified practicing funeral directors and embalmers. One member is required to be a qualified employed embalmer. From its own membership, the board elects a president, a secretary, and a treasurer to serve for a term of one year. The secretary is the executive officer of the board. The board is required to hold one meeting each year. All members of the board receive a fee while in attendance upon meetings and are reimbursed for other expenses incurred in the performance of duties authorized by the board.

42. Game and Fish Commission, Arizona

a. **Functions:** The principal functions of the Arizona game and fish commission include:

(1) Managing and conserving the wild life resources of the state to provide an adequate supply for posterity.

(2) Managing the state fisheries, propagating and rearing trout and other fish, rehabilitating streams and lakes, and conducting research in conditions, diet, and diseases of fish.

(3) Eliminating predatory animals to protect game animals, livestock, and poultry.

(4) Conducting a program of conservation of fur bearing animals by transplanting, and by controlling open seasons.

(5) Operating a game bird farm, prodagating game birds, and planting them in favorable places in the state in an attempt to establish new game species.

(6) Cooperating with agencies of the federal government for wild life restoration by the acquisition and development of lands, by the development of wild life habitat, and by game management, and for research in wild life.

(7) Protecting the wild life resources of the state by enforcing the state game laws and the rules and regulations of the game and fish commission, operating a ranger service for such enforcement, aiding in the wild life management program, and for emergency assistance to the general public.

(8) Preventing depredation by game animals and birds to farms and other properties.

(9) Establishing, managing, and protecting game refuges and sanctuaries.

(10) Issuing game and fish licenses, establishing open and closed seasons for game and fish, and adopting and enforcing rules concerning the take and other matters relating to the protection of wild life.

b. **Organization:** The Arizona game and fish commission is established by statute. It consists of three members appointed by the governor for six-year overlapping terms. One member is appointed each odd year. The commission elects a chairman from its membership to serve for two years. To qualify for appointment, the members must be well informed on the subject of wild life and the requirements for the conservation of animals, birds, and fish. There about 102 employes under the commission.

The work of the commission is administered by the state game and fish director who is appointed by the commission for a four-year term and who serves as a general manager and as secretary for the commission. For administrative purposes, the work is divided into eight divisions and two other groups of employes, the ranger, fisheries, fur conservation, game depredation control, game farm, federal aid, information, and office divisions, the predator animal trapper group, and the buffalo herd caretaker group. The heads of all of these divisions and groups report to the director.

The ranger division is headed by the chief ranger and generally enforces the game and fish laws and the rules and regulations of the commission, assists in planting fish and in stocking wild game, obtaining data for establishing seasons and bag limits, assisting in forest protection and in lake and stream improvement, provides information on game and fish activities, and renders emergency assistance to sportsmen and the public.

The fisheries division is headed by a director of fisheries, and manages the fisheries and surrounding grounds, propagates trout and other fish, rears the fish, supervises the stocking of streams and lakes, conducts research into waters, propagation, rearing, and management, and rehabilitates streams and lakes.

The fur conservation division is headed by a fur conservationist. It protects beaver and other fur bearing animals from excessive trapping, transplants beavers and other animals to desirable locations, traps and pelts excess animals, and issues trapping licenses.

The game depredation division is headed by the depredation control officer. It protects farms and other lands from damage by animals and birds either by fencing certain areas or by removing the animals or birds.

The game farm division is headed by the game farm supervisor. It conducts experiments and propagates and rears birds that are not native to Arizona in an effort to establish the new species in Arizona, and places them in favorable locations.

The federal aid division is headed by the federal aid coordina-

tor. It cooperates with federal agencies in conducting research into the protection and management of wild life resources and improves wild life conditions by acquiring property and developing it into suitable wild life habitats.

The information division is headed by the director of information. It handles much of the public education work and public relations work relating to the game and fish program, disseminates information by newsletters, radio, moving pictures, publications, and exhibits, and prepares and issues commission regulations.

The office division is headed by the office manager. It keeps the financial accounts of the commission, keeps personnel records, issues game, fish, and other licenses and permits, purchases supplies, materials, and equipment, controls property, and provides office services.

The predator animal trapper group consists of ten trappers who are employed by the commission and assigned to the United States fish and wild life service for supervision and direction. The group traps and otherwise eliminates predatory animals such as bobcats, coyotes, mountain lions, and wolves.

The buffalo herd caretaker group protects buffalo herds in fenced enclosures in two locations in the state.

43. General Staff (National Guard)

a. **Functions:** The general staff (national guard) is described by statute to be "an advisory board to the governor with respect to all military interests of the state." The board's principal functions include:

(1) Promulgating all necessary regulations for the organization, government, equipment, instruction, and compensation of the national guard and employes subject to approval of the governor before being put into effect.

(2) Recommending transfer, attachment, consolidation, or disbanding of any organization of the national guard.

(3) Designating the amount of bonds to be given by officers of the national guard.

(4) Procuring uniforms, arms, equipment, and other materials and supplies for use of the guard or other state troops.

(5) Erecting armories, drill rooms, headquarter offices, and other buildings for military purposes.

(6) Recommending appointments by the governor of officers to departments of the national guard.

b. **Organization:** The general staff consists of the adjutant general and four officers of the national guard above the grade of first lieutenant, each to be selected for his special knowledge of his arm of the service, and three of whom shall be detailed from the line. Two members are detailed each year to serve two years. The senior officer presides. Meetings are held at least twice annually. The attorney general is required to furnish the general staff,

on request, his opinion on all legal questions pertaining to the military interests of the state.

44. Governor, Office of the

a. **Functions:** The principal functions of the governor, as prescribed by the constitution, include:

(1) Taking care that the laws be faithfully executed.

(2) Convening the legislature in extraordinary session.

(3) Communicating, by message, to the legislature at every session the condition of the state, and recommending such matters as he shall deem expedient.

(4) Granting reprieves, commutations, and pardons, after convictions, for all offenses except treason and cases of impeachment, upon such conditions and with such restrictions and limitations as may be provided by law.

(5) Approving and signing, or disapproving and returning to the legislature, every bill passed by the legislature.

(6) Appointing and removing numerous state officers and employes.

(7) Serving as commander-in-chief of the military forces of the state, except when such forces shall be called into the service of the United States.

The constitution specifically provides that the veto power of the governor shall not extend to any bill passed by the legislature and referred to the people for adoption or rejection.

A large number of duties have been assigned to the governor by statute having to do primarily with his over-all function of transacting all executive business of the state government.

b. **Organization:** The governor is elected for a two-year term. The office of the governor includes an executive secretary, a personal secretary, and five other employes engaged in bookkeeping, filing, clerical, stenographic, and similar office activities.

45. Health, State Board of

a. **Functions:** The principal functions of the state board of health include advising the superintendent of public health in the performance of his duties; formulating and enforcing general policies affecting the public health in accordance with state statutes; holding hearings; and appointing a superintendent of public health.

b. **Organization:** The board consists of five members appointed by the governor, with the advice and consent of the senate, for five-year overlapping terms. Two of the members must be licensed practitioners of medicine and surgery who have been engaged in the practice of medicine in the state.

46. Health, State Department of

a. **Functions:** The principal functions of the state department of public health include:

(1) Promoting better maternal and child health.

(2) Maintaining and operating laboratory facilities for the use of the local health departments and private physicians.

(3) Collecting, tabulating, and analyzing vital statistics.

(4) Supervising county departments of health in the inspection of restaurants, the inspection and supervision of dairies and milk processing plants, and the control of nuisances, and assisting county departments of health in particular problems of sanitation.

(5) Approving plans for new sewage disposal plants and water systems.

(6) Administering a federally financed program for the elimination of pollution in interstate waters insofar as Arizona may be affected.

(7) Inspecting and licensing all hospitals, collecting hospital licensing fees, and administering the program for the construction of hospitals built under the federal hospital construction program.

(8) Administering a program for the prevention of mental illness carried on in cooperation with the public schools and interested citizens, which is financed from federal grants-in-aid.

(9) Administering a cancer control program, a communicable disease control program, a heart disease minimization program, a public health nursing program, and a health education program.

(10) Exercising general administrative supervision of United States public health service demonstration projects, which include an elaborate mental hygiene clinic located in Phoenix, a fly control project, and a mobile dental clinic.

(11) Administering a state tuberculosis sanatorium.

b. **Organization:** The department is headed by a superintendent of public health appointed by the state board of health for an indefinite term in accordance with the qualifications set forth in state statutes. The superintendent of public health, by statute, is also the state registrar of vital statistics and is responsible for appointing a director of the state laboratory. By statute, a supervisor of public health nursing is to be appointed by the state board of health.

The department of health has a total of 220 employes, including 59 employes of the state tuberculosis sanatorium and 86 employes of county health departments. The department has four principal headquarters organization units as follows:

Bureau of administration
Bureau of preventive medical services
Bureau of local health services
Bureau of sanitation.

The state tuberculosis sanatorium is included as a part of the bureau of preventive medical services. The bureau of administra-

tion provides fiscal, personnel, health education, laboratory, and hospital services, and maintains the records and statistics of the department, including vital statistics.

By statute, the state department of health would have a division of local health administration, a division of maternal and child health, a division of vital statistics, a division of sanitary engineering, a state laboratory, and a division of public health nursing. However, these statutory divisions of the department have not been established as such.

47. Highway Commission, State

a. **Functions:** The principal functions of the state highway commission include:

(1) Controlling the use, development, and maintenance of state highways, and adopting and carrying out policies for the management of the Arizona state highway department.

(2) Establishing a system of state routes, and designating those routes that shall constitute the state highway system.

(3) Prescribing rules and regulations for the conduct of the work of the department and for the expenditure of the highway fund.

(4) Prescribing the qualification of employes and investigating the operations of the department.

b. **Organization:** The commission consists of five commissioners, one from each of five districts of the state, appointed by the governor, with the advice and consent of the senate, for overlapping five-year terms. One commissioner is appointed each year, and a commissioner cannot succeed himself in office because the commissioners from a district must be appointed in turn from the counties of that district. Every two years, a chairman and a vice-chairman are elected from among the five commissioners.

48. Highway Department, Arizona

a. **Functions:** The principal functions of the Arizona highway department include:

(1) Exercising complete and exclusive jurisdiction over state highways.

(2) Prescribing and enforcing rules and regulations for the use of state highways to promote public safety and convenience and to prevent unauthorized use, and enforcing motor vehicle and highway laws.

(3) Planning, locating, and designing highway improvements and preparing plans and specifications for projects.

(4) Acquiring the land necessary for highway improvements.

(5) Constructing, reconstructing, and maintaining state highways.

(6) Installing and maintaining highway signs, signals, and markings for traffic direction and safety.

(7) Patrolling highways to enforce traffic laws and protect highway facilities.

(8) Issuing motor vehicle titles, licensing operators, registering vehicles, and collecting gas and use fuel taxes.

(9) Preparing, publishing, and distributing "Arizona Highways," highway maps, and other publications, and generally handling the state publicity activities.

(10) Examining plans for proposed dams, certifying dam projects, and inspecting dams.

b. **Organization:** The Arizona highway department was created by statute in 1927, substantially in its present form. It is headed by the state highway commission. There are about 1400 employes in the department.

The administration of the department is under two officers, the secretary (generally called executive secretary) and the state highway engineer, each of whom is appointed by the commission for a two-year term. The state highway engineer is responsible for highway planning, design, construction, and maintenance; and the executive secretary is responsible for all other work of the department. In addition there is a legal division, the work of which has to do with highway matters, under the nominal direction of the attorney general. The executive secretary directs eight divisions, a custodian unit, and two other small groups of the department, including about 400 of the 1400 employes. These divisions are: the division of motor vehicles; the Arizona highway patrol; the traffic safety division; the highway magazine division; the purchasing division; the personnel division; the accounting division; and the warehouse division.

The division of motor vehicles, created in 1928 as a separate division, is headed by the vehicle superintendent who is appointed by the secretary subject to the approval of the commission. The division issues motor vehicle titles, registers motor vehicle liens, tests operators, collects gas and use fuel taxes and vehicle registration fees, makes gas tax refunds, operates vehicle checking stations at state borders, and enforces the motor vehicle laws.

The Arizona highway patrol was created in 1931 by law as a division of the Arizona highway department. This division is headed by a patrol superintendent who is appointed by the governor subject to the rules of the merit system council. The division patrols state highways for the purpose of enforcing the laws relating to the use of highways and of preventing damage to highway improvements or encroachments into the highways, investigates all accidents on state highways, operates a radio communication system for highway patrol work, and generally enforces traffic laws on the highways.

The traffic safety division was created in 1945 by statute as a division of the Arizona highway department and is headed by a traffic engineer who is designated by law as the executive officer of the division. He is appointed by the state highway commission but reports directly to the secretary. The division administers an accident prevention program; studies the causes of traffic accidents and makes recommendations for remedial measures; installs,

maintains, and operates traffic signals on state highways; paints traffic lines and markings; erects and maintains traffic signs; makes traffic studies and speed control studies, and designates traffic control restrictions; and conducts driver training programs.

The highway magazine division is an administrative branch of the office of the executive secretary and is headed by an editor who reports directly to the secretary. The division is sometimes called the travel and publicity division. It publishes "Arizona Highways" and develops and prepares the text and picture material for the magazine; handles the sale and distribution of "Arizona Highways"; publishes and distributes the official state highway map; publishes "Land of Fair Color" and distributes and sells it; and disseminates promotional travel and publicity material about the State of Arizona, mainly in answer to letters and requests.

The purchasing division, an administrative branch, is headed by the comptroller of purchases who reports directly to the executive secretary. The division supervises the purchase of supplies, materials, and equipment for the department, assists in the development of specifications, and develops regulations for receiving purchased materials.

The personnel division is an administrative branch of the office of the executive secretary. The executive secretary is charged with the appointment, suspension, and discharge of employes of the department and for prescribing the duties and rules and regulations for the conduct of employes. He is ex officio the personnel director of the department. The division is headed by the assistant personnel director who reports immediately to the executive secretary. The division keeps personnel records of the department, interviews applicants for positions, keeps records of available personnel, checks payrolls as to employment status, and reports employe accidents to the industrial commission.

A merit system council was established in 1948 by initiative petition and attached to the Arizona highway department. Inasmuch as the merit system council is placed under the highway commission and is part of the administrative branch of the department, there is some justification for considering it as being in the office of the executive secretary. However, it is actually an independent agency of the state government. The council classifies and reclassifies all positions in the highway patrol division, fixes standards and qualifications for such positions, recommends to the commission classification plans, and establishes rules and regulations for the appointment, suspension, and discharge of employes of the highway patrol, including the patrol superintendent.

The accounting division, an administrative branch, is headed by a chief accountant who reports directly to the executive secretary. The division handles the general accounting work of the department in accordance with requirements of the state auditor's office, preaudits all encumbrance and commitment documents, keeps limited cost accounts, and prepares and distributes periodical and special reports on fiscal operations of the department.

The warehouse division, an administrative branch, is headed by a warehouse superintendent who reports directly to the executive secretary. The division receives and stores materials and supplies purchased for the warehouse, keeps perpetual inventory rec-

ords of stock, issues supplies and materials, takes periodical inventories, and keeps records of the equipment of the department.

The custodian unit is in the administrative branch of the office of executive secretary. It is headed by the building custodian who reports directly to the executive secretary. The division cleans the central highway buildings, supervises the necessary building repairs, operates the maid service, and generally maintains the highway buildings.

Attached to the office of executive secretary are two additional groups of employes that are not given division status. They are the telephone service and the messenger service. There are two employes in each of these groups.

The state highway engineer directs the work of nine divisions and four highway districts, which include about 1000 employes. The work of the office of the state highway engineer is divided into two parts, the deputy state highway engineer supervises the four districts and the right of way, federal aid, and equipment divisions, while the assistant deputy state highway engineer supervises the plans, survey, materials, contract and specifications, economics and statistics, and bridge and dam certification divisions.

Each of the four highway districts is headed by a district engineer who supervises construction and maintenance operations within his area. He is responsible directly to the deputy state highway engineer for all highway maintenance operations except traffic signs and markings. The district engineer is reponsible to the construction engineer for all construction operations, and the construction engineer in turn is under the direction of the deputy state highway engineer.

The right of way division, an administrative branch, is headed by the chief right of way agent who is under the direction of the deputy state highway engineer. The division prepares right of way maps of land needed for highway purposes, secures detailed data on boundaries, liens, improvements, benefits, and damages to parcels of land, appraises right of way value, negotiates for purchase or easements, prepares deeds and claims, aids counties in right of way matters, and keeps records of department land and buildings.

The federal-aid division, an administrative branch, is headed by the federal-aid finance officer who reports directly to the deputy state highway engineer. The division develops federal-aid programs for the state and counties, maintains fiscal relations with the federal bureau of public roads, maintains budgetary control of highway construction operations, and prepares vouchers on all federal-aid projects.

The equipment division, an administrative branch, is headed by the superintendent of equipment who reports directly to the deputy state highway engineer. The division maintains, repairs, and services all automotive equipment and all construction and maintenance machinery of the department in a central shop and 13 district shops, assigns equipment, keeps equipment records, develops equipment specifications, and generally manages the equipment service of the department.

