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**The Report of
The Governor's
Commission
On Services &
Expenditures
State of
Connecticut
1971**

Governor's Commission on Services and Expenditures

75 Elm Street, Hartford, Connecticut 06106

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Old Lyme

October, 1971

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Hartford

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Bridgeport

The Honorable Thomas J. Meskill
Governor of Connecticut
Hartford, Connecticut

Dear Governor Meskill:

This commission was organized in accordance with your Executive Order No. 1 issued March 17, 1971. Its recommendations are submitted with this report.

Our study of Executive Branch operations has been made -- at no cost to taxpayers -- by executives and specialists whose services were loaned by their employer organizations. Most of them worked full time for 12 weeks beginning in mid-April. Some, including the members of the Executive Committee, worked considerably longer.

The men and women of the commission are named following the text of the Governor's order. The organizations which have supported our work are listed at the conclusion.

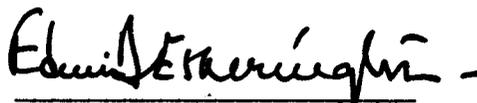
The value of the contributed funds, equipment and time for this study exceeds \$600,000. The value of the recommendations -- which show potential net savings in excess of \$100,000,000 annually plus additional millions in "one-time" savings -- will depend upon the extent and timing of implementation.

We stand ready -- as a commission and as individuals -- to cooperate with you, other state officials and the General Assembly in all appropriate ways.

Respectfully submitted,

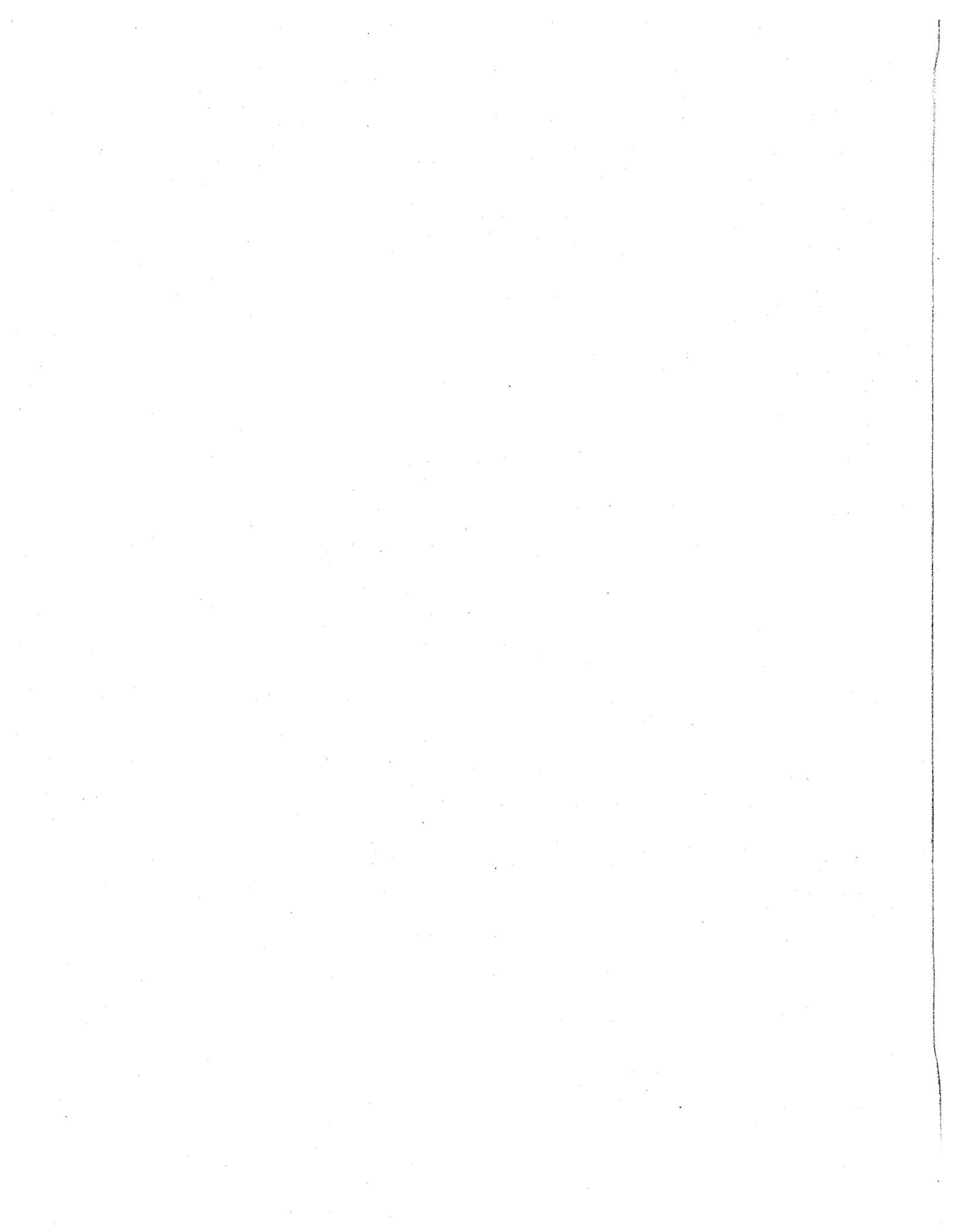


Richard M. Stewart
Vice Chairman



Edwin D. Etherington
Chairman

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Executive Order

WHEREAS, the proliferation of services undertaken by State government and the ever-increasing costs of those services have become matters of deep concern to the people of the State of Connecticut; and

WHEREAS, it is vital to the economic health and prosperity of the State of Connecticut, to the happiness and well-being of its people, and to the morale of State employees that its administrative services be conducted on a sound, efficient, and economical basis and that the people of this State be assured of the wise expenditure of their tax dollars; and

WHEREAS, many private citizens, including leaders of business and industry in this State, have volunteered their services to perform a detailed examination of the administration of services provided by the State and the procedures employed by the State in providing them;

NOW, THEREFORE, I, THOMAS J. MESKILL, Governor of the State of Connecticut, by virtue of the authority vested in me by the Constitution and by the statutes of this State do hereby ORDER and DIRECT:

1. There shall be a study and analysis of the offices, departments, boards, commissions, councils, and other agencies of the State and of the functions of State government to ascertain the means by which and the manner in which the services of the State of Connecticut may be afforded to its citizens in the most efficient, expeditious, and economical manner.

2. Said study and analysis shall be undertaken on behalf of the Governor by a non-profit corporation to be known as Governor's Commission on Services and Expenditures. I hereby appoint Edwin D. Etherington of Old Lyme, Connecticut, to be the Chairman of that Commission and Richard M. Stewart of Waterbury, Connecticut, to be Vice Chairman. The Commission may select and retain such agents, assistants and consultants, and may utilize the services of such private citizens, including persons from Connecticut's business and industry, as it deems necessary and appropriate to carry out its functions.

3. (a) The Commission is authorized to call upon any office, department, board, commission, council

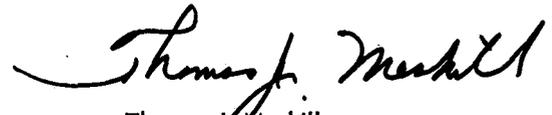
or other agency of the State, and any officer or employee of the State, to supply such statistical data, program reports, and other information and materials as the Commission deems necessary or appropriate to discharge its responsibilities under this Order.

(b) Each office, department, board, commission, council, or other agency of the State and each officer or employee of the State is authorized and directed, to the extent not inconsistent with law, to cooperate with the Commission and to furnish it such information and assistance as it may find necessary or appropriate in the discharge of its responsibilities under this Order.

4. The Commission shall render to the Governor such interim reports as it may deem appropriate or as the Governor may request; and, upon the completion of its work, the Commission shall render a full report of its findings and recommendations as it deems appropriate in the premises.

5. This Order shall take effect immediately.

GIVEN, under my hand and seal this seventeenth day of March, in the year of Our Lord, One Thousand Nine Hundred and Seventy-One, and of the Independence of the United States, the one hundred and ninety-fifth.


Thomas J. Meskill
GOVERNOR

ATTEST:


Gloria Schaffer
SECRETARY OF STATE

The Governor's Commission on Services and Expenditures

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Foreword

The confidence of citizens in their government, and the morale of those who work for government, depend on both general acceptance of public policies and on respect for the ways in which those policies are implemented.

This commission has conducted a study of Executive Branch operations to pinpoint methods for improving services and reducing expenditures. The project was mandated by Governor Thomas J. Meskill during the third month of his tenure, and has been carried out in accordance with his Executive Order No. 1. The commission has received the strong cooperation of state officials, many of whom were just assuming office as this study began.

The commission has made 821 recommendations and has also proposed—in a separate section of this report—a major reorganization of the Executive Branch which could be the most important single step toward better control and flexibility in government operations.

Need for Action

Annual general fund expenditures rose from \$223-million in 1960 to a projected \$1.078-billion in 1972, an increase of 483%. The number of full-time state employees has increased from 22,600 to 38,300 during the same period.

These figures reflect a vast expansion of government service based essentially on rising expectations in a complex society. The likelihood of continued pressure for higher tax revenues is obvious. Equally obvious is the need for immediate self-discipline within government and for a reorganization of the Executive Branch for greater efficiency.

The citizens of Connecticut simply cannot afford the lax procedures and waste motion associated with an ill-conceived management structure.

Some of the commission's recommendations would require legislative approval. A few would require amendments to the Constitution. The reorganization proposal must also be carefully weighed by both the Governor and the General Assembly. But a commitment to consider these matters promptly and objectively, coupled with an aggressive program to examine and act upon recommendations which do not require legislative action, will do much to strengthen public confidence in government.

Scope and Organization of Study

The commission has looked into every major category and hundreds of specific units of Executive Branch operations. Functions primarily under the control of

the Judicial Branch or the General Assembly were outside the scope of the study, but some recommendations necessarily have implications going beyond the Governor's span of direct authority.

In organizing its six basic study teams, the commission was careful to avoid potential conflicts of interest. In addition, provision was made for a multiple review of each finding and recommendation, with final authority in the Executive Committee. The recommendations now made are unanimous. There is no minority report.

The explanations of recommendations in this report are generally brief, but supporting files will be available to persons responsible for implementation. Members of the commission will also be available for consultation.

Specific Recommendations

Potential savings if every recommendation of the commission were to be implemented are shown in the table below.

	ANALYSIS OF POTENTIAL SAVINGS			
	STATE	FEDERAL	LOCAL	TOTAL
Annual				
Savings	\$129,839,100	\$11,141,500	\$3,160,000	\$144,140,600
Income	35,826,350	—	—	35,826,350
Cost	(12,049,200)	(29,289,250)	(5,135,000)	(46,473,450)
Net Annual	\$153,616,250	(\$18,147,750)	(\$1,975,000)	\$133,493,500
One-Time				
Savings	\$ 30,240,400	\$ 341,000	—	\$ 30,581,400
Income	21,732,500	—	—	21,732,500
Cost	(9,812,280)	(2,026,000)	—	(11,838,280)
Net One-Time	\$42,160,620	(\$ 1,685,000)	—	\$ 40,475,620

These potential savings represent roughly 15% of the current annual budget. Savings of that magnitude should be attainable following a study of this sort after a lengthy period of expansion in government services.

In addition to the dollar-saving potential, many precise recommendations for service improvements are made. Moreover, the commission's underlying conviction is that relatively lean and well defined governmental units of people who are well directed will improve the general level of service for the citizens of Connecticut.

Objectivity in Government

The democratic system functions partly on the basis that political service may be rewarded by appointment or employment. But objectivity as well as competence would be sacrificed if political considerations were to dominate all others. Similarly, an undue risk

occurs when a spokesman for particular interests is appointed to a regulatory position affecting those interests. Consideration of a statement of standards to emphasize the paramount principle of objectivity would be timely. Adoption of several recommendations in this report would also have a salutary effect.

Reorganization Proposals

The commission's general impression is that Connecticut's government is characterized more by shared responsibility than by a check-and-balance system of categorized authority. The intended advantage is assurance of legislative debate preceding significant decisions. But that advantage is offset to the extent that lines of authority and accountability for carrying out established policies are unclear or disconnected.

This is precisely the situation in Connecticut. The Executive Branch is characterized by a crazy quilt pattern of commissions and agencies; by fuzzy lines of responsibility; by murky channels of communication; and by disconnections between policy judgment and execution.

Corrective action is not a matter of relative power between the Governor and the General Assembly. To the contrary, each is drained of power by the existing confusion. Each can be more effective, and the people will be far better served, if the Executive Branch is reorganized:

- (1) to permit the Governor to hold key officials accountable in all areas of clear executive responsibility, and
- (2) to permit the General Assembly, in turn, to hold the Governor and his staff accountable because there will be no question as to their opportunity to perform responsibly.

The commission's reorganization suggestions will require careful scrutiny both by the Governor and by the General Assembly. This process should occur in a spirit of bipartisan determination to produce a structure of government which will heighten the possibility of efficient and sensitive follow-through on established policies.

Impact on State Employees

It was inevitable that the commission would conclude that the number of employees should be reduced in some areas and that certain positions should be eliminated. In spite of that fact, the cooperation of state employees at every level has been noteworthy. This cooperation reflects a general realization that improved organization and control in the Executive Branch will have a positive effect on the morale of people in government. An able individual whose

organization is subject to legitimate criticism has a particularly strong interest in corrective action.

The commission has, in fact, found many areas where personnel reductions should be made and some where additional people are needed. If all of the recommendations were carried out immediately, there would be serious personnel dislocations. But implementation will take at least two years. Moreover, the net elimination of positions from all of the recommendations would be less than the annual average attrition of 15% during the last decade. There is bound to be some hardship. But strict control over new and replacement hirings, coupled with a personnel policy weighted in favor of relocation of current employees when possible, should minimize the extent of the hardship.

The mechanics of the personnel policy should be established as a matter of first priority.

Qualifications of State Personnel

Government has to cope with the phenomenon of turnover as elections change leadership and prompt new appointments. A properly organized government can benefit from this turnover if permanent employees are well-supervised, well-trained, and well-motivated. In general, the commission is struck by the fact that many of these middle management Connecticut employees are not adequately trained, not properly supervised, and not as highly motivated as they should be.

The introduction of mid-career management training opportunities should be no more difficult for government than for business. The process of assessing and implementing the recommendations in this report will, in itself, be a useful discipline and should be followed by a systematic management training program for state employees.

The state should also maintain an employment policy based on ability. This is not to say that political service can be eliminated as a factor. It is to say that no job should be given to a person who is incapable of efficient performance in that job.

Conclusion

The commission's work has been made possible by the business community of the state. But the recommendations are finally the product of men and women who represent no interest other than good government. They stand ready to help in the implementation of their recommendations by cooperating in all appropriate ways with those who are ultimately responsible for Connecticut's government.

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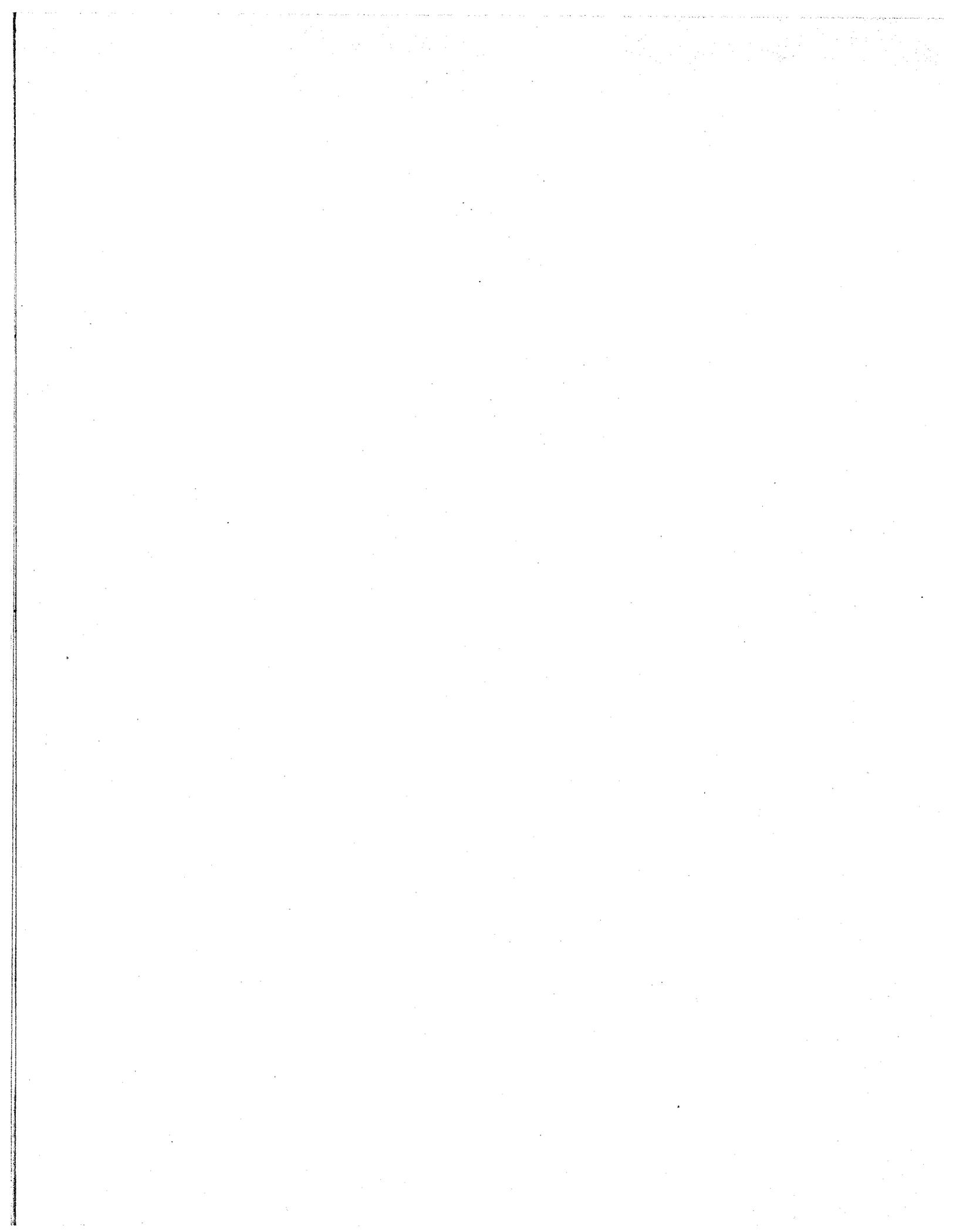
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**The Governor's
Commission
On Services &
Expenditures**



Governor's Office

The Governor's Office is responsible for assisting in matters pertaining to communications to and from the Governor. It also handles special assignments.

ORGANIZATION AND PROCEDURES

The staff includes an executive aide, seven administrative assistants, a public relations assistant, and 12 clerical employees, a total of 21 people. Except for the Governor's personal secretary and the public relations assistant, the staff reports to the executive aide. He arranges for staffing, organizes the work, and provides coordination of the total effort.

The staff is located in the Capitol Building. A small portion of the group is in an area adjacent to the Governor's office, but the majority is located on the opposite side of the building with no access except across an open public balcony.

The organization follows that of the state government with each of the seven administrative assistants carrying out duties in respect to an assigned group of governmental functions. The major part of the stenosecretarial group is centralized in a pool.

As communications are received, they are sent to the appropriate administrative assistant who prepares a reply. Depending on the question involved, the designated state commissioner or department head may participate. The administrative assistants keep the Governor informed of all major matters including possible future problems while preventing trivia from clogging communication channels. They also act as the Governor's representatives in business conferences which he cannot attend.

EVALUATION OF EFFECTIVENESS

The Governor's staff has an inadequate office arrangement and poor facilities. Considering the physical factors and constant pressure, the effectiveness of each staff member is surprisingly high.

Office equipment is antiquated except for typewriters and duplicating machines. There is little dictation. This adds many man-hours to the staff's work load.

The administrative assistants are capable and hard working. However, there is a need for some improvement in office practices. For instance, the filing system is unprofessional causing a problem in retrieving information. Follow-up procedures are inadequate.

RECOMMENDATIONS

1. Provide adequate offices for the Governor and his staff.

The Capitol Building was originally occupied in 1879 and little modernization has been accomplished since

that time. The need for adequate working facilities for the Governor's staff is urgent.

Providing citizens with an efficient administration requires facilities which permit maximum use of the capabilities of the Governor's staff. Furthermore, citizens who visit the Governor's Office should leave with an impression of efficiency. It is not possible to generate or reflect real efficiency in the present quarters.

A qualified consultant should be employed, at an estimated one-time cost of \$2,000, to advise the Governor as to whether it is economically feasible to modify the present quarters. If not, suitable quarters should be designed in an existing building near the Capitol.

2. Provide the Governor's Office with adequate equipment.

The Governor's personal staff presently uses office furniture which is generally inadequate. Functional office furniture should be provided at an estimated cost of \$21,000.

The volume of correspondence is large, up to 100 letters per day. Most of the administrative assistants compose letters by hand or by typing rough drafts. These are typed in final form by secretaries. The typing load precludes direct dictation. Dictating machines should be purchased. There would be little, if any, change in the secretarial work load but there would be a saving of time for the administrative assistants who now work 10 to 16 hours per day.

The cost of seven mini-cassette dictating machines and four transcribers would be about \$1,600. Total one-time cost of the recommendations would be \$22,600. Savings would result from more effective use of the administrative assistants' time. However, no dollar value is claimed.

3. Improve procedures in the Governor's Office.

The general files do not provide efficient retrieval of information. Some administrative assistants are maintaining separate files, and pending items are not handled in a manner to permit positive follow-up. Some suggested improvements were initiated during this study. These should be continued and the remaining items, such as consolidation of files, instituted. The help of a qualified person from the State Library or the University of Connecticut to aid in filing and indexing would be desirable.

No specific cost savings are claimed. However, it is obvious that a failure to act on such matters as a federal aid program could be costly. Increasing the effectiveness of such a key group will pay significant dividends.

Attorney General

The Attorney General is elected for a four-year term and has general supervision of all legal matters except criminal in which the state has an interest. It is the duty of this office to represent state officers and heads of all departments, boards, and commissions involved in legal matters pertaining to state business. It also renders advice and binding legal opinions to state officials. Contracts, leases, deeds, regulations, and refunds with which the state is concerned are also reviewed and approved. Additional responsibilities include administering all statutory claims arising out of injuries to state employees and collecting penalties for delinquent payment of state fees and taxes.

ORGANIZATION AND PROCEDURES

The staff includes a deputy attorney general, 49 assistant attorneys general and 36 employees serving as secretaries, clerks, fiscal officers, and investigators. Processing of state employees' workmen's compensation claims and collection of delinquent fee penalties are handled by the Attorney General's staff in accordance with detailed, but unwritten procedures.

Written opinions are rendered only upon request of a state official, after approval by the Attorney General. Normally, such requests are directed to the assistant attorney general assigned to the agency making the request. All writs, summonses, or other processes served upon state officers are transmitted to the Attorney General. Suits or other proceedings by state officers are brought by the Attorney General or are under his direction.

The staff is organized into 16 units. Each reports to an assistant attorney general. The units are assigned to specific state agencies or groups of agencies. Some are quartered with the agency.

Selection of attorneys for higher positions is made within provisions of the state merit system. Longevity is a principal factor and could have an effect on the turnover rate at lower position levels.

EVALUATION OF EFFECTIVENESS

The legal staff appears to be handling its work on a timely basis. The secretarial group has some well-qualified employees, but on the whole, they are substandard in ability. Many attorneys do not have secretaries capable of taking dictation.

The number of attorneys employed has increased 53% during the past three years. Court cases have increased 25% and opinions and advices rendered are up 32%. This increase in work volume is due to broadened

statutory jurisdiction of the various state boards and commissions. Also, an increasing number of boards and commissions require legal assistance. There is greater involvement by the state in numerous federal programs. Further, more actions are brought both by state and federal courts concerning individuals' constitutional rights.

Statutory requirements for condemnation procedures differ for each property use. A uniform procedure would decrease work involved.

Procedures to control paper flow appear to be adequate. However, a file retention program to provide for destruction of obsolete files has not been instituted. Clerical procedures for collecting penalties include redundant steps. Waivers of penalties are handled in an inconsistent manner. Documentation as to the reason for waivers is missing in some instances. The clerical functions required to process workmen's compensation payments are not being handled by the Workmen's Compensation Unit.

RECOMMENDATIONS

1. Improve secretarial work flow and procedures.

The secretarial staff, as a group, is substandard. To make use of optimum capabilities that exist or can be recruited, it is necessary to modify present procedures. It is recommended that outside assistance be obtained to review procedures and advise on improvements. There is a professional systems organization in Hartford with a department serving the legal profession. A free work-flow study is provided by them for any law office upon request.

2. Modify experience and training specifications for attorneys general III and IV to permit more rapid progression of qualified personnel.

Experience specifications for assistant attorney general III require not less than four years' employment as an assistant attorney general II. Specifications for promotion to the IV class require not less than five years as an assistant attorney general III. No consideration is given to experience gained outside of the Attorney General's office nor to the fact that individuals learn at different rates. Such absolute requirements cause resignations of personnel who feel the advancement possibilities too limited.

3. Revise state property condemnation procedures to insure uniformity.

Present statutes provide different property condemnation procedures for each purpose of condemnation. It is not feasible to measure the savings a common

procedure would provide. However, a consistent program would be more easily administered and would develop staff expertise.

4. Develop a file retention program.

Only one of the 16 organizational units reports that files are systematically destroyed. In some offices, no storage room is provided and transfer cases are stacked to the ceiling. A file retention program, when developed, must be submitted to the Records Management Committee.

5. Redesign clerical procedures to eliminate unnecessary steps and reorganize the clerical staff.

The general statutes require the Attorney General to collect penalties from corporations failing to file an annual report at the required time with the Secretary of the State. During 1970, 53 corporations forwarded incorrect payments due to faulty interpretation of the Notice of Demand of Penalty. In each instance, the check was returned by registered mail, return receipt requested, at a cost of \$0.95 each. Therefore, a more explicit notice is needed to reduce errors.

State statutes also require approval of the Attorney General for refund of money paid in error to the Commissioner of Motor Vehicles. There were 4,766 refunds made during 1970 and, of these, only one was found in error when checked by the Attorney Gen-

eral's office. In the cases of refunds for tax compromise and tax succession, the same condition exists.

There were 3,086 contracts and agreements approved by the Attorney General during 1970. A significant number are agreements for service and/or maintenance and could be executed through a purchase order procedure.

Clerical functions required to process workmen's compensation benefits are now performed in two office locations. A revision of office procedures and restructuring of the organization would permit elimination of a business services officer and a typist. Implementation would result in an annual saving of about \$19,400.

6. Require documentation of reason for waiving penalties on late filing of annual reports by corporations.

A penalty must be paid by corporations which fail to file an annual report with the Secretary of the State. During 1971, through April, there were 27 undocumented penalty waivers in the Attorney General's files. These waivers were approved at the verbal request of state officials. No basis for the waivers was recorded. Implementation will ensure objectivity and eliminate possible loss or misunderstanding of information that could occur without proper documentation.

Secretary of the State

The Secretary of the State is elected for a four-year term with responsibilities for the custody of public records and documents. This office maintains the acts and resolutions of the General Assembly, keeps the seal of the state, administers election laws, and records votes. Additional responsibilities include administration of trademark laws, recording of liens and certificates of incorporation, and production of certain publications.

ORGANIZATION AND PROCEDURES

Operating costs for fiscal 1970 were \$526,000 and are estimated at \$574,000 for 1971. The Administrative and Legislative Division has responsibility for making notary public appointments, compiles municipal ordinances, and labor union financial statements. Additionally, it administers the Corrupt Practices Act which pertains to election campaigns and is responsible for a variety of administrative duties with regard to the Legislature.