The plans division, an administrative branch, is headed by the engineer of plans who reports directly to the assistant deputy state highway engineer. The division prepares plans for all improvements to the state highway system, makes quantity estimates of improvement work, designs improvements including traffic safety and control facilities, develops special provisions for contracts, maintains custody of engineering plans and records, and operates the reproduction services for the department.

The survey division, an administrative branch, does not have a single head, but the state is divided into a northern and a southern area, and each area is headed by a chief locator who reports directly to the assistant state highway engineer. The division makes preliminary surveys for improvement projects, determines the location of highways, structures, and drainage facilities, and makes special field studies.

The materials division, an administrative branch, is headed by the engineer of materials who reports directly to the assistant deputy state highway engineer. The division makes soil examinations at project sites, tests soil samples, recommends features of design, tests materials used in highway work, tests supplies, materials, and equipment purchased by the department, and tests pavement mixtures and concrete.

The contracts and specification division, an administrative branch, is headed by the engineer of contracts and specifications who reports directly to the assistant deputy state highway engineer. The division prepares specifications for all highway improvement projects, revises the standard specifications of the department, prepares advertisements, checks and tabulates bids, checks estimates on contract operations, checks final quantities, examines change orders, and prequalifies contractors.

The economics and statistics division, an administrative branch, is headed by the engineer of economics and statistics who reports directly to the assistant deputy state highway engineer. The division secures, analyzes, and prepares in usable form the factual data on highways of the state needed for highway administration, inventories and maps all highways, makes studies of highway finance, makes traffic studies, prepares highway maps, makes recommendation on highway classification, and makes special studies.

The bridge and dam certification division, an administrative branch, is headed by the engineer of bridges and dams who reports directly to the assistant deputy state highway engineer. The division makes foundation surveys of proposed structures, designs bridges and other structures, prepares quantity estimates, inspects large bridges, examines and certifies plans of proposed dams, collects certification fees, and makes inspections of existing dams.

The legal division is an administrative branch of the department. It is headed by the legal adviser who is appointed by the attorney general and is responsible directly to that official. The legal adviser is an assistant attorney general. It is generally understood, however, that as far as the department's legal work is concerned the legal adviser is under the general direction of the executive secretary. The division reviews and approves contracts, deeds, easements, and other documents, serves as legal counsel for the depart-

ment in condemnation suits and other court actions, gives legal advice on highway matters, and advises the attorney general in preparing opinions.

49. Hospital Board, State

a. **Functions:** The principal functions of the state hospital board include establishing policies, rules, and regulations for the administration of the state hospital for the insane; adopting rules and regulations for the commitment of insane persons in accordance with state statutes; prescribing forms used in relation to petitions, certificates of insanity, and commitment; and appointing the superintendent of the hospital and the business manager of the hospital.

b. **Organization:** The state hospital board consists of five members appointed by the governor for five-year overlapping terms.

50. Hospital for Disabled Miners, State

(See: Pioneers, Home for Aged and Infirm, Arizona)

The state hospital for disabled miners is operated in conjunction with the home for aged and infirm Arizona pioneers both of which have common staff and facilities. The combined institution is commonly known as the Arizona Pioneers' Home.

51. Hospital for the Insane, State

a. **Functions:** The state hospital for the insane, including the branch located at Florence, is responsible for the care and treatment of persons who are adjudged insane and such other mentally diseased persons as may be admitted. The hospital located in Phoenix provides the major treatment services, and the branch hospital located at Florence is responsible primarily for the care of children and the custody of patients requiring long time care.

b. **Organization:** The state hospital is headed by a superintendent appointed by the state hospital board for an indefinite term.

The combined staffs of the main and branch hospitals consist of approximately 373 employes, with 281 employes in the hospital located in Phoenix and 81 employes in the branch hospital located at Florence. The organization structure is essentially the same for both institutions and consists of the office of the superintendent, clinical services unit, and business management unit, respectively. At the institution located in Phoenix, the clinical services unit is responsible for the supervision and direction of medical, dental, neurological, nursing, occupational therapy, laboratory, and patient supervision services, and for the supervision of a beauty shop and a clothing room. The business management unit is responsible for bookkeeping, budget preparation, clerical, purchasing, housekeeping, and food services, and for stores control, buildings maintenance, farming, landscape gardening, and mattress making activities. All of these services and activities are performed, respectively, through subordinate units of the two principal organization units—the clinical services unit and the business management unit.

The branch hospital located at Florence depends upon the hospital located at Phoenix for the major bookkeeping, budget preparation, and purchasing services involved, and it has no laboratory, beauty shop, or mattress factory.

52. Industrial Commission of Arizona

a. **Functions:** The principal functions of the industrial commission of Arizona include:

(1) Enforcing state statutes relative to minimum wages, child labor, the employment of women, and private employment agencies.

(2) Administering a workmen's compensation and occupational disease disability program in accordance with state statutes, including the collection of premiums from policyholders and the payment of claims.

(3) Administering an accident prevention program.

(4) Cooperating with the state board of education in its vocational rehabilitation program and with the employment security commission to prevent the payment of workmen's compensation benefits to persons who are claiming or who are receiving unemployment compensation benefits.

(5) Checking policies issued by private insurance companies to determine whether or not they conform with the requirements as set forth by statute, and whether or not the proper classification and rates have been indicated.

(6) Processing all cases arising under the workmen's compensation laws of the state where the employer is insured by a private insurance company, where the employer is self-insured, or where the employer has no industrial insurance.

(7) Assisting employes in collecting wage claims, including the enforcement of contracts regarding wage payments in relation to the veterans' institutional and on-the-job training program and in relation to the activities of the apprenticeship council.

(8) Cooperating with federal and other state agencies in all matters relating to the general welfare of working people and the protection of children.

b. **Organization:** The commission consists of three members appointed by the governor and confirmed by the senate for six-year overlapping terms. A chairman, elected by and from the membership of the commission, is the executive head of the administrative organization of the commission. The three members of the commission are employed full time.

The industrial commission has a total of 209 employes. The departments of the agency include underwriting, claims, legal, accounting, statistical, private carrier, labor and medical, and a branch office located at Tucson.

53. Industrial Development Committee

a. **Functions:** The principal functions of the industrial development committee include making studies of state legislation and

conditions as they affect private business, submitting reports of their findings to the governor, and making recommendations to the governor regarding state legislation, rules, regulations, and other matters with a view to fostering the growth of private business in the state. To date the committee has studied and submitted one report with respect to state laws on the taxation of business enterprises.

b. **Organization:** The committee consists of thirteen members selected and appointed by the governor for indefinite terms. No funds have been appropriated for the use of the committee. Few meetings have been held since the committee's creation.

54. Industrial School, State

a. **Functions:** The state industrial school is responsible for the detention, education, employment, and reformation of male juvenile offenders between the ages of 12 and 18 years who are committed by the courts; but, after a period of probation, children under 12 years of age may be committed to the industrial school by the courts.

b. **Organization:** The state industrial school is headed by a superintendent appointed by the board of directors of institutions for juveniles for an indefinite term.

The institution has a staff of thirty-three employes and has the following principal organization units:

Office of the superintendent
Business management
Medical care
Placement and parole
Clinic (classification of boys)
Buildings and grounds maintenance
Education (classroom and vocational)

55. Inspection, Supervisor of, Office of the

a. **Functions:** The supervisor of inspection (of the fruit and vegetable standardization act) is responsible primarily for enforcing statutes pertaining to the grading of fruit and vegetable commodities shipped from the state in interstate or foreign commerce, and for the licensing and the enforcement of state statutes which govern the relationship between growers of fruit and vegetable products and the shippers who receive, pack, ship, and sell these products. In performing these functions, the supervisor of inspection receives the cooperation of the other agencies, which include the Arizona commission of agriculture and horticulture, the state highway patrol, the United States department of agriculture, the agricultural extension service of the University of Arizona, and county agricultural agents.

b. **Oganization:** The supervisor of inspection is appointed by, and under the supervision and direction of, the dean of the college of agriculture of the University of Arizona and serves at the pleasure of the dean.

The staff of the agency consists of sixteen employes, of whom fourteen are paid from funds supplied by shippers of fruit and vegetables. The organization units of the agency are established along functional lines and are the office of the supervisor of inspection, the inspection department, and the statistical and market news department.

56. Institutions for Juveniles, Board of Directors of State

a. **Functions:** The board of directors of state institutions for juveniles is responsible primarily for establishing rules and regulations; making inspections; exercising general supervision of the instruction given in the industrial school (for boys); appointing the superintendent of the industrial school (for boys); prescribing the system of records and accounts of the industrial school (for boys), subject to the approval of the state auditor; and approving bills for per diem payments to the Florence Crittenton Home and the House of the Good Shepherd for the care of girls committed to these two private institutions by the courts.

b. **Organization:** The board consists of five members appointed by the governor, by and with the advice and consent of the senate, for five-year overlapping terms and the superintendent of public instruction ex officio. The appointive membership of the board is restricted to one elector of the state, one physician, one teacher, one registered engineer, and one craftsman or tradesman, all of whom may be nominated for membership by the respective professional and crafts organizations to which they belong, except the elector who need not be a member of any profession or craft.

57. Interstate Stream Commission, Arizona

a. **Functions:** The principal functions of the Arizona interstate stream commission include:

(1) Prosecuting and defending the state's rights, claims, and privileges respecting interstate streams.

(2) Initiating and participating in conferences, conventions, or hearings dealing with interstate stream matters.

(3) Formulating plans and development programs for the practical and economic development, control, and use of the waters of interstate streams; and recommending to the governor and the legislature desirable action on proposed contracts or agreements with other government agencies.

(4) Investigating works, plans, or proposals pertaining to interstate streams and acquiring and disseminating appropriate information relating thereto.

(5) Applying for and holding permits or licenses from the federal government for dams, reservoirs, and rights of way.

(6) Attending and participating in judicial or quasi-judicial proceedings before courts, commissions, or other agency or organization.

(7) Negotiating and cooperating with the federal government and other state governments on interstate stream matters.

b. **Organization:** The Arizona interstate stream commission was established by statute in 1948 and consists of seven regular members and two ex officio members. The regular members are appointed by the governor with the advice and consent of the senate for six year overlapping terms. The seven members must reside in not less than six separate counties. The ex officio members are the state land commissioner and the chairman of the Arizona power authority commission, but they do not have a vote in the commission. The commission elects from its members every two years a chairman and a vice chairman. There are about seven employes under the commission.

The work of the commission is administered by the secretary of the commission who is appointed by the commission for indefinite tenure.

58. Land Department, State

a. **Functions:** The principal functions of the state land department include:

(1) Administering for the state the lands granted to Arizona by the federal government and other lands acquired by the state, except those under the specific control of state institutions.

(2) Selling or leasing state lands.

(3) Having general control and supervision of the waters of the state, of the appropriation of water, and of the transfer of water rights.

(4) Granting permits to drill irrigation wells, designating critical areas and drainage basins, and generally administering the underground waters of the state.

(5) Administering the soil conservation program of the state and planning and coordinating flood control activities.

(6) Acting for the state in dealing with and cooperating with other government agencies in connection with state lands, reclamation, conservation, agriculture, and flood control.

(7) Issuing prospecting permits to explore state lands for oil and gas, and issuing leases for oil and gas operations.

(8) Prescribing and enforcing rules and regulations governing the drilling and abandonment of oil or gas wells.

(9) Conducting investigations and cooperating with other agencies in research activities leading to the development of plans for the conservation of land and water resources.

(10) Administering the laws relating to the settlement of veterans.

(11) Administering the retirement of loans made on farm lands from the permanent funds.

b. **Organization:** The state land department is headed by the state land commissioner who is appointed by the governor for a six year term, subject to confirmation by the senate. The depart-

ment is established by statute as is the office of state land commissioner, its executive officer. There are thirty-one employes in the department. In addition to the office of the commissioner, the work of the department is divided among the land, water, ground water, soil conservation, real estate, and range examining divisions.

The land division is headed by the deputy state land commissioner. It manages, leases, exchanges, and sells state lands, administers oil exploration and operation on state lands, manages the retirement of farm loans, collects land revenues, and cooperates with the federal government and other agencies in land matters. The division does all of the work of administering the veteran land resettlement program.

The water division is headed by the engineer of the water division. It examines applications and issues permits for water appropriation, reservoirs, and diversion and distribution systems, determines and certifies water rights, prescribes proper construction for protecting water rights, keeps water records, and cooperates with the United States geological survey in gauging streams.

The ground water division is headed by the ground water coordinator. It supervises the underground waters of the state, registers irrigation wells, establishes critical areas, controls the drilling of irrigation wells in critical areas, conducts research, and cooperates with the USGS in making underground studies and in establishing of ground water basins.

The soil conservation division is headed by the assistant soil conservation commissioner. It promotes and aids the formation of soil conservation districts, coordinates federal and state agencies in soil conservation work, conducts conservation education, and coordinates flood control activities.

The range examining division consists of the range examiner who compiles data on land exchanges to consolidate range lands.

The state land commissioner by virtue of his office is the soil conservation commissioner, the real estate commissioner, the chairman of the real estate board, a member of the Arizona interstate stream commission, a member of the board of reservoir control and supervision, and a member of the land selection board. He is also designated the Arizona land settlement commission, even though the same legislative act virtually abolishes that commission by transferring its jurisdiction, authority, and duties to the state land department.

In actual operation there is another branch of the department, generally called the **real estate division**, which issues and revokes licenses of real estate brokers and salesmen and which regulates and controls the activities of such brokers and salesmen. By statute the real estate department is established as an independent agency, but because the state land commissioner is also the real estate commissioner, the real estate operations have been joined to the land department. In this supplement, the existing real estate organization is described under the real estate department.

59. Land Selection Board

a. **Functions:** The principal functions of the land selection board include:

(1) Selecting lands for the state from any federal lands that the state land commissioner recommends and that may be available, and designating the assignment of such lands to specific funds.

(2) Effecting exchanges of state lands for federal lands to consolidate holdings or for other purposes.

b. **Organization:** The land selection board consists of the governor, the state land commissioner, and the attorney general. No organization of the board is provided in the law, but formerly, when the board met occasionally, the governor acted as chairman. The board does not meet at present because its only function is to sign requests for land exchanges, and these papers are merely routed instead to the three offices.

60. Land Settlement Commission, Arizona

a. **Functions:** The principal functions of the Arizona land settlement commission include:

(1) Acquiring lands suitable for cultivation or reclamation together with water rights, by condemnation or otherwise.

(2) Subdividing and improving lands provided for settlement purposes, whether state lands or lands acquired for such purposes.

(3) Making loans to settlers for making improvements or purchasing equipment.

(4) Selling the lands to veterans or others, and generally carrying out the provisions of the land settlement law.

b. **Organization:** The Arizona land settlement commission is created by law to consist of the state land commissioner. The commissioner and other employes of the state land department are required by law to perform land settlement duties also. The commission is established as a body corporate. The same statutes under which the commission was established in its present form (RS 11-1501) also apparently abolish the commission (RS 11-102a) by transferring to the state land department "the jurisdiction, authority, and duties heretofore vested in and imposed upon . . . the Arizona land settlement commission . . . "

61. Legislation, Commission on Uniform

a. **Functions:** The principal functions of the commission on uniform legislation are promoting uniformity of legislation in the United States; examining subjects concerning which uniform legislation is desirable and conferring thereon with like commissioners of other states; and reporting to the legislature from time to time the result of its investigations and recommending the adoption of such uniform legislation as the commission deems proper.

b. **Organization:** The commission consists of three members appointed by the governor, by and with the advice and consent of the senate, to serve terms of two years. The commissioners receive no compensation for their services, except their actual expenses.

62. Library and Archives, Department of

a. **Functions:** The department of library and archives is responsible for preparing and revising bills and other legislative measures for members or committees of the legislature, and for state officers; maintaining a legislative reference library; collecting and compiling statistical information regarding the government of the state and its political subdivisions; conducting research on special legislative subjects; compiling and publishing a legislative yearbook containing information concerning the legislature, and the agencies of state government; assisting, under the direction of the secretary of state, in the preparation of acts of the legislature for publication, and in the preparation of initiative and referendum publicity pamphlets; rendering any other services relative to legislative matters or relative to the work of the legislature as may be requested by the legislature or any committee thereof; maintaining a library for the use of all agencies of state government and the general public except the law library which, by statute, may not be used by the general public; collecting, maintaining, and supervising the use of material relating to the history of Arizona and documents and other materials which constitute the state archives; publishing such materials, under its control, as are deemed to be of public interest; microfilming selected archives; maintaining a museum pertaining to the history and development of Arizona, including minerals; conducting exchanges of public reports and documents with other governments including the governments of some foreign countries; and conducting a state-wide library extension service.

b. **Organization:** The department is headed by a director appointed by the legislature for an indefinite term. The department has a total of ten employes which constitute a single organization unit although, by statute, the organization units of the department are: state legislative bureau, library division, and division of Arizona history and archives.

63. Library Examiners, State Board of

a. **Functions:** The principal function of the state board of library examiners is to pass upon the qualifications of all persons desiring to become county librarians.

b. **Organization:** The board consists o fthe state librarian, who is ex officio chairman of the board, the librarian of the state university, and the librarian of the Phoenix public library. The members receive no compensation for their services on the board except actual and necessary traveling expenses to be paid out of the general fund.

64. Liquor Licenses and Control, Department of

a. **Functions:** The functions of the department of liquor licenses and control include:

(1) Enforcing the provisions of the liquor license and control laws and prescribing and enforcing rules and regulations for the proper conduct of places of business licensed under the act.

(2) Accepting, filing, investigating, and approving or dis-

approving applications for licenses, and for transfers of licenses, to engage in the sale or manufacture of alcoholic beverages.

(3) Holding hearings on and investigating complaints against licensees and others for noncompliance with or for violation of the liquor license and control act and making determinations concerning penalties to be imposed or other corrective action to be taken.

(4) Assisting in the prosecution of cases before the superior courts of the state involving violations of the liquor license and control act.

(5) Assisting the luxury tax division of the state tax commission in the collection of taxes on spirituous liquors.

(6) Administering and enforcing the law which prohibits the sale of tobaccos to minors or the possession of tobacco by minors. The enforcement officers in the department have the powers and duties of peace officers but do not have responsibility for exercising such powers unless the liquor license and control laws are being violated.

b. **Organization:** The department is headed by a superintendent appointed by the governor, with the advice and consent of the senate, for a term of six years.

The investigative force of the department consists of a chief enforcement agent, an accountant and agent, two district supervisors, and eight enforcement agents. The clerical staff is composed of a cashier, a secretary, and a junior accountant.

65. Livestock Sanitary Board

a. **Functions:** The principal functions of the livestock sanitary board include preventing the theft of livestock; controlling and eradicating infectious and contagious diseases of livestock; protecting the consumer of meats and meat products; issuing licenses to persons engaged in slaughtering livestock or engaged in the retail sale of meats and meat products; and collecting license fees.

The livestock sanitary board has responsibility for the general supervision of the state veterinarian who is responsible primarily for preventing the spread of communicable diseases with respect to the livestock industry and who cooperates with the United States bureau of animal industry, the sheep sanitary commission, the state dairy commission, and the state department of health in carrying out his responsibilities.

b. **Organization:** The livestock sanitary board consists of three members appointed by the governor, with the advice and consent of the senate, for three-year terms. A secretary is appointed by the board for an indefinite term to serve at the pleasure of the board. The state veterinarian, appointed by the governor and confirmed by the senate, serves at the pleasure of the livestock sanitary board.

The agency has a staff of 90 full time and part time employes, exclusive of local private veterinarians who are employed on a fee

basis as needed to assist in the examination of livestock. The secretary of the livestock sanitary board heads one of the organization units which has a staff of 87 employes, and the state veterinarian heads the other organization unit which has a staff of three employes, exclusive of local private veterinarians who are employed on a fee-for-service basis.

The organization unit headed by the secretary consists of the office of the secretary and thirty inspection districts. The organization unit headed by the state veterinarian consists of the office of the veterinarian and an animal disease laboratory.

66. Loan Commission of the State of Arizona

a. **Functions:** The principal functions of the loan commission of the state of Arizona include:

(1) Providing for the payment of the public debt including principal and interest thereon.

(2) Issuing negotiable coupon bonds of the state whenever practicable and when lower interest rates can be obtained.

(3) Providing, upon demand of the boards of supervisors of counties and of the municipal and school authorities, for the redemption or refund of indebtednesses of such local taxing authorities in the same manner as is applicable to the retirement of the state's indebtedness, and issuing bonds of the state upon the faith and credit of the state for any indebtednesses allowed by law to be incurred by such counties, municipalities, or school districts to the extent that taxes will be levied and collected for the payment of principal and interest therefor.

b. **Organization:** The commission is composed of the governor, the state auditor, and the state treasurer, all serving ex officio. There are no regular meetings, and the commission meets whenever it has any business to which it must attend.

67. Medical Examiners, State Board of

a. **Functions:** The state board of medical examiners is charged with regulating the practice of medicine and surgery in the state. The principal functions of the board include receiving applications; conducting examinations; issuing, suspending, or revoking certificates and licenses; investigating, hearing and ruling upon charges of unprofessional conduct; collecting fees; and maintaining records of all actions of the board including detailed registers of applicants, certificates, and licenses.

b. **Organization:** The board consists of five members appointed by the governor to serve terms of three years. Appointees are selected by the governor from a list of not less than fifteen names submitted by the Arizona state medical association. Members are eligible for reappointment for one additional term only. Each appointee is required to be a licensed practitioner of medicine and surgery in the state and engaged in active practice not less than three years. From its own membership, the board elects a president, a vice president, and a second vice president; and it appoints a secretary-treasurer who need not be a member of the

board. All officers hold their positions during the pleasure of the board. Regular meetings are required to be held four times each year. Board members receive a fee for each day of actual service in the business of the board and reimbursement for their actual expenses in connection therewith. The board is authorized to fix the salary of the secretary-treasurer. No other staff is employed by the board.

68. Memorial Commission, Thomas E. Campbell

a. **Functions:** The Thomas E. Campbell memorial commission is charged with the duty "to invite suggestions for a memorial to the late Thomas Edward Campbell, second governor of Arizona, in recognition of his many distinguished services to the state; to consider such suggestions, adopt such plan within the limits of resources available as may seem most appropriate, and cause the plan to be effected." The commission may receive private contributions not to exceed, when added to the amount made available by the legislature, the sum of $30,000.

b. **Organization:** The Thomas E. Campbell memorial commission consists of five persons appointed by the governor for such term as may be required for the performance of the duties for which it is responsible.

69. Merit System Council, Arizona Joint

a. **Functions:** The joint merit system council is responsible primarily for operating a merit system in cooperation with the department of health, the department of public welfare, and the employment security commission. Through a contractual arrangement, the joint merit system council is responsible for conducting examinations for the merit system council of the Arizona highway patrol. There are no statutory requirements for the operation of the joint merit system council, but it was established by agreement to meet statutory requirements that the agencies using the services of the council must establish and maintain a merit system plan.

b. **Organization:** The joint merit system council consists of three members appointed by the governor for six-year overlapping terms. The administrative organization of the agency is headed by a merit system supervisor appointed by the merit system council for an indefinite term from a register established on the basis of open competitive examinations. The agency has a total of seven employes.

70. Merit System Council of the Arizona Highway Patrol

a. **Functions:** The principal functions of the merit system council of the Arizona highway patrol include:

(1) Classifying and reclassifying all positions in the highway patrol division of the Arizona highway department.

(2) Fixing standards and qualifications for classified positions in the division and examining candidates.

(3) Developing and recommending to the highway commission compensation plans for highway patrol positions.

(4) Establishing a plan for selecting, appointing, and separating highway patrol employes.

(5) Holding hearings on suspensions, demotions, or dismissals.

b. **Organization:** The merit system council of the Arizona highway patrol consists of three members appointed by the governor to serve for unlimited terms. The members can be removed only by the Arizona highway commission and then only for cause. The council elects from its membership a chairman and a secretary.

71. Mine Inspector, State Office of the

a. **Functions:** The principal functions of the office of the mine inspector include:

(1) Making periodical and special visits to all mines in the state having six or more employes to inspect operations and safety, health, and working conditions.

(2) Making inspections in mines to determine the causes of accidents or deaths therein.

(3) Notifying operators of mines of dangerous or otherwise undesirable conditions and ordering specific remedial measures.

(4) Reinspecting mines that have been ordered to correct conditions or facilities, and stopping operations if the work has not been suitably done.

(5) Making inspection and annual reports.

b. **Organization:** The constitution of the State of Arizona establishes the office of mine inspector and provides for the election at general elections of a mine inspector for a term of two years. The statutes refer to the head of the office as the state mine inspector, and this title is in general use. The statutes require the state mine inspector to appoint a state mine dust engineer and three deputy state mine inspectors. There are six employes in the agency.

72. Mineral Resources, Board of Governors of the Department of

a. **Functions:** The principal functions of the board of governors of the department of mineral resources include:

(1) Establishing and carrying out policies for the department and prescribing rules and regulations for the management of the department.

(2) Accepting funds from the federal government or private sources for aiding the development of the state's mineral resources.

(3) Cooperating with government agencies to further the development of mineral resources.

(4) Formulating the programs of the department and prescribing the number of employes thereof.

b. **Organization:** The board of governors of the department of mineral resources consists of five members appointed by the governor for five year overlapping terms. One member is appointed each year.

73. Mineral Resources, Department of

a. **Functions.** The principal functions of the department of mineral resources include:

(1) Assisting in the more extensive exploration and development of the mineral resources of the state.

(2) Conducting resource and economic studies to promote investment in mineral development and to aid prospectors and and operators of mineral properties.

(3) Publishing and disseminating information as to available mining properties, purchasers of minerals, and other aspects of minerals and mining of interests to prospective developers.

(4) Cooperating with the state land department, the bureau of mines, the corporation commission, and other government agencies in the promotion of mineral resource development.

(5) Working against congressional action that favors reciprocal or duty free imports of foreign minerals.

b. **Organization:** The department of mineral resources is headed by the board of governors of the department. The work of the department is administered by the director who is appointed for an indefinite term by the board of governors. There are six employes in the department.

74. Museum of Natural History (Committee), Arizona

a. **Functions:** The Arizona museum of natural history (committee) is responsible for the control and custody of collections of natural history specimens given to the state and for the establishments of a museum of natural history. The collections received are stored at the state fair grounds in Phoenix.

b. **Organization:** The Arizona museum of natural history (committee) was established by the governor and consists of five members appointed by the governor for indefinite terms. The committee has no staff.

75. National Guard of Arizona

a. **Functions:** The national guard of Arizona is concerned with recruiting and training the militia of the state, maintaining state property for military purposes; and serving as an armed force to aid civil authorities in maintaining peace and order.

b. **Organization:** The national guard of Arizona is established by the state constitution and consists of the organized militia. The agency is headed by the adjutant general who is appointed by, and serves at the pleasure of, the governor. The organization is further divided into various departments such as the adjutant general's, quartermaster's, commissary, medical, and ordnance de-

partments. Heads of departments are appointed by the governor upon the recommendation of the general staff whose functions and organization are described elsewhere in this appendix. The attorney general serves as judge advocate general.

Major units of internal organization include the headquarters, arsenal, and armory at Phoenix; Fort Tuthill at Flagstaff; eight armories at other principal cities throughout the state; and an air unit at Luke Field, Phoenix.

As of June 30, 1949, the national guard consisted of approximately 211 officers and 1772 enlisted men.

76. Naturopathic Board of Examiners

a. **Functions:** The naturopathic board of examiners is charged with regulating the practice of naturopathy in the state which includes all forms of physiotherapy by the use of drugless and nonsurgical methods. Its principal functions include receiving applications; conducting examinations; issuing, suspending, or revoking licenses; collecting fees; assisting county attorneys in prosecuting violations of the law governing naturopathy; and maintaining records of all actions of the board, including a detailed register of applicants and licenses.

b. **Organization:** The board consists of three members appointed by the governor for overlapping terms of three years. Each appointee is required to have been in continuous practice of naturopathy in the state for five years immediately prior to the date of appointment. From its members the board annually appoints a president, a vice president, and a secretary. Normally, the board meets twice each year. The secretary is paid an annual salary fixed by the board, and other members of the board are paid a fee for each day they are actually engaged in the activities of the board. The board has no other employes.

77. Nurse Examiners, State Board of

a. **Functions:** The state board of nurse examiners is charged with regulating the practice of nursing in the state. Principal functions include receiving applications; conducting examinations; issuing, suspending, or revoking licenses; inspecting schools of nursing; establishing and maintaining professional nursing standards; collecting fees; causing the prosecution of violations of laws governing nursing; and maintaining records of all actions of the board, including a detailed register of applicants and licenses.

b. **Organization:** The board consists of five graduate nurses selected from a list of graduate and registered nurses submitted by the Arizona state nurses' association. Board members are appointed by the governor for overlapping terms of five years. The board annually elects from its own membership a president and a secretary. The secretary also is treasurer of the board and inspector of all schools of nursing within the state. The secretary receives an annual salary fixed by the board. Other members of the board receive fees for each day they are actually engaged in the activities of the board. In addition, the board has an office staff of three persons. The board is required to meet at least once every six months.

78. Optometry, State Board of

a. **Functions:** The state board of optometry is charged with regulating the practice of optometry in the state. Principal functions include receiving applications; conducting examinations; issuing, suspending, or revoking licenses; collecting fees; accrediting schools and universities giving courses of study in optometry; assisting in the enforcement of laws governing the practice of optometry, and maintaining records of all acts of the board, including a detailed register of applicants and licenses.

b. **Organization:** The board consists of three members appointed by the governor for overlapping terms of three years. Each appointee is required to have been engaged in the practice of optometry in the state at least three years immediately prior to his appointment. From its members the board annually elects a president and a secretary-treasurer. The board is required to meet at least once each year. All members receive a fee for each day actually engaged in the activities of the board, plus mileage. The board has no other employes.

79. Osteopathic Board of Registration and Examination in Medicine and Surgery, State

a. **Functions:** The state osteopathic board of registration and examination in medicine and surgery is charged with regulating the practice of medicine and surgery by osteopathic physicians and surgeons. The principal functions of the board include receiving applications; conducting examinations; issuing, suspending, and revoking licenses; investigating complaints and conducting hearings; designating approved osteopathic schools and colleges; collecting fees; and maintaining records of all actions of the board including detailed registers of applicants and licensees. Appeals from the acts, rulings, and decisions of the board are made to the superior courts.

b. **Organization:** The board consists of five members appointed by the governor to serve overlapping terms of five years. One member is required to be a layman and the other four members are required to be osteopathic physicians and have engaged in practice in the state for at least two years preceding their appointments. From its own membership the board annually elects a president and a vice president for indefinite terms. A secretary-treasurer, not a member of the board, is appointed by the board to serve at its pleasure. Each board member receives a fee for each full day engaged in carrying out his duties, together with necessary expenses incurred in attending meetings or in performing his duties. The secretary receives an annual salary fixed by the board within a statutory limitation. No other staff is employed by the board.

80. Pardons and Paroles, Board of

a. **Functions:** The principal functions of the board of pardons and paroles include releasing, on parole, inmates of the state prison; hearing cases of inmates in the state prison for the purpose of making recommendations to the governor for a reduction of sentence or for a full pardon; supervising parolees from the state

prison until the maximum sentences of such parolees have expired; returning parole violators to the state prison which has joint authority with the board of pardons and paroles in this regard; and carrying out the provisions of the interstate compact for out-of-state parolee supervision.

b. **Organization:** The board consists of three members—the attorney general and the superintendent of public instruction, ex officio, and a third member appointed by the attorney general and the superintendent of public instruction.

The member appointed by the two ex officio members is the chairman of the board and is also the head of the administrative organization of the board and, by statute, is designated, ex officio, as the supervisor of parolees. The chairman of the board has been authorized by the governor to act as the administrator of the interstate compact for out-of-state parolee supervision.

The staff of the agency consists of two full-time employes, including the chairman of the board.

81. Pharmacy, Arizona State Board of

a. **Functions:** The Arizona state board of pharmacy is charged with enforcing state laws pertaining to the practice of pharmacy; the manufacture, production, and sale of drugs, chemicals, or poisons; and the manufacture and production of such items to their standard of strength and purity. Principal functions include fixing standards and requirements for pharmaceutical registration; regulating practice of pharmacy and the sale of poisons; approving or rejecting the quality of pharmaceuticals dispensed or sold in the state; investigating complaints; inspecting pharmacies, pharmacy stores, and pharmacy manufacturers; examining, registering, and licensing pharmacists; and collecting fees and other charges provided by law. In addition, the board cooperates with agencies of the federal government in administering and enforcing opium and narcotic laws, food and drug laws, caustic poison act, and similar laws. The board also cooperates with the state department of health in enforcing the state narcotic laws and the caustic alkali and acid act.

b. **Organization:** The board consists of five members appointed by the governor to serve overlapping terms of five years. Appointees are selected from a list of seven members of the Arizona pharmaceutical association nominated by the association. Appointees are required to be registered pharmacists in the state for at least five years prior to appointment. From its own membership, the board annually elects a president and a vice president. A secretary also is elected annually by the board, but he need not be a member of the board and may serve a term not exceeding two years. The board is authorized to employ chemists, inspectors, agents, and clerical help for the proper conduct of its functions. The secretary receives an annual salary fixed by the board and necessary expenses incurred in the performance of his official duties. Board members receive a fee and necessary expenses for each day they are engaged in the activities of the board. The board is required to meet at least four times each fiscal year to conduct examinations and for the transaction of such other business as may legally come before it. The board employs an inspector and

office secretary to provide the staff for the exercise of continuous functions.

82. **Pioneers, Home for Aged and Infirm Arizona**

a. **Functions:** The home for aged and infirm Arizona pioneers is responsible for the care and maintenance of aged and infirm pioneers who are admitted to the institution.

b. **Organization:** The home is headed by a superintendent appointed by the governor for a two-year term, coterminous with that of the governor. By statute, the institution is also the "state hospital for disabled miners." However the same staff and facilities are provided for all inmates of the institution, which is commonly known as the Arizona Pioneers' Home.

The staff of this institution consists of twenty-five employes who are assigned to the office of the superintendent and four other organization units concerned primarily with medical and nursing care, food service, housekeeping, and building maintenance.

83. **Power Authority, Arizona**

a. **Functions:** The principal functions of the Arizona power authority include:

(1) Bargaining for, taking, and receiving electric energy developed from the main stream of the Colorado River by the state or by the federal government.