The Business Office incorporates the budget, personnel, and purchasing functions along with the Photo-

graphic and Revenue Collection Sections. The Rules and Regulations Section maintains agency regulations and sees they are published in the Connecticut Law Journal. The Corporations Division administers corporation laws and records certificates of incorporation and organization. Revenues in this division totaled more than \$2-million in fiscal 1970. The Elections Division is the central point for interpretation of the law in respect to elections and related matters. The Publications Division records, stores, and disseminates historical, statistical, governmental, and other data. Revenues from sale of publications average \$33,000 per year. This division also tabulates and records votes in state and national elections. The Uniform Commercial Code Division records liens on certain personal property and registers trademarks. Its total revenues in 1970 were about \$85,000.

EVALUATION OF EFFECTIVENESS

The organizational structure of this office is basically sound. However, some unnecessary work is imposed by existing procedures. Also, much of the work load

is seasonal. A major problem is the maintenance of numerous files throughout each division. No retention period is specified and the value of many of the documents is not apparent. Microfilm is used to a limited degree, but the originals are retained. The work in the Rules and Regulations Section does not justify the full-time employment of one person.

In the Administrative and Legislative Division, the pace is much heavier during the first half of the year when the Legislature is in session. Most of the work in keeping the file of Notaries Public occurs in February and March when 5,000 annual renewals are processed. Administration of the Corrupt Practices Act would seem to belong under the Elections Division. Filing of voting machine inspection statements also seems more logically placed in this division.

The Corporations Division is victimized by its system of processing new certificates of incorporation and organization. Much time and effort is absorbed in checking and double-checking in the complex, semi-automated system. A computer-tape file is maintained but is updated only once each year.

Paperwork procedures in the Elections Division could be simplified to allow it to absorb work pertaining to elections currently done in other sections. The Publications Division is overworked. In addition to regular duties, the staff is required to edit and proofread the galley of agency regulations before publication.

RECOMMENDATIONS

1. Assign public relations and liaison activities with respect to town clerks and registrars to the Elections Division and eliminate excess staff.

A special assistant and an executive assistant act as liaison with town clerks and registrars and handle press relations relative to conferences on elections. These activities should be transferred to the Elections Division where the lines of communication and sufficient manpower already exist. Annual savings of \$20,600 will result from the elimination of these two positions.

2. Assign responsibility for filing voting machine examination statements and administering the Corrupt Practices Act to the Elections Division.

Both of these functions are handled by the Administrative and Legislative Division, yet are clearly within the domain of the Elections Division. By transferring these responsibilities, the division could eliminate one position for annual savings of \$9,400.

3. Transfer responsibility for the official tabulation of votes to the Elections Division.

Tabulation of the vote is done by the Publications Division. Transferring this function to the Elections Division will eliminate one position for an annual saving of \$7,700.

4. Transfer the functions of the Corporations Division to the Tax Department.

Significant duplication of effort and records exists between the Corporations Division and the Tax Department. Corporations registers all firms organized under the laws of Connecticut as well as those with authority to conduct business in the state. It assesses and collects initial and annual fees from each, totaling over \$2-million annually. Nearly all of these corporations must also register with the Tax Department. Coordination between the two agencies is cumbersome and requires extra recordkeeping and processing efforts. Further, the processing of certificates of incorporation and organization is extremely inefficient. The Tax Department is able to make greater use of automated equipment and its system is better geared to efficient processing techniques. Also, the means to investigate and follow up on delinquent accounts already exists in this department. The Tax Department can perform the task with 10 people instead of the present 21 and the Secretary of the State can eliminate the two support people when the transfer is accomplished. The annual salary savings from elimination of 13 positions would total \$133,500.

5. Implement recommendations made in 1967 to streamline paperwork and filing procedures in the Elections Division.

A study made in 1967 suggested 26 improvements for paperwork and filing procedures in the division. Many have not been implemented. Two of them, namely increasing the number of signatures on nominating petitions and discontinuing the practice of shipping split packages of absentee ballots to towns, would result in a significant reduction in the administrative and clerical work load. Implementation would eliminate two vacancies for annual savings of \$23,900.

6. Charge a nominal fee for copies of party rules distributed by the Elections Division.

This division maintains a file of rules for all town committees and state central committees for major political parties. It provides free copies to the public on request. A nominal fee such as \$0.10 per page should be charged to cover costs.

7. Combine the functions of the Rules and Regulations Section with Notary Public and Justice of the Peace processing and recordkeeping in the Administrative and Legislative Division, and simplify the procedure.

Currently, each of the three functions is handled by a full-time person. The practice of processing certificates for these offices requires multiple typing of all information. Multipart carbon paper forms should be used to generate the certificates, file copy, and source for data processing to reduce the typing. With adoption of a simplified method for processing the certificate of Notaries and Justices of the Peace, the

three tasks could be handled by one clerk. Two positions would be eliminated for annual savings of \$19,200.

8. Appoint an administrator to handle personnel activities in the Elections Division.

The Elections Attorney responds to requests for information on and interpretation of the election laws. However, attention to daily administrative tasks in the division has been inadequate. Implementation of previous recommendations will increase these responsibilities. Consequently, the division should employ a competent manager to plan, schedule, and supervise personnel activities. This would result in increased annual costs of \$13,000.

9. Employ a clerk to be shared by the Administrative and Legislative, Elections, and Publications Divisions during their respective peak work load periods.

The Administrative and Legislative Division employs a full-time special assistant to register lobbyists while the Legislature is in session during the first half of the year. The work load in the Elections Division is heavier in the latter half of the year while the Publications Division could use assistance at varying times. The proposed at-large clerk should be capable of handling registrations and helping with clerical and proofread-

ing duties. Savings of approximately \$2,200 would be generated annually through replacement of the special assistant with a clerk.

10. Dispose of unnecessary typewriters.

The Secretary of the State currently has 21 secretarial positions. It also has 54 typewriters with a value of \$13,000. It is estimated that half of these surplus units could be sold for a one-time income of approximately \$5,000.

11. Establish a reasonable records retention schedule for all documents filed and dispose of unnecessary ones.

This office follows no prescribed retention schedule for most of its records. Files going back to the early 1800's are stored in the basements of the two buildings. All noncurrent records should be stored in a central state repository in Rocky Hill. Files with a retention schedule of 10 years or longer should be kept on microfilm and the originals disposed of. Existing older records should be reviewed by the State Librarian for historical value. Removal of unnecessary records would free approximately one-third of the existing 2,500 square feet of storage space for estimated annual savings of \$4,000 as well as one-third of the shelving space for one-time savings of about \$1,200.

Treasurer

The department is responsible for handling state monies. It also administers funds established by legislative acts, escheats accounts, and bonuses for Vietnam veterans.

ORGANIZATION AND PROCEDURES

The Treasurer invests state surplus funds subject to the approval of the Investment Committee. Trust funds are invested with the approval of the appropriate board and/or in accordance with general statutes. As of June 30, 1970, there were 38 trusts with an approximate balance of \$575.9-million. During fiscal 1970, more than \$300-million was handled through these funds. Treasury functions are organized into the Accounting, Bank Deposit Control, Bank Reconciliation, Housing, Escheats and School Funds, and Vietnam Bonus Divisions.

The Accounting Division prepares statistical reports covering department activities. Bank Deposit Control processes cash receipts and disbursements. Payroll and vendor checks are prepared by the Comptroller and forwarded to the Bank Deposit Control Division for signature and bank balance control. It also pre-

pares other state checks and trust fund checks as well as supervising state bank deposits.

The Bank Reconciliation Division reconciles payroll and vendor accounts using data processing systems. Smaller accounts are done manually. The Housing Division records funds administered by the Department of Community Affairs. The Escheats and School Funds Division administers escheat activities, initiates and records payments from school funds, and has custody of state property deeds. The Vietnam Bonus Division processes veteran's claims in accordance with statute provisions.

EVALUATION OF EFFECTIVENESS

Cash receipts accounting has adequate controls, although some steps in the procedure are redundant. Deposited checks returned by the bank appear to be excessive, numbering over 6,000 for the nine-month period of July 1, 1970, to April 30, 1971. Bad checks are returned to the respective departments and agencies for recovery.

Bank reconciliations for the payroll account are performed efficiently. Payrolls are prepared with com-

puter equipment which provides magnetic tapes for reconciling purposes. Reconciliations for the vendor account are performed inefficiently. Checks are prepared with an accounting machine system that provides a punched tape for reconciling purposes. This is not compatible with standard banking procedures.

All transactions in the Accounting and Housing Divisions are manually recorded in ledgers, with selected portions abstracted and transcribed to other ledgers and reports. No consistent policy is apparent regarding monies to be obtained through bonding vs. short-term notes.

Control of escheats as small as \$0.04 are recorded and administered in the same manner as escheats of greater value. In the Escheats and School Funds Division, several separate school funds could be combined. Physical security of deeds to state properties is inadequate, as is their availability for reference.

Standard operating procedures for the Vietnam Bonus Division have been developed, but no recognition of sampling approaches to auditing is in evidence. Controls are inadequate to prevent collusion between staff and veterans with the resultant possibility of multiple payment of bonus monies. Staffing and procedures do not reflect the significant decrease in claims since the program's inception.

The Comptroller prepares all vendors' checks, but does not provide the Treasurer with an advance schedule of disbursements. This alone hinders efficient handling of the state's cash flow.

RECOMMENDATIONS

1. Redesign procedures and reorganize the staff of the Treasury Department.

In the Accounting Division, information is abstracted manually from machine prepared ledgers to develop activity reports. This function should be programmed in the State Data Center except for the detailed accounting of activity within funds. This process, which is also done by the Comptroller, should be eliminated.

A teller and a cashier in Bank Deposit Control handle each cash receipt statement received from state agencies. Another employee assists them and records disbursements by budget appropriation. This record duplicates information in the Comptroller's department. Assigning cash receipt statements to one employee would eliminate two positions in the Bank Deposit Control Division.

The Bank Reconciliation Division does not require a full-time supervisor. In addition, there is one other unnecessary employee. When the Comptroller prepares vendors' checks in a manner which is compatible with bank procedures, a tape from the bank can be used in the state system, eliminating the need for a third employee.

Bookkeeping functions of the Housing Division should be automated by the State Data Center. This would eliminate one employee. The Housing and Escheats and School Funds Divisions should be combined.

The procedures' revisions described would permit a staff reduction of eight and one-half employees. Combining the Accounting and Bank Reconciliation Divisions as well as the Housing and Escheats and School Funds Divisions would eliminate two supervisors. Present and proposed organization charts appear on page 7. Resultant annual savings will be \$112,000.

The cost of programming Treasury Department activities in the data center is estimated at \$1,000. Annual computer cost will be \$2,400.

2. Permit consolidation of Town Deposit and Andrew Clark Funds into the School Fund.

All three funds are designated for the support of local schools. Accordingly, the bookkeeping required to keep them separate is unnecessary.

3. Print recurring checks from the Second-Injury Fund and "registered interest" checks for bonds on data processing equipment.

Second-Injury Fund and "registered interest" checks are drawn manually. Printing them on data processing equipment will reduce the work load. Savings have been claimed elsewhere.

4. Provide adequate fire and theft protection for vital records.

State property deeds, the bond register, unredeemed bonds and coupons, and other original documents are filed in standard steel cabinets. Some records are stored in a vault. An inventory of documents should be made to ensure protection of all vital records. The Treasury Department's present vault is adequate for this service.

5. Add pertinent information including acreage to the data processing records regarding deeds.

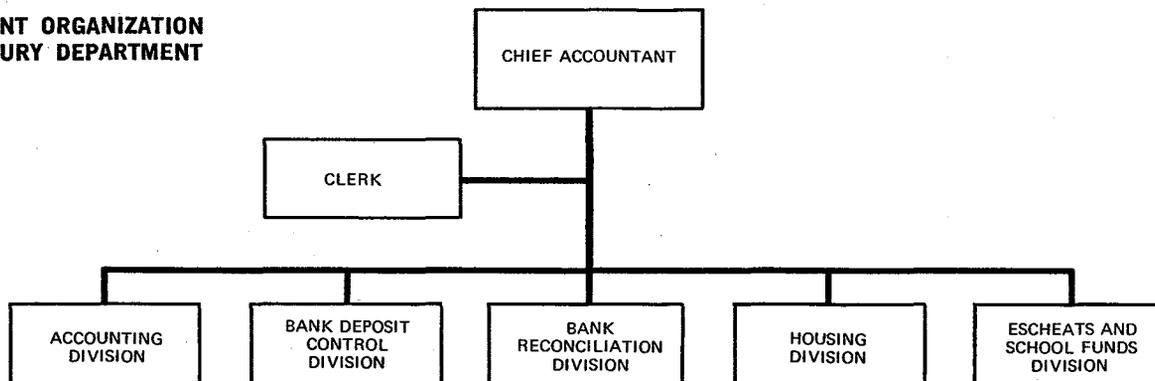
Information on state properties available by data processing analysis is limited to the town in which the property is located and the deed identification. It is therefore necessary to refer to each deed to determine whether it meets basic criteria of acreage and so on.

Because of reference difficulty, agencies are not checking availability of properties owned by the state. As a result, there may be unnecessary purchases and/or retention of properties. Implementation may result in large savings. One-time cost of programming the additional data is estimated to be under \$1,000.

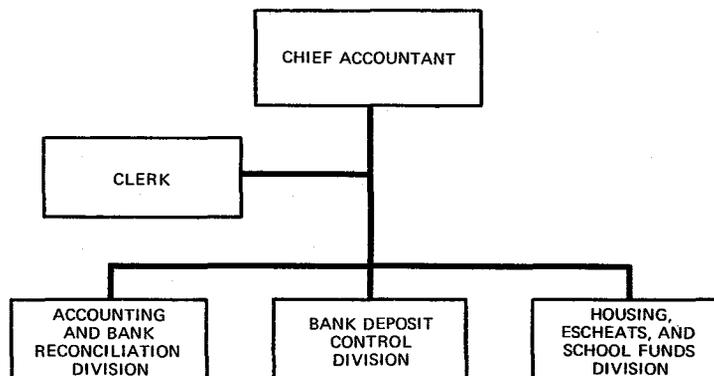
6. Streamline the Vietnam Bonus Division.

Redundant procedures result in daily issuance of approximately 50 checks by a staff of 26 persons. This low level of activity should be typical during the remaining time the statute authorizing the division

**PRESENT ORGANIZATION
TREASURY DEPARTMENT**



**PROPOSED ORGANIZATION
TREASURY DEPARTMENT**



is in effect. The work load should be redistributed among six employees. This would include a director, two claims examiners, an accountant/auditor, a clerk/typist, and a receptionist/typist. The jobs should be evaluated by the Personnel Department to determine salary grade. Savings of \$242,000 can be realized annually through elimination of 20 positions.

7. Improve security of Vietnam bonus payments.

The only means of preventing multiple bonus payments to reapplying veterans is a card file with the veteran's name, address, service, social security, and case numbers. Incoming applications are checked against this file before processing. If the file is misplaced, there is no way to determine it is missing. To avoid this, the veteran's name, social security, service, and case numbers should be keypunched on data processing cards for departmental reference. A tape record of the data should be kept by the Treasurer. Records and cards should be compared periodically for discrepancies. Also, checks should be imprinted "Not Good for Over \$300." A one-time cost of \$3,200 and annual cost of \$700 will result.

8. Obtain a legal opinion of the conditions of discharge authorized for Vietnam bonus payments.

The division has authorized bonus payments to all veterans with other than a dishonorable discharge.

Former servicemen with "general" or "other than honorable" discharges are being paid even though the reason for the separation might have been related to criminal acts such as drug abuse and the like.

A legal opinion should be requested on the following:

- ▶ Does the provision in the general statutes providing for payment of a Vietnam bonus to persons "... separated from such service in a manner other than dishonorable, through no fault or misconduct of such person ..." require the Treasurer, before paying a bonus to a person separated in a manner other than dishonorable to determine the reasons for that separation and whether that reason represents fault or misconduct on the part of the applicant?
- ▶ If the answer is yes, what procedures must be used in making the determination?

9. Permit escheats under \$5 to be reported as lump-sums by property holders.

Negligible amounts of money are involved in the majority of escheated properties. Eliminating the need to maintain individual records on two-thirds or more of the current volume will permit an annual saving of \$3,000.

10. Permit holders of abandoned property to report unclaimed property on data processing cards in a format which has been approved by the state's Treasurer.

Approximately 15,000 instances of abandoned property are reported annually on a typewritten form furnished by the Treasurer. The majority are using information from their data processing records to complete the Treasurer's form. It will be simpler for the holders of such property to prepare the list on data processing cards. Implementation of this recommendation will save the state the cost of keypunching approximately 15,000 cards each year.

11. Improve the present method of handling daily deposits.

Current department practices do not permit proper management of funds deposited late in the day. No record is made of how much agency money is received after 11:00 a.m. each day. It is possible that a second deposit is needed.

12. Make the position of Treasurer appointive and have it report to the new Office of Commissioner of Finance.

Substantiation is detailed under a recommendation for the Commissioner of Finance and Control.

Comptroller

The Comptroller is an elected official whose term of office coincides with that of the Governor. He has constitutional responsibility for establishing and maintaining state accounts, settling claims not adjusted by the General Assembly, and serving as one of the auditors of the Treasurer's books. Additionally, the Comptroller has statutory responsibility for providing furniture, stationery, and other such items for state offices. He directs electronic and data processing installations for other agencies, maintains state telephone and telegraph facilities, and provides guidance to state and municipal employees on matters pertaining to retirement benefits and plans.

ORGANIZATION AND PROCEDURES

The department has seven operating divisions and three staff and administrative sections. They include Administration, Business Management, Staff Services, Central Accounting, Special Services, Claims and Checkwriting, Accounting Systems, Retirement, Central Payroll, and Data Processing. The 1971 budget totaled \$5.3-million and there are 284 employees in the department.

The Business Management Section performs the comptroller functions for the department. It coordinates preparation of the budget, does the accounting, and formulates the payroll. In addition, it prepares the payroll for elected officials and consolidates the budget, approves expenditures, and accounts for miscellaneous appropriations administered by the Comptroller. These totaled \$42-million in fiscal 1971.

Staff Services administers personnel and training activities for the department and the county sheriffs. This section also maintains dossiers, job history records, position files, and has an additional responsibility of preparing public relations copy on activities of the Comptroller's office.

The Central Accounting Division accounts for all funds in state custody. It records transfers, receipts, and expenditures with primary emphasis on ensuring that individual appropriations are neither overcommitted nor overspent. It prepares an annual report covering the status and transactions of all funds plus interim reports for the primary funds. Special Services executes various departmental functions. These include administration of group life and health insurance plans, savings bond programs, the central telephone system, issuance of surety bonds, submission of claims for casualty losses, the purchase of air travel for state employees, and office machinery repair.

The Claims and Checkwriting Division is the state's accounts payable agency. It approves and pays all invoices except those resulting from suits brought against the state.

The Accounting Systems Division provides advice and direction on fiscal procedures to new agencies. It also carries out special projects such as computerization of various accounting systems.

The Retirement Division administers various retirement plans. The employees report to the Comptroller for administrative purposes but policies are set by an autonomous commission. The Central Payroll Division issues checks to active state employees as well as to those who have been retired.

There have been proposals to combine the records and functions of payroll, audit control, and personnel into an integrated computer system, but resources have not yet been made available to implement such activity. In anticipation of this type of system, however, audit procedures covering employee payrolls have been relaxed from a full preaudit to a spot postaudit examination.

EVALUATION OF EFFECTIVENESS

The Comptroller's department has been charged by statute with responsibility for many small tasks which would better fall under other jurisdictions. Special Services, for instance, employs 30 people in 13 areas, of which seven bear no relation to the department's accounting function. This has produced an organization which is cumbersome and difficult to control.

There is also evidence of overcontrol and oversupervision. The department makes some use of automation, but this technology is not used to the extent it should be.

In the Retirement Division, ledger card master files and indexes are manually posted and updated. Central Payroll is automated only to the extent that mandatory deductions are taken, checks printed, and certain year-to-date records maintained by computer. The worst elements of automation and manual procedures have been combined to create awkward systems.

In the accounting area, excessive costs are generated because of statutory and administrative directives. Central Accounting by statute, records and reports all receipts and disbursements for state funds other than trust funds. The statutes also require the Treasurer to perform this function. In addition, this division also has responsibility for controlling expenditures against appropriations and its appropriation accounting system fills that requirement. A separate method is required, however, to break down expenditures within appropriations. Neither system gives proper budget comparison.

The Claims and Checkwriting Division audits all invoices, although this is done by the submitting agencies. The division installed improved accounting machines for writing checks two years ago. A computer-based system could perform the expenditure accounting now done in Central Accounting, eliminate all but one summary sheet for invoice batches, lower costs, and produce voucher stubs to be sent with the checks. The stubs would eliminate the problem of payment identification for vendors.

RECOMMENDATIONS

1. Install a comprehensive computer-based accounts payable system.

The system for producing vendor checks uses six semi-automated bookkeeping machines. The checkwriting section, with a staff of 17, writes and audits checks, runs the envelope stuffer and postage machine, controls supporting paperwork, and coordinates check-signing with the Treasury Department. No accounting data other than check listings are produced.

A computer-based method should be developed based on input of individual invoices rather than manually-prepared batch totals. This system would group in-

voices by vendor, produce a check and supporting voucher for each vendor, and summarize accounting information by fund, appropriation, and detail accounts. It would also produce a magnetic tape for reconciliation purposes and provide control totals by payment list and other parameters as required. Design of the system should be integrated with that of automated purchase orders recommended elsewhere. Its operation would require five people to coordinate with the State Data Center, the Treasury Department, and Accounting, as well as six keypunchers and verifiers and approximately two hours of computer time daily. Savings would result from eliminating 12 positions in the checkwriting section plus machine rental and two positions in Central Accounting. The analysis of detailed expenditures and the expenditure certificate which accompany each payment list could be discontinued as could the small form used to group up to four invoices per vendor. The certificate could be printed on the standard invoice form. The practice of mailing duplicate invoice copies would be eliminated by use of the voucher, creating additional savings in postage. Implementation would require a one-time cost of \$106,000. Annual savings would total \$130,000.

2. Reorganize the Administration, Business Management, and Staff Services Sections.

The current organization is top-heavy and cumbersome. It includes the Comptroller, a deputy comptroller, chief administrative officer, three special assistants, four secretaries, two people in Staff Services, and eight in Business Management. The Comptroller, who serves part-time for a statutory salary of \$15,000, shares policymaking and external coordination responsibilities with the deputy. He, in turn, shares functional direction of the department with the chief administrative officer. The special assistants perform studies and assist with budgets.

The Comptroller should serve full-time and be so compensated. He should be an experienced financial officer. Special assistants are unnecessary. The deputy should be an experienced career official who fills the position of chief administrative officer as well as performing the Comptroller's duties in his absence. The new organization would have only the Comptroller, his deputy, one secretary, and eight employees in Business Management. There would be no savings in executive salaries because of the increases for the Comptroller and deputy. Based on current schedules, their salary ranges should be \$25,300 to \$30,600 and \$21,300 to \$26,200, respectively. Elimination of three secretaries and three special assistants, however, will yield savings of \$84,000 annually. The Business Management Section would absorb duties now handled by Staff Services with a clerical position eliminated. Annual savings are estimated at \$16,000. The cost of

increased executive salaries would be about \$20,000 a year. Total annual savings should be about \$100,000.

3. Eliminate audit performed by the Claims and Checkwriting Division of invoices from agencies with their own audit procedures.

Invoices received by the claims section are math checked and audited for proof of receipt, compliance with purchase order terms and so on prior to payment. Numerous errors are found, although the same procedure is followed in the larger agencies. Those offices do most of their accounting based on figures submitted to the Comptroller. Being closer to the source, they can resolve problems more quickly. Therefore, unless all accounting were centralized, it would not be practical to eliminate the audit done by the larger agencies. It should be possible, however, for the Comptroller to select certain large offices which audit their own invoices, prescribe the procedures they should use, and delegate this function to them. Only a cursory check would then be required, along with an occasional examination to ensure the procedures were being adequately followed. If this change were implemented for Education, Transportation, the University of Connecticut, Health, Welfare, and Public Works, the work load in the claims section would drop by an estimated 40%, permitting elimination of six positions for annual savings of \$48,000. The division work load is being adequately handled with no excessive delays by the current staff. Five vacant positions could thus be eliminated for a further saving of \$40,000, producing total savings of \$88,000 annually.

4. Limit math checks to invoices over a given dollar value.

Invoices paid by the claims section are math checked by one of six clerks before audit by invoice examiners. Industry has found such examinations of low value checks are more expensive than the losses. A survey showing the frequency and degree of errors for different value categories should indicate the actual dollar level where checking invoices is cost effective. Savings could total three positions but would presumably be offset to some degree by errors in the vendors' favor. Elimination of two positions would provide annual savings of \$16,000.

5. Eliminate verification of vendor check totals by the Treasurer and eliminate difference between Comptroller's and Treasurer's cash.

Current procedures require that the Comptroller prepare a covering list for each batch of vendor checks forwarded to the Treasurer for signing. The Treasurer then runs independent totals, reconciles them and, after signing the checks, returns them to the Comptroller. The Treasurer also must reconcile his cash balance with the Comptroller's because over \$1-million is normally in float between the two offices.

This procedure can be simplified if the Treasurer accepts the Comptroller's batch totals, which would be identified by fund. He could then sign the checks and verify that enough cash was available to pay the checks. The Comptroller should shut off issuance of checks for any accounting period early enough to permit the Treasurer to sign them in that period. This would eliminate the extensive reconciliation now required between the two cash balances. If any checks could not be processed because of lack of cash, the Comptroller would reverse the corresponding expense out of that period's accounts. Savings have been included in the Treasury Department recommendations.

6. Implement a state-wide, computer-based accounting system.

Most agencies maintain accounting records which duplicate those kept by the Comptroller. In the case of large agencies, records may be carried at two or more levels. A great deal of effort is required to reconcile these records with those of higher and lower levels. Further, the state-wide chart of accounts is cumbersome, contains redundant information, and has blocks of numbers in the coding system which are rarely used. The following steps should be taken and carefully coordinated with budget control changes recommended elsewhere:

- ▶ Prohibit further development of independent accounting systems by the agencies.
- ▶ Institute a state-wide survey of requirements for budget and accounting information, using outside consultants if necessary.
- ▶ Develop a streamlined comprehensive chart of accounts which is consistent with budget breakdowns, and can accommodate the varying agency requirements.
- ▶ Develop a computer-based system for the collection, recording, and reporting of required data.

Considering that 400 or more people are currently engaged in agency accounting, the direct savings from these changes should be considerable. Based on figures for similar installations, the one-time cost, including computers and programming should be \$500,000 with machine costs of \$300,000 per year. Agency savings of at least 25% or \$850,000 per year would result from implementation.

7. Eliminate the computer used in Central Payroll.

Central Payroll uses a computer to prepare paychecks, registers, and year-to-date statistics. This computer and its staff of three should be eliminated and the work load transferred to the State Data Center. There would be a one-time cost of approximately \$5,000 for this conversion. Total annual savings would be \$121,000.

8. Implement a comprehensive payroll system for state employees, jurors, and retirees.

The current system requires each agency to compute employees' pay up to the point of mandatory deductions. This is done on an exception basis for those whose earnings will differ from the last pay period. The agency's role in this calculation could be eliminated by instituting a system requiring only time reporting. In addition, all such transactions should be centralized and automatically audited against master files before checks are issued. The system should be identified as a module of an integrated payroll, personnel, and auditing data base. The central payroll function would include administration of all voluntary deductions.

Major savings would occur by eliminating agency personnel and releasing equipment in the Comptroller's department as well as combining supplemental and regular payrolls. Estimated costs would include a one-time amount of \$100,000 and continuing amounts of \$50,000 per year. Total annual savings are estimated at \$438,500.

9. Reorganize the Retirement Division and automate its procedures.

This division maintains manual files, checks on the legality of transactions, edits, and audits. The basic records it deals with are, for the most part, hand-posted ledger cards. Manual file maintenance could be eliminated by incorporating them into a personnel/payroll program maintained by a computer. It would be a module of the larger one proposed under other sections. This system should include, as a separate file, municipal employees whose retirement is administered by the state and other small plans if a study proves such automation to be feasible.