(2) Acquiring, constructing, or operating electric transmission systems, standby or auxiliary generating and booster plants, generating, producing, and delivering electric energy to wholesale users.

(3) Making studies of electric energy markets as the basis of determining an equitable and feasible plan for distributing available power throughout the state.

(4) Cooperating with the federal department of the interior and other government agencies for the use or interconnection of facilities for operating or distributing purposes.

(5) Selling power to wholesale customers and fixing rates, and collecting charges for electrical energy.

(6) Holding hearings on market, distribution, and rate matters and on other matters that relate to the functions of the authority.

b. **Organization:** The Arizona power authority was created as a corporate body by statute in 1944. The work of the authority is conducted by the authority commission (informally called the Arizona power authority commission). The commission is empowered to administer the power authority act. The state treasurer is designated the authority treasurer.

84. **(Power) Authority Commission, Arizona**

a. **Functions:** The functions of the (power) authority commission include:

(1) Administering the power authority act.

(2) Determining its own organization, establishing procedures, adopting rules and regulations, and employing assistants.

(3) Acquiring quarters, furnishings, and supplies.

b. **Organization:** The authority commission (informally called the Arizona power authority commission) was established by statute in 1944 to carry out the purposes of the Arizona power authority. The commission consists of five members appointed by the governor with the approval of the senate for overlapping terms of six years. Every two years the commission elects from its members a chairman and a vice chairman.

The administrative work of the commission is directed by the chairman of the commission without additional compensation. There are about four employes.

The operation activities of the commission will not start until 1950 or 1951 when the U. S. bureau of reclamation completes the construction of certain transmission and generating facilities. At that time the staff needs and the character of the work will change radically.

85. **Prison, State**

a. **Functions:** The state prison is responsible for the custody, care, and rehabilitation of its inmates.

b. **Organization:** The state prison is headed by a superintendent who is appointed by the governor, by and with the advice and consent of the senate, for a term of six years, and who may be removed for cause. The state prison has a total of 83 employes.

In addition to the office of the superintendent, the state prison, essentially, has two major organization units—one is headed by the superintendent and the other is headed by the assistant superintendent. The organization unit headed by the superintendent is responsible for providing, purchasing, accounting, property and stores control, buildings maintenance and buildings construction, pre-parole, hospital, dental, mail, and inmate and personnel record-keeping services. This organization unit has responsibility, also, for the farming operation, and the industrial production program including the operation of a cannery, a tag plant, and, eventually, a knitting mill. The organization unit headed by the assistant superintendent has responsibility primarily for the security of prisoners both inside and outside the walls of the prison proper. It has responsibility, also, for guarding and, in some instances, directing prisoners assigned to work details, and for providing recreation programs and food services for the inmates of the prison.

The superintendent of the state prison, by statute, is a member of a state board of correction and rehabilitation which has responsibility for the administration of the Arizona institute of educational rehabilitation, operated in conjunction with the state prison. The remaining two members of the board are the governor and the superintendent of the institute who is selected by the board for an indefinite term. The institute is located approximately two miles from the state prison, but the state prison provides most of

the auxiliary services required in the administration of the institute, and, also, classifies and selects the inmates of the state prison who are admitted to the institute. Essentially, the institute is operated as a part of the state prison system, but it is responsible for the custody and rehabilitation of youthful and first offenders among the state prison population assigned to the institute.

86. Property Condemnation Board

a. **Functions:** The principal functions of the property condemnation board include:

(1) Examining and condemning any personal property belonging to the state, or any of its departments or other agencies, when the personal property shall have been worn out or otherwise found useless to the state, and directing its sale at public auction.

(2) Examining, appraising, and condemning any real property or improvements belonging to the state, or any of its departments, agencies or institutions, and directing the sale of such property in the same manner as is provided by law for the sale of real estate by the state land department.

b. **Organization:** The board consists of the governor, secretary of state and state auditor.

87. Proration Program Committee

a. **Functions:** In any marketing program approved by the agricultural prorate commissioner or declared by him to be instituted, a proration program committee is empowered to determine the method, manner, and extent of proration, and the movement of the prorated commodity, or of any grade, size, or quality thereof, from harvest into a primary channel of trade; to institute measures permissible under state statutes to minimize the effect of existing surpluses upon market conditions including; disposing of such surplus in a manner that will not bring it into competition with the part of the crop marketed through the usual channels of trade; cooperating with other public and private agencies and organizations in the formulation of a common marketing program; cooperating with other agencies in the enforcement of statutes related to standardization; creating, maintaining, and disbursing an equalization fund to be used for the removal of inequalities between producers as to the total volume marketed through prorated channels resulting from errors in estimating production or surplus; establishing and applying methods of equating the marketable supply of any grade, quality, or size of any commodity to the reasonable market demands therefor; stimulating trade through information services; and making contracts and agreements in the name of the zone served.

b. **Organization:** In the event of the institution of a marketing program in a proration zone, the agricultural prorate commissioner is to select a proration program committee of five producers, not more than two of whom may be under contract with the same handler or be a member of the same cooperative marketing association. The members shall be appointed from a list of fifteen nominees named in the petition or submitted by the pro-

ducers on the first day of the hearing. The members of the committee shall continue in office until successors are appointed and have accepted the appointment. The Arizona grapefruit program committee, established in accordance with state statutes as a proration program committee, serves the state of Arizona as a whole, which constitutes one proration zone.

88. Racing Commission, Arizona

a. **Functions:** The Arizona racing commission has jurisdiction over, and responsibility for, the supervision of all horse, harness, and dog races conducted in the state on which there is wagering and all of the powers necessary to carry out its responsibilities, including the adoption of rules and regulations not in conflict with with state statutes. The commission may visit and investigate the offices, tracks, or places of business of any permittee, and place therein expert accountants and such other persons as it may deem necessary; and it is charged with the duty of collecting the fees payable under any permit or license issued by it and of supervising pari-mutuel departments of all tracks. The committee shall review any decision complained of upon application in writing by an objector to any decision of track stewards made within three days after the official notification of such objector; may summon witnesses and administer oaths whenever in the judgment of the commission it may be necessary; shall employ a qualified chemist for the purpose of making a chemical or other analysis of saliva, urine, blood, or other excretions of body fluids taken from any horse or dog entered in a race; and shall appoint a secretary and such other employes as may be necessary to carry out its responsibilities.

b. **Organization:** The commission consists of five members appointed by the governor, by and with the advice and consent of the senate, for six-year overlapping terms. The executive of the commission is a secretary appointed by the commission for an indefinite term. The commission has a staff of four regular full-time employes and five seasonal employes. The regular employes do the administrative work of the commission and the auditing work relative to the tracks. The state stewards and judges are paid only for the racing months, the state veterinarian is on a daily basis, and the chemist is paid for each analysis.

89. Real Estate Board

a. **Functions:** The principal functions of the real estate board include inquiring into matters of real estate licenses of the state and the functions of the real estate department and the business policy thereof; conferring with and advising the governor and other state officers as to how the department may best serve the state; and making such recommendations and suggestions of policy to the real estate commissioner as the board deems beneficial and proper for the welfare and progress of real estate licensees and the real estate business in the state. In broad terms the board is primarily advisory, and the administrative functions relative to regulating real estate brokers or salesmen and the conduct of real estate businesses in the state are vested in the real estate department.

b. **Organization:** The board consists of the real estate commissioner and six other members who are appointed by the governor to serve overlapping terms of three years. Appointees are each required to have engaged actively in the real estate business as a broker for at least five years prior to appointment. The real estate commissioner is ex officio chairman of the board. The board is required to meet at least four times each year. Members, other than the real estate commissioner, serve without compensation except that each member is reimbursed for actual and necessary traveling expenses incurred in the discharge of his duties.

90. Real Estate Department

a. **Functions:** The state real estate department is charged with administering the state real estate laws, including the licensing of real estate brokers and salesmen, and approving subdivisions of land for sale or lease. The principal functions of the department include receiving applications; conducting examinations; issuing, suspending, and revoking licenses; collecting fees; approving subdivisions of private lands; conducting hearings on charges, complaints, and violations of the real estate laws and making rulings or handing down decisions; assisting in the prosecution of violations; and preparing and maintaining a directory of licensed brokers and salesmen and other publications provided by law. Appeals from the actions, rulings, and decisions of the state real estate commissioner are taken to the superior courts.

b. **Organization:** The department is headed by the state real estate commissioner. The state land commissioner is ex officio state real estate commissioner. Attached to the department is the state real estate board, the functions and organization of which are described elsewhere in this appendix. The department has five staff employes. By statute the attorney general acts for the commissioner in all legal proceedings and actions, and advises him on all questions of law arising out of the administrative functions of the department. In view of the fact that the state land and real estate departments are headed by the same individual, the real estate department is considered and operated as the real estate division in the state land department.

91. Regents of the University and State Colleges of Arizona, Board of

a. **Functions:** The principal functions of the board of regents of the university and state colleges of Arizona are as follows:

(1) Controlling and managing the university and colleges and their properties.

(2) Enacting ordinances and regulations and determining policies for the government of the university and colleges.

(3) Appointing and employing presidents, deans, professors, instructors, and other officers and employes for the institutions under its authority, fixing their salaries, and removing them in the interest of education.

(4) Fixing tuitions and fees.

(5) Establishing curricula and designating courses of instruction for the several institutions of higher education.

(6) Awarding degrees and diplomas.

b. **Organization:** The board of regents of the university and state colleges of Arizona was created by legislative act, in 1945, as successor to the, then, existing board of regents of the University of Arizona and the separate boards of education of the two state teachers colleges, then existing. The governing functions of the three state institutions of higher education were transferred from the three boards to the newly created board. The board of regents has perpetual succession and is a body corporate, with power to sue and be sued, to contract and be contracted with, and to adopt a corporate seal.

The board consists of the governor and the superintendent of public instruction, as ex officio members, and eight members appointed by the governor, subject to the advice and consent of the senate, for overlapping terms, two members in every odd-numbered year for terms of eight years. The board elects, from its membership, a president, a secretary, and a treasurer. It has separate executive committees for each of the three institutions of higher education and a committee on agriculture.

92. Reservoir Control and Supervision, Board of

a. **Functions:** The principal functions of the board of reservoir control and supervision include:

(1) Investigating the condition of dams and reservoirs to determine if they are a menace to life and property in Arizona on the recommendation of the state land commissioner or of three members of the board of reservoir control and supervision.

(2) Holding hearings or securing advice and assistance to obtain evidence of the actual condition of the structures under consideration.

(3) Ordering the abatement of menaces found to exist and proceeding with the abatement work under the direction of the board.

(4) Certifying abatement costs to boards of supervisors for tax levies.

b. **Organization:** The board of reservoir control and supervision consists of five ex officio members—the governor, the Arizona state highway engineer, the state water commissioner (who is the state land commissioner), a member of the state tax commission, and a member of the industrial commission. The attorney general is designated the legal adviser. The board has had no appropriations for several years and has been inactive.

93. Resources Board, Arizona

a. **Functions:** The principal functions of the Arizona resources board include:

(1) Investigating and developing plans for the conservation, control, improvement, and utilization of waterways, watersheds, and water resources.

(2) Studying plans for irrigation, drainage, flood control, water power, soil conservation, and storage and development of water.

(3) Recommending regulations to promote and protect state and public rights, and recommending to the governor development of construction projects.

b. **Organization:** The board consists of five members appointed by the governor with the consent of the senate for five year overlapping terms. One member would be appointed each year, and not more than one member may be appointed from any county. Actually, the board has never been appointed and no funds have been made available for the work.

94. Retirement Fund of Arizona, Board of Trustees of the Public Employes'

a. **Functions:** The board of trustees of the public employes' retirement fund of Arizona has responsibility for the general administration and operation of the fund. It establishes such rules and regulations as are lawful and necessary for the proper administration of the fund and for the carrying out of the provisions of the public employes' retirement act.

b. **Organization:** The board is composed of seven members including the state auditor, the state treasurer, and the state personnel officer, all serving ex officio, and four members of the fund appointed by the governor for overlapping terms of four years. The position of state personnel officer is nonexistent and, therefore, this ex officio position on the board is vacant. The law provides for the employment of an executive secretary to the board and a technical adviser on actuarial matters but makes no provision for the payment of their salaries or fees. Therefore, all of the business of the fund is performed by the board of trustees. The state treasurer is the treasurer ex officio of the fund, the attorney general is the legal advisor to the board, and the state auditor has the duty of drawing warrants upon the treasurer in payment of properly itemized vouchers, signed by the chairman and secretary of the board, upon the authorization of the board.

95. Retirement System, Board of Trustees of the Arizona Teachers'

a. **Functions:** The board of trustees of the Arizona teachers' retirement system is a corporate body that has responsibility for the general administration and operation of the system. It prescribes such rules and regulations as are lawful and necessary for the proper administration of the funds of the system and to carry out the provisions of the teachers' retirement act of 1943.

b. **Organization:** The board consists of five trustees, one of which is appointed by the governor each year for a term of five years, each from a list of three names, certified by the state board of education as qualified and willing to serve. Separate qualifications are required in the act for each of the trustees. The board employs an executive secretary, for an indefinite term, and determines his powers and duties. The other administrative employes of the board include an accountant, a clerical bookkeeping assistant, a member records secretary, and a correspondence secretary. The

board also retains the services of a consulting actuary and appoints a medical board for the purpose of arranging for and passing upon all medical examinations, investigating all essential statements and certificates in connection with applications for retirement because of disabilities, and reporting to the board of trustees its conclusions and recommendations.

The state treasurer is the custodian of the several funds of the system and payments from the fund are made by him only upon warrants drawn by the state auditor in payment of properly executed vouchers signed by two persons designated by the board of trustees.

96. Retirement System, Medical Board of the Arizona Teachers'

a. **Functions:** The medical board of the Arizona teachers' retirement system arranges for and passes upon all medical examinations, investigates all essential statements and certificates in connection with each application for retirement for disability, and reports in writing to the board of trustees its conclusions and recommendations upon all matters referred to it in relation to the administration of the Arizona teachers' retirement system.

b. **Organization:** The medical board of the Arizona teachers' retirement system consists of three physicians appointed by the board of trustees of the Arizona teachers' retirement system for indefinite terms.

97. School for the Deaf and the Blind, Arizona State

a. **Functions:** The Arizona state school for the deaf and the blind is responsible for the training of children without sight or hearing, or with seriously defective sight or hearing, and for their care when the school is in session.

b. **Organization:** The Arizona state school for the deaf and the blind is headed by a superintendent appointed by the board of directors of the institution for an indefinite term. By statute, the superintendent must have had at least five years of actual experience as a teacher of the deaf.

The agency has a total of 52 regular full-time employes and 4 part-time employes. The principal organization units of the institution are the office of the superintendent, nursing service, business management, education and training, student welfare and household services.

98. School for the Deaf and the Blind, Board of Directors of the Arizona State

a. **Functions:** The board of directors of the Arizona state school for the deaf and the blind, as a corporate body, is empowered to sue and be sued; contract and be contracted with; take and hold by purchase, gift, devise, or bequest, real and personal property required for its use; control admissions; supervise the care, treatment, education, and improvement of persons admitted to the institution; supervise the purchase of all supplies; prescribe the system of records and accounts which must be kept by the institution; appoint a superintendent of the institution; dispose of lands

and products of the institution by unanimous vote of the members; and supervise the general administration of the school.

b. **Organization:** The board of directors of the Arizona state school for the deaf and the blind has three members appointed by the governor for three-year overlapping terms, and the superintendent of public instruction is an ex officio member.

99. Secretary of State, Office of the

a. **Functions:** The principal functions of the secretary of state include:

(1) Attending sessions of the legislature to receive bills and resolutions thereof, and to perform such other duties as may devolve upon him by resolution of the two houses, or either of them.

(2) Keeping a register of, and attending the official acts of the governor; affixing the great seal, with the governor's attestation, to public instruments.

(3) Recording all conveyances made to the state, except conveyances made under the revenue laws of lands sold for taxes; receiving and recording bonds of all state officers and maintaining files of originals; and filing receipts for all books and reports distributed from his office.

(4) Certifying to the governor the names of persons who have received at any election the highest number of votes for any office.

(5) Arranging for, and superintending the printing of, copies of all laws, resolutions, and journals; keeping all original acts and resolutions; and taking custody of all journals of the legislature and other books, records, deeds, and papers deposited in his office pursuant to law.

(6) Keeping records of all fees and compensation earned, collected, or charged for any service, record, or other matters as prescribed by law, such as the registration of trademarks, notary public appointments, sales of laws, records, and reports.

b. **Organization:** The secretary of state is a constitutional officer elected for a term of two years. By statute the secretary of state is authorized to appoint an assistant secretary of state who, in the absence of the secretary of state, or when he is acting as governor, shall perform the duties of the secretary. The office now consists of approximately six employes including the officers mentioned.

100. Sheep Sanitary Commission

a. **Functions:** The sheep sanitary commission is responsible primarily for the general supervision of a program to prevent and eradicate sheep and goat diseases. In carrying out its responsibilities, the commission is empowered to enforce necessary rules and regulations as to quarantine, dipping of sheep and goats infected with scab or scabies or other infectious or contagious diseases, and the movement of sheep and goats in interstate or intrastate com-

merce. The state veterinarian cooperates with the commission and has general responsibility, also, for the eradication and prevention of infectious or contagious sheep and goat diseases.

b. **Organization:** The commission consists of three members appointed by the governor, by and with the advice and consent of the senate, for two-year terms.