The division's staff could be consolidated and the activities expanded to include miscellaneous retirement funds now handled in the Administration Section of the Comptroller's department. The reduction in personnel would amount to 20 full-time employees for an estimated annual savings of \$180,000 for salaries and \$4,000 for space. Offsetting these savings would be a one-time cost of \$50,000 and a continuing cost of \$5,000 per year for computer time.

10. Eliminate the Special Services Division of the Comptroller's department and assign its responsibilities elsewhere.

The Special Services Division of the Comptroller's department has administrative jurisdiction over 13 distinct functions. Because of their diversity, supervision of this section is difficult. Several of the functions are more closely allied to other areas both within and outside the Comptroller's department so that the following dispositions should be made:

- ▶ Transfer group life insurance, Medicare, and savings bond functions to the Central Payroll Division of the Comptroller's department.
- ▶ Eliminate office equipment and air travel purchasing entirely and allow it to revert to the Purchasing Division of Finance and Control.
- ▶ Reassign substitution of securities for retainage, typing and filing of general letters, and reimbursement of unemployment compensation to the Business Management Section of the Comptroller's department.
- ▶ Move the fringe benefit reimbursement and telephone billing functions to the Central Accounting Division of the Comptroller's department.
- ▶ Establish a Telecommunications Division as indicated elsewhere.
- ▶ Assign the Office Machine Repair Section to an appropriate agency.
- ▶ Make the purchase of surety bonds a responsibility of the Insurance Purchasing Board as recommended elsewhere.

Implementation would result in eliminating five positions including the chief and his secretary, the assistant chief, the office equipment purchasing agent, and the air travel purchasing agent. The annual savings would be approximately \$55,000.

11. Make the position of Comptroller appointive and have it report to the new Office of Commissioner of Finance.

Substantiation and savings are detailed under another recommendation.

State Employees' Retirement Commission

The commission is responsible for the administration of five separate retirement plans for state and municipal employees. In addition, it is empowered to act for the state in matters relating to the social security agreement with the federal government and may make regulations regarding membership in this program.

The five-member commission meets up to three times a month. Currently, most of the work is concerned with requests for disability retirement due to service connected or other injuries or sickness. The commission also polices disabled retirees to ascertain whether their disability still exists and, depending on findings, it may remove a retiree from the disability rolls.

This agency interprets statutes regarding retirement and passes on the legality of transactions brought to its attention. While it does not set policy, it renders decisions which become precedents. The commission uses the Retirement Division of the Comptroller's de-

partment to administer policies. Retirement payments will amount to \$23-million in fiscal 1971.

The commission performs a needed function in its role as interpreter of the retirement statutes. Much of its work is either settling individual cases under disability retirement laws or ruling on the applicability of the options which characterize the major retirement plans. It does not have jurisdiction over all of the state's retirement related plans.

RECOMMENDATION

12. Expand the jurisdiction of the State Employees' Retirement Commission to cover all state retirement and pension administration.

The commission is not empowered to administer all retirement and pension funds. Five are excluded and fall under the general supervision of the Comptroller. For the sake of uniformity, responsibility for these plans should be transferred to the commission.

County Sheriffs

The constitutional Office of County Sheriffs is a vestigial remain of the county government system which was abolished in 1960. Duties of the county sheriffs are limited to service of civil process and attendance at court to transport prisoners, keep order, and prevent unauthorized public contact with jurors. The sheriffs act as administrators, leaving court and process work to others. They are elected for four-year terms concurrent with the Governor's term.

ORGANIZATION AND PROCEDURES

There are eight sheriffs, each with a chief deputy, clerical assistance, and a state car. From 1957 to 1965, annual expenditures for this function were about \$70,000. At present, the figure is over \$196,000. However, the sheriffs' duties have been significantly reduced. Virtually all law enforcement responsibilities have been assumed by other agencies.

Sheriffs are empowered to appoint 252 deputies and an unspecified number of special deputies. Presently, an estimated 500 are so designated and hold office. The annual cost of this manpower is \$196,000. There is no job description for these positions. However, there are bonding and residency requirements. Sheriffs are bonded at state expense. The budget is prepared in the Comptroller's department at a cost of one or more man-days per month.

EVALUATION OF EFFECTIVENESS

An adequate force of deputies and special deputies is available and their performance is satisfactory when assigned.

Requiring fee payment for services rendered to other agencies and private citizens is consistent with pricing of specialized services offered by other government agencies. However, fees for serving processes in state

matters are significantly greater than those for similar work in federal matters.

RECOMMENDATIONS

1. Reassign the responsibilities of the sheriffs and their deputies.

The functions of the County Sheriffs can be discharged more economically and efficiently through reassignment. For example, state and local police have staffs trained to deal with matters pertaining to custody of prisoners. Assignment of responsibility for transport of prisoners or related duties to state and local police is therefore appropriate.

The Judicial Department should be responsible for courtroom decorum and service of process. Deputy marshals can be appointed for bailiff functions. No increase in cost is expected. It is likely that additional clerical and/or supervisory help will be required in the Judicial Department to discharge reassigned responsibilities. However, only about one-half of the budget of the Office of County Sheriffs would be needed.

The deputy state marshals would be directly responsible to the court. Creation of additional civil service positions incurs, of course, additional salary costs. However, service fees would be sufficient to offset that portion of the cost ascribed to other than direct court expenses. The overall cost would be about \$98,000 annually.

2. Abolish the Office of County Sheriffs.

With the implementation of the previous recommendation, the Office of County Sheriffs would no longer be required. Operating costs and personnel expenditures will be eliminated. On an annual basis, this is estimated at \$196,000.

**The Governor's
Commission
On Services &
Expenditures**

Tax Department

This department is responsible for the administration and collection of all taxes levied by the state. It is also responsible for auditing the accounts of small municipalities, reviewing audits of other municipalities, and computing state grants in lieu of taxes on state-owned property. The department provides relief for elderly homeowners, publishes periodic tax documents, and conducts hearings and litigation in disputed matters.

ORGANIZATION AND PROCEDURES

Department employees total an authorized 420, not counting seasonal staff. Operating expenses were \$3.8-million for fiscal 1970. Tax revenues collected amounted to \$671-million. The Administration Division supervises personnel, payroll, internal accounting, purchasing, stockroom, mailroom, security, a stenographic pool, and a central reproduction facility.

The Collections and Accounting Division processes 528,000 returns annually from 155,000 taxpayers. It collects all taxes except those handled by the Inheritance Division. Sections include Registration, Processing, Tabulating, Delinquency, Deficiency and Adjustment, and Records.

The Audit Division is organized into the Corporation, Capital Gains, Sales Tax, Excise, and Admissions Sections. It does not audit returns administered by the Inheritance Division. This division's present manpower allocation reflects the pre-1958 tax-oriented organizational structure.

The Audit Section of the Municipal Division examines municipalities with less than \$200,000 of annual revenue. It also approves selection of independent public accountants and reviews audits done by them for larger towns and cities. Assessment consists of one person who provides assistance to local officials in assessing and collecting local property taxes. The Statistical Section publishes reports on revenues and expenditures. There is also a Clerical Section.

The Research Division consists of a man and a secretary. He prepares special reports on taxes and, when the Legislature is in session, spends one-third of his time analyzing tax proposals.

The Inheritance Division administers the state's succession and estate taxes, regulates tax reports, and conducts litigation concerning death taxes. Its Legal Section is comprised of six attorneys who review approximately 16,000 files annually. Computation consists of eight tax examiners who compute revenues due from information submitted through the probate

court system. This work is primarily interpretive and demands close scrutiny because of the complexity of the law. Collection includes two clerks who post assessments and payments. The Clerical Section maintains files and performs stenographic and clerical work for the division.

EVALUATION OF EFFECTIVENESS

The department staff is competent and dedicated. However, more than half are over 55 and most of the supervisors have 20 years or more with the department. Their receptivity to new ideas is inadequate and the organization has too many supervisory personnel. The commissioner has two executive assistants, although only one should be necessary.

The space allotment per employee is too large, the building is not air-conditioned, and the office equipment is old. A sizable amount of space is consumed by files, all of which are maintained manually. Microfilming was tried and discarded in the early 50's due to excessive costs. Control over collection of the Capital Gains Tax is insufficient. Further, the potential of data processing techniques has not been realized for any of the collection and accounting functions.

The Administration Division is overstaffed, particularly in the stockroom and security guard activities. The Municipal Division duplicates work of other state agencies as well as local tax collectors. Its reports are time-consuming to develop and of limited value. The Municipal Assessment Agent overlaps services provided by the Department of Community Affairs. Auditors test 100% of the grant requests from towns for state-owned property and housing for the elderly. Annual approval of independent public accountants is unnecessary. Although the research function is useful, it does not seem appropriate to have a one-man division in the organization.

RECOMMENDATIONS

- 1. Eliminate the Tabulating Section and replace it with a teleprocessing system tied into the State Data Center.**

The data processing function employs 21 people at an annual cost of \$154,000. Hardware rental is over \$4,000 per month and machine use is only about 60% because of lengthy sorting and collating operations. Inquiries into taxpayer status are difficult because of the size and organization of the card files. In addition to the Tabulating Section, there are 12 persons in Deficiency and Adjustment and two in Registration who engage in billing and accounts receivable activities. With more sophisticated techniques, these functions could be handled by computer.

The State Data Center has the capability to provide a teleprocessing system which would improve the computer use in this department and lower operating costs. It would cost less than \$2,500 a month and would include eight terminals, two communication lines and a 25-million disk master file on line, eight hours a day, five days a week. Additional computer time for printing returns and reports at the center would cost \$1,000 a month. The one-time conversion cost would be \$50,000. Annual cost would be \$42,000. There would be a one-time saving of \$2,000 and annual savings of \$227,100 through elimination of 20 positions and annual equipment rental.

2. Deposit cash receipts in the bank every day and eliminate two security guards.

Currently, remittances paid in cash are retained by the cashier until the appropriate paperwork has been processed. The average balance is between \$2,000 and \$3,000. During peak periods, it may reach \$10,000. If cash were deposited daily, a receipt could be retained by the cashier and money kept on the premises would rarely exceed a few hundred dollars. The security guards could be replaced by a secretary who would act as a receptionist. Elimination of the two positions would save \$18,800 annually.

3. Reduce the audits done on payment requests for grants-in-lieu of taxes on elderly housing.

The grants-in-lieu of taxes program has only been in existence for a short time. Payment lists from all municipalities have been completely audited each time a request is processed. Town officials now have sufficient experience to compute the payment requests so that reduced auditing is reasonable. Each request should be reviewed and a number set aside for audit. This should only be a test of the records, unless there are discrepancies. Implementation will eliminate four positions for an annual saving of \$61,000.

4. Reduce the clerical force within the Municipal Division.

Reports on tax assessment and collection practices in municipalities are costly, late, and unnecessary. More informative reports can be produced with a smaller staff by producing a smaller, less formal publication issued more frequently. Implementation will provide savings of \$29,600 based on a total reduction of four positions.

5. Change the property tax relief law.

A program was begun in 1966 to provide property tax relief for the elderly. It was amended in 1969 and now freezes taxes based on the year in which an owner first filed and had his claim approved. The law allows the assessed value to increase only if an addition is made. Similarly, the applicable mill rate may go down, but not up. The taxpayer must meet strict qualifica-

tions to be eligible and the municipality must spend time calculating the amount of tax due from the citizen and from the state.

A problem arises during revaluation by the municipality, a process required every decade. Since the elderly taxpayer's assessment is frozen, his payment and taxes will decrease if the mill rate does down in connection with a general increase in valuation. The state's contribution thereby goes up. It seems unlikely that there was legislative intent to produce windfalls to selected individuals due to the mechanics of taxation in a particular town. The statute should be changed so the payment from the state is not raised solely on the basis of revaluation. Implementation will result in an annual cost avoidance of \$300,000.

6. Discontinue the practice of approving independent public accountants every year.

The Municipal Division approves the choice of independent public accountants by municipalities each year. This is done even when there is a continuing relationship. The division should be consulted only when there is a change.

7. Transfer the responsibility of working with local tax assessors to the Department of Community Affairs.

The authority for providing technical assistance to municipalities should be centralized. This assistance can be provided on a request basis by the Department of Community Affairs. Implementation will result in annual savings of \$16,700.

8. Reduce the Municipal Division to the status of a section.

The division has 21 authorized positions. Implementation of other recommendations will result in a reduction to 10. At this level, it should be a section within the Administration Division.

9. Install self-service elevators instead of making major repairs.

Department elevators are run by two state employees. Others are assigned to relief work. The cost of installation for self-service units is about \$50,000 each. If major repairs are needed, that cost plus expenditures for operator service will make installation of self-service elevators the more economical choice.

10. Eliminate one executive assistant.

The commissioner has two executive assistants. They are available to head up special assignments, but the work load does not indicate a need for two people. Elimination of one will result in annual savings of \$15,900.

11. Strengthen the Stenographic Section.

Administrative positions represent 26% of the total department complement. They are not fully utilized

although a number of staffs require such personnel. The concept of a centralized stenographic pool has merit, but present supervision is inadequate. Using at-large administrative personnel with stronger supervision will solve the problem. By limiting permanent assignments to 64, and increasing the stenographic pool to 10, varying needs could be met. Taking into account prior recommendations, the total complement would be reduced by 19 employees. Savings are estimated at \$139,400 per year.

12. Establish a Central Records Section under the Administration Division.

All tax returns are filed in the Collections and Accounting Division. Other divisions maintain separate files for their material. Such filing could be accomplished more efficiently in a Central Records Section serving the entire department. The retention schedule used by Collections and Accounting should be followed by the other sections. Material to be stored longer than 10 years should be microfilmed. It is estimated that two clerical positions will be eliminated for savings of \$13,400 per year.

13. Institute packet billing and cycle filing for sales taxpayers.

At present, 68,000 tax returns are mailed out each time a payment is due. The cost of mailing is \$10,300. If these quarterly returns were sent in a packet, the cost would be reduced to \$2,600. Additionally, taxpayers are required to file the return on the last day of the month following the end of the quarter. Extra staff is hired and regular employees diverted from normal tasks to process the returns. By staggering the due dates, this extra staffing and peak work load could be eliminated. An analysis of the delinquency rates in states already using such a procedure should be studied before implementation. The only savings claimed are \$7,700 for postage.

14. Implement an audit program based on sampling techniques.

Audits conducted by the Excise Tax Section are too detailed and uncover very few errors. Therefore, the amount of auditing should be decreased. A study should be conducted after the program has been in effect for some time to determine if there has been any adverse effect on revenues. Implementation will result in elimination of six positions for annual savings of \$87,800.

15. Eliminate three positions in the Admissions Tax Section.

Admissions, dues, and cabaret taxes were passed in 1969. Since the majority of taxpayers are now accounted for, the work load in this section has decreased, allowing a reduction of three positions. Annual savings will be \$41,000.

16. Increase the Special Investigations staff by three positions.

The 1696 Legislature increased the cigarette tax by \$0.08. However, smuggling of cigarettes from other states has been estimated to have reduced the anticipated revenue by almost \$12-million. The Special Investigations Section has been operating only a short time and has not had adequate training. An increase in staff size and training should result in substantially enlarged tax revenues. The annual cost will be \$40,900. Annual reduction in lost income is expected to be \$1.2-million.

17. Develop an improved system for selection of sales tax audits.

Audits are done on the basis of information obtained in the field, anonymous letters, and past experience with the taxpayer. Of the audits done by the Sales Tax Section, 25% have consistently developed little or no additional revenue. A productive selection program should be developed for a one-time cost of \$30,000. The increase in revenue from improved audit selection should be \$248,700 per year.

18. Increase the number of sales tax audits.

During the period from 1967 to 1970, only 7% of the sales taxpayers were audited. The field staff spends only 70% of its time doing such audits. The percentage should be increased to 85%. This can be accomplished through better supervision, use of work measurement techniques, and better training. Implementation could increase annual revenues by \$387,000.

19. Combine the Deficiency and the Adjustment and Delinquency Sections and eliminate unnecessary supervisors in the Collections and Accounting Division.

The duties of these two sections are similar and should be combined. Implementation of previous recommendations will result in a diminished need for supervisory personnel in the division. It is estimated that seven positions could be eliminated for annual savings of \$128,200.

20. Improve compliance with the Capital Gains Tax.

The 1969 General Assembly enacted a tax on capital gains to become effective that year. It received little publicity and compliance has been poor. Sampling of state and federal returns has shown that almost 50% of the people required to file on capital gains did not. The Capital Gains Section should be increased in order to implement a state-wide examination. An additional 18 employees for a two-year period will require a one-time cost of \$450,000. One-time revenue is estimated at \$4.5-million based on the sampling. Examinations should be discontinued when the increased revenues no longer exceed the cost.

21. Reduce the inventory of supplies and forms.

The department has \$16,500 in stationery and \$29,000 in tax forms on hand. This inventory is maintained despite the fact that Central Purchasing delivers on a daily basis to Hartford. Requisitions are processed by two clerks and three and a half people operate the storeroom. The processing could be handled by one person and the storeroom duties by two others. The inventory should be reduced and maintenance of perpetual inventory records eliminated. The manpower reduction will result in annual savings of \$20,300. Implementation of the inventory reduction will produce a one-time saving of about \$15,000 and lessened annual carrying costs in the neighborhood of \$2,250.

22. Develop a plan for replacement of personnel nearing retirement age.

Many of the department's personnel are nearing or have passed retirement age. In order to provide for an orderly continuation of performance, a program of training must be developed to prepare new people to take over.

23. Eliminate seven assistant supervisor positions from the Tax Unit of the Audit Division.

Tax examiners and investigators are four positions removed from the division chief. This type of one-on-one management is very inefficient. The elimination of assistant supervisors will result in annual savings of \$117,000.

24. Centralize the responsibility for waiving time penalties.

At present, time penalties are waived by department staff as well as the commissioner. Only he is authorized to waive penalties and this requirement should

be enforced. The additional revenue to be generated by tighter control is impossible to estimate.

25. Reduce the number of temporary employees.

During peak periods and vacations, part-time help is added to the staff. Implementation of previous recommendations should reduce the need for peak period help. Additionally, vacation schedules should be planned to reduce the need for temporary replacements. Hiring 115 people in the summer to cover 400 vacationing employees does not seem to be necessary. The temporary staff should be reduced by 75% to allow annual savings of \$92,800.

26. Use excess equipment and space for other state agencies.

The building which houses the department has 76,000 square feet of usable office space. At 150 square feet per person, requirements for the existing 420 positions would be 63,000 square feet. If the excess space were used by another agency, the state could save \$65,000 per year in leasing costs. In addition, implementation of other recommendations will result in a reduction of 57 positions with total annual salaries of approximately \$700,000. At a rate of 10% for space and equipment, this would mean an additional annual savings of approximately \$70,000, for a total of close to \$135,000.

27. Change the title of the department to the Department of Taxation and Revenue, include it within a new Department of Finance, and change the commissioner's title to Director of Taxation and Revenue.

Substantiation and potential savings are detailed under recommendations for the Commissioner of Finance and Control.

Personnel Department

This department administers schedules of compensation, position classifications, and other policies authorized by the Personnel Policy Board. It conducts examinations for classified jobs and certifies lists of qualified candidates for state employment. Additionally, the department maintains a roster of state employees, administers an apprentice program for the disadvantaged, and conducts training programs.

ORGANIZATION AND PROCEDURES

Each state agency employs its own personnel group. The Personnel Commissioner's staff has no routine contacts with employees or applicants except when administering tests. Agency personnel officers have

neither functional nor reporting relationships with the commissioner.

The Administrative Services Division maintains limited personnel records for every employee. This division passes on the propriety of personnel changes in classified positions and prepares announcements of competitive examinations. It also certifies employment and promotional lists and maintains the inventory of positions throughout the state. Additionally, it also provides general office management functions for the total Personnel Department.

Personnel Services performs job evaluations based on descriptions furnished by agencies. Additionally, it

conducts college recruiting, screens applications for examination under the merit system and develops, administers, and scores tests for competitive positions. No use is made of advertising agencies in the development of advertising strategy or copy for examination notices. Physical examinations are scheduled only if a specific problem should be evident in a personnel technician's review of an application.

The Training Section develops, coordinates, and conducts in-service training programs. The Employee Relations Section negotiates and decides grievances at the third step as the commissioner's agent and presents the state's case in hearings before the Personnel Appeal Board.

The Equal Employment Opportunity Division administers the Governmental Assistant Program and polices state agency equal opportunity hiring. The Municipal Services Section provides test development services to municipalities on a request basis. The state is reimbursed for the cost of the services.

EVALUATION OF EFFECTIVENESS

The organization and functions of the Personnel Department have not changed within recent memory. Information in department files is duplicated in operating agencies. Also, no effective use is made of automated techniques, although the department has a punched-card installation. Administration of job evaluation procedures is ineffective. Job audits are not performed, objective guidelines for establishing salary grades are absent, and salary surveys are incomplete.

The statutory examination process is too long and entails inefficient procedures. There is no validation of examination questions. Personnel assembling examinations are not trained psychometrists and the state is in a poor position to justify its testing under recent Equal Opportunity Commission standards. The Employee Relations Section is an ineffective intermediate step in the grievance procedure and no state-wide standards for employee conduct and discipline have been developed. Research has not been done to determine if programs conducted by the Training Section have significantly improved employee performance. The Equal Employment Opportunity Division is ineffective in its prime responsibility of policing the state's equal employment efforts and its administration of the training of the disadvantaged has not produced meaningful results. In general, employees of the department are not using their full time productively as revealed in work/no-work counts. In addition, the department does not perform the following functions:

- ▶ Development of a comprehensive industrial relations policy with appropriate guidelines for management.

- ▶ Administration of a safety program.
- ▶ Determination and control of fringe benefits.
- ▶ Administration of the state's workmen's compensation program.
- ▶ Employee counseling on retirement benefits.

RECOMMENDATIONS

- 1. Establish a functional relationship from the various agency personnel officers to the Personnel Commissioner.**

Currently, no formal relationship exists between the commissioner and agency personnel officers. Personnel actions specified by statute are audited by the commissioner's office on an after-the-fact basis and are limited to an examination of paperwork. There is no consistency among agencies regarding personnel forms, procedures, and actions unless stipulated by statute. Savings would result from implementation because of elimination of duplicate office procedures between the department and the operating agencies. However, no specific amount is claimed.

- 2. Add an individual with full-range industrial relations experience to the staff.**

Department experience in industrial relations is limited to grievance handling and preparing cases for presentation to the Personnel Appeal Board. Industrial relations functions not currently performed include:

- ▶ Establishment of policy regarding matters of "management rights".
- ▶ Assessment of agency "practices" and standardization in accordance with employee relations posture approved by the Governor.
- ▶ Dissemination of statutes and regulations governing personnel actions to managerial personnel.
- ▶ Evaluation of impact on state government of possible changes in statutes to permit collective bargaining for state employees.

Cost of implementation would be approximately \$27,000 per year.

- 3. Eliminate the practice of giving employees who have resigned preferred reemployment status.**

The department maintains a list of employees who have resigned voluntarily or under duress and have reapplied for employment. Names on this list are given priority in the hiring process. This may force an agency to hire an unsatisfactory former employee. Abolishing the practice would eliminate this possibility. It also would have the effect of making employees think twice before resigning. This recommendation would not apply to employees laid off for economic reasons. By eliminating the reemployment list, the clerical staff could be reduced by one position for annual savings of \$7,500.

4. Evaluate the economics of requiring preemployment physical examinations.

Several job classifications require physicals prior to appointment. However, approximately 95% of the employees are examined only if a personnel officer is specifically alerted to a possible medical problem. Industry disqualifies approximately 20% of applicants on the basis of physical limitations that would make the job hazardous to the applicant's health or create excessive risk of accidental injury. Of those hired by industry, 90% have some preexisting disability that could have workmen's compensation implications if not recorded before employment. Many others have noncompensable illnesses such as diabetes brought to their attention, making early treatment possible. These factors should be weighed against the cost of initiating a preemployment physical examination. Costs should include the use of paraprofessional physician's aides for routine examinations.

5. Reorganize the Administrative Services Division and automate its procedures.

Maintenance applications of various department files and lists should be a module of a larger information system incorporating personnel, payroll, and auditing functions. The impact of putting this information on computers would include elimination of data duplication, reduction of 36 positions, cost savings of \$17,500 per year in tabulating equipment rentals, and freeing 2,800 square feet of floor space.

Remaining personnel in the division would include a division chief, office management section of seven people, audit and coding group of eight, examination auxiliary of five, two file clerks, and a receptionist. Implementation would require a one-time cost of \$130,000 and annual computer charges of about \$100,000 to realize total estimated annual savings of \$305,000.

6. Redefine the functions of the Equal Employment Opportunity Division and the Training Section.

The Equal Employment Opportunity Division should renew and strengthen its efforts within state agencies in the areas of:

- ▶ Gathering statistics on minority personnel hired by each agency.
- ▶ Counseling with agency heads and other appointing authorities regarding minority representation on their payrolls.
- ▶ Seeking information on availability and skill qualifications of minority groups in the labor market.
- ▶ Aiding agencies to identify and develop labor sources.

- ▶ Counseling with minority employees who have problems affecting their work.

Administration of the Governmental Assistant Program should be removed from this division. However, recruitment of employees should remain. Responsibility for the program should be transferred to the Training Section and the following changes made:

- ▶ Restrict time an employee can remain in the program to nine months.
- ▶ Eliminate practice of permitting persons in the program to attend outside schools during working hours.
- ▶ Initiate field auditing and/or other procedures to insure each governmental assistant is getting meaningful experience from his training.
- ▶ Schedule regular reviews of on-the-job performance with each trainee and his field supervisor.
- ▶ Counsel with the Personnel Services group and agencies about position specifications for the job a graduate of this program is expected to move into.
- ▶ Establish an accelerated payroll for the trainee program. Many trainees drop out because they receive no check during their first month in the program. This is a result of the state's policy of holding back two weeks pay.

One year after the modifications suggested are made, the program should be reexamined and, if it is still unsuccessful, it should be dropped. No savings are claimed.

7. Evaluate the effectiveness of the programs offered to state employees by the Training Section.

During the past five years, approximately 20,500 employees have participated in courses offered by the section. Depending on the course, it is presented fully or partially on state time. There has never been an attempt to measure the effect of such training on job performance. However, it is probable that many man hours are being invested with no return. An evaluation should be made and those courses found to be of little value dropped. Savings will depend on the number of courses discontinued.

8. Include fringe benefits, work-week, and longevity payments in all wage surveys conducted.

This information is not included in current wage survey data gathered by the department. A comparison limited to salary ranges will not accurately reflect the cost of personnel services. No saving is claimed, but survey accuracy will be increased.

9. Establish a more effective system of reference checking.

Reference checks should be made by an agency personnel officer. When possible, checks should be by

phone to encourage the reference to talk freely and permit the reference-checker to explore in depth any areas in which he may have specific questions. No saving is claimed.

10. Validate the Personnel Services Division's selection techniques.

The current technique of modifying tests regularly does not permit test validation as required by the Equal Employment Opportunity Commission. Once a test has been developed and validated, it should not be altered until the changes have been validated.

Man-specifications for jobs in the competitive system should be evaluated to develop job-family tests. Such combinations would result in elimination of two-thirds of the tests now used. The appropriateness of testing for each competitive job should also be examined. Statutory changes may be required in some cases. Increased exclusions from competitive examinations will eliminate 15% to 20% of current testing and \$18,000 in annual fees to the American Public Health Association for preparation of medically-related examinations.

Performance evaluations should be modified to form a basis for work-test evaluations of applicants for promotional examinations. Passing scores for all tests should be set as one of the byproducts of the validation studies to be performed.

A qualified psychologist should be employed to guide technicians in development and validation of tests. Without such assistance, the division will be unable to conform to the validation guidelines established by the Equal Employment Opportunity Commission. A statistical clerk should be added to perform routine statistical functions. Implementation is critical to the proposed reorganization of the Personnel Services Division. Estimated annual cost is included in a following recommendation.

11. Increase degree of correlation between salary increases and job performance.

The survey comparing state salaries with those of industry indicates less than 5% of private concerns have higher salary ranges. The state awards annual pay increments based on the absence of a "fair" or "unsatisfactory" service rating, provided the employee is below the maximum of his salary range.