The administrative organization of the commission is headed by a secretary, who is appointed by the commission for an indefinite term, and has a staff of three employes.

101. Superintendent of Public Instruction, Office of the

a. **Functions:** The principal functions of the superintendent of public instruction are as follows:

(1) Superintending, in general and in special matters, the public schools of Arizona and enforcing, or requiring that school district officers enforce, the laws relating to public schools.

(2) Compiling and publishing the school laws of Arizona and supplements thereto.

(3) Reporting to the governor and legislature financial data and statistics on teachers and pupils.

(4) Apportioning, in accordance with the provisions of law law and regulations of the state board of education, to the several counties, moneys designated for aid to the public schools.

(5) Administering the funds provided by the federal government for reimbursement for the education of Indian children in the public schools and supervising the curriculum, instruction, health, and welfare of such children.

(6) Administering the provisions of the federal school lunchroom laws in Arizona, including approving schools for the receipt, allocation, and distribution of surplus commodities; supervising recordkeeping and preparing reports to the state board of education and the United States department of agriculture; receiving and evaluating reports and advising on the making of menus, food preparation, food serving, and sanitation; reviewing lunchroom accounts; and the like—in making effective the provisions of federal and state laws relating to school lunchroom operation.

(7) Selecting and accepting federal surplus property for use in schools and colleges.

(8) Investigating, whenever necessary, the accounts of school money kept by any state, county, or district officer.

(9) Distributing to county superintendents of schools courses of study prescribed by the state board of education, school registers, blank forms, and other published materials, for redistribution to school districts.

(10) Holding teachers institutes or other meetings for attendance by professional education groups.

(11) Evaluating teachers' credentials, issuing teachers certifi-

cates in accordance with the rules and regulations of the state board of education, maintaining current and continuing files of certified teachers, and furnishing information on the validity of teachers certificates to the executive officer of the teachers retirement system.

(12) Aiding teachers in securing positions and superintendents of schools in securing teachers.

(13) Enforcing, on penalty of dismissal of teachers and school officials, the laws pertaining to the teaching of the state and federal constitutions and American institutions and ideals, and enforcing laws, such as relate to the teaching of specific curricula, display of the United States flag, observance of certain commemorative days, and the like.

(14) Guiding teachers in the preparation and organization of curriculum materials, supervising classroom teachers and directing public school supervisors and principals in their supervision of teachers, and improving instruction by other means.

(15) Advertising for bids on textbooks for elementary schools and keeping records of textbook contracts; receiving reports and keeping records of state textbooks in the school districts; maintaining a textbook depository; and transferring books among school districts.

(16) Purchasing goods and keeping accounts of expenditure for the organization units of the agencies under the superintendent of public instruction and the executive officer of the board for vocational education.

(17) Preparing the budget for approval by the state board of education to be transmitted to the legislature.

b. **Organization:** The Constitution of Arizona, Article 5, Section 1, makes the superintendent of public instruction a member of the executive branch of the state government and provides that he shall be selected by majority vote of the people for a term of two years. The qualifications required of a candidate are entirely irrelevant so far as professional training and experience as a teacher or school administrator are concerned.

The superintendent of public instruction has a small staff under his direction the members of which are organized by him in what is known as a state department of public instruction, often termed the state department of education. Actually, no official title is authorized for the organization under the superintendent of public instruction, either by the constitution or statutes, and no such department exists, except by administrative direction.

The internal organization of the staff is very confused. There seems to be a difference of opinion as to whether the services dealing with vocational education and vocational rehabilitation are in the department of public instruction or separate from it. A board for vocational education is in control of these units, and an executive officer of the board for vocational education is in charge of them. The board has the same personnel as the state board of education, and the executive officer, by customary appointment, is the superintendent of public instruction. However, these facts do not make

them parts of the same departments. According to information received from the agencies, the correct titles are "State Department of Vocational Education, legally authorized as the State Board for Vocational Education," and "State Department of Public Instruction —and commonly known as the State Department of Education."

There are inconsistencies as to titles of organization units. For example, reference is sometimes made to a department of certification and at other times to a division of certification; to a division of Indian education and to a department of the state supervisor of Indian education; and to a division of surplus property, a division of donable property, and a state educational agency for surplus property. Assuming that the organization does not include departments under the department of public instruction, but only divisions, the organization, with possibility of disagreement by some employes, would appear to be about as follows:

Department of public instruction

- Division of secondary education
- Division of elementary instruction
- Division of certification
- Division of textbooks
- Division of Indian education
- Division of surplus property
- Division of school lunches
- Division of research and statistics
- Comptroller

Sometimes vocational education and vocational rehabilitation are listed as divisions and sometimes as departments in the department of public instruction, but the charts and outlines of the department of public instruction, and of these units, indicate that they are separately organized from the department of public instruction. Their organization is described under a heading for the state board for vocational education.

There are 31 employes in the department of public instruction, including the superintendent of public instruction and employes of the division of surplus property, which appears to be in the department of public instruction but is physically attached to the department of vocational education.

102. Tax Commission, State

a. **Functions:** The principal functions of the state tax commission include:

(1) Classifying all property in the state for taxation purposes.

(2) Exercising general supervision over the administration of the assessment and tax laws of the state, over city, town, and county assessors, and over all local boards of levy and assessment, to the end that all assessments of property be made at the full cash value.

(3) Formulating and sending to each assessing officer standard forms for use in listing and in valuing property, in assessing, in preparing tax rolls, and in collecting taxes.

(4) Holding annual meetings which county assessors are required to attend for the purpose of instructing them in matters relating to taxation and in the uniform valuations of classes of property.

(5) Appraising and assessing the value of all patented and unpatented producing mines within the state and transmitting to the several county boards of supervisors the assessed valuation thereof.

(6) Appraising and assessing the value of all taxable property of railroad companies, except such real estate as is not used in the continuous operation of the railroads, and transmitting to the board of supervisors of each county and also to city clerks a detailed certification of the assessment made against any railroad that runs through or into the county or city.

(7) Appraising and assessing the value of all properties and franchises, including the intangible values thereof, of telephone and telegraph companies in the state and apportioning the assessments among the several counties, cities, and other taxing districts through which the lines of such companies run.

(8) Computing the average tax rates to be applied to private car companies and express companies doing business in Arizona, making assessments and notifying the companies of their respective assessments and amounts of taxes due, and collecting such taxes.

(9) Holding hearings on requests of county boards of supervisors for authority to exceed their budgets in cases of emergency; determining whether emergencies actually do exist; and in cases where it appears that emergencies do exist, fixing the amounts of additional liabilities which may be incurred in connection therewith.

(10) Administering the imposition, collection, and distribution of sales, luxury, and income taxes and the licensing functions involved in the administration of sales and luxury taxes.

b. **Organization:** The commission is composed of three members, one of which is elected to office on a non-partisan ballot every two years for a term of six years. The member having the shortest time to serve, and not holding office by appointment, or by election to fill a vacancy, is the chairman of the commission. Each member is required by law to devote his entire time to the duties of his office, and he may not hold any other public office or position of trust or profit, or engage in any other occupation or business which interferes or is inconsistent with the duties of his office.

The administrative staff of the commission consists of about 94 employes who are assigned to five divisions: property tax, income tax, luxury tax, sales tax at Phoenix, and sales tax at Tucson.

103. Technical Registration, State Board of

a. **Functions:** The state board of technical registration is

charged with regulating the practice of the professions of architecture, assaying, engineering, and land surveying. The principal functions of the board include considering and passing upon applications for registration; conducting examinations; hearing and passing upon complaints and charges; issuing, suspending, and revoking certificates; collecting fees, and maintaining records of all actions of the board including detailed registers of applicants and licenses.

b. **Organization:** The board consists of seven members. One member is ex officio the dean or acting dean of the college of engineering at the University of Arizona. Six members are appointed by the governor. Two of the appointive members serve one year, two for two years, and two for three years. Among other qualifications, appointive members are required to have had at least ten years active professional experience as an architect or engineer. From its own membership, the board annually elects a chairman, a vice chairman, and a secretary. The board is required to hold at least two meetings each year. Members of the board receive no compensation for their services as such but receive mileage and travel expenses as prescribed for state officers. Additional staff is employed, including an assistant secretary, stenographers, an auditor, and various individuals who prepare and grade written examinations.

104. Treasurer, State, Office of the

a. **Functions:** The state treasurer is the custodian of all funds and writes his check to settle the warrants issued by the state auditor. All funds received for and belonging to the state are paid into the state treasury and credited to the general fund except the following which are retained in separate funds in the treasury:

(1) The unexpended principal of moneys received from federal land grants.

(2) The interest, rentals, and other expendable moneys received as income from federal land grants.

(3) All federal funds granted and paid to the state by the federal government for specific purposes and all state appropriations for matching such federal funds.

(4) All private or quasi-private funds authorized by law to be paid to or held by the state treasurer.

(5) All funds legally pledged to the retirement of building indebtedness.

(6) All moneys collected by the state game and fish department.

The state treasurer serves as a member ex officio of the loan commission.

b. **Organization:** The state treasurer is a constitutional officer. He is elected to office for a term of two years and cannot succeed himself in office. The treasurer and four employes make up the staff of the office.

105. University of Arizona

a. **Functions:** The principal functions of the University of Arizona are:

As to General University Functions:

(1) Providing "the inhabitants of the state with the means of acquiring a thorough knowledge of the various branches of literature, science, and the arts" and with technical education adapted to the development of the resources of Arizona.

(2) Instructing students in numerous organized courses in the several branches of liberal arts, sciences, fine arts, business administration, public administration, mining, engineering, agriculture, home economics, pharmacy, education, law, health and physical education, and military science and tactics, and instructing them at undergraduate and graduate levels.

(3) Conducting university extension classes and correspondence courses and furnishing other university extension services, such as visual education, library extension, lecture courses, and the like, at other places in Arizona than Tucson.

(4) Maintaining libraries, laboratories, an observatory, and other sources of subject matter for undergraduate and graduate instruction.

(5) Conducting organized university research studies in such fields of learning as archaeology, the social sciences, commerce, education, and the like.

(6) Publishing and otherwise disseminating the results of research.

(7) Providing for the housing, feeding, and other subsistence requirements of students, largely at their own expense.

(8) Maintaining student recreational facilities, health protection services, guidance and counseling services, and other student welfare services.

As to the Bureau of Mines of the State of Arizona:

(9) Collecting, compiling, and publishing Arizona mining statistics.

(10) Collecting a library and bibliography of Arizona mining and geology.

(11) Collecting typical geological and mineralogical specimens to constitute the museum of the bureau of mines.

(12) Collecting models, drawings, and descriptions of appliances used in mining and metallurgical work.

(13) Conducting research in minerals and mining and, specifically experimenting with and publishing the results of Arizona "problems of wet, dry and electrostatic concentration, dry, placer, flotation, and other methods."

(14) Making qualitative determination of rocks and mineral samples and assaying certain ores.

(15) Printing, publishing, distributing its reports, and disseminating information on minerals and mining and exchanging information on Arizona mining.

(16) Maintaining a state mine rescue car for service and training and mine rescue work, first aid, and general safety.

As to the Director of the Bureau of Mines:

(17) Directing the activities of the bureau of mines.

As to the State Museum of Arizona:

(18) Collecting and preserving archaeological resources, specimens of mineral wealth, and the flora and fauna of Arizona.

As to the Agricultural Extension Service:

(19) Conducting short courses, lecturing, and advising persons engaged in agriculture and homemaking on matters concerning their occupations, through the services of specialists.

(20) Maintaining and directing the activities of a corps of agricultural agents and home demonstration agents in the several counties of Arizona to assist agriculturists and homemakers in their problems.

(21) Directing the projects and other activities of the 4-H clubs in the public schools.

As to the Agricultural Experiment Station:

(22) Conducting research in the several branches of agriculture and homemaking.

(23) Maintaining and operating the agricultural experiment station, at present at nine different locations in Arizona.

(24) Maintaining laboratories for study and research.

(25) Publishing the results of agricultural and homemaking research.

As to the Testing Laboratory of the Department of Chemistry and Soils of the Agricultural Experiment Station:

(26) Testing soils, fertilizers, insecticides, fungicides, and the like.

As to the State Chemist:

(27) Providing direction of the testing laboratory of the department of chemistry and soils of the agricultural experiment station.

(28) Enforcing the laws relating to fertilizers and economic poisons by inspecting, sampling, and making chemical analyses of fertilizers and economic poisons and by preparing regulations, assessing penalties, and the like.

As to the Laboratory for Tree-Ring Research:

(29) Conducting tree-ring research to determine rainfall and

river flow history and as an aid in long range forecasting of water supply.

b. **Organization:** Section 1 of Article 11 of the Constitution of Arizona provides that the legislature shall enact laws for the establishment of a uniform public school system, which shall include a university. The Arizona statutes (54-1601) provide that there shall be maintained in Arizona, at or near the City of Tucson, an institution of learning under the name of the "University of Arizona." The university was created by the legislative assembly of the Territory of Arizona in 1885 and was opened to students in 1891. The statutes provided that it have a college of mines and engineering, a college of agriculture, and an agricultural experiment station.

The statutes now provide for the establishment of five specified colleges and for the establishment of such other colleges, schools, and departments by the board of regents as that board deems desirable. The colleges required by law are colleges of (1) letters, arts, and sciences; (2) education; (3) agriculture; (4) mines and engineering; and (5) law. The colleges and other principal organization units now existing are as follows:

College of liberal arts

College of business and public administration

College of fine arts
  School of music (in the college of fine arts)

College of mines

College of engineering

College of agriculture
  School of home economics (in the college of agriculture)

College of education

College of law

College of pharmacy

Graduate college

School of military science and tactics

Department of physical education for men

Department of physical and health education for women

Student health service

Agricultural extension service

Agricultural experiment station
  Testing laboratory of the department of chemistry and soils of the agricultural experiment station

Engineering experiment station

Arizona bureau of mines

Arizona state museum

Laboratory of tree-ring research

Bureau of business research

Steward observatory

University extension division

Arizona feed and fertilizer control office (state chemist) (affiliated)

Most of the component elements of the university have been established by the board of regents. The colleges established by law were stated. The bureau of mines was established as a department of the university under the direction of the board, and the board is authorized, by law, to appoint a mining engineer as its director and, on nomination of the director, to appoint assistants and employes, and to fix their salaries. The board of regents is authorized, by law, to "direct and manage the affairs of the museum and to set aside sufficient space in the university buildings to accommodate such articles as may be received." The law specifies that the university shall perform the functions authorized for the agricultural extension service and the agricultural experiment station. The statutes establish the position of state chemist and constitute the head of the department of agricultural chemistry and soils of the agricultural experiment station as state chemist. They designate the laboratory of that department as the state testing laboratory for testing economic poisons.

The university is administered by a president, appointed from year to year by the board of regents of the university and state colleges of Arizona. The lump sum appropriation for university support for the thirty-eighth fiscal year is $1,792,337 and for the thirty-ninth fiscal year, $1,973,321.

106. Veterans' Institutional and On-the-job Training, Governor's Council for

a. **Functions:** The governor's council for veterans' institutional and on-the-job training is responsible for the inspection and approval, and the supervision of all institutions and flight schools and all establishments engaged in on-the-job training programs for veterans. Before a veteran is placed on the job for training, he must be certified by the federal veterans administration to receive subsistence payments through the veterans administration; and the veterans administration is responsible for supervising the trainee on the job to determine his progress and to insure that the trainee is actually receiving the training program previously set up by the employer. The veterans administration reimburses the state for expenditures incurred by the council in carrying out these functions.

b. **Organization:** The council consists of three members appointed by the governor. At present, the members of the council are the superintendent of public instruction, the director of vocational education, and a veterans service officer. The council was established by the governor in cooperation with the veterans administration as authorized by federal statutes.

The agency is headed by a director appointed by the council for an indefinite term usually coterminous with the term of the governor. The staff consists of four employes.

107. Veterans' Relief Commission

a. **Functions:** The veterans relief commission is responsible for providing financial assistance to indigent ex-service men and their dependents.

b. **Organization:** The commission consists of three members including the state veteran's service officer who is chairman ex officio. The remaining two members are appointed by the governor from a list of six names of disabled veterans submitted by the executive committee of the American Legion, for two-year terms coterminous with that of the governor.

The commission has no paid staff and depends upon the office of the veteran's service officer to provide bookkeeping and clerical services and upon the service officers of 35 American Legion posts in Arizona to investigate cases and issue grocery orders to applicants that they consider eligible.

108. Veterans' Service Officer, Office of the

a. **Functions:** The office of the veterans' service officer is primarily a service organization. It spends no funds directly for the benefit of veterans, but it provides services to any veterans who make requests. While the greater portion of the services provided are in relation to benefits available to veterans from the veterans' administration, the office of the veterans' service officer assists veterans to secure such things as bonus payments available from other states, assistance in solving personal problems, public assistance and relief funds from the veterans' relief commission, and preferential treatment under United States civil service and state civil service regulations.

In addition to the general functions indicated in the foregoing paragraph, the office of the veterans' service officer is responsible for the bookkeeping activities of the veteran's relief commission and shares responsibility with two other members for the administration of a limited program of relief for veterans.

b. **Organization:** The veterans' service officer, who heads the agency, is appointed by the governor for a two-year term of office coterminous with that of the term of the governor and serves at the pleasure of the governor.

The veterans' service officer, by statute, is ex officio the chairman of the veterans' relief commission which has responsibility for providing limited assistance through service officers of 35 American Legion Posts in Arizona.

The total staff of the office of the veterans' service officer consists of five employes and consists of a single unit located at Phoenix and one district unit located at Prescott.

109. Veterinarian, State, Office of the

a. **Functions:** The state veterinarian is responsible primarily for eradicating and preventing the spread of diseases of animals; for invoking quarantine measures when necessary; and for cooperating with the bureau of animal industry of the United States department of agriculture, the state dairy commissioner, the sheep

sanitary commission, and the state department of health in eradicating and preventing the spread of diseases of animals and in preventing the spread of communicable diseases.

b. **Organization:** The state veterinarian is appointed by the governor, with the consent of the senate, and serves at the pleasure of the livestock sanitary board. The state veterinarian must be a graduate of a recognized school of veterinary surgery. The staff consists of three employes exclusive of local private veterinarians who are employed on a fee-for-service basis. The organization consists of the office of the veterinarian and an animal disease laboratory operated in cooperation with the livestock sanitary board and the U. S. department of agriculture.

A secretary appointed by the livestock sanitary board with a staff of eighty-seven employes, including the secretary, reports also to the livestock sanitary board and provides staff services required by the office of the veterinarian.

110. Veterinary Board, State

a. **Functions:** The state veterinary board is charged with regulating the practice of veterinary medicine in the state. The principal functions of the board include receiving applications; conducting examinations; issuing, suspending, and revoking licenses; collecting fees; and maintaining records of all actions of the board including a detailed register of applicants and licensees.

b. **Organization:** The board consists of three members appointed by the governor to serve overlapping terms of three years. Members are required to be practitioners of veterinary medicine for at least two years in the state and graduates of a college recognized by the American Veterinary Medical Association. From its own membership the board annually elects a president, a vice president, and a secretary-treasurer. The board is required to hold at least two meetings each year. Members receive a fee for each day when engaged in the work of the board. The secretary receives a monthly salary. The board employs no other staff.

111. Vocational Education, State Board of

a. **Functions:** Some of the principal functions of the state board of vocational education, as they are performed under the direction of the board's executive officer, are as follows:

(1) Making effective the provisions of the federal and state acts relating to the expenditure of federal and state funds for purposes of vocational education and vocational rehabilitation in Arizona.

(2) Keeping financial and other records and preparing reports for the United States office of education.

(3) Appointing and fixing the compensation of assistants in administering the work of vocational education and vocational rehabilitation.

(4) Organizing, administering, and supervising the programs of vocational education in Arizona in the fields of agriculture,

trades and industries, homemaking, and distributive occupations and of vocational rehabilitation.

(5) Developing courses of study in the various vocational subjects of instruction.

(6) Surveying vocational training needs of school districts and directing the vocational guidance activities of pupils in the schools.

(7) Directing and supervising on-the-farm training, food conservation programs, all-day training programs, evening classes, and club organizations for young people.

(8) Providing for and approving programs for the training of teachers of vocational subjects.

(9) Approving applications for reimbursement of school districts for vocational education expenditures and directing the distribution of federal and state funds.

(10) Rendering services necessary to rehabilitate physically or mentally handicapped civilians, residents of Arizona, above the age of 16 years, to make them self-supporting in occupations they can perform satisfactorily.

(11) Prescribing and providing such courses of vocational training as may be necessary for the vocational rehabilitation of persons disabled in industry or otherwise.

(12) Supervising the training of disabled persons.

(13) Furnishing to disabled persons, undergoing training for rehabilitation, vocational guidance, medical examination, physical restoration, vocational training, supervision, placement service, and follow-up service on the job.

(14) Cooperating with the Arizona employment service for referral of clients in need of rehabilitation service.

(15) Preparing vocational education and vocational rehabilitation budgets to be presented by the board of vocational education to the legislature as a basis for appropriations.

(16) Making annual reports on vocational education and vocational rehabilitation, which reports are not addressed to any person or board.

b. **Organization:** In 1917 the third legislature of Arizona accepted the provisions of the Smith-Hughes federal act for the benefit of vocational education. The act of acceptance designated the state board of education as the "state board for the purposes of said act" and stated that the board shall have "full power to cooperate with the federal board of vocational education in the administration of its (the federal act's) provisions." While the law does not require the establishment of a separate board of vocational education, the board meets as a separate board as is the case in many other states.

No separate legal title was given the board. In Arizona it was designated in subsequent laws as the "state board for the control of vocational education" and later as the "state board of

vocational education." The practice of the board is to meet as a separate board and to keep separate minutes as the board of vocational education.

In 1918 the state board of vocational education established the position of "executive officer," without pay, and appointed the incumbent of the position of superintendent of public instruction to fill it and has continued that practice.

In 1921 Arizona accepted the provisions of a federal act of 1920, providing for vocational rehabilitation of persons disabled in industry or otherwise for their return to civil employment. The state board of vocational education was "designated, empowered, and directed to cooperate with said federal board in the administration of said act." The division of vocational rehabilitation was established in 1923.

The present organization may be outlined in its higher levels, as follows:

State board of vocational education

Executive officer of the board

Director of the department of vocational education

Director of the division of vocational rehabilitation.

The executive officer is appointed for two years and reappointed in case of the re-election of the superintendent of public instruction, or a new executive officer appointed in the usual case of a change of incumbent of that office. At present there are 19 employes in the department of vocational education and 10 in the division of vocational rehabilitation, but one of the 10 is employed on only one-tenth time.

112. Weights and Measures, State Inspector of, Office of the

a. **Functions**: The principal functions of the state inspector of weights and measures include:

(1) Inspecting, reinspecting, testing, and sealing scales, meters, and other weighing or measuring devices, except in cities of 7500 or more people.

(2) Collecting fees for inspections and tests.

(3) Having custody of the state standards and maintaining them in proper condition.

(4) Testing and sealing all city standards periodically, and regulating and inspecting the work of local sealers in cities having more than 7500 people.

(5) Condemning or confiscating defective scales, weights, or measures.

(6) Regulating the work of public weighmasters, testing their equipment, and securing bonds.

(7) Weighing or measuring commodities offered for sale to determine if the quantities are as represented.

b. **Organization:** The office of the state inspector of weights and measures is generally called the department of weights and measures, although no evidence can be found that the department has actually been established by law or otherwise. It is headed by the state inspector of weights and measures who is appointed by the governor with the consent of the senate for two year terms. The law makes no provision for deputies or other staff, but actually there is a total of three employes, the inspector and two assistants.

113. Welfare Advisory Committee

a. **Functions:** The (welfare) advisory committee has responsibility for making a study and for recommending to the state board of public welfare a program of constructive services for the blind, with special emphasis upon prevention, cure, and rehabilitation.

b. **Organization:** The committee consists of five members including the superintendent of the Arizona school for the deaf and the blind and the superintendent of public health, ex officio, as provided by state statute, and three members appointed for indefinite terms by the state board of public welfare. State statutes do not limit the number of members of the committee.

114. Welfare, Arizona State Board of Public

a. **Functions:** The state board of public welfare is responsible for supervising, controlling, and administering the state department of public welfare; appointing the commissioner of public welfare and the public relations officer; approving the appointments, by the commissioner of public welfare, of such personnel in the state department as may be necessary; and formulating and adopting policies, rules, and regulations for the administration of the programs carried on by the department of public welfare.

b. **Organization:** The state board of public welfare consists of five members appointed by the governor, by and with the advice and consent of the senate, for five-year overlapping terms.

115. Welfare, Arizona State Department of Public

a. **Functions:** The state department of public welfare is responsible primarily for the administration of federal and state financed public assistance and social welfare services provided through county departments of public welfare and for the administration of a federal and state financed program for crippled children, including the administration of a convalescent home for crippled children. Cooperative case work services are provided by the department relative to juvenile probation and parole; the admission of patients to the convalescent home for crippled children, and the state tuberculosis sanatorium; the medical and hospital programs financed from county tax funds; and the programs of institutional care of children and adults, including the payment of a small contribution to inmates of the home for aged and infirm Arizona pioneers.

b. **Organization:** The department is headed by a commissioner, appointed by the state board of public welfare for an indefinite term.

The department, including county departments of public wel-

fare, has a total of 235 employes and has the following major organization units.

Office of the commissioner
Division of research and statistics
Accounting division
Public assistance division
Child welfare division
Division of blind services
Crippled children's division

There are fourteen county departments of public welfare.

SPECIAL LEGISLATIVE COMMITTEE
ON STATE OPERATIONS
STATE OF ARIZONA

REPORT ON BUDGETING
and
BUDGETARY CONTROL

DECEMBER 15, 1949

Prepared by

GRIFFENHAGEN & ASSOCIATES
Consultants in Public Administration and Finance

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GRIFFENHAGEN & ASSOCIATES
(Established 1911)
Consultants in Public Administration and Finance

Chicago, Illinois
December 15, 1949

To the Honorable
The Chairman and Members of the Special
Legislative Committee on State Operations
Room 305 Capitol Building
Phoenix, Arizona

Dear Sirs:

We take pleasure in transmitting herewith our preliminary report entitled "Report on Budgeting and Budgetary Control."

Yours faithfully,

GRIFFENHAGEN & ASSOCIATES

STATE OF ARIZONA

REPORT ON BUDGETING AND BUDGETARY CONTROL

Introduction

The studies, on which this report is based, were directed to the review of the existing practices in the compilation, justification, presentation, consideration, and final approval of the state budget; the making of appropriations; continuous budgeting; allotting of appropriations; and budgetary control.

A budget is a complete financial plan for a definite future period based upon careful estimates both of the probable income and of the expenditure needs of the government. The plan must present two sides, (a) a means of financing side, and (b) an expenditure side. The means of financing side should show the free surplus available for appropriation as of the beginning of the period and the estimated receipts of the period from all sources including both revenue and non-revenue receipts. The expenditure side should show the estimated expenditure requirements for all purposes for which the means of financing are, or will become, available. The difference between the means of financing and the estimated expenditures should be the estimated free surplus as of the end of the budget period. If the total estimated expenditures exceed the total means of financing, the difference is the estimated current deficit as of the end of the budget period.

The budget is given effect by appropriation acts of the Legislature.

The state budget, as such, evolves as a result of:

(1) The compiling and justifying of estimated receipts and expenditures by the various budget units.

(2) The review of the budget estimates and the bringing of them together in a budget report from the administration to the Legislature, presenting the administration's recommended financial plan or budget.

(3) The modification of the budget report or recommended budget by the Legislature as reflected in the appropriation act or acts and such revenue acts as may be passed by the legislative body.

(4) The preparation of a final budget which is the complete financial plan and which represents the original budget recommended in the budget report as modified by the appropriation and revenue acts. If a final budget based on the original budget report and revenue acts is not prepared, the complete and effective financial plan is never brought together in any document.

In Arizona the budget period is the fiscal year beginning July 1 of each year. Since the Legislature meets biennially, the budget report presents the estimates for each of the two ensuing fiscal years. The laws

of the State of Arizona require the preparation and presentation to the Legislature of "a budget report" but make no provision for the preparation of a final budget.

In the paragraphs that follow, the budget making processes from initiation of the budget estimates to the allotting and controlling of expenditures under appropriations are outlined, the weaknesses are pointed out, and recommendations presented looking to more effective budgeting at each stage.

Legal Basis for Budgeting

The budget and appropriation procedures for all activities except highway construction including the purchase of rights of way are prescribed in the Budget and Financial Administration Act of 1943 (Chapter 10, Article 9). This act deals with budgeting, with the control of public finances, and with accounting, auditing, and financial reporting.

The question has been raised in the courts as to whether the budget and financial administration act repealed the budget rights granted to the highway commission by Chapter 59, Sections 59-305 and 59-306 of the Arizona Code Annotated 1939. In the case of Hudson v. Brooks (62 Ariz., 505, 158 Pac(2d) 661) it was held that the budget rights granted to the highway commission were not in any manner, by implication or otherwise, repealed. Therefore, the laws relating to the preparation of budget estimates for the construction of state highways and for purchasing rights of way for highways and to the adoption of the highway construction budget by the state highway commission are embodied in Chapter 59 of the Arizona Code Annotated 1939.

The Budget Cycle and Budgetary Control Procedures other than for Highway Construction Outlined

The Beginning of the Budget Cycle: The budget cycle as specified in the budget and financial administration act begins on or before the first day of July of each year immediately preceding the year in which the Legislature convenes in regular session. The budgeting processes begin when the state auditor transmits to the administrative head of each budget unit at least three complete sets of prescribed forms on which budget estimates and requests for appropriations for the next two ensuing fiscal years are to be submitted.

Preparing the Budget Estimates: Not later than the first day of September following receipt of the budget forms from the state auditor, the head of each budget unit is required to submit to the Governor through the state auditor, in duplicate, estimates of the expenditure requirements and of the receipts of the budget unit for each of the next two fiscal years. In most departments, including some of the larger departments, the budget estimates are prepared by the department heads. The budget estimates are supposed to be substantiated by such explanatory data as may be required by the state auditor together with such additional information as the head of the budget unit may wish to submit. Actually, very few explanatory statements are submitted with the budget estimates but this matter is reserved for later treatment in this report.

The state auditor is required to have in continuous process of preparation a tentative budget report for the next ensuing biennium. Upon receipt of the budget estimates prepared in the budget units the state auditor checks the estimates with the records in her office and makes such further inquiries and investigations as she deems warranted. She

has the authority to recommend changes in the budget estimates, as submitted by the budget units. The data are all compiled into a single budget report which is submitted, together with the original estimates and explanatory statements to the Governor.

Administrative Review of the Budget Estimates: Prior to submitting the budget report to the Legislature, the law requires the Governor to examine the estimates of receipts and expenditures and make or cause to be made such further investigations by the state auditor, with such hearings before the Governor, as he may deem advisable. The Governor may change or revise the appropriations requested. In actual practice this step in the budget cycle has been omitted and the budget report is submitted to the Legislature as received from the state auditor not later than five days after the beginning of the regular session of the Legislature.

The Governor is entitled to participate in all budget hearings and is furnished a copy of the budget report.

Legislative Consideration of the Budget Report: The appropriation committees of the Legislature hold joint hearings at which time the heads of the budget units concerned are called upon to explain their work programs and expenditure requirements. In many instances they are called upon to furnish additional data in support of their requests for appropriations. From the time the budget report is submitted to the Legislature until the appropriation bills finally have been disposed of, the state auditor, in person or by an assistant, is required to be at the disposal of the Legislature and the appropriation committees thereof, and to devote such time as may be required to the work of the appropriation committees, under the direction of the respective chairmen. Usually one of the clerical assistants in the state auditor's office is assigned to this work.

The Making of Appropriations: The state constitution in Article 4, Part 2, Section 20 requires that the general appropriation bill embrace nothing but appropriations for the different departments of the state, for state institutions, for public schools, and for interest on the public debt. All other appropriations must be made by separate bills embracing but one subject. The appropriation bills are drafted by the appropriation committees with the assistance of the state auditor after the committees have finished their consideration of the requests for appropriations. All expenditures authorized by any appropriation act are made under the general classes of expenditure, namely, current expenditures, fixed charges, capital outlay, and redemption of debt.

Budgetary Control and Related Procedures Outlined: Appropriations are allotted by object of expenditure by the state auditor upon receipt of allotment requests submitted by the heads of the budget units to which the appropriations are made. However, appropriations for capital outlays and fixed charges and appropriations other than for fiscal years are allotted as needed. Other annual appropriations are allotted quarterly and no allotment may be made under any such appropriation in excess of one-fourth of the annual appropriation. However, in cases of necessity, as justified by the head of the budget unit together with prior and written approval of the Governor, there may be allotted an additional amount not to exceed the ensuing fiscal quarter's portion of the annual appropriation.

The control of expenditures under the budget is exercised by the state auditor. Complete sets of appropriation and allotment accounts

are maintained in the state auditor's office, for the controlling of allotments unde rappropriations and obligations and payments under allotments. The state auditor preaudits every bill or claim before payment is made.

The budget and financial administration act permits revolving funds to be provided to the head of any budget unit, the activities of which require immediate cash outlays for postage, C.O.D. packages, travel, or other minor disbursements. The law specifies that a revolving fund may not exceed $1,000 for any department excepting the university and the highway department which may be provided with funds not to exceed $10,000 and $50,000, respectively. The custodian of any such revolving fund must be bonded for an amount equal to twice the amount of the revolving fund.

The Governor may authorize the incurring of liabilities and expenses in an aggregate amount not to exceed $25,000 to meet contingencies and emergencies, as defined by law, for which no other funds are appropriated, or for which the appropriation amount is insufficient to meet the emergency. Supplemental requests for appropriations are received and acted upon by the Legislature in special sessions.