The State Personnel Act should be changed to read "No employee shall receive such annual salary increase unless a service rating of 'good' or better has been filed . . ." This would force management to review employees yearly and reduce the number of undeserved rewards. The figure of 1/4 of 1% fair or unsatisfactory ratings is completely out of line with industry which typically adjudges from 15% to over 50% of its employees as not eligible for merit pay increases in any given year. A positive statement of

the Personnel Act as recommended would result in a saving of \$900,000 per year. It is also probable that employees would have more incentive for meritorious performance.

Most data indicate that at a point in time 15% to 50% of employees are not performing beyond the level of performance existing at the time of the prior review, and do not, therefore, warrant pay increases based on betterment of performance. Guidelines should include the stipulation that no more than 85% of the employees in a department can be granted merit pay increases in any year. Under these guidelines, about 3,750 of the 25,000 employees eligible would not receive increases in any given year, thus saving \$900,000 annually.

12. Reorganize the Municipal Services Section and Personnel Services Divisions.

Municipal Services is a part-time function for a group of three employees. Since the functions are identical to those performed by the Personnel Service Divisions, they can be eliminated as a separate unit.

The Personnel Services Divisions are supposed to cover both recruitment/selection and job evaluation. However, the job evaluation function is receiving inadequate attention. Accordingly, the functions should be separated and the employment level reduced from 36 to 28. After two years, this would be further reduced to 18. Implementation would include work pace improvement, eliminating some tests immediately, standardizing remaining tests over a two-year period, doing job audits on all positions within a one-year period, and validation of selection techniques. After the initial audit, jobs should be reviewed on a four-year cycle.

The department should also employ an advertising agency to handle publication of examination notices. Personnel currently spends \$13,000 a year for this type of activity. The services of an agency would cost no more and would reduce internal administration of this program. Annual savings from implementation are estimated at \$318,000.

13. Evaluate establishing a centralized Safety Department to report to the commissioner.

No state-wide safety program exists, nor does every agency have safety rules. Normally the financial effect of instituting a safety program is a saving of 20% of losses by the end of the second year.

14. Transfer responsibility for salary administration of all Executive Branch positions to the Personnel Department.

There is no centrally administered salary program for the Executive Branch and the results are excessive salary costs and morale problems. A survey to determine the extent of the problem was conducted.

The sampling included about \$23-million in uncontrolled positions. Evidence indicated identifiable differences on comparable jobs at the maximum end of the pay scale could equal \$5.9-million. Currently, differences are estimated at approximately \$3-million. The total annual payroll for positions in the Executive Branch beyond Personnel Department control is about \$65.8-million.

No organization, business, or government can function efficiently with individual departments free to establish their own personnel policies. Analysis of potential cost savings and elimination of inequities will not be accomplished immediately. However, some steps can be taken at once. These actions, directed toward achieving greater control of salary administration, should produce an estimated annual savings of \$1.5-million. The cost to the department of handling this task is included in other recommendations.

Personnel Policy Board

The Personnel Policy Board is responsible for establishing personnel administration policies for state employees in classified service. The board also may, upon request of an appointing authority, establish class positions in the unclassified service.

The Commissioner of Finance and Control is chairman of the board. The Personnel Commissioner is secretary. The Labor Commissioner and an officer of the State System of Higher Education also serve as members. This board has three public members appointed by the Governor for overlapping six-year terms. There is no staff.

Policy changes and other recommendations are brought before the board by the Personnel Commissioner and other officials. It submits a comprehensive compensation schedule and plan of position classifications each year to the Governor for approval. The board also hears arguments regarding its decisions from dissatisfied employee groups. The board meets monthly and has annual expenses of \$3,000.

The Personnel Policy Board has not chosen to exercise its broad policy-forming powers. It has spent its time on trivia. In effect, the board responds to and ratifies change. It does not cause it.

RECOMMENDATION

15. Abolish the Personnel Policy Board.

Since its inception, this board has initiated very little, preferring to ratify proposals brought before it by the Personnel Commissioner. Personnel policy should be a responsibility of the Governor and the Personnel Commissioner. The existence of the board makes the exercise of this executive function unnecessarily difficult. Abolishing the board will save \$3,000 annually.

Personnel Appeal Board

The board hears appeals from any permanent employee in the classified service regarding action he deems unfair. The decision of the board is final.

The Personnel Appeal Board is composed of nine members appointed by the Governor. Appeals are heard by a panel of three. Disciplinary actions may be appealed directly to the board. Other appeals go through a grievance system in which the board is the final step. Employees may be represented by anyone they designate. The agency is represented by the head of the Employee Relations Section of the Personnel Department. The board has no assigned staff. Its annual expenses total \$14,400.

The unfair treatment grounds for initiating grievances is so broad that almost anything can be appealed to the board. Consequently, a great portion of time is spent on complaints that are without substance.

RECOMMENDATIONS

16. Modify legislation to limit grievances which may be carried to the Personnel Appeal Board.

Grievances appealed to this board should be limited to questions of disciplinary action and interpretation or application of personnel regulations. To accomplish this, the governing statute should be amended to omit the words "unfair treatment." Implementation will eliminate 65% of the current appeals to the board. Board expenses would be decreased by \$9,000 annually while personnel reductions in the Employee Relations Section would produce additional annual savings of \$21,000. The major advantage will be an improvement in the ability of supervisors to exercise their managerial assignments. The value of such an effect is obviously great, but difficult to quantify.

17. Institute a financial commitment by unions pressing grievances to the Personnel Appeal Board.

Costs of arbitration in the private sector are normally shared by the employer and the union. This serves to discourage pressing grievances with insufficient support. Each day that the board convenes costs the state \$150 in fees. One-half of such costs should be apportioned among the unions representing employees. If individuals bring appeals before the board without union representation, they would not be assessed. Annual savings are estimated at \$4,000.

18. Do not pay for employee time required for appeals before the Personnel Appeal Board if the appeal is not upheld.

Board policy requires that employees be paid for time spent in bringing an appeal. Therefore, even the employee who loses has gained a partial holiday. Appeals granted by the board would continue to warrant salary payment without deduction from leave time.

State Employees' Suggestion Award Board

This board reviews suggestions and sets an award value for accepted proposals. Awards are based on estimated savings as computed by the Commissioner of Finance and Control.

The State Employees' Suggestion Award Board is composed of the Commissioner of Finance and Control, Personnel Commissioner, and three public members. The public members are named by the Governor for six-year terms. The board is autonomous and has neither budget nor independent staff.

The executive director is also head of Municipal Services. Employees submit suggestions through their agency or directly to the board. Suggestions are evaluated by the agency through a committee appointed by the agency commissioner. The Commissioner of Finance and Control affirms potential savings. The board accepts or rejects the suggestion and determines a monetary award if appropriate. However, rather than basing awards on a percentage of first-year savings as permitted by statute, the board normally awards \$50 to the best suggestion of a current month and an additional \$100 to the best suggestion of the year. Cost of awards is charged to the implementing agency. State employees whose jobs do not concern improvement of systems and/or procedures are eligible to submit suggestions. In the year ending June 30, 1970, there were 243 suggestions submitted. Awards totaled \$3,050 for 28 accepted suggestions.

The suggestion award system has fallen into disuse and is ineffective in developing cost-saving ideas. Some years, the cost of running the system has exceeded the savings. Poor organization of forms and procedures contributes to the ineffectiveness of the system.

This department is responsible for the planning and construction of all capital improvements for the state, except highways and bridges. It also leases offices and other space necessary for state agencies and monitors an up-to-date inventory of the state's real assets. In addition, it provides maintenance for certain state-controlled properties.

ORGANIZATION AND PROCEDURES

The budget for fiscal 1970 was in excess of \$7.5-million. Approximately two-thirds of the recurring

RECOMMENDATION

19. Replace the State Employees' Suggestion Award Board with a full-time suggestion system manager and staff.

The low level of employee participation is symptomatic of the organizational problem posed by an autonomous board being responsible for the system. The success of the suggestion program should be a direct responsibility of the suggestion system manager, who will report to the Personnel Commissioner.

The first duty of the manager will be to revise the suggestion system. The revision will take into account the award guidelines set by current legislation and must be approved by the Personnel Commissioner and the Governor. Upon approval, the manager shall institute the new program with appropriate notification to all state employees.

Data from the National Association of Suggestion Systems indicates an estimated 40,000 eligible employees in state service should submit enough suggestions to yield a first-year savings of about \$448,000. NASS has found that a savings depreciation schedule of five years exists for most suggestions. Accordingly, first-year savings of \$448,000 would average a suggestion—lifetime savings of approximately \$1.344-million. This amount is also the constant yearly savings after the system has been in effect five years.

Administration at this volume would require seven clerk-typists, three personnel assistants, and a manager at a total annual cost of approximately \$101,000. Award costs of 25% of first-year savings are estimated at \$112,000. Cost of supplies and printing would be \$4,000 for a total annual cost of \$217,000. Anticipated savings would be about \$1.344-million. Staffing of the activity should be controlled in relation to results.

Public Works Department

operating expenditures are supplied from the general fund with some contribution from the highway fund. The remaining third is apportioned from authorized planning and construction capital asset programs. At the close of fiscal 1970, \$382-million in projects were in the planning or construction stage.

The Real Assets Division uses a sizable group of field inspectors to monitor construction programs through four district offices. Buildings and Grounds has maintenance responsibilities for a large number of owned or leased buildings which, except for 11

courthouses and two law libraries, are in the Hartford area. The Commissioner of Public Works is a member or ex officio member of six commissions or committees. By statute, a Citizens Advisory Council on Public Works exists to advise and assist him.

EVALUATION OF EFFECTIVENESS

Both the commissioner and deputy commissioner are recent appointees. Neither has had experience in state agency operations. Changes in agency organization and procedures are already in process and more are planned. There is an awareness of the need for reviewing and revising the Capital Improvement Expenditure Program. Information required for establishing space needs or planning for facility expansion is not currently maintained. Assistance from the Citizens Advisory Council is largely ineffective. The growth of the Public Works Department over recent years has been paced by and in anticipation of implementing the expansion plans authorized under the Special Acts of the 1959-1969 Legislatures. General Assembly authorizations total over \$650-million with more than half of the sum not yet allotted by the Bond Commission.

RECOMMENDATIONS

1. Maintain a complete and current inventory of the real assets of the state.

Based on an examination of space needs, use, and planning, it appears that statute requirements for a real assets inventory have not been implemented. An important tool for proper planning is missing when information on all buildings, including gross and net square footage, is unavailable. The department maintains a list of Hartford-area buildings for which it has custodial responsibility as well as all state courthouses and leaseholds. A joint effort should be undertaken by the department and the other agencies to complete a real assets listing with all important data. The inventory should then be maintained in current condition with the responsibility specifically assigned.

2. Eliminate the Citizens Advisory Council on Public Works.

The group has been almost inactive, providing only formalized approval of building or space leases. Any necessary advice and assistance is available to the commissioner from other sources. The governing statute should be amended to abolish this council.

Business Administration and Accounting Section

This section is responsible for general business administration in the Public Works Department. The main function of the Accounting Unit is to monitor the funding and cost records of projects under way

in the Real Assets Division. All requests for funds are handled through the Finance and Control Section, which makes a transfer from monies allotted by the Bond Commission. Business Administration and Accounting is the only source of information as to the actual cost-to-date or cost-at-completion of a project. Should a job require funds beyond the current allocation, a request is made to the Department of Finance and Control. If the request is within the original project allotment, funds are made available to the Public Works Department.

The department sells manhours from the Real Assets Division to various agencies for each project. A bi-weekly time record is filed with Business Administration and Accounting and a charge to the project made each month. Other charges are also accumulated on a current basis. Cost information for each project is available on request.

There are two assistant chief fiscal officers, one of whom is assigned to the Buildings and Grounds Division. In addition to providing the business services, he also is responsible for processing payments for leased buildings in the Hartford area. Annual rentals for the 26 buildings total approximately \$2.4-million. The other officer has responsibility for project accounting. Business Administration and Accounting provides the personnel and payroll services for the entire department and supplies fiscal support and clerical assistance for seven licensing boards.

Responsibilities of this section are discharged in an adequate manner. Accounting and personnel information is maintained on a current basis and the other divisions and sections receive the services required. Interagency operations follow prescribed rules and routines.

The department charges other agencies for work on real asset projects on the basis of actual hours plus overhead. However, there is no control or incentive for holding the fee charged to agencies to a minimum. Overhead rates have risen from the 1967 level of 26.7% to the current level of 52.6%. The personnel of the seven licensing boards include a number of repetitive clerical positions. Improvement of this arrangement should result from the overall review of state regulatory units.

RECOMMENDATION

3. Provide data processing services to reduce the clerical staff.

The automated data system currently in the design stage will provide this section with more timely and less costly information, thus reducing its service charges. The system will allow an estimated reduction of five clerical people at a savings of \$40,000 per year. The data system charge should average \$14,400 annually.

Real Assets Division

This division is responsible for design, engineering, and specification work required for capital asset projects, except highways and bridges, and for renovations exceeding \$25,000. Additional responsibilities include negotiation, field supervision, and cost monitoring of contracts for such projects. It also administers the State Building Code.

The division provides state agencies with engineering services for planning, design, contracting, and construction of new facilities or major renovation of existing ones. It also handles contractual services in connection with leases when state-owned space is not available. The availability of capital asset funds determines the size and growth of this unit. The organization is divided into four sections under a director.

Design and Review engages in activities requiring a high degree of professional competence. It provides liaison with architects and engineers, reviews all drawings and specifications for conformance to state codes, and supplies cost estimates. It is also responsible for equipment selections and standards for maintenance, fire prevention, and general safety. All discussions between agencies and architects or engineers are supposed to be arranged through this section.

Contracts and Leasing is the legal arm of the department. It prepares contracts required to purchase or lease property and to obtain architectural and engineering services. It also prepares the construction print and specification package issued for bid purposes and the documents needed for construction contracts. Operation of a print shop is an additional activity.

Construction uses most of its manpower in field supervision of projects and performance review of contractors. For change orders of less than \$1,000, the section chief can give approval. All other changes must be approved by the commissioner. Building Codes develops, adopts, promulgates, and administers the State Building Code. New legislation has made state-wide use of the code mandatory. This will mean a program of education and certification for building officials.

Since this division provides a service function, it does not have authority to refuse a project or overrule agency requests. There is little incentive to hold manpower or project costs to a minimum. Reported criticisms include:

- ▶ The lapse of time between approval of a request and availability of a new facility.
- ▶ Choice of architects on what appear to be non-professional considerations.

- ▶ Charges for division services which often exceed estimates and are sometimes considered excessive in terms of what was done.

A study has shown that much of the delay in facility preparations is external to this division and exists because of cumbersome approval procedures. Actual needs are not well evaluated and preliminary information is insufficient for sound cost estimates.

Since the division's work load is derived from Bond Commission allotments, there is a tendency to overstaff to meet possible project approvals. The review work done by the Design and Review Section is often unnecessarily detailed, adding to project time and costs. The Contract Section does a competent job of discharging its legal responsibilities, although there is little evidence that financial considerations are taken into account in lease vs. purchase choices.

RECOMMENDATIONS

4. Replace the existing system for establishing and satisfying agency space needs.

The cost of state-constructed buildings contrasts unfavorably with comparable building done by industry. Based upon random sampling of construction from 1963 to present, adjusted for price level changes, square footage costs to provide state buildings are approximately 23.7% greater than in industry.

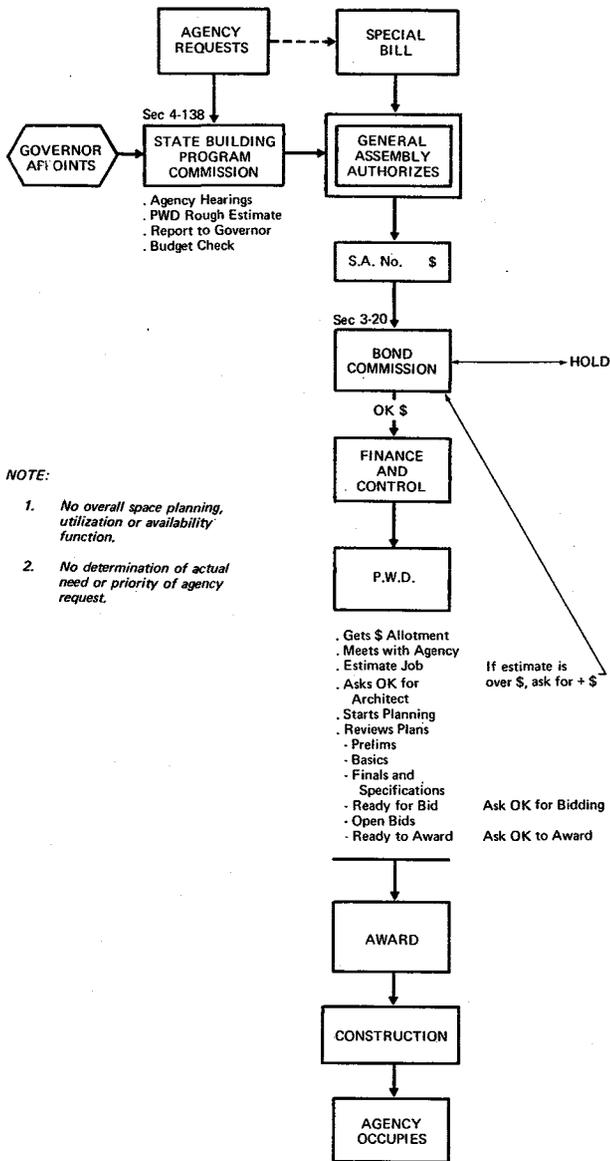
By establishing an effective system of controls, reassigning decision-making responsibilities, upgrading the quality of information provided, and increasing the amount of competition, the state can reduce capital construction expenditures by 15%. There are factors which may raise costs, but it is unreasonable to accept as much difference as now exists.

Applying the 15% factor to building costs of \$67-million for fiscal 1973, the estimated annual savings will be \$10-million. If the building program escalates, annual savings would increase. The proposed system will cost \$100,000 to implement and \$50,000 per year to maintain. Specific recommendations detailing the new system follow. Flow charts of existing and suggested procedures are shown on following page.

5. Provide a professional staff to aid in refining agency space requirements.

State agencies provide the original input for the capital projects system. So that each agency can be assisted in accurately reflecting its needs, a professional nonclassified staff should be established. From this joint effort, information to establish both interagency and state-wide priorities would be generated. In turn, functional criteria should be established. They would define only the specific need and not the means. The criteria and all technical information developed by the staff-agency effort would then be passed on to a new group. It will decide if new facilities must be obtained.

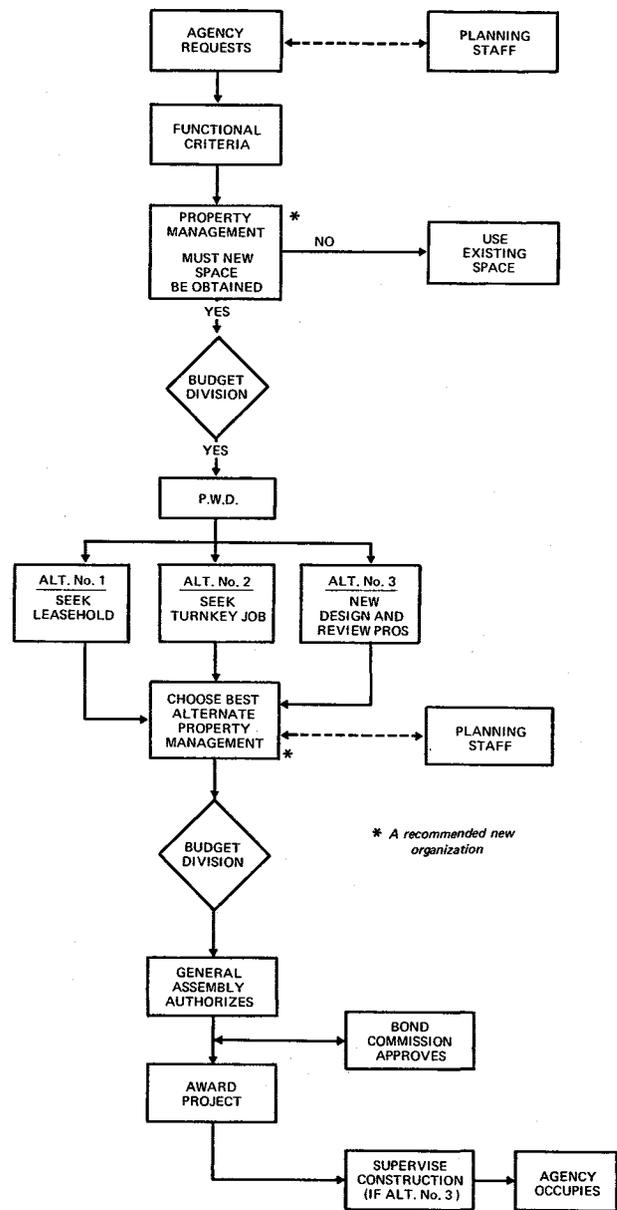
**REAL ASSETS DIVISION
FLOW CHART I
EXISTING SYSTEM FOR ESTABLISHING AND
SATISFYING NEEDS**



6. Exclude any person having responsibility for construction activities from decisions concerning new construction vs. use of existing facilities.

To assure objectivity in considerations of new facilities vs. existing ones, it is important that no group having a vested interest in perpetuating its own activities have a voice in the decision. Data from the construction activity should be considered but the authority of the decision-making group should not be diluted through nonobjective participation.

**REAL ASSETS DIVISION
FLOW CHART II
PROPOSED SYSTEM FOR ESTABLISHING AND
SATISFYING NEEDS**



7. Require the Public Works Department to seek three alternatives in satisfying specific agency space requirements.

The department should obtain project estimates from three sources. The three alternatives are:

- Use of private contractors able to provide a total package service. The state's only responsibility before occupancy would be provision of project criteria to the contractor.

- ▶ Lease arrangements through private real estate bidding.
- ▶ In-house selection and supervision of architects, engineers, and contractors. This process includes design and review functions needed to arrive at a final estimate of total costs.

8. Abolish the State Building Program Commission.

The State Building Program Commission has been an advisory group. It is not staffed with technically professional people. It does not have decision-making powers. While the agency requests are reviewed by the commission, the complete information required for over-all planning has not been available. The proposed system creates a Property Management Unit as the decision point, satisfying agency facility needs. This would eliminate the need for the commission.

9. Modify the process of selecting architects.

Design competition, a useful practice in industry, should be considered in selecting private architects. Information on past performance should also be a prime consideration. In addition, steps should be taken to experiment with the use of cost plus fixed fee architect contracts. This is a recent development in federal contracts.

10. Modify Special Acts to include a clause providing for an automatic decrease of funds from the originally authorized amounts by the amount of difference between the contract total and the comparable estimate incorporated in the final appropriation.

Since the amount of authorized funds becomes a public document, the Special Acts tend to serve as prophecies with the entire amount of authorized funds generally used. Including a clause which would decrease authorized funds to awarded amounts would eliminate the current abuses. Annual savings to be attained, which would be significant, are included in another recommendation.

11. Decrease the agency fund authorizations by the difference between the contract total and the comparable estimate incorporated in the authorization through executive action in the Bond Commission.

The amount of authorized funds becomes a public document and the Bond Commission allocations tend to serve as self-fulfilling prophecies. The entire amount of authorized funds is generally used. Including a clause to decrease authorized funds would eliminate the current abuses. Savings are included in another recommendation.

12. Reduce the personnel in the Design and Review and Construction Sections.

The costly in-house staff maintained by these sections should be reduced to a small nucleus of capable professionals. The current level of state construction does

not warrant such large numbers of employees. A reduction of 10% should be undertaken. This would provide annual savings of almost \$1.8-million. If increased capability is needed in the future, the use of contracted professional assistance should be carefully considered.

13. Replace the Hartford leaseholds with a state-owned office building.

Securing office space has been approached as a short-term problem with leasing as the result. The benefits of building vs. renting should be considered. Currently, more than 1-million square feet of space is leased to the state in about 40 Hartford-area locations. The present value of annual payments of \$3-million over an estimated building life of 40 years is \$51.8-million, assuming a 5% money cost. Building at any cost under \$47 per square foot would be more economical than leasing. Increased operating efficiencies would also result from consolidation of various offices. Savings are based on 820,000 square feet since another recommendation provides for reduction of office space. The first-year cost would be \$900,000. Savings would total \$1.1-million for the second and third years combined and approximately \$750,000 annually thereafter.

14. Modify construction plans for Western Connecticut State College to make costs similar to those for Eastern Connecticut State College.

An examination of established building plans for the two colleges reveals a cost difference of \$87 per square foot vs. \$40. Sampling was extensive and included comparable buildings from both campuses. If the lower cost designs and plans could be used for the two schools, potential savings would be considerable. Since comparison is based on potential costs and it would be unreasonable to assume that the plans are precisely suited for both colleges, there is a range of possible savings. It is estimated that \$35-million to \$65-million of excess cost will be incurred unless action is taken promptly. No savings are claimed.

15. Restrict development of the State Building Code to matters which directly pertain to public safety so as not to inhibit introduction of new construction techniques.

Bureaucratic growth of the enforcing section and establishment of inflexible rules should be avoided. There is concern that, under the guise of public safety, enforcement of an overly restrictive code would impede introduction of a new construction materials and techniques, thus raising building costs.

Buildings and Grounds Division

This division manages and maintains state-owned or leased areas located in Hartford and placed under the supervision of the Public Works Commissioner.

It is also responsible for state courthouses and various leased areas throughout Connecticut.

The division's 1970 budget was in excess of \$6.1-million. There are 429 authorized positions. Each maintenance group is organized on a functional basis.

The cleaning of seven Hartford-area buildings is done by 148 state maintainers. Maintenance for 10 similar but smaller buildings is contracted. The service level provided by the outside cleaning forces is comparable to the department's work. Cleaning of 11 courthouses is performed by 23 state maintainers. A building superintendent performs weekly inspections. Due to security requirements of the Judicial Department, the use of outside maintenance has been rejected.

Day maintenance is provided by three classifications including building superintendents, elevator operators, and day maintainers. The maintainers assist visitors and perform minor tasks. They do not handle preventive maintenance, cleaning, repairs, grounds, or trades work. A total of 29 tradesmen are assigned jobs by the Chief of Buildings and Grounds. Most large jobs and tasks requiring specialized skills are contracted.

State personnel are assigned specific spaces or given general stickers which allow parking in unreserved spaces. There is a shortage of unreserved parking. Some 12 attendants supervise six lots. Another six men patrol the State Office Building lot to assist visitors and prevent an overflow of cars from unreserved to reserved areas. Violators are given warning tickets, but no fines. There is no provision for visitor parking. There are nine groundsmen performing work for the Hartford buildings. All major tasks, such as grass cutting and snow removal, are subcontracted.

The division provides acceptable service, but the cost is excessive. Productivity suffers from lack of adequate job scheduling and work measurement. Savings can be realized by using more contracted services and establishing control systems. The cost of cleaning by state employees is approximately \$1.362 per square foot, contrasted with \$0.496 for comparable outside service.

Day maintenance crews are overstaffed. Both the tradesmen and groundsmen provide inefficient costly services. No system exists to provide records of jobs requested, work performed, estimated and actual hours, and feedback regarding quality of work. In addition, there is no preventive maintenance program.

The system of attending parking lots is ineffective and costly. Many agencies provide their own cleaning, day maintenance, and security. There is no centralized control over these services and those observed appeared overstaffed and costly.

RECOMMENDATIONS

16. Replace state employees with contracted cleaning services.

The in-house cleaning cost for Hartford-area buildings is \$1.362 per square foot. This contrasts sharply with the \$0.496 per square foot cost for similar buildings cleaned by subcontractors. Annual operating savings to be gained by subcontracting cleaning and eliminating 148 employees would total almost \$760,400.

Since the night cleaners also fulfill a security function, the cost of providing such coverage at existing service levels would be \$45,500 per year. Implementation can be performed largely by internal staff. The determination of night cleaning quality should continue to be the responsibility of the building superintendent.

17. Reorganize the system of providing day maintenance, replacing these employees with a combination of contracted security forces and a smaller number of day maintainers.

Day maintenance is provided by building superintendents, elevator operators, and day maintainers. It is the last group which appears overstaffed. Their present function is to assist visitors and perform general but minor tasks. There are 87 such workers in the 11 largest buildings costing approximately \$4.30 per hour.

Within the suggested system, elevator operators and building superintendents would remain essentially unchanged. Assisting of visitors and nominal day-time protection would be provided by outside security forces at a cost of \$2.27 per hour. A total of 16 security officers should be placed in the 11 buildings. The Capitol and State Office Buildings would have three-men staffs.

For emergency cleaning, small furniture moving, and the like, a pool of four day maintainers should be provided, to be dispatched by the Chief of Buildings and Grounds. The effectiveness of the security forces and the day maintainers should be monitored by the building superintendents.

Implementation will include determining specific assignments, subcontracting security services, establishing an effective quality control system, and termination of employees. The estimated one-time cost is \$30,000. The annual expenditure for the existing system is \$972,000. The suggested system will cost \$329,000 annually and produce savings of \$972,000.

18. Examine the benefits to be gained by coordinating state-wide subcontracting of cleaning and security services.

These services are needed by all state-owned or leased buildings and should be channeled through the Public Works Department. Centralized scheduling and use of subcontracted services would eliminate the inef-

iciencies existing in various agencies. Such a system should provide for interagency billing procedures with the Public Works Department charging users for services rendered. While the exact savings cannot be estimated, they appear significant. The one-time cost of examining the possibilities and implementing a system is estimated at \$50,000.

19. Revise the employee parking system to eliminate abuses and reduce the number of attendants.

There are 12 attendants assigned to six lots in the Hartford area. All are within one-half mile of the State Capitol. These attendants are providing inefficient service at an annual cost of \$87,800. The system could be improved by:

- ▶ Instituting a policy of fining parking violators from \$2 to \$5.
- ▶ Examining the existing parking assignment system to determine if free parking for employees is necessary.
- ▶ Converting the 12 attendants to a roving force of three, each with authority to tag violators' cars.

Fines can be processed within the Business Section of the Public Works Department. Operating costs will be offset by the revenue provided. Annual savings from implementation are estimated at \$65,800.

20. Establish a job control system for state-employed tradesmen.

No job control system exists for the 29 tradesmen assigned to the Hartford area. The crew seems to be overstaffed. The annual cost of maintaining this in-

house capability is approximately \$272,900. Another \$82,400 of comparable subcontracted work was also performed. By instituting controls over the tradesmen, the combined labor costs of \$355,300 could be reduced at least 20%. Translated into manpower, eight fewer state employees would be required. Efficiency and service would be upgraded by:

- ▶ Assigning central dispatching responsibilities to the assistant chief.
- ▶ Establishing hourly estimates for each job request so that a comparison with actual hours will provide work measurement statistics.
- ▶ Maintaining a record of all job requests, job estimates, actual hours required, and complaints.
- ▶ Issuing and reviewing productivity reports, based upon job order records.
- ▶ Scheduling and assigning preventive maintenance responsibilities.

The estimated one-time expense to provide this job control system is \$30,000. Annual savings should be \$71,000.

21. Establish a job control system for the ground maintenance crew.

While the cost of the ground maintenance crew does not appear excessive, the service level could be upgraded. A job control system should be installed to provide job scheduling through a central dispatcher with maintenance of an order log. Implementation costs are included in a previous recommendation.

Department of Finance and Control

The commissioner prepares and publishes financial statements, directs fiscal matters, and coordinates federal/state programs. He also supervises the Budget, Purchasing, Central Collections, and State Planning Divisions. In addition, he serves on various commissions and boards and is, as well, secretary of the Bond Commission.

ORGANIZATION AND PROCEDURES

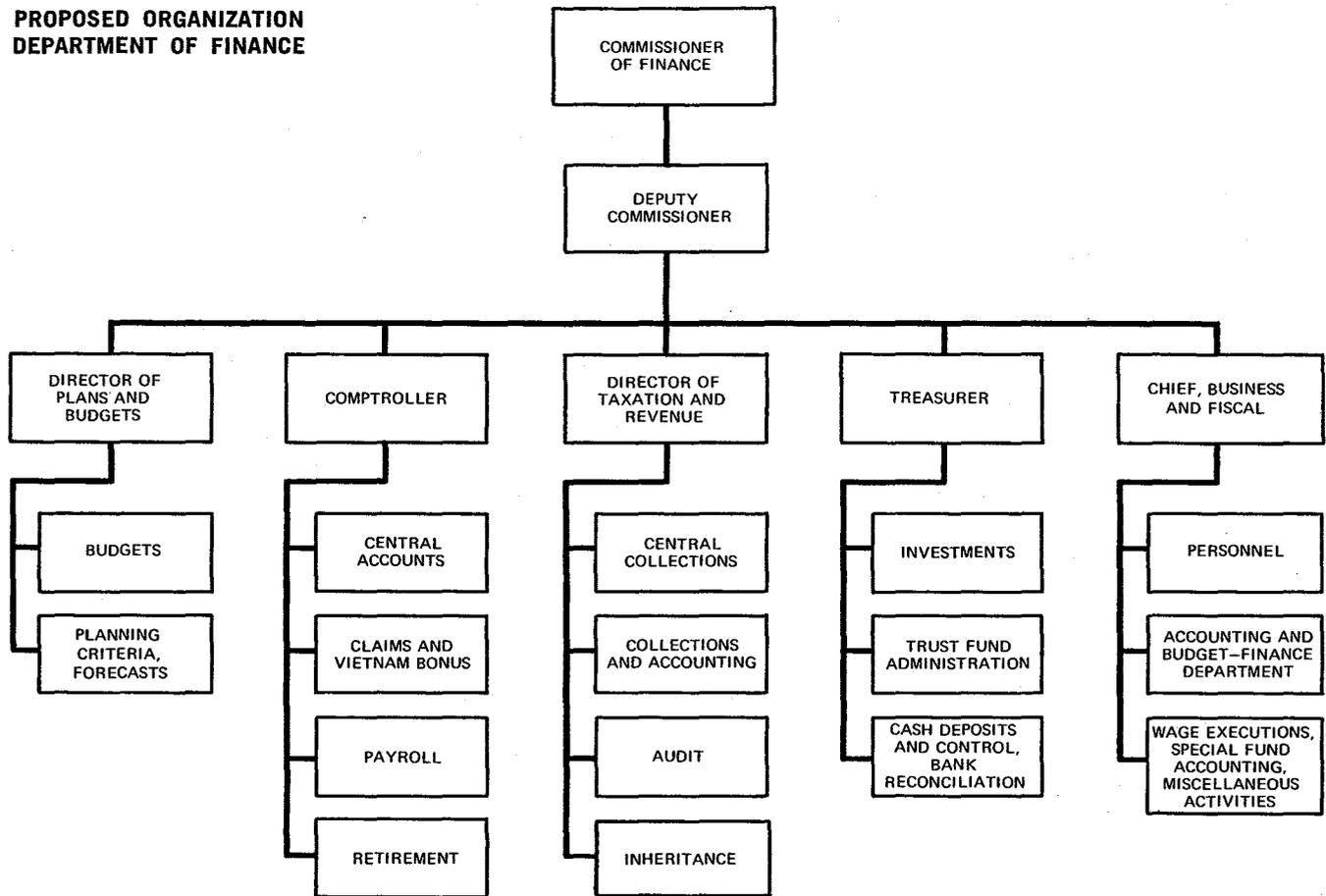
The office staff of the Department of Finance and Control includes a deputy and 10 administrative employees. Functions performed by the office include secretarial responsibilities for the Bond Commission and state revenue forecasting. It also reviews and approves state requests for federal funds, printing specifications, contracts, and employee out-of-state travel requests. Special studies are conducted as needed.

EVALUATION OF EFFECTIVENESS

The secretarial functions of the Bond Commission are efficiently handled. Revenue forecasting is a matter of personal judgment based on projections of historical data. Side effects of revenue sources have not been evaluated. Contracts are reviewed effectively.

Approval procedures for out-of-state travel are unnecessarily cumbersome. Appropriate guidelines have been established for approval of federal fund applications. The Office of State Publications duplicates work that is normally considered to be part of a purchasing agent's responsibility. The commissioner is empowered to give financial advice to the Governor and state agencies. However, because of similar responsibilities assigned to the Treasurer and Comptroller, these powers are not completely effective.

**PROPOSED ORGANIZATION
DEPARTMENT OF FINANCE**



RECOMMENDATIONS

- 1. Combine the functions of the Comptroller, Treasurer, Commissioner of Finance and Control, and Tax Commissioner into an expanded department headed by an appointed Commissioner of Finance and make all positions reporting to him appointive rather than elective.**

Although a number of steps have been recommended to strengthen and streamline the operations of these four agencies, there are inherent duplications which can only be corrected by combining the functions. The proposed agency would exclude Data Processing and Purchasing. A chart of the organization is shown directly above.

It effective financial control over state operations is to be established, a strong agency, responsive to the Governor's direction, is vital. The post of Commissioner of Finance and Control was created to fill this need. However, important financial functions are still assigned to the Treasurer and the Comptroller who are directed primarily by outdated legislative mandates. As a result, cooperation is limited, efficiency impaired, and duplication inevitable. These problems

could be eliminated by establishing one financial agency. It is also essential for the development of an effective planning, budget, and control program.

Along with better control of state-wide expenditures and related indirect cost reductions, direct savings can also be expected. The Business Sections for each agency can be combined, reducing the number of positions from 35 to 12. In addition, the deputy commissioners can be cut from four to one, a reduction of six positions including secretaries. Several Treasury Department accounting and check reconciliation functions could be absorbed by the Comptroller, saving another four positions.

The Accounting Systems group in the present Comptroller's department could also be eliminated. With a consolidated organization, its functions could more effectively be performed by the Budget Sections or by the chiefs of the various Accounting Sections. One position could be added to each of the four Budget Examination and Analysis Sections, a staff coordinator retained under the director of accounting and the balance of nine eliminated. Further savings should result from linking the Vietnam Bonus Unit with the Claims

Section and consolidating Accounts Receivable functions with Tax and Central Collections. Net elimination of 43 positions would generate annual savings of \$508,000. However, the primary gains would come from the increased effectiveness of the financial functions and greater responsiveness to the Governor's policies.

2. Rearrange office assignments.

Only one staff member is trained to perform the Bond Commission's secretarial functions. Another should be trained to share in these functions to provide backup assistance. The first employee would then have time to perform studies regarding lease vs. buy decisions and rewrite the project control procedures to include the Department of Finance and Control in the preliminary stages. These assignments can be made with no increase in personnel.

3. Evaluate the side effects of tax alternatives on the state's economy.

Individuals working on the forecasting do not consider possible side effects of tax alternatives. They only project the direct revenues to be expected. These effects, if accurately evaluated, are a significant factor in the choice of tax alternatives.

4. Update the state travel regulations.

Regulations for agency employees traveling on official business were issued in 1967 and provide a maximum per diem allowance of \$18 for meals and lodging. Limits should reflect some area variations and be increased to a realistic amount to cut down the need for approvals of expenses which exceed present allowances, but merely reflect current prices.

5. Investigate the feasibility of using travel agents.

In Hartford, employees who use air transportation on state business secure the ticket at the airline office upon presentation of a voucher issued by the Comptroller, after authorization from the Commissioner of Finance and Control. Neither office provides travel reservation services. It is conceivable that the use of travel agents could result in quicker and more direct service including the delivery of tickets, thereby saving the time of state employees. No increase in cost will be incurred.

6. Eliminate the Office of State Publications.

The Office of State Publications has review responsibility which is limited to approval of printing specifications. It does not determine whether a document should be published, edit the contents, or set order quantities. Printing specification responsibilities should be handled by the purchasing agent in charge of printing. The publication of the Digest and Proclamations is within the purview of the Secretary of the State and should be assumed by that office. The savings would be \$26,000 per year.

Budget Division

This division assists the Governor in his duties respecting formulation of the annual budget. It also correlates and revises estimates and requests for appropriations from budgeted agencies. Additional functions include management analysis of agency operating procedures and organization as well as cost analysis of privately-owned Connecticut hospitals.

The division employs a director, two assistant directors, and staff of 71. The Budget Examination Section provides state agencies with guidelines and forms for preparation of annual operating and capital budgets. It also reviews agency submissions and offers counter proposals. Under the direction of the Commissioner of Finance and Control and the Governor, it coordinates preparation of the annual budget for the Governor's presentation to the General Assembly. This section is divided into four functional units of Health, Education, Human Resources, and Miscellaneous. Throughout each fiscal year, these groups follow actual expenditures vs. budget appropriations and issue quarterly budget allotments.

The Management Analysis Section is divided into six units including a forms design unit; a group which studies institutional utilities and services and coordinates fire-safety matters with state agencies; a unit which coordinates preparation of the state building program, maintains state land inventory records, and prepares office layouts on request; and three organization and methods study groups. The Research, Planning and Information Section prepares statistical analyses of economic trends and state manpower levels; designs planning, programming, and budget data systems; and designs information data systems.

The Statistical Analysis group is developing techniques to forecast state revenues. However, for the present, the commissioner and the Governor depend on other sources.

The Hospital Cost Analysis Section provides staff services for the Hospital Cost Commission, which is responsible for establishing the price paid by the state for services rendered by nongovernment hospitals.

The procedure used for budget preparation, review, and control has numerous deficiencies which are treated in following recommendations. A majority of the supervisors in the Budget Examination Section object to the use of an automated system installed in 1970. Three sections maintain manually prepared ledgers in addition to automated records. Only appropriated funds are monitored.

The Budget Examination Section provides only a cursory review of employees' out-of-state travel, requests for job classification changes, increases in forces, or changes in salary grades, and prior budget

year expenditure requests. Two personnel reports are reviewed monthly, although an annual review would suffice.

The commissioner is empowered to examine the operations of all state agencies and recommend improvements. The Management Analysis Section, acting as the commissioner's agent, has limited its function to responding to agency requests, with inadequate follow-up of implementation of recommendations.

The Research, Planning and Information Section is staffed with personnel who are more experienced and trained in modern business procedures, especially data processing. The present automated budget system and its planned improvements are a product of this section. The Hospital Cost Analysis Section compiles and examines data far beyond established statutory requirements.

RECOMMENDATIONS

7. Develop a new state planning, budgeting, and control system.

The state financial planning and budgeting system is deficient because it:

- ▶ Encompasses no long-range or short-range planning and does not define state-wide priorities.
- ▶ Lacks direction by the Governor to state agencies as to spending limits, program emphasis, and planning assumptions.
- ▶ Has not achieved definition in terms of meaningful programs which can be used by agency, executive, and legislative personnel to evaluate the recommended budget and measure the efficiency and accomplishments of the agencies.
- ▶ Fails to consider the interrelationship of current capital spending with operating expenses in future years and to show the combined capital and expense effect of new programs in one place.
- ▶ Ignores planning beyond the first year.
- ▶ Leaves expenditures of over \$70-million outside the state budget system in working capital and special funds. This leads to an incomplete account of state operations. A related problem is the practice of budgeting the Comptroller for fringe benefits, telephone costs, and office equipment for all state agencies. Consequently, the costs of running various agencies are understated by \$30-million a year.
- ▶ Requires submission to the Legislature of the agencies' requested budgets as well as the Governor's recommended figures, thus undermining the Governor's position.
- ▶ Limits the Governor's contingency allowance to \$100,000, or less than 0.01% of total expenditures,

thus eliminating it as a means for effective budgeting and control.

- ▶ Forces inadequate preparation of budgets in the agencies by requiring submission 10 months before the start of the year concerned.
- ▶ Includes a too-detailed analysis of minor changes, but almost no questioning of current levels of spending, either in terms of programs which may be unnecessary or the cost required to support essential functions.

The agencies are not required to stay within their budgets. An appearance of control is obtained by requiring approval of expenditures by the Comptroller or Commissioner of Finance and Control. However, these approvals rarely serve as a control. Monthly reports of expected surplus or deficit from each agency are used only to forecast overall results. There is inadequate pressure on overrunning agencies to replan so as to remain within their budgets. Specific criticisms concern the:

- ▶ Allotment system by which the Budget Division doles out appropriations to agencies each quarter. This system may delay cash expenditures, but it tends to hide impending overruns since, until the last quarter, increases in allotments can be drawn from future quarters.
- ▶ Law prohibiting commitment as well as expenditure of funds over the appropriated limit with the requirement for the Comptroller's approval of such encumbrances. This law requires that millions of dollars be reappropriated to cover commitments made under the previous year's appropriations, but not expended. The Comptroller's verification that funds are available for each commitment does not prevent the overruns. It merely generates paperwork to increase allotments.
- ▶ Unrealistically low \$1,000 limit on the Governor's authority to move funds between appropriations within an agency.
- ▶ Practice of charging construction project supervision and coordination functions to bond appropriations via the Public Works Department Service Fund. As a result, there is no control over these costs which amount to about \$3-million per year. The propriety of charging such overhead to capital accounts is questionable.
- ▶ Multiple appropriations which are required to cover the various cost categories such as personal services, other expenses, equipment, and fixed charges. Separate controls on manpower levels adequately prevent abuse in personal service and the other categories are generally less significant. Single appropriations for most agen-

cies would be adequate if there were an effective budget system and would provide simpler administration. Budgets, of course, should be broken down below the appropriated level for control purposes.

- ▶ Lack of current reports showing status against budget during the year. The Governor gets only an occasional summary document forecasting the overall surplus or deficit at year end.

To achieve effective planning and control, a system should be established with strong, personal direction from the Governor. It would include these steps:

- ▶ In July, the Governor should furnish each agency with guidelines for preparation of its budget for the next fiscal year. The guidelines should include recommendations on major programs to be added or deleted, projected spending limits for the three years starting with the budget year, assumptions on changes in the state of the economy, population, and so on. Spending limits would normally include targeted reductions in the cost of ongoing programs.
- ▶ The agencies would then prepare their budgets and projections for two additional years, organized by programs previously agreed upon with the Governor and the Planning and Budget Division (PBD). These plans would include all agency costs including fringe benefits, capital requirements, and expected revenues. A narrative explanation of program and cost changes would be attached including explanations of how targeted cost reductions would be achieved. It would also set forth objectives to be achieved by program. These plans would be submitted to the PBD by December 1, with preliminary outlines due October 15.
- ▶ The PBD, the Commissioner of Finance, and the Governor would review the plans starting with preliminary outlines and revenue projections which would have been developed along with the budgets. The budget document would show past experience, future projections beyond the budget year, and narrative explanations of changes and programs. It would relate current expense and capital requirements, showing full costs by agency together with related expected revenue. It would not include agency requests.
- ▶ The Governor's budget message would be submitted March 15 to the Legislature. Experience indicates that its review of the budget does not normally begin until that time. Also, lengthy review of a budget prepared in haste or before the start of the budget year is less desirable than concentrated review of a well-conceived, current budget.

- ▶ During the review period, the expense and revenue budgets would be tentatively spread by month by the agencies and reviewed by the PBD. Upon passage of the appropriation acts, the formal budgets, broken down by months, would be issued at levels not exceeding the appropriated limits. The budgets would show authorized headcounts as well as dollars. A contingency reserve of \$10-million (about 1% of budget) would be included among the appropriations. The allotment system would be abandoned.
- ▶ Monthly reports would then be issued showing agency performance against budget. Expenditures for the year would be limited by law to appropriated levels, but commitments would not be. Nonrecurring programs for which total allowable expenditures, regardless of year, were fixed could be covered by a special category of appropriations for which encumbrances could continue to be limited by law or by multiyear appropriations. Agencies would be required to submit prompt explanations of actual and projected overruns and revenue underruns, along with the action planned to eliminate the deficit. The monthly reports would be a product of the integrated accounting system which was recommended elsewhere.
- ▶ The Governor would be empowered to transfer funds between appropriations within agencies up to \$25,000 and to withdraw \$1-million from the contingency appropriation during any one year without FAC approval. This would preserve legislative participation in major reallocations of funds, but permit a more realistic level of minor adjustments by the Governor.

To implement the proposed system, the following changes are needed:

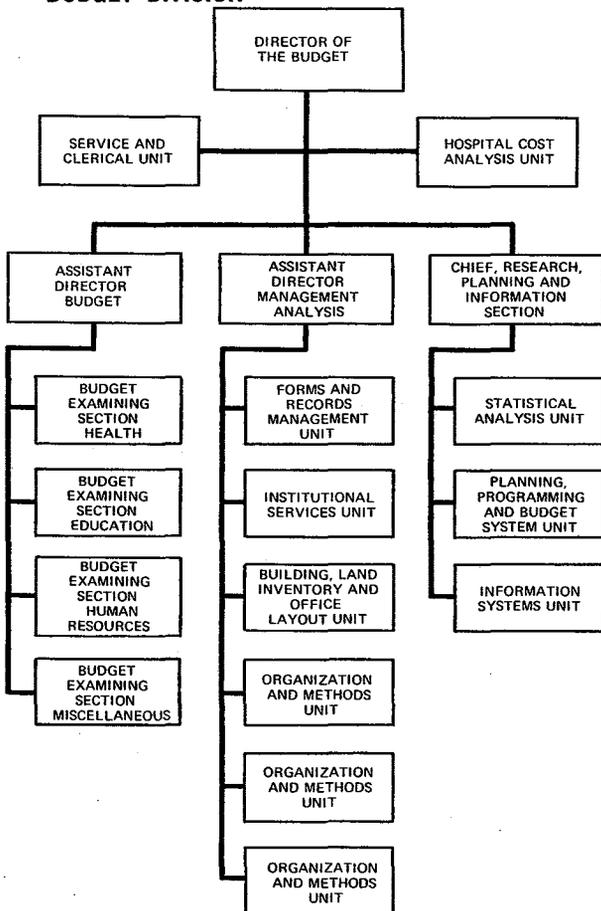
- ▶ Eliminate operating costs from working capital funds to promote effective cost control. The educational working capital funds expended \$30-million in fiscal 1970 for expenses directly related to educational purposes. These should be appropriated and budgeted and the associated revenue budgeted separately. The 6% override charged to the buying agencies on items bought through the purchasing revolving fund should be eliminated. The cost of operating the fund should be budgeted by the Purchasing Division. The cost of the items should continue to be charged to the users. The Public Works Department Service Fund should be eliminated and the operations budgeted as current expense to achieve control over these costs. The Comptroller's Service Funds, which primarily cover the cost of operating the State Data Center, should also be abolished.
- ▶ Charge employee fringe benefits, telephone, and office equipment costs to the agencies. This can

be done in several ways which will avoid expensive bookkeeping.

- ▶ Enact legislation defining which costs can be funded from current revenues and which can be charged against bond funds. The fiscal 1970 deficit was understated by \$50-million, according to state auditors, because contributions to teachers' retirement and other costs previously charged to the general fund were charged to bond funds. Financing of highway projects is somewhat dependent on the relative availability of land and revenue funds. These practices discourage fiscal responsibility and make reported financial results less meaningful.

Although savings from implementation could be immense, their dependence on executive leadership and legislative cooperation makes them impossible to measure. One specific area of savings which can be expected is improvement in the use of cash resulting from better forecasts of cash flow. These savings are mentioned elsewhere.

PRESENT ORGANIZATION BUDGET DIVISION



8. Reorganize the Budget Division and change its name to the Plans and Budget Division.

To implement the system described in a previous recommendation, the Budget Division needs to be restructured. A chart showing the present organization is depicted at left. The director's position is an extremely important one and should be unclassified. The incumbent should be appointed by the Commissioner of Finance and Control with the approval of the Governor so they can be assured their policies will be properly carried out. His title should reflect the broader responsibilities of the division. The Management Analysis Section needs strengthening and its extraneous duties should be transferred. The reorganization chart is shown to the right.

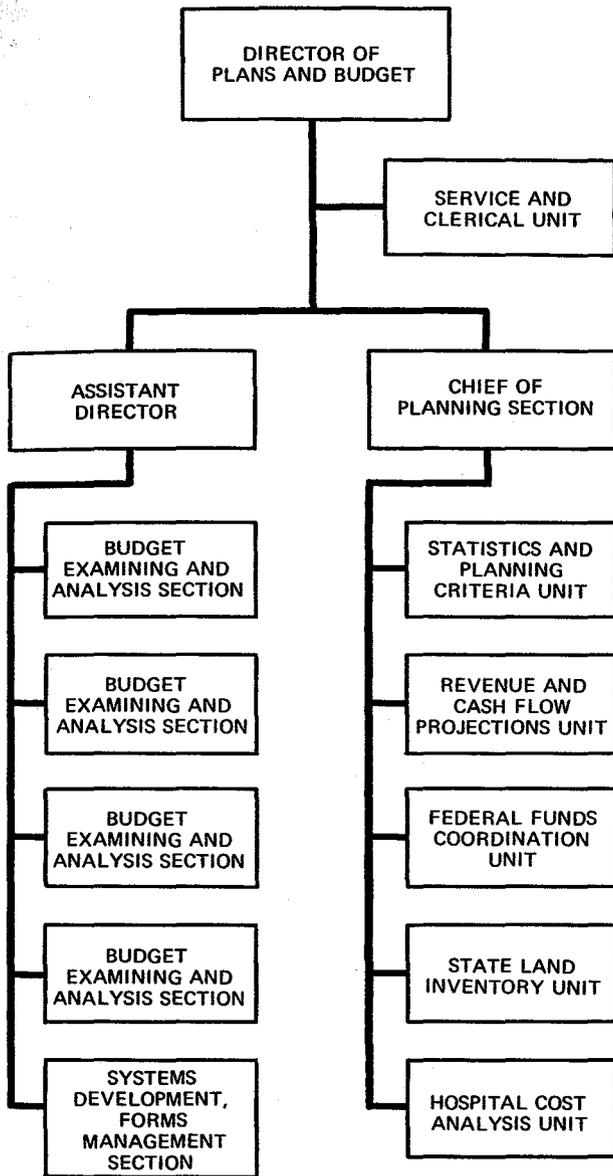
The Management Analysis Section has 20 employees who make recommendations for improvements in various government departments and agencies. Section personnel find that only those recommendations which are acceptable to the employees affected are implemented. However, the unpopular ones generally have the most potential for savings. Staff members involved in making these studies should be screened and the most capable transferred to the Budget Examination Section. Written reports as well as agency replies should be given to the Governor to use in determining future budget allocations for the groups concerned.

The duties of the two employees involved in auditing office layouts and other activities of the State Building Program Commission should be absorbed by the Public Works Department. The Institution Fire Coordinator's functions should be transferred to the proposed Safety Department. Functions and personnel of the State Land Inventory Agent should be transferred to the new Property Management Division.

Planning efforts should be organized so that statistics needed to develop program criteria and revenue projections are coordinated. Cash flow predictions would also fall into this area. The same group can assume federal funds' coordination and land inventory audits as well as the functions of the Hospital Cost Analysis Unit. Definition of programs, however, should be handled by Budget Examination to insure coordination with the actual preparation of the budget. A staff function is needed to continue development of new systems for consolidation of the budget and to coordinate reporting systems with Accounting and Data Processing. It should report to the assistant director. This group should also be responsible for forms' management. Additionally, this function would be strengthened by requiring interagency forms be approved and assigned a control number by the section.

Savings would result from eliminating five positions in Organization and Methods, an assistant director, and seven vacancies as well as three positions which over-

**PROPOSED ORGANIZATION
BUDGET DIVISION**



lap in various planning functions. Total savings would be \$272,000 per year.

9. Organize and schedule functions of the Institution Fire Coordinator.

The coordinator has no schedule of inspections for state institutions. One should be developed that will allocate appropriate time to each state building and institution. A safety-sampling system of inspections will make it possible to evaluate an institution's progress over a period of time and yield a written record of any violations.