All appropriations except for construction or other permanent improvements expire for the purpose of incurring obligations at the close of the fiscal year. The state auditor may draw warrants against the available balances of appropriations made for a fiscal year for a period of one month after the close of such fiscal year for the payment of obligations incurred during the fiscal year or in fulfillment of contracts properly made during the year, provided that the goods were received or the services were rendered prior to the close of the year. Appropriations for construction and for other permanent improvements do not lapse until their purposes have been accomplished except that any such appropriation lapses if it has stood unencumbered during the entire fiscal biennium and no payments have been made under it.

The Contents of the Budget Report

A study of the budget report submitted to the Nineteenth Legislature for the biennium July 1, 1948 to June 30, 1950, reveals a need for more comprehensive data concerning the financial condition of the state and the expenditure requirements with respect to the work programs proposed for the ensuing biennium. The budget document and its weaknesses are discussed in considerable detail in the paragraphs that follow.

However, before we enter into a discussion of the budget document as it is now being prepared in Arizona let us first list the essential component parts of a budget as it should be prepared for transmittal by the Governor to the Legislature. There should be four main parts, namely:

(1) A part containing the budget message of the Governor to the Legislature.

(2) A part containing summary statements of the financial condition and operations of the state government.

(3) A part containing detailed statements of expenditures, allotments, budget estimates of expenditures, and related data.

(4) A draft of the recommended appropriation bill, showing the recommended appropriations and, for purposes of comparison, providing columns in which to enter the amounts actually appropriated.

Each of these main parts will be considered in turn in the following

pages and the inadequacies of the data contained in the present report will be discussed in connection with the particular parts to which they apply.

The Need for a Budget Message: The first part of the budget report should be the budget message in which the Governor explains and justifies the financial plan presented in the budget report with particular reference to problems and needs, recommends revenue and such other legislation as may be required to give full effect to the financial plan, and summarizes the current actual financial condition and the estimated future financial condition of the state under the recommended budget.

The latest budget report submitted to the Legislature did not include a budget message. The appropriation committees of the Legislature spend many hours in study of the budget and in holding hearings which would be greatly facilitated if the budget report contained a budget message designed to afford a comprehensive view of the financial plan as a whole, and explanations and justifications of all new budget items and of significant increases and decreases in recurring items.

The Lack of Summary Statements of the Financial Condition and Operations of the State Government: The second part of the budget report should contain summary statements of the financial condition and operations of the state government. The statements which should be included in this part of the report are listed as follows:

(1) A summary statement for the fiscal year last ended and for the current fiscal year and each of the two years in the ensuing biennium, comparing the means of financing, including the free surplus as of the beginning of each of the years, the estimated expenditures, and the free surplus as of the end of each of the years. One such statement should be prepared for all funds combined and other statements should be prepared showing the same data for each fund.

(2) A comparative current account balance sheet of the state general fund as of the end of the two preceding fiscal years. By "current account" is meant the current assets and the current liabilities and surplus.

(3) A comparative current account balance sheet of the state highway fund as of the end of each of the two preceding fiscal years.

(4) A summary statement of the current financial condition of every miscellaneous public expendable fund as of the end of the fiscal year last ended, showing for each fund the name of the fund, treasury balance, audited vouchers, available cash balance, accounts payable, and free surplus or deficit as the case might have been.

(5) A summary statement of the transactions of the state general fund for the year last ended showing (a) the cash resources of the year including the cash balance as of the beginning of the year and receipts of the year less deductions and refunds; and (b) the application of cash resources of the year including expenditures, accounts payable, advances of revolving funds, and other applications of cash.

(6) A summary statement of the transactions of the state highway fund for the year last ended similar in form to that prepared for the state general fund.

(7) A summary statement of the actual receipts of the fiscal year last ended and estimates for the next three years, classified by sources.

(8) A summary statement of the actual receipts of the fiscal year last ended and estimates for the next three years, classified by funds.

(9) A summary statement of the actual receipts of the fiscal year last ended and estimates for the next three years, classified by budget units.

(10) A summary statement of the actual expenditures of the fiscal year last ended and estimates of the next three years, classified by funds.

(11) A summary statement of current expenses including fixed charges, and capital outlay showing expenditures during the fiscal year last ended, allotments made in the current year, appropriations requested for each of the next two years, classified by purposes of government. Additional columns should be provided on this statement so that the appropriation committees' recommendations can be shown.

(12) A comparative statement of current expenses including fixed charges showing expenditures during the fiscal year last ended, allotments made in the current year, and appropriations requested for each of the next two years classified by purpose of government and budget unit. Additional columns should be provided in this statement so that the appropriation committees' recommendations and the applicable appropriation numbers can be shown.

(13) A comparative statement of capital outlay expenditures similar in form to that described in item (12) above.

(14) A statement of requests for deficiencies in current appropriations classified by organization unit and by object of expense.

The budget report submitted to the Nineteenth Legislature for the biennium July 1, 1948 to June 30, 1950 contained the following statements relating the financial condition and operations of the state government:

(1) A **consolidated balance sheet** showing all current assets and liabilities of the state as of the fiscal year last ended. The balance sheet as it is prepared is practically worthless for use in budgeting. In the first place it lumps all funds together and there is no means whereby the status of each of the state's funds can be determined. Furthermore, the balance sheet only shows figures for the end of the last fiscal year and it is not possible to make comparisons with the balance sheet figures for prior fiscal years. Also, it is not supported by statements and schedules explaining the significant figures shown thereon. For example, the combined balance sheet as of June 30, 1948, shows "unappropriated surplus" in the amount of $16,441,885.42. A statement should have been prepared to explain the composition of this figure. The first determination which should have been made and reported in this connection is how much of this amount was actually available for appropriation from

each of the several funds. The balance sheet also shows a reserve for encumbrances in the amount of $2,026,496.57 but there is no schedule included to show the appropriations against which these encumbrances apply. Another unexplained item of considerable significance is the amount of $3,391,461.45 which is reserved for indeterminate appropriations and there is no information given in the budget report concerning the appropriations against which this reserve applies. Furthermore, all continuing appropriations should be included in a schedule and so that they can easily be reviewed for determination as to whether or not they should be discontinued. Explanatory statements and schedules should be prepared and included in the budget especially concerning those items which include obligations or reserves which might be canceled thereby freeing additional balances for appropriation.

(2) A **statement of receipts exclusive of federal and county aid,** showing for each purpose of government, budget unit, and source of receipt, the actual receipts during the fiscal year last ended and the estimated receipts for the next three years. This statment purports to include all of the receipts of the state, yet the receipts that were credited to the unemployment compensation fund representing contributions are not included. The statement was not checked in detail against the records in the auditor's office to determine whether or not there were other omissions, but the exclusion of the receipts of the unemployment compensation fund from the statement alone indicates that the budget does not contain the whole story concerning the financial condition of the state. Furthermore, an attempt is made to classify the receipts by purposes of government which serves no useful purpose. For example, income taxes are classified as general government receipts but actually the funds derived from income taxes are used for other purposes of government as well as for general government. If only one such statement is prepared, it would be better to classify the receipts by sources rather than by purposes of government as at present. Such a classification would facilitate the making of comparisons among the several sources of revenue in the State of Arizona and the comparing of revenues collected in Arizona with similar revenues collected by other states. It would also serve as a basis for testing the relative capacities of the several revenue producing devices.

(3) A **statement of federal and county aid,** showing for each purpose of government, budget unit, and source of receipt, the actual receipts during the year last ended. The term "county aid" is apparently a misnomer but there are no explanations as to the nature of the items reported in the statement nor any references to the laws requiring the counties to pay these amounts to the state. There are no estimates shown of the federal and county aid which will be received in the ensuing biennium. Obviously, the state is depending upon receipts from these sources but there is no evidence that such receipts have been estimated and taken into consideration in preparing the budget. It may well be that the state has not prepared a complete financial plan which included all means of financing and all expenditures. This assumption, of course, is based on the fact that such information is not included in the budget document.

(4) **A summary statement of expenditures and requests for appropriations,** showing for each purpose of government and budget unit the actual expenditures during the year last concluded, the estimated expenditures during the current year, the requests for appropriations for each of the two years in the ensuing biennium and the total for the biennium, and the funds from which the appropriations are to be made.

(5) **A comparative statement of general fund expenditures and requests for appropriations,** showing for each purpose of government and budget unit the actual expenditures during the year last concluded, the estimated expenditures during the current year, the amount of appropriations requested for the ensuing biennium, the net increase or decrease in the requirements of the ensuing biennium in relation to those of the current biennium, and the percent of increase or decrease.

In comparing the statements which were included in the budget report with those which are considered to be essential and which should be included therein as hereinbefore listed, it is noted that there are several omissions. One of the most serious omissions is the failure to include a summary statement comparing the means of financing and the estimated expenditures of each year and showing the estimated available cash balances or deficits in the several funds as of the end of each fiscal year in the budget period. Such a statement would be invaluable to the Governor and to the Legislature in recommending and in making appropriations. From the statements presented in the budget report, it is virtually impossible to determine whether or not, on the basis of the estimated revenues and the requested appropriations, a current net surplus or a current deficit would result at the end of each of the two years of the biennium. Taking the figures which are shown in the budget report at their face value it would appear that the state will have a deficit of $24,404,111.39 on June 30, 1951 computed as follows:

Unappropriated surplus as of June 30, 1948 taken from the combined balance sheet	$16,441,885.42
Add: Estimated receipts 1948-1949 taken from the statement of receipts exclusive of federal and county aid	$34,961,690.04
	$51,403,575.46
Deduct: Estimated expenditures 1948-1949 taken from the summary statement and requests for appropriations	$44,165,671.76
Net available cash balance as of June 30, 1949	$ 7,237,903.70
Add: Estimated receipts 1949-1950	$36,488,341.03
	$43,726,244.73
Deduct: Estimated expenditures 1949-1950	$54,879,624.09
Estimated cash deficit as of June 30, 1950	$11,153,379.36
Add: Estimated receipts 1950-1951	$38,629,292.77
	$27,475,913.41
Deduct: Estimated expenditures 1950-1951	$51,880,024.80
Estimated cash deficit as of June 30, 1951	$24,404,111.39

While this computation takes the budget report figures at their face value, it is exceedingly doubtful if it portrays what the outcome of financial operations of each of the years would be on the basis of the estimates presented. There is doubt as to whether the beginning figure for unappropriated surplus can be used as it is used in the foregoing statement. There is also doubt as to whether the estimated receipts can be offset against the estimated expenditures as is here done. The budget report carries no explanation as to whether the requested appropriations include amounts to be covered by federal or county aid, nor is the omission of federal and county aid for each of the two years explained. It is essential that the figures in the budget report be compiled in such a manner that such a statement can be prepared and presented in the budget report so as to give it real significance as a budget document.

The Need for Improving the Detailed Statements of Expenditures, Allotments, Budget Estimates of Expenditures, and Related Data: The third part of the report should include statements of past expenditures, allotments, estimates of expenditures, explanations, justifications, and other data that will explain in detail the requests for appropriations. The budget report submitted to the Nineteenth Legislature contained a detailed statement of expenditures and requests for appropriations showing, the actual expenditures during the year last concluded, the estimated expenditures during the current year, the expenditure requirements of each of the two years in the ensuing biennium, and the amounts recommended by the appropriation committees for expenditure in each of the two years in the ensuing biennium all classified by purpose of government, budget unit, and object of expenditure. Included in this statement were summaries showing for each budget unit the positions and salaries involved in the figures reported in the statement for personal services. Also included are citations of the laws under which the current appropriations were made.

The statements concerning the expenditures, allotments, and estimates are sufficiently comprehensive in themselves but they do not explain in sufficient detail the requests for money. The problem of obtaining and presenting detailed information that will materially assist the chief executive in making recommendations and the appropriation committees in finally arriving at the correct amounts to appropriate is a difficult one that deserves to be ranked as one of the fundamental budget problems. It is a problem that can be solved satisfactorily only by extended study by a qualified budget staff. For example, the budget estimates submitted by an institution should be accompanied by a table showing the per capita costs including the average daily inmate population and cost per inmate per week; the number of officers and employes; the number of inmates per employe; the receipts of the institution by source grouped according to whether they are revenue or non-revenue; and the value of the institution farm products consumed. If the institution used supplies or materials which were fabricated by it the value of such supplies and materials used likewise should be shown. If all of these data were available it would be a relatively simple matter to determine whether or not the appropriations requested are in reasonable amounts.

The budget report should provide a means for translating the large sums of money into work units or should provide some kind of appropriate yardsticks by which to measure the requests to determine their correctness. Thus, attention would be focused on the function or activity and upon the general character and importance of the work to be done or upon the service to be rendered. Since, as a general rule in

the State of Arizona, major functions do not cut across department lines a budget produced by these means would be what is commonly called a performance budget. The production of such data would entail the installation of cost accounting systems in certain departments but it would be well worth the expenditure of time and money in that it would end the guessing of expenditure requirements and would provide sound budgeting procedures.

The Need for a Draft of the Recommended Appropriation Bill: The budget report submitted to the Legislature for the biennium June 30, 1948, to June 30, 1950, did not include a draft of the recommended appropriation bill. The appropriation bill was not prepared until after the appropriation committees of the Legislature had reviewed and adopted the budget. It would facilitate the work of the Legislature if a draft of the recommended appropriation bill is included in the budget report. The draft should include columns to show both the recommendations of the Governor and of the appropriation committees.

The Classification of Receipts

All moneys received by the state are classified by source, fund, and sometimes by budget unit. All moneys are paid into the state treasury and credited to the general fund except the following which are placed in separate funds:

(1) Federal land grants paid to the state by the federal government.

(2) Interest, rentals, and other expendable money received as income from federal land grants. (These moneys are expended only as authorized, regulated, and controlled by the general appropriation bill or other act of the Legislature.)

(3) All grants of federal funds paid to the state by the federal government for specific purposes. All state appropriations for matching such federal funds are transferred from the general fund to such separate funds as needed, except as otherwise required by the federal governmnt.

(4) All private or quasi-private funds (trust funds) authorized by law to be paid to or held by the state treasurer.

(5) All moneys collected by the state game and fish department.

(6) Motor fuel taxes, common carrier taxes, motor vehicle license taxes, and other miscellaneous licenses, fees and permits which are deposited in the state highway fund.

The budget and financial administration act does not provide, specifically, for the deposit of motor fuel taxes and other receipts cited in the above item (6) in the state highway fund. The authority for crediting these receipts in the highway fund apparently lies in the interpretation of section 10-912(c) of that act, as paraphrased in item (3) of the list, by which such receipts are considered as matching federal funds even though they do not match them dollar for dollar. This practice is followed by many states although some students of governmental finance do not agree that it would be impossible to control such expenditures just as effectively if the highway receipts were deposited in the general fund.

The system used in the classification of receipts appears to meet the needs of the state of Arizona.

The Classification of Expenditures

All expenditures are classified primarily according to purposes of government, budget units, character, and objects of expenditure. Each of these major classifications is explained in detail as follows:

By Purposes of Government: The purposes of government used in the classification system are listed as follows:

(1) General government

(2) Health and sanitation

(3) Welfare and correction

(4) Education

(5) Protection to persons and property

(6) State highway department

(7) Development and conservation of natural resources

(8) Debt service

(9) Miscellaneous—Includes the Pioneers' Historical Society, the Prescott Historical Society, state fair commission, joint merit system council, on-the-job-training, and the state civil service board.

By Budget Units: A budget unit is defined in the budget and financial administration act as a department, commission, board, institution, or other agency of the state organization receiving or expending or disbursing state funds or incurring obligations against the state. For the purpose of budgeting, certain large and complex departments such as the department of public welfare and the state highway department are further broken down into sub-budget units constituting major functions of the department. All budget units are classified by purposes of government.

By Character and Objects of Expenditures: There are four character classes of expenditure, namely, current expenditures, capital outlay, redemption of indebtedness, and investments. Each of these classes is further divided into objects of expenditures as follows:

Current Expenditures:

Personal services including salaries, wages, and professional services.

Contractual services including postage; telephone, telegraph, and clock service; heat, light, power, and water services; travel within the state; out-of-state travel; professional fees, maintenance of buildings, grounds, and equipment; care of institutional wards and pioneers (outside services); trainees; and other contractual services.

Supplies and parts including food and other supplies and parts.

Fixed charges including rent, insurance, fidelity bonds, industrial compensation, teachers' retirement, subscriptions and organization dues, refunds and indemnities, rewards and awards, discharge money—institutional inmates, and interest.

Apportionments including apportionments to cities, counties, and junior colleges, and to schools for per capita taxes and other miscellaneous apportionments.

Other fixed charges.

Public assistance and rehabilitation.

Capital Outlay:

Movable equipment.

Fixed improvements including buildings and improvements, land, livestock, and highways and bridges.

Redemption of Indebtedness:

Bonded indebtedness.

Investments:

Investments including purchase of bonds, accrued interest purchased, shipping expense, and premiums on bonds.

The classifications of expenditures are sufficiently comprehensive to meet all the needs of the State.

The Budget Estimates

The need for more comprehensive data to explain the significant figures included in the budget has been discussed earlier in this report. However, more needs to be said on the subject of preparing budget estimates in the departments if the quality of the estimates are to be improved. The emphasis is now placed on the review and adoption of the budget by the appropriation committees of the Legislature and the primary responsibility of the heads of the budget units in preparing and justifying their estimates is slighted. The comprehensiveness and thoroughness of the review of the appropriation requests by the appropriation committees now depends, to a considerable degree, on the confidence the committee members have in the respective department heads. Taking into consideration the limited time available to the committees for this review, all requests for appropriations should be adequately justified in the budget report. Otherwise, there is a danger on the one hand of inadvertently curtailing essential services and on the other of unintentionally authorizing extravagance.