10. Eliminate the form and procedures for requests for payment of prior-year obligations and related procedures.

Requests for payment of prior-year obligations require completion of the proper form by the agency, review by the Budget Director, Commissioner of Finance and Control, and Governor. Since the encumbrances are legitimate, none has ever been turned down. Implementation would eliminate one clerk. Total savings are estimated at \$10,000 per year.

11. Generate the personnel list required by the Budget Division from Personnel Department records.

Each agency submits a periodic listing of employees to the Budget Formulation Section. Although the data are needed only once a year, some agencies submit lists on a monthly basis. The information needed is available in the Personnel Department's keypunch file of state employees. A relatively simple computer program would enable Personnel to furnish the list by budget unit, with the longevity payments effective in the following year calculated and totaled. Implementation would provide annual savings of \$22,000.

12. Obtain a professional evaluation of the necessity for capital repairs.

Budget analysts are second guessing agency personnel on the necessity of capital repairs. They are in no position to estimate accurately the cost of immediate vs. delayed repair. Such advice is available from the Public Works Department and should provide the basis for the economic decision that must be made.

13. Discontinue functions not required for the Hospital Cost Commission.

The Hospital Cost Analysis Section was organized as the working force for the Hospital Cost Commission. The commission is comprised of the Comptroller, Commissioner of Health, Welfare Commissioner, Commissioner of Finance and Control, and Commissioner of Mental Health. It is responsible for establishing the cost of services paid by the state to nongovernment hospitals. The section provides a detailed reporting form for hospitals to complete. It appears that more information is provided than the commission requires. The necessary functions can be carried out by an associate accountant and a typist, reducing the staff by four. Total annual savings would be \$80,000.

14. Fully use the expertise and data of the state's land inventory agent and transfer him to the Property Management Division.

A complete inventory of state-owned land has been developed except for properties owned by the Highways and Agriculture and Natural Resources Departments. Addition of these properties will aid the state in keeping new property purchases to a minimum and make excess properties available for resales. Agencies

are engaging in property transactions without seeking advice from knowledgeable sources. All land purchases, sales, or leasings should be cleared with the land inventory agent.

15. Apply a management-by-exception policy to requests for approval of personnel positions and agency out-of-state travel.

Requests for personnel positions are processed in the same manner and detail regardless of financial impact or prior approval. A policy should be established to permit approval at the agency level if the staff level was approved in the budget process or is within defined limits. The same limitation applies to agency out-of-state travel. Here, too, agency approval should be authorized if costs are within an approved budget and defined limitation. Implementation will eliminate one budget analyst and reduce paperwork for an annual savings of \$15,000.

Purchasing Division

This division buys or contracts for supplies, materials, equipment, and contractual services required by state agencies except for those purchases made by the agencies. It also maintains specifications and standards for purchased goods. Additionally, it operates a central warehouse, car pool, and mail service. The division manages a meat processing center and refrigerated stores as well as state/regional bakeries and laundries. Further responsibilities include distributing federally donated foods and property to eligible groups and managing surplus and obsolete property for the state.

Operating expenses for this division totaled over \$3.07-million in fiscal 1970. Of this amount, \$905,000 appeared in the state's budget report. The remainder was recovered by charges made to other agencies for goods and services. Money used for inventory is referred to as the revolving fund. Administrative Services accounts for this fund, submits receivables and payables to the Comptroller, and coordinates payroll and personnel information. It also prepares purchase orders and budgets. All of this work is done manually.

The Central Meat Processing Unit prepares about 10,000 pounds of meat products from 15,000 pounds of bulk meat daily. The output is frozen and put into refrigerator stores from which agencies can draw on a weekly basis. There are about 70 customers for this service. Regional bakeries produce about 5,000 loaves of bread daily as well as various pastries. Norwich delivers to about 10 customers and Middletown to 30. Agencies not using this service either bake their own supplies or purchase them under state contracts.

The Procurement Section processed just under 3,000 bid contracts during fiscal 1970 with a total award value of \$52-million. Agencies supply a scheduled

forecast for certain recurring needs. The contract award is the primary output of this section. However, the purchase order, which actually authorizes the supplier to take action, is issued by the agency. The nine procurement officers process a daily average of one and one-third contract awards each.

The Standards, Inspection, and Testing Section has responsibility for implementation of standards, specifications, and approved brands. It also audits or inspects vendors to ensure compliance. Central Services performs a variety of functions, the largest in connection with operation of the central warehouse and the car pool. Using an investment of about \$3.5-million, this section buys and resells or rents a variety of goods and materials to other state agencies. While the amounts charged are sufficient to cover the cost of the item and some overhead, they do not include interest on inventory investment or depreciation on any portion of the capital investment. The funds provided from this source in fiscal 1970 were \$2.2-million, or 70% of the division's operating expenses.

The Electronic Data Processing Unit has a small computer which is used about 120 hours per month. The staff spends 60% of its time processing warehouse paperwork. Another 20% is spent on postage, car pool, federal surplus, and bakery billings. The balance is devoted to routines for other organizations. The charge for these services covers about 40% of the unit's expenses.

The Central Mail Room provides mail and messenger service to 94 agencies in 35 Hartford-area buildings. Postage is charged to the agencies originating the mail. Non-Hartford locations handle their own mail. Total postage costs in 1970 amounted to \$1.2-million.

The State Surplus Property Disposal Unit provides storage for surplus vehicles and other items. Motor vehicles are sold at auction once a month. Proceeds revert to the agency less a \$20 charge. This accounts for two-thirds of the unit's revenues. Other items are offered for sale to the public with a 20% fee for the center. Surplus federal property is brought to the same building and made available to state agencies. The center sets a charge to defray transportation, handling, and storage costs.

The Surplus Federal Food Unit distributes donated food once a month to eligible agencies. Amounts are determined by the director and a nominal charge is made to cover storage, trucking, and operation of the program. During fiscal 1970, distribution amounted to 15-million pounds valued at \$4-million. The Maintenance Unit is responsible for the Middletown facility. Business Office Stores Control handles receipts, issues, and stock balances for the central warehouse. Half of the staff work on receipts while the balance process agency requisitions for warehouse items.

The Purchasing Division has modern headquarters and a management staff dedicated to serving state agencies. However, overstaffing and inefficient work routines mar the operation. The Central Mail Room is performing as efficiently as possible considering its fragmented operation. Classifying mail for postage rates is done well and the staff which prepares the mail has been well trained. The state and federal surplus property operations run with little central supervision. Proper acquisition and use of federal property by state agencies could help to reduce overhead expenses. The functional supervision of the regional laundries adds little to these operations.

The procurement function does not take full advantage of centralized purchasing. Of the \$85-million in state purchases for fiscal 1970, only \$11-million represented direct purchases by the Central Purchasing Office. In addition, this office should handle all bid solicitations rather than leaving much of that activity to the agencies. Records of commodity and service usage are not adequate to provide Central Purchasing with information on which to base requirement estimates. Also, the failure of the state to commit itself to minimum requirements on the majority of contracts awarded may prevent it from obtaining the best possible price. The state should also request vendors to bid on contracts in steps to take advantage of quantity purchasing.

There are no guidelines for agency inventories. The result has been overstocking and obsolescence. Although inventory information is available for the central warehouse, it is not used effectively as a basis for reordering decisions. In addition, payments to vendors are delayed as much as 60 to 90 days after delivery, depriving the state of possible discounts. Bookkeeping functions are performed manually, but should be automated. The five positions of assistant within the division appear to be unnecessary backup support for supervisory personnel.

RECOMMENDATIONS

16. Establish a commodity usage reporting system as a guide to pooled purchasing.

Of the 3,000 contracts awarded in fiscal 1970, 650 were based on information furnished by the agencies on pre-itemized listings, and other forecasting statements. The remaining contracts were awarded as required to satisfy agency needs during the year. There is no formal review made by Central Purchasing of commodities purchased during a given period to be used as a guide for pooled purchasing during a subsequent period.

In order to update the pooled purchasing listing continuously, a reporting system should be established. Usage information should be provided for all commodities from information contained on the purchase

orders. The information can be keypunched and compiled by the Electronic Data Processing Unit in both commodity and agency formats. The pre-itemized listings should be periodically revised to include materials for which pooled purchasing would serve as an advantage.

The accumulation of information for quantity purchasing will undoubtedly lead to savings. During fiscal 1970, contract awards approximated \$55-million. Those not awarded on a pooled basis accounted for 20%. Savings of at least 1% should be possible, resulting in \$110,000 saved annually. The annual cost of maintaining an automated reporting system, including keypunch operator salaries, computer time, and miscellaneous costs, is estimated to be approximately \$20,000. The one-time implementation cost will be \$15,000.

17. Establish inventory controls and reorder points for the central warehouse.

There are no established guidelines for inventory levels at the warehouse. Although economic ordering quantity information is available, it is not used. Decisions on reorders are made by a clerk from information contained in manually prepared analysis sheets. This sheet is reviewed by a Business Services officer before preparation of a purchase order. The low inventory turnover indicates a tendency to overstock.

Delivery times from vendors do not support the present excess stocks. Guidelines based on delivery time and an updated reordering formula should be developed. The current formula assumes a 5% cost of carrying, which is far too low. In addition, studies should be made to determine when it would be more economical to bypass the warehouse. The meat processing and baking operations should also be studied by consultants qualified in these areas to determine whether they are economically justified. There is a 6% markup on commodity costs to defray warehouse operating expenses.

The present automated reporting system would need only slight modifications, so implementation costs would be nominal. The cost of an automated reporting system from the agencies to Central Purchasing is estimated at a one-time amount of \$10,000 and a \$10,000 annual cost. One-time savings to be obtained by reducing inventory levels would total about \$191,000 or 15% of the fiscal 1970 value. Annual savings would be \$28,000 based on a 15% cost of carrying. Elimination of the material storage manager and a clerk will save \$18,000 a year while reduction of 13 warehouse employees will save an annual \$100,000. Total annual savings would be \$146,000.

18. Institute inventory controls at the agency level.

For the most part, there are no established reorder points at the agency level. No records are centrally

maintained of merchandise on hand and there is no periodic review of item quantities. Thus, reordering by Central Purchasing is not based on existing agency inventories. A study of usage requirements and delivery time should be undertaken and criteria for inventory levels as well as reorder points should be established. This would provide the agencies with guidelines. Central Purchasing should review the requisitions and where requests deviate from established usage requirements, the agencies should justify the exceptions. Savings from reduced inventories should be substantial.

19. Encumber agency funds on intrastate transactions at the time a requisition is submitted to the central warehouse.

Before an agency's funds may be encumbered for purchases made from the central warehouse, a written authorization acknowledging receipt of the commodities must be received by Central Purchasing. This procedure presents both reporting and internal control weaknesses. In order to maintain adequate control over expenditures, a copy of requisitions sent to the central warehouse should be routed to the Comptroller's department where the necessary funds would be encumbered immediately. Eliminating the maintenance of accounts receivable records at Central Purchasing would result in savings of approximately \$6,300 annually by reduction of one clerical position.

20. Request vendors to bid on contracts by steps and guarantee minimum purchases for the contract period.

Contract awards are mostly open-end agreements, based on estimated needs. Vendors are not given assurances of minimum purchases during the contract periods and are not asked to bid in steps on the commodities required. Therefore, they use a conservative estimate to bid on contracts and gear them to the lowest probable quantity. Central Purchasing should set minimum quantities to secure the best possible price. Awards could be made with the provision that, if the state does not meet the minimum requirement, the vendor would be entitled to a specified compensation. The state should also request bid proposals in steps so it can take advantage of quantity discounts. Contract awards during fiscal 1970 amounted to \$55-million. A reduction of 1% would provide annual savings of \$550,000. Implementation costs would be minimal.

21. Eliminate excess costs in connection with duplicating copies of contract awards.

Central Purchasing provides agencies with copies of contract awards which affect their purchasing operations. A total of 15 copies of each award are retained for file. This practice is unnecessary and should be eliminated for annual savings of about \$225. In addition, one clerk works in the duplication room and

another in files. One of these positions could be eliminated for further annual savings of \$6,800. Elimination of one of the two copying machines will provide an additional annual saving of \$4,200. The total annual saving will be about \$11,200.

22. Centralize the procurement function and institute controls over all state purchasing.

During fiscal 1970, the state purchased about \$85-million in goods and services. Of this amount, Central Purchasing was directly responsible for only \$11-million. The remainder represented purchases made by the agencies. There is no control over this buying once Central Purchasing has issued a contract award. In addition, there is no control over agency inventories. There would be many advantages to centralizing the state's procurement function within Central Purchasing.

First, the department would be able to control and anticipate state purchasing needs. In addition, reports of commodity use by agencies as compared with forecasts would enable Central Purchasing to inquire into deviations. Second, centralized purchasing would give the department better vendor contact and enable the staff to solve problems with more consistency than is possible when each agency acts independently. In addition, Central Purchasing is better equipped to select suppliers to be included in bid requests. Time and paperwork involved in purchasing activities would be reduced considerably. Third, agency personnel could be cut and the purchasing function relegated to a clerical activity.

To secure these advantages, Central Purchasing must be restructured. Although purchasing requisitions would originate at the agency level, Central Purchasing should prepare all orders over \$25. It would keep one copy and forward a second to the Comptroller where funds would be immediately encumbered. Central Purchasing would then process the order.

If a requisition is received for commodities for which no contract has been awarded it would be sent to a Standards and Inspection Unit where agency specifications are reviewed and approved. It would then go through the purchasing officer with responsibility for that particular commodity. The contract award process for common items would remain nearly the same and the agencies concerned notified of the bidding outcome. The new procedure would permit increased consolidation of purchases and, probably, an expanded list of recognized common items. Vendor files should be updated on a regular basis and bid invitation lists adjusted accordingly. Purchasing officers should review agency requisitions noting adherence to estimated requirements given in agency forecasts. When deviations occur, Central Purchasing should investigate.

By centralizing the purchasing function, savings in operating costs should total 30% or \$310,000 annually for the 11 largest state agencies. Additional savings would result from elimination of excess personnel in the smaller groups. The one-time cost of implementation would be \$25,000. Provisions should be made to cover local action in emergency and these policies should be defined by the Manager of Purchasing.

23. Eliminate the position of assistant throughout the Purchasing Division.

This position is inefficient if specific duties or areas of responsibility have not been assigned. When the primary function of the assistant is to provide a backup in the event of a supervisor's absence, there is unnecessary duplication. Elimination would result in annual savings of \$80,000.

24. Raise the dollar limitation of items requiring competitive bidding from \$25 to \$100.

Under the current statute, competitive bidding is required before commodities or services over \$25 are purchased. However, the Director of Purchasing has the right to waive this requirement. Of the total purchases for fiscal 1970, approximately 5% were for purchases under \$100. By increasing the dollar limitation to \$100, an annual saving of at least \$2,500 can be realized.

25. Restaff the Purchasing Division with qualified personnel.

The present operation is both inefficient and ineffective. There are too many people for the procurement task being performed and no evidence of attempts to improve operating effectiveness. The only possible conclusion is that the level of capability of senior personnel is inadequate. To improve purchasing services to state agencies while decreasing costs, the management of this department must be competent, energetic, imaginative, and willing to accept responsibility and innovations. Any attempt to implement preceding recommendations by inept or unenthusiastic management will fail.

Division of Central Collections

This division collects charges for the support of persons aided, cared for, or treated in facilities operated by the Departments of Health and Mental Health. It also bills for money due the state in public assistance and child welfare cases and enforces support obligations of liable relatives in welfare situations. Additionally, it collects benefits from estates or properties of mentally ill or retarded persons for which the commissioner is guardian or conservator and maintains the necessary trust accounts.

This division functions as a billing and collection agency for services rendered by state humane insti-

tutions and the Welfare Department. Its operating expenses are about \$1.5-million per year. It is divided into three basic units. The Central Office has administrative, accounting, revenue, and collection responsibilities. The field staff has investigation and data gathering duties. Additionally, there is a special investigation staff which functions as a police arm. The division makes collections of about \$24-million per year. An organization chart is on next page.

The Central Office consists of Delinquent Accounts, Location Unit, General Administration, and Collections and Accounting. Delinquent Accounts collects past due balances of \$250 or less. On larger balances, court orders are obtained. The Location Unit attempts to find deserting parents, spouses, or legally liable relatives of welfare recipients. General Administration handles payroll, budget control, personnel, purchasing, office supplies, and equipment inventory. It also administers funds for which the commissioner has been appointed conservator. Collections and Accounting handles revenue for treatment administered in institutions directed by the Departments of Health and Mental Health and legally recoverable payments made under the Public Assistance Act.

The Field Operations Unit contains two functional groups which include the special investigators staff and the district operations. Special Investigation exercises police powers in cases involving crimes committed against the Welfare Department. There are three districts, each headquartered at a state mental hospital. The district investigators attempt to locate legally liable sources of payment for services rendered by various humane institutions.

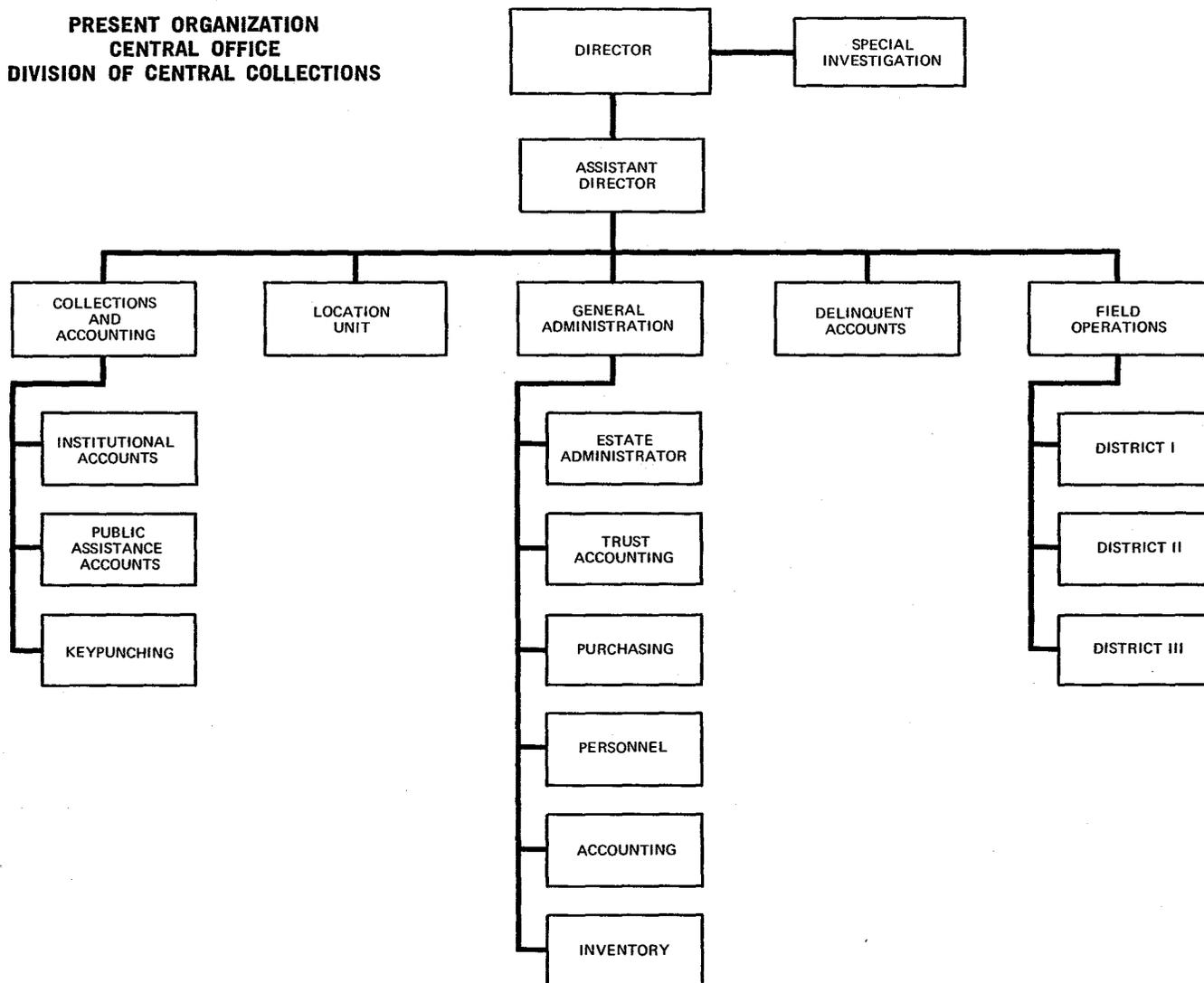
The Central Office staff provides adequate service in its assigned functions. Intelligent use is made of automation to support billing, collections, and trust accounting activities. However, there is little effective first line supervision. This is most evident in the lack of training in general supervisory techniques as well as management development.

While the Special Investigation Unit performs a needed service not duplicated elsewhere, it contributes little in the way of increased collections. The Field Operations staff effectively covers the entire state through its three district offices. The proposed district supervisor position is unnecessary, but, in some areas, more field personnel could be added.

A major problem is that the office is not notified on a timely basis of new admissions to state institutions or of discharges. Juvenile Courts personnel, although assigned to district offices, work out of the central location. They cause some problems because of a lack of training in Central Office procedures.

Several factors restrict the amount of revenue which this office can collect. The agencies in whose behalf

**PRESENT ORGANIZATION
CENTRAL OFFICE
DIVISION OF CENTRAL COLLECTIONS**



it operates do not provide timely data. The division does not have access to the accounts receivables of a large percentage of the accounts it collects. In addition, the statutes provide recovery limits which represent only a fraction of the current treatment costs.

RECOMMENDATIONS

26. Reorganize the Central Office.

The current organization does not permit effective first line supervision or management development. It tends to foster areas of intense activity combined with pockets of comparative idleness. The proposed organization is illustrated on facing page. The 53 authorized positions would be reduced to 48 for annual savings of \$51,000. The assistant director and the Special Investigation Unit should also be eliminated. Since the unit has police powers, it should be transferred to the State Police Department. Additional

savings would be \$20,000 bringing the total amount of annual savings to \$71,000.

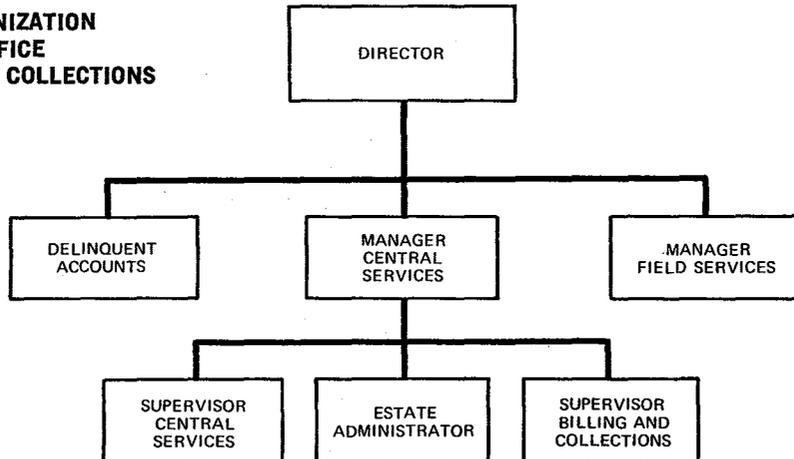
27. Investigate other areas into which Central Collections could expand its activities.

There are areas throughout the state where money is owed but the responsible agencies do not collect it. They include defaults on performance bonds, student loans, and rents owed to the Transportation Department. An investigation of these and other sources should provide areas in which the resources of this division can be used for revenue production.

28. Reduce the ratio of supervisory staff in Field Operations.

There is a manager and an assistant manager in each of three districts. The present plan to add a district supervisor is obviously unnecessary since the work load does not even require the present two super-

**PROPOSED ORGANIZATION
CENTRAL OFFICE
DIVISION OF CENTRAL COLLECTIONS**



visors. The district manager, with the assistance of one full-time clerk, should be able to supervise the unit. Elimination of six positions, three of which are authorized, but unfilled, will provide annual savings of \$88,600.

29. Eliminate two senior investigators in each Field Operations district.

Each senior investigator has three to four people working for him. He is responsible for supervision, reviewing the work of other investigators, and the administrative trainees. The work load generated by the people in the field does not require four senior staff members in each district. Implementation will result in the elimination of six positions for annual savings of \$77,700.

30. Move one of the clerical staff in each district office into the admissions office of the state institutions.

Central Collections personnel are generally not notified of the admission of a patient until a week later. The information obtained is incomplete and inadequate. This causes a substantial delay in getting the patient on the billing system. The form used by the institutions at admission should be expanded to include the information which Central Collections needs. An individual from the district clerical staff should be placed in the admissions office to obtain the data needed from the form. Implementation will result in elimination of 12 positions with annual savings of \$133,500. In addition, uncollectables will be reduced by \$500,000 annually.

31. Make a more intensive effort to collect past due accounts.

The accounts receivable balance as of April 30, 1971, was approximately \$7.8-million. It has been estimated that \$5.2-million of this is 12 months past due. A previous recommendation suggested having the De-

linquent Accounts Section report to the director's office. In addition, three people should be added to each of the district staffs. One would be responsible for annual reviews and others would prevent large delinquent balances from developing. The past due accounts should be either put on a paying basis or segregated to be written off by the Governor. Each of the people added should produce at least 10 times his salary in additional revenue. Implementation will add nine positions at a cost of \$83,500 per year. This expense should be offset by additional annual revenue of \$835,000.

Office of State Planning

This office coordinates interregional and interagency planning. It is also responsible for forecasting trends and developing plans to meet envisioned problems as well as providing staff services for several committees. The office consists of a director, assistant director, and 33 employees. It serves as a clearinghouse for applications by state agencies to participate in federal programs. Federal regulations require that each state maintain an office to notify other agencies when an application for federal funds is made.

Separate units specialize in Interregional, Economic, Human Resources and Water Resources Planning. These groups analyze data to determine trends which are extrapolated for forecasting purposes.

The various units of the Office of State Planning compile a multitude of data, records, reports, and analyses. Most of this effort is initiated within the office and lacks the interest or direction of state officers and agencies.

Stenographer and typist positions are staffed to handle peak loads. The Office Management Unit duplicates work of the Comptroller's department and does not take advantage of data processing services. The council and task force structures have been ineffective in

eliminating interagency duplication. Assigning managerial responsibility for agency coordination may be the only way to eliminate overlapping functions.

RECOMMENDATION

32. Relocate functions and reduce staff in the Office of State Planning.

Since a majority of the data output is not used, much of the effort should be eliminated and personnel re-

duced. Planning analysis should be placed under the Department of Finance and Control's budget director. Clearinghouse activities for federal applications and administration of flow-through planning funds to state and regional agencies should also be located in the Budget Division. This would require transfer of seven people to the division. The proposed change would reduce personnel by 28 with an annual saving of \$387,000, of which \$129,000 would be state funds.

Department of Community Affairs

The Department of Community Affairs provides technical and financial assistance to municipalities and community action agencies seeking improvement in the conditions and quality of urban life. The department emphasizes effective concentration and coordination of federal, state, and local efforts and resources. It administers state grants to municipalities, housing authorities, and agencies for community planning, housing, and human resource development programs. This department also monitors and audits the programs and coordinates activities on similar federal projects.

ORGANIZATION AND PROCEDURES

Employment in this department has grown from 75 in 1967 to 271 for the current year. Operating costs for fiscal 1971 are estimated at \$3.3-million. During the same period, the agency controlled expenditures for various urban programs totaling \$42.7-million.

The Office of Executive Coordination includes the personnel function and a management analyst. The executive coordinator is responsible for administrative and financial activities. A department organization chart is shown to the right.

Administrative Services consist of Fiscal Control, which reviews applications and contracts; Business Section, which has responsibility for accounting records, purchasing, payroll, and the like; and Grant Accounting, which maintains accounting records on all contracts. The Bureau of Program Development and Community Services, one of the department's major efforts is divided geographically into five district staffs which coordinate development programs. Special Functions consists of Field Operations and State Economic Opportunity Office Coordination.

The second major activity is the Bureau of Program Management and Supporting Services, comprised of the Divisions of Supporting Staff Services, Program Management, and Program Monitoring plus a Policies and Procedures Unit.

The Division of Research and Program Evaluation handles data gathering with respect to community needs. Model Cities is responsible for coordination of Connecticut's Model Cities Program. This is a federally funded project which provides problem-solving funds to designated "model cities" in the state, based on plans and fund requests submitted to the Department of Housing and Urban Development. The Comprehensive Planning Assistance Program provides technical services to communities, using federal funds.

The Advisory Council advises the department on local government problems. Activities funded by the Department of Community Affairs fall into categories of housing, community assistance, and human resource development.

EVALUATION OF EFFECTIVENESS

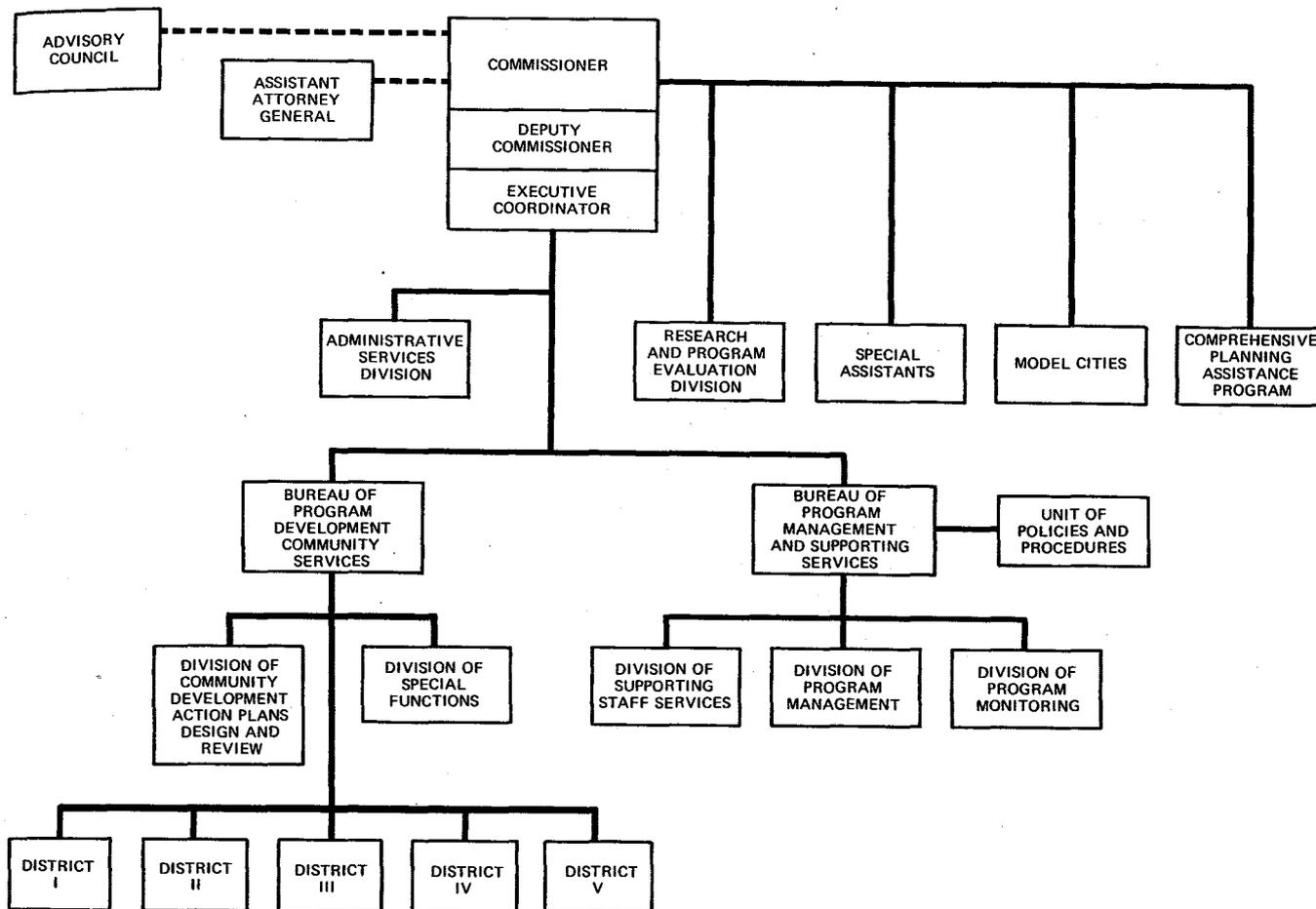
Measuring the value of this department's services is difficult in a quantitative sense and where only subjective means for measurement were available, no appraisal was attempted. In any event, the administrative cost for rendering the service is pertinent. Most of the comments are directed to operating costs of the department rather than to funds which flow through the department.

The organizational structure and procedures of the Department of Community Affairs are not suited to efficient delivery of funds and technical assistance to municipalities and agencies. Responsibility for processing and reviewing applications and contracts is fragmented. No central control exists for monitoring the flow of paperwork.

Administrative Services has one-third of its staff processing, reviewing, and keeping records on applications, contracts, payment requests, and allotments. This is the result of a complex procedure for processing paperwork plus an inadequate job of filling out forms on the part of the district staffs.

The Division of Program Research and Evaluation gathers, analyzes, and disseminates statistics regarding

**PRESENT ORGANIZATION
DEPARTMENT OF COMMUNITY AFFAIRS**



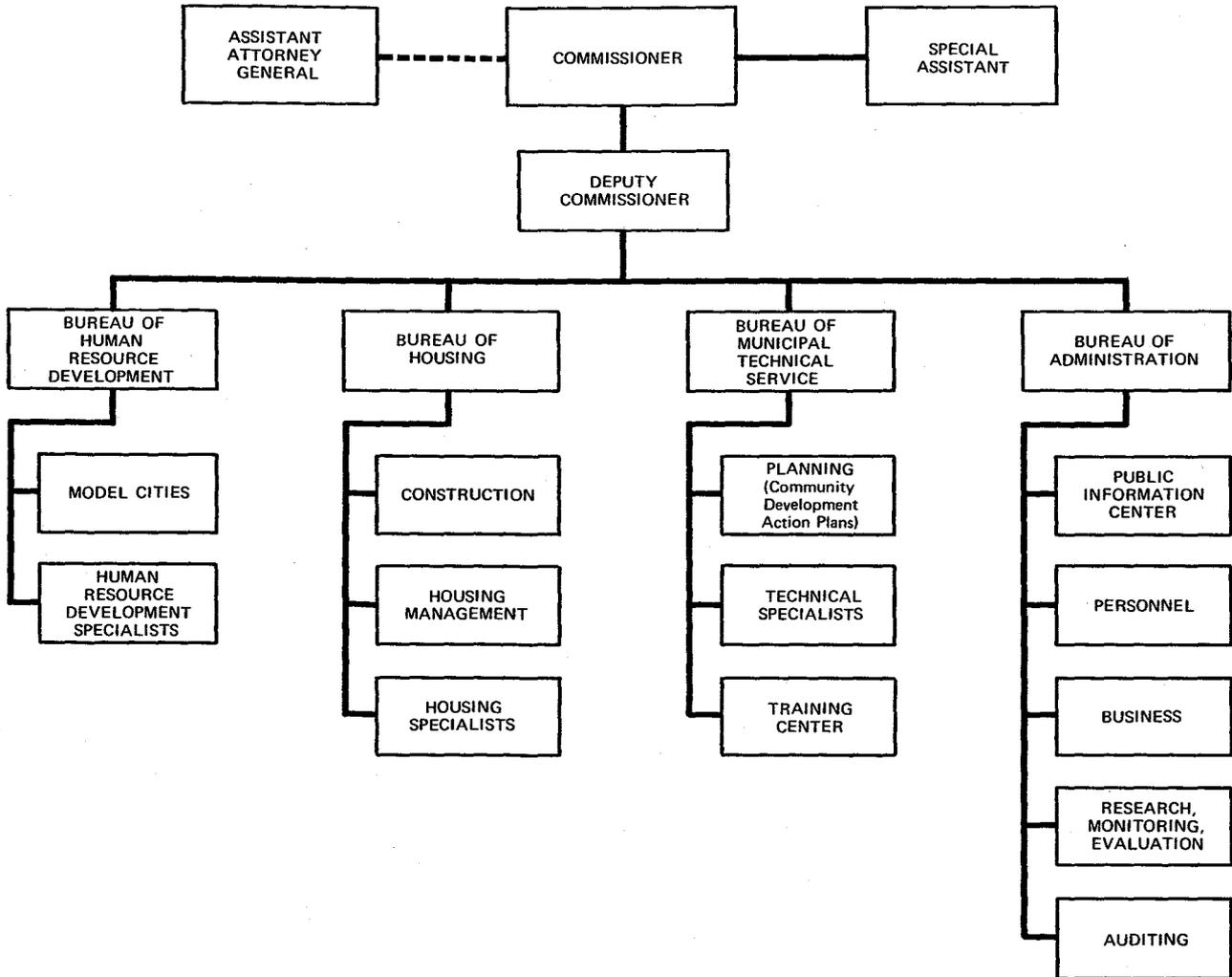
housing and population breakdowns. However, the value of such data is not evident. Program evaluation is not done consistently. Since a decision has been made not to fund new Community Development Action Plans, the Division of CDAP Design and Review is unnecessary.

The district staffs in the Bureau of Program Development and Community Services have been ineffective in serving the needs of local governments and agencies. The Office of Field Operations performs no useful function. The Bureau of Program Management and Supporting Services coordinates three basically unrelated activities. Its Division of Supporting Staff Services has too few people to provide all of the specialized services that are requested. The result is that service is ineffective. The Division of Program Management operates two state-owned housing projects. The original intent was for the division merely to supply technical and financial assistance to such projects. The Home Ownership Section spends a disproportionate amount of time maintaining files on mortgages due

the state. The Moderate Rental Sales Program is understaffed. The Division of Program Monitoring has a work load so great that it is two years behind in auditing completed projects. In contrast, the Policies and Procedures Unit is overstaffed for its work load while the Model Cities Unit has operated effectively to ensure that the state's five "model cities" submitted plans to the federal government.

In general, this department is overstaffed for its current level of operations. A major portion of the clerical staff is idle most of the time. This is due to a combination of inefficient organizational structure, poor physical layout, an excessively complex procedure for providing funds, and a tendency to add employees for new programs. Based on the department's own evaluation, a variety of programs which it funds suffer from a low level of participation. However, the department has shown a reluctance to cut off funds to failing programs. Instead, it has taken a course of recruitment and public relations to strengthen weak projects and justify their existence.

**PROPOSED ORGANIZATION
DEPARTMENT OF COMMUNITY AFFAIRS**



RECOMMENDATIONS

1. Reorganize the present structure of the Department of Community Affairs.

The department's present structure does not provide an efficient delivery system for its services. Responsibility for programs is not centralized. The result is a delay in funding, overstaffing, poor use of personnel, and lack of management control. To overcome these deficiencies, the department should be reorganized as shown in the above chart. The proposed organization is divided into four groups.

The Bureau of Human Resource Development would consolidate people-oriented programs. Model Cities coordination, concerned with delivery of services to inhabitants of five cities, would be moved to this bureau. Contact with the 13 community action agencies would be consolidated, along with processing of

their grant applications. Remaining municipal programs for human resource development would also be the responsibility of this agency.

The Bureau of Housing would be the source of information and funding for housing programs. Contact with the 67 housing authorities, development of housing plans, and delivery of technical assistance would be centralized. Management of state-owned housing would be located here until the state divests itself of this responsibility. The Home Ownership Program, urban renewal, housing for the elderly, and other housing programs would be coordinated in this bureau. In addition, contact with non-profit sponsors would be maintained here.

The Bureau of Municipal Technical Service would become the consulting arm of the department. The dis-

strict organization would be dismantled and more specialized service offered. Centralization of assistance requests from municipalities would provide better use of manpower and more efficient delivery of services. In addition, the Training Center and coordination of Community Development Action Plans would become bureau responsibilities.

The Bureau of Administration would be the focal point for administrative functions such as accounting, personnel, and public information. It would be responsible for fiscal auditing, monitoring, and evaluation of funded programs. Housekeeping functions such as a typing pool, maintenance, and legislative monitoring would also be under its control. Savings to be realized from this reorganization are enumerated in the following recommendations.

2. Develop a simplified review procedure for applications and contracts.

Current review procedures allow the department to process less than three applications or contracts per day. Yet the district staff, which totals 73 people, spend almost 90% of its time on paperwork involved in the application/contract/payment process. In addition, the Fiscal Control Section is entirely devoted to processing applications and contracts.

It is recommended that a one-step review be initiated to cut down on time and personnel involved in this process. Under the revised procedure, the application and contract form would be prepared simultaneously by the requesting agency with the help of department specialists. The application and contract would be reviewed by a team qualified to judge the program's legal, financial, technical, and administrative aspects. The application and contract would either be approved and sent to the commissioner or returned to the agency with recommendations for improvement. Implementation would make possible substantial savings because of reduced personnel needs.

3. Establish a central stenographic and typing pool.

The department has 64 authorized positions for administrative personnel, that is clerks, secretaries, stenographers, and typists. Currently, they are assigned to individuals or small staff groups without regard to need.

Central pools for stenographic and typing service should be provided, one for the executives, and one for the staff below bureau director level. In addition to the pools, some individuals and staffs will require permanent administrative personnel. Permanently assigned positions should total approximately 15. The executive pool should number two and the central pool, eight. As a result, 39 positions could be eliminated for annual savings of \$298,000, of which an estimated \$60,000 is federal money and \$238,000, state. Of the 39 positions, seven individuals were laid off in

May. Excluding the effect of the seven terminations, the savings are \$248,700.

4. Develop a Public Information Center.

At the time of this survey, there were nine people throughout the organization with assignments pertaining to public relations. It is recommended that a centralized Public Information Center be developed with emphasis on providing information, not public relations. The center would have a well-publicized phone number and answer telephone requests for information. The three-member staff would be able to provide accurate information about the Department of Community Affairs and other state agencies.

Implementation would result in eliminating six positions. Annual savings would total \$80,200, of which \$47,000 would be federal money and \$33,200, state.

5. Establish an effective Research, Monitoring, and Evaluation Section under the proposed Bureau of Administration.

Under the present organization, no evaluation of programs currently funded through the department is done. The proposed Research, Monitoring, and Evaluation Section would be responsible for conducting research studies in specific areas as directed by the commissioner and monitoring existing programs and comparing results with program objectives. Additionally, it would make an evaluation of programs and develop cost performance standards for projects funded through the department to provide the commissioner with information for decisions on program funding.

The section would be a consolidation of the present Research and Program Evaluation Division and Field Monitoring. Nine positions would be eliminated. Resultant annual savings would be \$115,800, including \$15,000 in federal funds. The state's portion would be \$100,800.

6. Establish a specialized Technical Services Section within the existing Bureau of Municipal Technical Service.

The district staff of the Bureau of Program Development and Community Services has been charged with responding to requests for specialized assistance from municipalities. However, personnel are without experience in specific areas such as zoning, taxation, and the like. They have been unsuccessful in providing the specialized services needed.

A consulting staff should be developed to furnish technical assistance to municipalities. Types of service to be provided must be developed to meet current needs. After the needs have been determined, staff makeup can be decided. The section would include planners, engineers, municipal finance specialists, and community relations personnel.

The specialized, concentrated service approach will allow for dissolution of the field operations. This staff would then be reduced and the remaining staff transferred to other positions within the Technical Services Section. Implementation would eliminate 68 positions at an annual savings of \$997,000, of which approximately \$53,000 is federal money. The state will save \$944,000 per year.

7. Reduce the Administrative Services staff.

The proposed Business Section will perform the functions of the present Administrative Services Division. Activities of the Fiscal Control and Grant Accounting Sections will be diminished because of the recommended application/contract/payment process. With an overall reduction in department staff, requirements for personnel in the Business Section will also decrease. It is estimated that 21 positions can be eliminated for annual savings of \$148,000. About \$11,000 would be federal money and \$137,000, state funds.

8. Abolish the Office of Executive Coordination.

With the change to a more functional organization, the need for executive coordination will diminish. The Office of Executive Coordination now includes nine people. Excluding secretarial personnel covered in another recommendation, abolishing this office will result in elimination of five positions for annual savings of \$84,000, of which \$11,000 is federal money and \$73,000 state.

9. Reduce emphasis on Model Cities Programs.

The five model cities have now completed the planning portion of the program. The coordinating staff operates on a consulting basis at present and provides technical services to the cities. A reduction in services required by the cities allows immediate elimination of three federally funded positions for a one-time saving of \$41,000. The Coordination Unit is expected to be phased out following the next fiscal year.

10. Establish a Fiscal Auditing Section under the proposed Bureau of Administration.

The auditing group is two years behind in examining programs funded by the Department of Community Affairs. This is a result of attempts to conduct compliance audits on projects. The proposed section would confine itself to fiscal audits. In addition, the work load could be reduced by making use of information provided by municipal and federal auditors on programs where they are involved. Also, the department should require that a portion of the grants approved be used for hiring independent auditors. Savings of \$207,000 will result through elimination of 14 positions.

11. Obtain mortgage impairment insurance to eliminate existing retention systems.

The department is responsible for collecting mortgage payments on 4,000 loans. The Home Ownership Sec-

tion maintains the current fire insurance policy as well as the expired policy for these properties. Maintenance of these policies requires staff time for filing. Mortgage impairment insurance is sold with premiums based on the number of mortgages. A policy for 4,000 mortgages would cost less than \$1,000 per year. This coverage is used when the mortgagor has a loss not covered by his own insurance.

The department should discontinue maintenance of these policies and the mortgage servicing agents should carry the insurance. If the agents do not purchase coverage, the department would buy it at a cost not to exceed \$1,000. This would eliminate one position at savings of \$11,700 each year.

12. Eliminate the Policies and Procedures Unit.

With the department structured along functional lines, the need for a group to write and disseminate policy and procedural information will be lessened. In addition, the one-step, task force approach to reviewing applications will diminish the need for policy and procedural updating. The remaining work can be handled on a part-time basis by the special assistant to the commissioner. Thus, two positions can be eliminated for annual savings of \$23,400.

13. Eliminate unnecessary staff positions in the Training Center.

Six Training Center personnel are responsible for coordination of programs. Current training programs do not use the full time of this staff. Eliminating two positions will provide annual savings of \$21,000, of which \$9,700 is federal money. The remaining positions should be adequate for the projected work load.

14. Develop a more effective management information system under the proposed Bureau of Administration.

Existing status reports on programs, applications, contracts, and bond funds do not provide the commissioner with meaningful information for making operating decisions. The objectives of the management information system need to be defined as the first step toward improvement. At this stage, participation of the commissioner and his immediate staff is essential.

Further development and implementation of the system can be accomplished by hiring a full-time systems analyst with programming capability. The cost should not exceed \$25,000 annually. An improved information system will increase the effectiveness of department activities.

15. Phase out the Community Development Action Plan Program at the completion of plans now under way.

The Community Development Action Plans Program was conceived as a comprehensive planning tool for local governments. Plans were to be used in establish-

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ing goals and objectives, determining priorities, and evaluating ways and means for attaining them. Of the 169 towns in Connecticut, 78 have participated in the program to date. Some of those did so because participation is a prerequisite for receiving funds from the Department of Community Affairs.

Expenditures in fiscal 1970 under the program amounted to approximately \$1.76-million. Estimated expenditures for 1972 are \$1.88-million. By June 30, 1971, about half of the 78 towns involved had completed their plans. Completion of the program for the remaining towns by June 30, 1972, would cost the state an estimated \$300,000. The state should provide these funds, but should phase out the program otherwise, because it has not been adopted by 91 towns and has the effect of blocking those non-participating towns from receipt of department funds which might otherwise be available. Savings of \$1.5-million for the first year and \$1.8-million annually thereafter would result.

16. Dispose of unneeded equipment and space.

The substantial reduction in staff which has been recommended will allow unnecessary equipment to be returned to the Comptroller and unnecessary floor space to be vacated. Return of equipment, elimination of extra floor space, and closing of field offices would provide a one-time savings of \$116,300 plus annual savings of \$55,000.

17. Develop and implement a simplified format for payment requests.

The Grant Accounting Section spends a great deal of time checking, correcting, and processing payment requests. The request forms are confusing and cause many errors. Another delay occurs because of the requirement that grant recipients need permission to exceed an individual budget by 10%. The payment request should be based on broader categories, such as salaries, administrative expenses, and travel. Also, recipients should be allowed more flexibility within their budgets.

Implementation will result in faster processing of fund requests. Responsibility for processing should be in the Business Section. Specific savings are claimed in other recommendations.

18. Develop a reporting system for the housing authority which anticipates financial problems.

Over the past four years, 20 of the 67 housing authorities have had moratoriums on principal payments due the state. These moratoriums do not waive the principal, they simply delay payment and extend it over the life of the mortgage.

The authorities have developed financial problems primarily because rents have not been increased to meet rising costs. Reserves to meet cash requirements on maintenance have been depleted to a great extent. Another example of the problem is the state takeover of two moderate rental projects because of financial difficulties.

The Department of Community Affairs presently has a program to sell some of the moderate rental housing units. The program is staffed by one individual currently. The program includes active negotiation with 10 authorities encompassing 903 housing units. Nine other authorities have been contacted on a preliminary basis.

A reporting system is needed so these problems do not occur in other authorities. Those which have not experienced significant financial problems should be watched carefully. Authorities which have received moratoriums should be given assistance to improve their financial positions, including selling property if necessary. The amount of loss which can be avoided by surveillance is difficult to estimate so no cost savings are claimed.

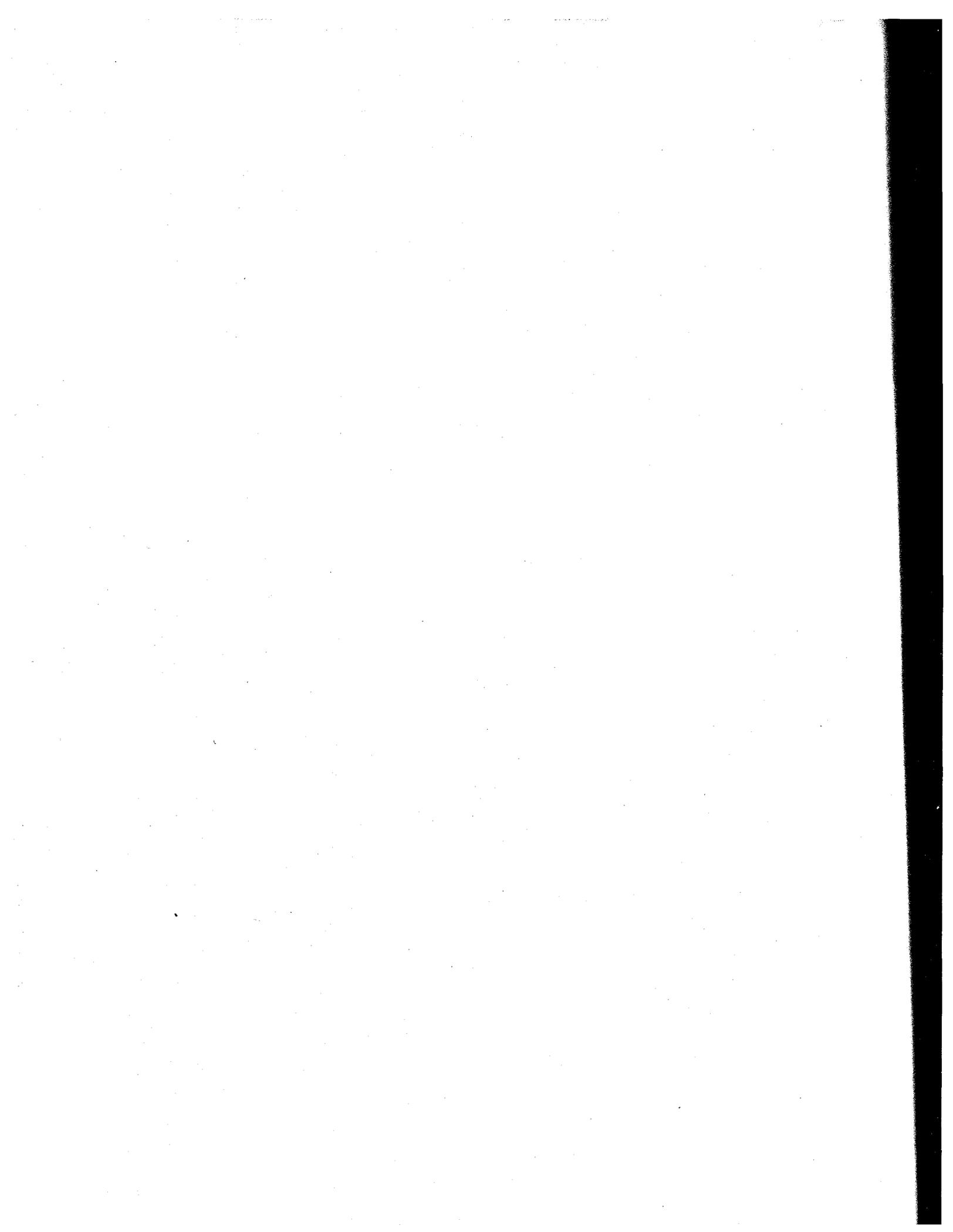
19. Rearrange office layout along functional lines.

Present problems with office layout are partly a result of recent changes in organization. For example, Model Cities personnel are located on several different floors in the building. The revised layout should be designed around the four proposed bureaus, with the director in the same area as his staff. Space should be allocated in three floors. Implementation will result in better communications, improved office efficiency, and increased work output.

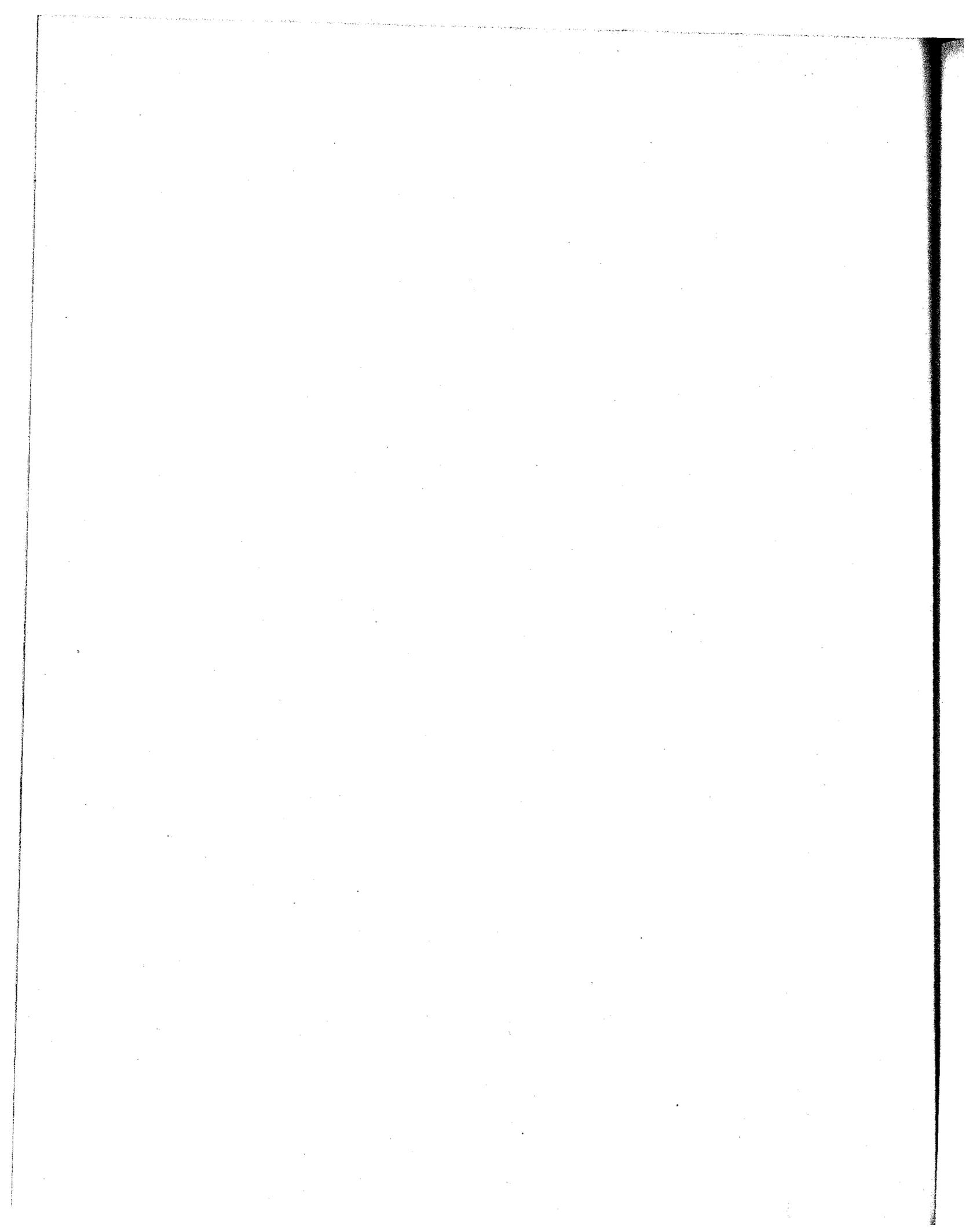
20. Establish operating guidelines and performance standards in housing, human resource development, and community assistance programs funded by the department and improve evaluation of these programs.