The work of preparing the budget estimates at the department level should begin at the lowest level of authority within the department. Each supervisor should be responsible for preparing the proposed work programs and estimating the expenditure requirements of his unit, and for justifying the programs and estimates on the basis of demonstrated needs and pertinent data as to past, current, and estimated costs. These work programs, estimates, and statements of justification should be reviewed at the next higher level of authority and consolidated with those of other units at the same level. Similar reviews and consolidations should be made up through the lines of authority until all of the work programs, estimates, and justifications of the department have been brought into one document setting forth the proposed budget of the department approved by the department head for submission to the Governor.

The Executive Review of the Budget Report

It is reported that it has never been the custom for the Governor to

review the budget estimates in consultation with the department heads prior to submission of the budget report to the Legislature. This in effect means that the Governor delegates to department heads his authority and duty to review the budget estimates and to recommend appropriations to the Legislature. It is believed that the authority to recommend appropriations, cannot justifiably be placed with any administrative officer other than the Governor and is a responsibility which should not be delegated to others. No other individual officer in the whole state government should have as compelling and as continuous an interest in plans and costs as the Governor. His review of the budget estimates leading to the recommended budget and appropriations should be the means through which he makes known to the Legislature, and exerts his influence to have effect given to, the policies and plans of his administration for "the greatest good of the greatest number" within the financial capacity of the State.

Legislative Hearings on the Budget Report

During the legislative review of the budget and until the appropriation bills finally have been disposed of, the state auditor or one of her assistants is required to be at the disposal of the Legislature and the appropriation committees and to work under the direction of the chairmen of the respective committees. At joint hearings, the appropriation committees take up the budget item by item and call in the department heads concerned for consultation on the appropriation requests. Since, as mentioned earlier in this report, the appropriation requests are not usually accompanied by complete and intelligible statements of justification, the department heads are often requested to supplement their requests with such oral or written explanations as may be necessary to the committees in giving proper consideration to the requests and in making their decisions. Sometimes the additional data are supplied orally or are available in department reports but often they are not. If such data are not available the committees are seriously handicapped, Considerable confusion is injected into the hearings when a department head has to return to his office or to telephone or call in his subordinates before a question can be answered. When the requested information is such that it must be provided at a later date the orderly progress of the hearings is disturbed. Furthermore, the supplemental data may be received at a time when the committees' members are considering other important problems and are not disposed to return to the subject and give full consideration to it. Notwithstanding, the review of the budget by the appropriation committees seems to be as comprehensive and effective as is possible under the existing handicaps. If the budget estimates were adequately justified, were subjected to executive review and revision, and were accompanied by an informative and significant budget message as recommended under the previous headings, the work of the appropriation committees would be easier and most likely would be far more effective.

Appropriations

The state constitution provides that the general appropriation bill shall embrace nothing but appropriations for the different departments of the state, for state institutions, for public schools, and for interest on the public debt. All other appropriations are made by separate bills, each of which embraces but one subject.

The general appropriation bill authorizes the expenditures that can be made by each budget unit itemized by general classes of expenditure. The classification used in the appropriation bill is not exactly the same

as the appropriation classification used in the state auditor's office, however, the two are so similar that no coding difficulties are encountered in the auditor's office. For example, in the state auditor's office "personal services" represent a general class but in the appropriation bill separate amounts are appropriated for statutory positions and for other personal services. It is not believed, however, that the differences between the classifications are serious enough to warrant changes in either of them.

No contingent appropriation is made for the purpose of meeting deficiencies in current appropriations or emergencies. Such deficiencies are met through supplemental appropriations made by the Legislature in special sessions. However, in extreme cases of emergency, as defined by law, the Governor may authorize the incurring of liabilities and expenses to be paid from the general fund provided the aggregate amount of the debt so incurred will not exceed $25,000. It is nearly impossible, even when the budget machinery is working at a high degree of efficiency, to estimate expenditure requirements to the dollar. In many operations of the government the costs are difficult to estimate sometimes within hundreds of dollars. There is always the temptation for a department head to pad the estimates for the purpose of meeting contingencies and this practice, when followed throughout the government, results in extravagance and obstructs the budgeting processes. Furthermore, if a department head must wait until the Legislature meets in special session before deficiencies can be provided for, the program of his department may be seriously interrupted or jeopardized.

If an appropriation were made to the Governor for contingencies, the estimates of expenditure requirements included in the budget could be held safely at a minimum. Obviously, it would be necessary to provide the machinery for requesting and justifying the needs for additions to appropriations to the budget units and for the approval of such requests by the Governor and the budget officer or any other officials designated for that purpose. Any increase so approved should not be for the purpose of making expenditures which do not fall within the intent of the Legislature as specified in the appropriation act.

The Budget

One of the greatest weaknesses of the present budget system is that a final and official budget is never prepared. No statements of any kind are prepared to reflect the action of the Legislature upon the budget report, to reduce to record the complete financial plan for each fiscal year or to disclose the estimated financial condition of the State at the end of each year as a result of the appropriation and revenue acts. The final budget should be prepared to reflect (a) the recommended budget as presented to the Legislature and (b) the actual budget that results by modifying the recommended budget in accordance with the legislative acts. Good budgeting practice requires that the budget staff should (a) bring the budget schedules and statements up to date daily as changes are made by the appropriation committees in the recommended budget and (b) after the appropriation bills have been passed, prepare the complete, final, and official budget.

The Budget for Highway Construction

As previously mentioned the responsibility for preparing and adopting the budget for highway construction is vested by law in the state highway commission.

The estimates are prepared in the state highway department and the proposed budget is required to be published on or before the second Monday in June in at least one issue of a newspaper of general circulation in each county of the state, together with a notice that a public meeting will be held at the office of the commission on the third Monday in June for the purpose of considering the budget and hearing objections thereon. Following the meeting and the hearing of protests the commission may make such changes in the budget as may be deemed necessary. The commission then adopts the budget as published or as revised by it and sends certified copies of the budget to the state auditor and to the state treasurer. The budget thereupon becomes the official budget of the highway department for highway construction purposes. Additional copies of the budget are printed and sent to interested persons in the state.

The budget prepared in the state highway department and transmitted to the state auditor is presented in two parts, namely (a) construction—state highway system, and (b) construction—county primary system.

The first part, which deals with the state highway system, lists the the names and termini of all projects for each route and shows for each project the authorized fund expenditure number, federal authorization number, county, type of project, length of highway under construction and the amounts estimated for expenditure on the primary, secondary, and urban systems. Subtotals are shown of the estimates for each route.

The second part which deals with the county primary system shows for each county the names and termini of the projects, the authorized fund expenditure number, the type of projects, the lengths of highways to be constructed, and how much is estimated to be spent on each project from county funds, from federal and state funds, and the total estimated expenditures. Subtotals are shown of the estimates for each county.

As in the case of the budget report prepared for all other funds there is no summary statement included in the budget to show the status of the highway fund and the free surplus of the fund as of the beginning of the fiscal year and the probable free surplus as of the end of each fiscal year in the ensuing budget period.

The Allotting of Appropriations

Appropriations are allotted by the state auditor on the basis of requests submitted by the heads of the budget units to which the appropriations are made. Allotments are made quarterly for each object of expenditure in amounts not to exceed one-fourth of the annual appropriation except for capital outlay and fixed charges which are allotted as needed. In cases where the quarterly allotment is not sufficient to cover the needs of a budget unit for a particular object of expenditure the head of the budget unit may request additional funds and state the reasons why they are needed. If such a request is supported by the prior and written approval of the Governor an additional allotment not in excess of the ensuing fiscal quarter's portion of the annual appropriation may be made.

The present procedures do not provide for the revision of estimates of revenues and expenditures prior to the beginning of each quarter in the light of actual and anticipated revenue realizations, mandatory expenditure requirements, demonstrated needs for funds, and forecasts of financial condition. To base the allotment of appropriations in four

equal quarterly amounts without giving due regard to changing conditions and program revisions gives encouragement to the spending of every available dollar appropriated. The allotting of appropriations is a budgetary control measure which should be employed not only to prevent expenditures in excess of appropriations but to limit expenditures under appropriations to demonstrable needs in harmony with the spirit and intent of the expenditure authorizations in the form of appropriations. The careful review of the revenues and of the expenditure program for each agency at the beginning of each quarter when the entire matter can be reviewed as a whole by an alert administrator can prevent waste and extravagance due to "hit or miss" operating policies much more effectively than through the allotting of appropriations on a more or less automatic basis. The allotment procedure should be supplemented by the making of management studies as recommended later in this report.

The Encumbrance System

Encumbrance documents are issued by the budget units to cover all obligations. Copies of the encumbrance documents are required to be submitted immediately to the state auditor for preauditing and for charging to the budget allotments. Actually, copies of purchase orders, contracts, and certain other encumbrance documents are not submitted to the state auditor for encumbrance before the orders are released to the vendors or before the contracts have been entered into. The state is amply protected against loss due to an official incurring an unauthorized obligation. However, the vendors and contractors are not given the same protection. The law simply states that the state auditor shall not approve for payment any claim based upon an unauthorized obligation or against an obligation which exceeds the unencumbered balance of the budget allotment under which it would otherwise be payable. It would be a better procedure to have purchase orders, contracts, or other documents except those which are issued in cases of emergency submitted to the state auditor for certification as to the availability of funds in advance of sending them to the vendors or contractors. Such a procedure would give better protection to the firms with which the state does business. This recommended procedure would be easier of application if a centralized purchasing office is established as recommended in another report on organization of the state government.

Preauditing

The system of preauditing in effect is functioning as it should. Every encumbrance document, bill and claim is audited prior to issuing warrants on the state treasurer for payment.

However, certain coding difficulties crop up from time to time between the state auditor's office and the spending department in the preauditing of expenditures but they represent mainly borderline cases which must be expected to a certain degree and which have to be solved through discussion and experience. The state auditor has issued a manual for the guidance of the accountants in the spending agencies in the coding of expenditures and the manual seems comprehensive enough in this respect.

Revolving Funds

The budget and financial administration act provides that the head of any budget unit, the activities of which require immediate cash outlays for postage, C.O.D. packages, travel, or other minor disbursements

may apply to the state auditor for a revolving fund. The amount of the revolving fund may not exceed $1,000 for any department excepting the university and the state highway department which may not exceed $10,000 and $50,000, respectively. Each revolving fund must be accounted for in the manner determined by the state auditor and the custodian of each such fund must be bonded for an amount equal to twice the amount of such revolving fund.

The purposes for which a revolving fund may be granted to a department as stated in the act creates the impression that the term "revolving fund" is intended to be synonymous with the term "petty cash" in that only minor disbursements are permitted. However, the maximum amounts which may be advanced to a department particularly in the cases of the university and the state highway department quickly dispels such an impression. Actually, in the state highway department, the revolving fund is used for payroll purposes and for making other disbursements which might be questioned as to whether they are strictly of a minor nature as prescribed in the act.

While the study on which this report is based did not extend to an analysis of the expenditures made from the revolving funds it is recognized that a device has been created which may adversely affect the existing provisions for exercising budgetary controls. It is entirely possible that a department may make expenditures from a revolving fund that exceed the amounts appropriated for such purposes. This might be a serious error if made by the university or by the highway department because of the large size of their respective revolving funds.

It is recommended that all requests for revolving funds be carefully reviewed by the state auditor to determine the actual needs of each department and that the departments be permitted to make only such cash minor disbursements as are permitted in the budget and financial administration act. The amount of each fund so advanced should be held at a minimum.

The Organization and Staff for Budgeting

The budget and financial administration act makes the state auditor responsible for prescribing and furnishing the budget forms to the budget units, for preparing and issuing instructions for guidance of officials in preparing budget estimates and requests for appropriations, for compiling the budget report, for making inquiries and investigations concerning the estimates and recommending changes therein, for rendering assistance to the Legislature during its review of the budget report, and for handling the other processes in connection with the preparation of the budget. The auditor usually assigns these functions to a clerical assistant in her office.

It is impossible for anyone who is at all familiar with the difficulties of budget making to imagine a successful budget without a budget staff to handle the problems of form and content and to do investigational work. To do an effective budgeting job it is essential that policies, plans, organization, managing, and operating techniques, and personnel of engineering, fiscal, and other specialized departments be considered in determining the money requirements. The efficiency in which the program is being carried out and in which the budget system is operated should be tested from time to time through the making of management studies. Such studies should also be directed to the solving of specific problems of organization and methods and to the perfection of operating procedures.

The state auditor's office does not have the staff to carry out effectively the processes involved in budgeting. The demands on the time of the state auditor in directing and managing the work in her office are such that she does not have the time which would be required to adequately fill both the positions of state auditor and budget officer.

While the Arizona state service as a whole, and the public expenditures, are small as compared with those of many states, nevertheless, the budget officer must comprehend and deal with all the problems of organization, administration, and finance that come within the purview of the budget offices in the governments of the largest states. It would be virtually impossible to secure the services of one man qualified to deal intelligently with all the problems involved in budget administration. To secure the services of a good budget specialist in any state is difficult and to find one who, unaided except for stenographic assistance, can do an all-round job for Arizona is much more so. In a more populous and wealthy state this difficulty is usually overcome by providing under the budget officer a staff of specialists in the various governmental services. It is not believed that Arizona can afford to retain such a staff of specialists.

The best plan for Arizona would be to appoint a budget officer who is well qualified in fiancial administration practices and who is well grounded in the principles of organization, accounting, and business administration. The budget officer should be assisted by including on his staff an engineer who is competent to make management studies. A stenographer also should be assigned to the budget office and these three persons would then constitute the budget staff.

The functions and responsibilities of the budget officer are recommended in another report on the proposed organization of the state government.

Summary of Conclusions and Recommendations

The State of Arizona has made splendid progress in laying the foundation for a modern and effective system for budgeting and financial administration. The authors of the Budget and Financial Administration Act of 1943, under which the budgeting processes are set forth for all activities except highway construction, displayed sound thinking in drafting the provisions of the act. Most of the principles embodied in the act have been proved sound in other states and very little needs to be done in providing basic legislation for better budgeting.

The major problems confronting the state today involve the proper application of the provisions of the act. These problems have been dealt with in the text of the report and suggestions are made therein for their correction.

A summary of the suggestions and recommendations made or implied in this report is presented below:

1. Make the budget report a complete financial plan for the state by:

    a. Including a budget message from the Governor to the Legislature explaining the significant figures in the proposed budget in terms of work programs designed to afford a comprehensive view of the financial plan as a whole, and explanations and justifications of all new budget items and of significant increases and decreases in recurring items.

b. Providing current account balance sheets for each expendable fund of the state.

c. Including summary statements for the fiscal year last ended and for the current fiscal year and each of the two years in the ensuing biennium comparing the means of financing including the free surplus as of the beginning of each of the years, the estimated expenditures, and the free surplus as of the end of each of the years.

d. Supporting the budget estimates with comprehensive statements of justifications and other explanatory tables and data.

e. Including a draft of the recommended appropriation bill.

2. Improve the quality of the expenditure estimates contained in the budget report by providing for more participation in budget making at the lower levels of authority and by requiring key subordinates to prepare work programs or other justifications in support of the estimates pertaining to their units.

3. Provide for the administrative review of the budget by holding meetings which will be presided over by the Governor and attended by the budget officer, and the department heads concerned, to consider every request for appropriations contained in the budget report. The Governor should have the responsibility for recommending appropriations to the Legislature.

4. Consider the making of an annual contingent appropriation to the Governor for the purpose of meeting deficiencies in current appropriations and emergencies.

5. After the Legislature has adopted the budget, prepare an official budget to show what was done by the Legislature, what is intended, and what the effect will be upon the state treasury.

6. Include in the budget for highway construction a summary statement showing the status of the highway fund and the free surplus of the fund as of the beginning of the year and the probable free surplus as of the end of each of the fiscal years in the ensuing biennium.

7. Discontinue the practice of allotting appropriations on a more or less automatic basis in four quarterly equal amounts.

8. Revise the estimates of revenues and expenditures prior to the beginning of each quarter in the light of actual and anticipated revenue realizations, mandatory expenditure requirements, demonstrated needs for funds, and forecasts of financial condition.

9. Strengthen the encumbrance system by requiring all orders and contracts except those issued in emergencies to be submitted to the state auditor's office for certification as to the availability of funds before any obligations are actually incurred.

10. Discontinue the use of revolving funds for payroll purposes and for making any type of payment that is not specifically within the intent of Section 10-932 of the Budget and Financial Administration Act of 1943.

11. Keep the amount of revolving funds advanced to department heads at a minimum.

12. Create the division of the budget under the proposed department of finance with the budget officer as head of the division and responsible for carrying out the duties and functions prescribed in the separate report on the organization structure of the state government.

13. In addition to that of budget officer, create the position of budget technician to be filled by an engineer who has the ability to make management studies and to apply professional engineering knowledge and techniques to budgetmaking.

14. Create the position of senior stenographer in the budget office to handle the clerical and stenographic work of the office.