The department needs to improve its evaluation of existing programs. Guidelines and standards must be established. Such standards can be derived from studying programs of other states, the federal government, industry, and existing state programs.

Grants for demonstration projects are made to test program ideas. If clear guidelines were available, a demonstration program could be evaluated properly and a funding decision made. Implementation should be handled by the proposed Research, Monitoring, and Evaluation Section. No additional costs are anticipated. Benefits are expected in the form of increased decision-making capability for funding and improved program quality.



**The Governor's
Commission
On Services &
Expenditures**



State Police Department

This department is responsible for the prevention and detection of any violation of the criminal or motor vehicle laws. In addition, it establishes and administers a state fire safety code, enforces motion picture laws, and licenses bondsmen and private detectives.

ORGANIZATION AND PROCEDURES

The department performs its functions through a force whose number is specified by the Legislature. This statutory size for fiscal 1971 is 837. The actual staff in May 1971 was 765. As of the same date, there were also 250 civilian employees. Legislation provides that state policemen and policewomen be furnished with motor vehicles, provided with subsistence, and reimbursed for expenses incurred in the performance of official duty.

Although most activities, including highway patrol, take place through the 11 troop centers geographically located over the state, the department maintains several divisions at its Hartford headquarters. These include Administration, Communications, Detective, Identification, Public Safety, Traffic, and Training. It operates a teletype system for the dissemination of information to and from local police forces and law enforcement agencies throughout the country.

The department provides assistance to towns without police. In cities and towns with organized forces, it functions only when requested. A total of 60 policemen are authorized by statute for appointments as resident state policemen in towns lacking organized police forces. The towns reimburse the state for 60% of the cost of these services.

The department maintains and operates some 870 motor vehicles, trading them in after about 75,000 miles. In addition to cars assigned policemen and those available for replacement, some 60 are assigned by the commissioner to key civilian employees of the department. The estimated expense of operating the department for fiscal 1971 was almost \$12.3-million.

EVALUATION OF EFFECTIVENESS

The department is well managed with assigned responsibilities defined and understood. Devotion to duty and a spirit of cooperation reflect a high level of morale. There are areas, however, where improvements are needed. Little consideration has been given to planning as a distinct element of police management. Although a Research and Planning Division has been established, there is not enough understanding of the educational and intellectual requirements for proper performance of this function.

Training, which affects performance and morale, has been improved through the new training academy. It is not probable, however, that this function is recognized as a professional one requiring education and specialized preparation. The handling of information in terms of communications, records management, and general information appears to have been largely ignored. The systems in use, with the exception of techniques introduced from outside the department, are out-of-date. Because of this, there is an inordinate amount of headquarters space consumed by manually-filed paper. Files have overflowed from the nominal file rooms to clutter every available open hallway. The lighting is inadequate, the security compromised, and floors so overloaded that there may be a serious safety hazard.

Two administrative practices dealing with civilian personnel should be discontinued. One is the assignment of vehicles to civilians on a take-home arrangement. The other is the provision of free meals to civilian employees.

A potentially serious situation of troopers repairing facilities with solicited materials has been observed. The efforts of those who contribute off-duty time to improve their working conditions can be commended. However, the use of donated materials cannot be condoned.

The practice of furnishing resident troopers in towns without police forces seems to benefit the state, the towns, and the department. However, the accounting practices used to determine charges do not reflect true costs. As a result, taxpayers in towns which do maintain police departments are overcharged.

RECOMMENDATIONS

- 1. Appoint only men with appropriate professional qualifications to command assignments in the Research and Planning and Training Divisions.**

Current appointment practices emphasize service and loyalty while minimizing other talents. When assignments call for education and intellectual training in disciplines such as operations research, mathematical simulation or computer modeling, only officers with such qualifications should be selected.

The reluctance to introduce newly developed management sciences into police administration can be overcome by encouraging respect for professional attainment in these areas as well as in police work. This will encourage other talented men and women to enter the department. The rising proportion of college graduates among recruits makes it mandatory to use professionals in directing department programs.

2. Cease the practice of allowing officers to maintain their buildings by soliciting contributions from suppliers.

The department facilities have not been maintained at desirable levels because of inadequate state-supplied funds. To remedy this, both officers and troopers have worked during off-duty hours with the aid of contributed materials to refurbish the buildings. This practice is an invitation to conflicts of interest and is demeaning to the morale of the service. Funds for an acceptable standard of maintenance must be requested and provided. It is estimated that approximately \$50,000 per year will provide proper quality.

3. Charge the towns which contract for a resident state trooper a fee adequate to cover the cost.

About 60 troopers are provided to various towns at an average charge of \$8,100 per year. The fee calculation ignores fringe benefits, charges motor vehicle use at \$0.025 per mile, and bases vehicle depreciation on an estimated car cost of \$1,440. To cover the actual cost of this service, the towns should be charged an average of \$10,400. The increase will produce an annual income of \$135,000.

4. Replace present communications, records management, and information systems.

Communications facilities controlled by the department are dangerously obsolete. There is virtually no records management and information systems barely exist.

Invitations should be issued to suppliers of these three types of systems to make recommendations for equipment and personnel requirements. State funding must be used if federal funds are not available.

The department must cooperate with the Director of Data Processing and work with recommendations initiated through his office. Finally, assignment of police officers to work in these areas as a disciplinary measure must be discontinued immediately. Qualified civilian personnel should replace such officers, who should be returned to active duty or suspended. The complicated nature of the studies necessary precludes any reasonable estimate of costs or savings.

5. Discontinue assignment of motor vehicles to nonpolice personnel unless there is a proven benefit to the department.

Currently, 26 vehicles are assigned or loaned to civilians. Analysis of such use to determine legitimate need should be made immediately. It is estimated that at least 10 are considered fringe benefits and should be returned immediately. Annual savings should be about \$18,000.

6. Discontinue the practice of providing meals for civilian personnel.

Civilian personnel and visiting law enforcement people are fed at state expense. This practice should be stopped. Savings cannot be estimated as there is no accurate record of the costs.

Department of Motor Vehicles

This department administers the state's motor vehicle laws and has responsibility for programs that emphasize and provide protection for the economic well-being of the public. It participates in the National Highway Safety Program, thus qualifying for federal grants for approved projects. Major activities include the licensing and control of drivers, motor vehicles, commercial driver training schools, and their instructors; licensing of dealers, repairers, and junkyards; stolen car information and investigation; the issuance of motor vehicle certificates of title; administration of financial responsibility; registration of snowmobiles; collection of revenue for motor vehicle usage; assistance to towns in delinquent tax collections and in furnishing motor vehicle values for assessment purposes; analysis and reporting of traffic accident statistics; and the publication and distribution of motor vehicle regulations.

ORGANIZATION AND PROCEDURES

The department is divided into eight divisions. Each reports to the commissioner through his deputy. The

commissioner has a staff of 15 people. The department employs just over 1,000 and expended \$9.3-million in fiscal 1970. It issued 4.3-million registrations, licenses, and certificates and had receipts of \$45.3-million. It operates 15 branch offices.

The Administration Division provides supporting services such as personnel and payroll recordkeeping, purchasing, stores, accounting of expenditures and cash receipts, and internal audits. It also supervises a Shipping and Receiving Section that sends out approximately 5-million pieces of mail in a year. The main applications in the Data Processing Division are in connection with motor vehicle registrations, certificates of title, operator's licenses, operator control, and a teleprocessing network between the branches and the central office. The department does not have sufficient computer equipment installed to do all of its own processing and is dependent upon the data center for computer facilities to fulfill its requirements.

The Division of Dealers and Repairers licenses motor vehicle dealers, repairers, wreckers, junkyards, trans-

porters, gasoline stations, snowmobile dealers, and auctions. Engineering administers the voluntary inspection law permitting authorized garages to issue safety stickers and licenses commercial driving schools and instructors. Investigation and Inspection gives operator examinations and conducts examinations of all driving school instructors and applicants for public service licenses. It also gives written examinations and makes spot checks on buses, taxis, and school buses. Additionally, it inspects all out-of-state cars being registered as well as cars 10 years old or more when being transferred. Operator Control is responsible for driver infractions of the law. It handles accident reports, court records, suspensions, financial responsibility, probation, and the point system.

The Registry Division issues licenses, registrations, and parking toll plates. It collects title fees and sales taxes, and keeps records of registrations and licenses for the current and three prior years. This division is the largest since it maintains 15 branch offices throughout the state. Title and Anti-Theft is the central agency in Connecticut for the recording of ownership as well as liens and encumbrances relating to motor vehicles.

The division issues about 600,000 certificates of title each year. It keeps records of each theft and recovery and stolen motor vehicles and issues biweekly listings of outstanding thefts to all law enforcement agencies. It maintains continuous liaison and cooperation with the FBI on interstate stolen vehicles.

EVALUATION OF EFFECTIVENESS

The department has kept pace with the increasing number of automobile registrations and operator licensing requirements. However, the organizational composition is not conducive to an efficient operation. Duplication and communication problems exist because of extensive decentralization, especially in the Registry and Title and Anti-Theft Divisions. Accounting for receipts of \$45-million annually is performed manually by the Administration Division requiring considerable clerical detail. The Data Processing Division is maintaining 10 separate systems in support of the operating divisions within the Department of Motor Vehicles.

The department has been expanding its computer operations to the detriment of the State Data Center by transferring programs from the center to its own computers. A teleprocessing inquiry system has been installed at considerable expense to furnish access to registration and operator files. The information in this system is not current since the files are at least one month out of date. The development of systems work in the department has been dormant.

The annual licensing of dealers and repairers requires considerable clerical effort. Some of the recordkeeping functions need improvement.

Rechecking license exam records appears to be unwarranted in view of the 1% error factor. Spot checks of school buses for compliance with regulations is being done by a six-man team of inspectors. School buses are also inspected semi-annually. Motorcycle learner permits are issued for \$1 for 60 days, renewable for at least another 60 days without charge. Permanent licenses are not obtained by a large number of applicants because of this policy. The Division of Operator Control has considerable duplication of records and files within and between sections. Reorganization, eliminations, and combinations are in order in this division.

The Registry Division has disproportionate work loads at various locations and each is staffed for peak loads. Except for operation license renewal, there has been little effort to encourage people to use the more efficient mail service. Although the personnel in this division are knowledgeable in their work, there is considerable duplication between its sections as well as with the Title and Anti-Theft Division. Lack of communication between the Registry and Title Divisions has created a duplication of effort and considerable unnecessary work. The fee charged for a title search is considerably below cost.

RECOMMENDATIONS

1. Revise the system for ordering replacement and initial plates.

A clerk in the Billing Section of the Registry Division prepares a weekly plate order in duplicate. Another clerk retypes an original and four copies of the order, adding any originated by the director. After signature by the director, the order is sent to the manufacturer. On completion of the plates, a packing list is prepared and returned with the shipment. The receiving clerk writes a list of the plates received. This list is the notification that they are available. The vehicle owner is then requested by mail to send the necessary fee.

The fee should accompany each application since many plates are not called for after notification. In addition, an order form should be designed for use as an order on the manufacturer, packing list, receiving report, and check-off of mail transmitted to the car owner. One typing, with mechanical reproduction if necessary, should suffice for the whole transaction. Implementation will provide annual savings of \$1,900 and added income of \$54,000 per year.

2. Reduce the number of branch offices and man the remainder to a uniform standard of revenue per nonsupervisory employee.

There are 15 branch offices with at least two management personnel assigned to each. Nonsupervisory personnel are not in line with total annual revenue per

office, varying from \$117,600 per person to \$175,200. Offices at New Britain, New London, Norwalk, Old Saybrook, Putnam, and Willimantic should be closed. The remaining branches and the Wethersfield facility should be manned with present supervisory staff. Nonsupervisory personnel should be in proportion to the annual revenue of each office at the rate of \$170,000 per person. Total savings from implementation will be about \$514,300 per year, including personnel and space reductions.

3. Reduce the number of vehicles making daily trips between Wethersfield and the branch offices.

Closing the branch offices at Putnam, Willimantic, New London, and Old Saybrook, will permit elimination of one vehicle making daily runs to these locations. Total savings will be almost \$8,300 annually.

4. Require renewals for licenses and registrations to be mailed to the department.

This department is staffed to process the large volume of renewals that occur at month's end. Approximately 60% of the registrations and 40% of the licenses are last minute renewals which require personal contact at one of the department offices. Mailed forms can be processed more efficiently and at less cost to the public. As a result of the decreased activity in the Registry Division by requiring mail renewals, 36 examiners and cashiers could be eliminated. A total of 10 clerks would be needed to process the increased mail loads. Annual savings would be \$212,200.

5. Discontinue checking for errors on the Driver's Examination Record Personal Data Forms.

These forms are made out by the applicant and are checked by the inspectors. Most of the errors are caused by careless inspections. However, the error factor is only 1% and most of these were of a minor nature. By eliminating the checking, an estimated \$15,500 would be saved annually.

6. Destroy Examination Record Personal Data Forms after three years.

These forms are now kept for 10 years. Implementation would save clerical time, files, and space. Annual savings would be \$4,900 per year.

7. Collect the \$5 examination fee at the same time the motorcycle learner's permit is issued.

Learner's permits are issued for 60 days and may be renewed for an additional 60 days. A new permit is granted for a fee of \$1. Many cyclists never take the road test, but merely keep taking out permits. Since it is more costly to reissue permits than administer a test, the proposed fee will provide an annual income of \$27,000 to offset the cost.

8. File inspection reports by location and inspection date instead of identification number and make of vehicle.

The present system requires extensive clerical effort. The department should use a video display unit to enter the date inspected and location on each report. At the end of the day, the reports should be bound and forwarded to the Title Division for filing. Packets would be filed by location and day. Implementation will provide annual savings of \$15,300.

9. Increase the fee charged for a title search to \$25.

The \$5 charged for a title search covers only a small portion of the cost of searching a title and preparing the documents. The proposed \$25 fee will decrease the number of requests for title searches. The annual added income should be \$7,500.

10. Eliminate the filing of canceled Certificates of Title separately from the supporting documents.

The Certificates of Title for previously registered Connecticut automobiles that are sold, traded or otherwise disposed of are sent to the Title Division. The certificate is canceled, stamped, microfilmed, and separated from the other supporting documents and filed by title number. The present task of filing approximately 40,000 titles monthly requires one and a half persons. This could be significantly decreased if canceled certificates were left with other supporting documents. Annual savings would be \$7,300.

11. Reprogram the department's data processing systems.

The present operation consists of 10 systems made up of 444 programs. It is not designed for third generation equipment and information in the master files is out of date by 30 to 45 days. The systems should be redesigned and responsibility for the project given to a staff member of one of the operating divisions. He would report to a steering committee consisting of the deputy commissioner and several division chiefs. The first phase—an in-depth study of present procedures and anticipated needs—may require professional consulting assistance. The new system should be designed to operate at the State Data Center. Implementation will have an estimated one-time cost of \$475,000. Annual savings will be \$260,700.

12. Provide additional title examination capabilities at the branches and Wethersfield.

A number of the suspended title applications could be eliminated if a more thorough examination of the supporting documents were undertaken at registration. In 1970, approximately 30,000 follow-up letters were required by the Title Division before they could process applications. If the registration examiners were better trained in title requirements and regulations, extensive time could be saved. Annual savings would be \$53,000.

13. Destroy all documents pertaining to titles after retaining them for the current and one additional year.

Documents pertaining to the Title Division are retained five years. The original application is retained for nine. All documents are microfilmed as well. Storage needs would be reduced through implementation for annual savings of \$6,100.

14. Reduce the number of school bus inspectors by six.

The buses are being inspected twice a year by a group of 12 which also does spot checks. Records of rejections indicate that the examinations are rigid. Recently, six additional inspectors were assigned to carry out spot checks exclusively. In view of the record of the regular staff, it appears that the additional employees are not needed. However, stronger regulation and enforcement are necessary. By eliminating the added employees, \$71,700 per year would be saved.

15. Change the method of handling accident cases in the Operator Control Division and discontinue receiving and filing of invoice copies from the Copy Record Section.

There are an estimated 70,000 reportable accidents annually. Presently, a case file is made for each with an average of three reports per accident. All are entered through the terminal for cross referencing. Only 15,000 of these cases require review. Therefore, the remainder should be entered through the terminal individually so that each would have a specific number for location purposes. This will eliminate current merging and filing of these reports. Implementation will make it possible to eliminate six of the eight clerks doing this processing. In addition, filing invoice copies in the Copy Record Section should be discontinued. There are 16,000 per year and they require the services of one clerk. Reduction of the clerical staff by seven will provide annual savings of \$50,700.

16. Computerize the cash receipts and issues analysis function in the Auditing and Accounting Section.

Recording daily activities by branch and by type in six ledgers requires six people full time. Posting and subsequent summarization could be accomplished mechanically either by keypunching cash summaries or attaching tape punches to the validating machines. Mechanical printouts showing the detail and summarized weekly, monthly, or annually could be produced as required. The savings would be \$43,500 per year. The one-time cost would be \$2,000 and annual maintenance would be \$4,900.

17. Replace keypunch and key verifier units with combination card punch and verifier units.

Present equipment as well as that on order should be replaced by 34 combination units. While the

equipment has a higher rental, it will provide a 15% increase in productivity. The annual cost will be \$28,500. The saving will be at least \$68,800 per year.

18. Consolidate the department's computer operations by transferring all work to the State Data Center.

The department's computer processing requirements are supplied by the State Data Center and through in-house facilities. The center does the large volume master file updates, loading and maintenance of direct access files, and teleprocessing operations. The department operation includes input editing, card-to-tape programs as well as format, printing, and punching of outputs.

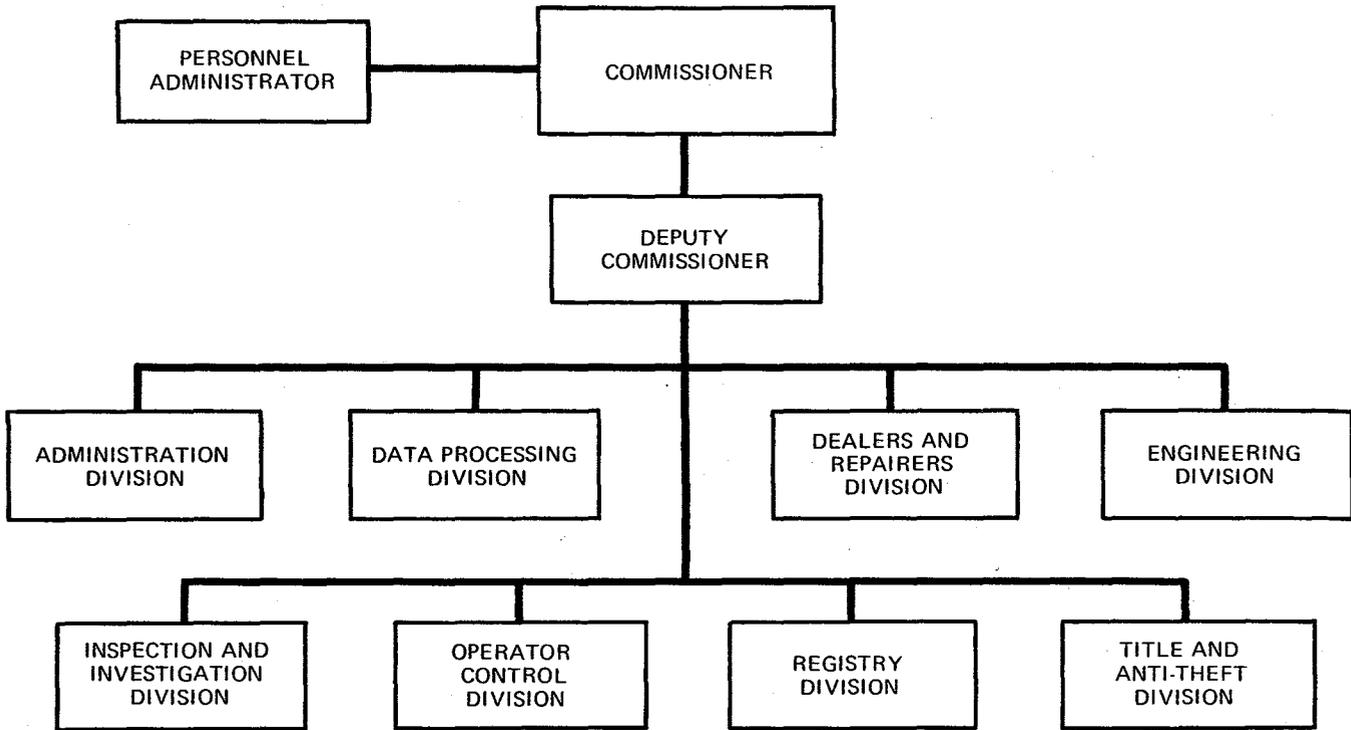
Motor Vehicles is the center's largest customer, contributing 25% of its work. However, the department has been increasing its computer operations by transferring programs from the center. It has staffed a 15-member section to handle the activity and is now seeking authorization for a Chief of Operations. Another recommendation proposes reprogramming various department systems. When they are ready, they should be implemented at the center. By transferring all computer operations to the center, annual savings of \$212,000 would be achieved. Of the 15 positions now authorized in the department, only five would remain. Elimination of equipment rental would bring the total annual saving to \$305,600. The annual cost of processing at the State Data Center would be increased by \$93,600.

19. Reorganize the Department of Motor Vehicles to provide a more efficient and effective operating unit.

The present department includes the commissioner, deputy commissioner, a staff group handling management analysis, public information, federal grants, and safety coordination. The eight divisions are Administration, Data Processing, Dealers and Repairers, Engineering, Inspection and Investigation, Operator Control, Registry, and Title and Anti-Theft. A chart of the present organization is shown at the top of the following page.

The proposed organization, shown on next page, would consist of the commissioner, deputy commissioner, and a new staff group. It would handle legislative liaison, regulations, legal advisory services for the department, and public information. The present chief of the Engineering Division has supervised these functions in the past and should continue to do so at a staff level, independent from the influence of the operating divisions. A typist should be retained at this level and the position of research analyst, now vacant, eliminated. Remaining personnel would be transferred to the Federal Grants, Accounting, and Management Systems Sections of the new Manage-

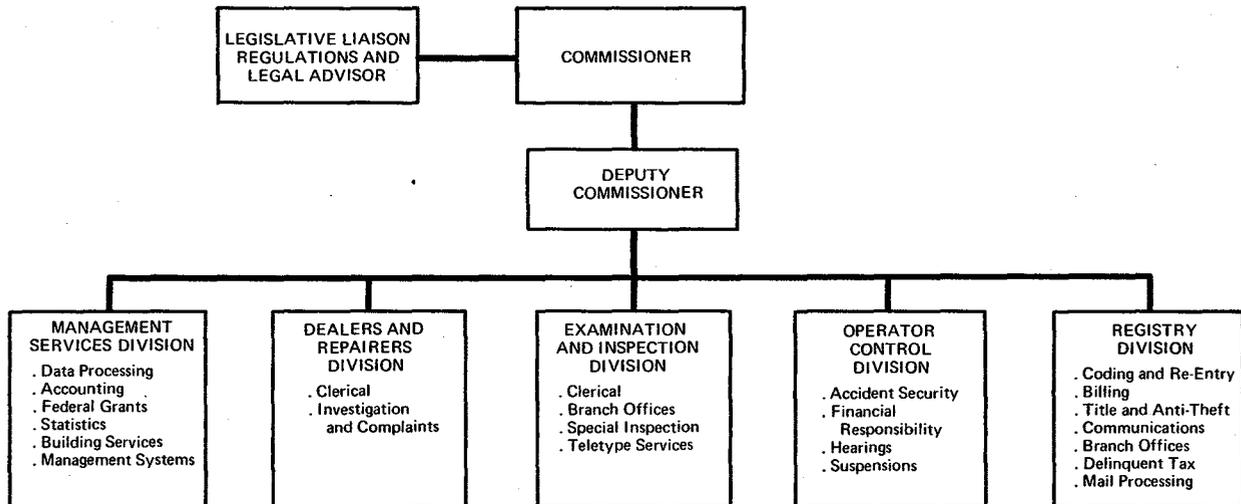
**PRESENT ORGANIZATION
DEPARTMENT OF MOTOR VEHICLES**



ment Services Division. Other recommendations cover this division as well as Dealers and Repairers, Examination and Inspection, Operator Control, and Registry. The present Engineering Division would be eliminated.

Its functions of legislative liaison, statistics, inspection, and licensing of various types overlap those of other operations. Implementation will provide annual savings of almost \$73,100.

**PROPOSED ORGANIZATION
DEPARTMENT OF MOTOR VEHICLES**



20. Include all staff functions in the proposed Management Services Division.

Although the present organization has an Administration Division, several staff functions are handled by operating divisions. Staff functions should be consolidated to avoid duplication and provide for increased efficiency. The proposed division would consist of Data Processing, Accounting, Federal Grants, Statistics, Building Services, and Management Systems Sections. Savings are included in a previous recommendation.

21. Consolidate the Data Processing Division and incorporate it into Management Services.

The proposed section would consist of EAM Operations, including Key punch, and Computer Operations, with two shifts of tabulating machine operators and three shifts on the computer. It would also have Coordination and Systems and Programming Units.

22. Reorganize the Dealers and Repairers Division.

This division has an excess of supervisory personnel and too much work for the present staff of the Inspection Section. The proposed organization would have only a division chief with a Clerical and an Inspection and Complaints Section. One inspector should be added at an annual cost of \$11,200. The annual saving will be \$19,500.

23. Reorganize the present Inspection and Investigation Division to parallel the proposed Registry Division.

The reorganized division would include Clerical Services, Special Inspection, and Teletype Service Sections

as well as branch offices. Under the present organization, the division inspectors issue documents and collect fees for all licenses, inspections, and driver examinations. The paperwork is sent to the division headquarters to be reconciled. All of these documents could be issued by Registry cashiers who would complete daily and cash summaries and make the necessary deposits. The transaction and cash summaries would be forwarded to the Accounting and Auditing Section. Special clerks would fill out and check the forms, keeping a log of test results. Eliminating money handling and paperwork for the inspectors should almost double their productivity rate. Annual savings would be \$253,200.

24. Reorganize the Operator Control Division.

Establishing two areas of responsibility reporting to the division chief will improve supervision and eliminate his assistant. The first function will be Accident Security and will include the Clerical Section. The other will be headed by the Chief Hearings Officer and will include Financial Responsibility, Hearings, and Suspension Sections. Annual savings of \$28,500 will result.

25. Combine Registry and Title and Anti-Theft into a Registry Division.

The proposed organization would have Billing, Coding and Reentry, Communication, Title and Anti-Theft, and Mail Processing Sections as well as branch office units. A supervisor should be added at an estimated annual cost of about \$17,300. Annual savings will be almost \$84,100.

Military Department

This department, under the direction of the Adjutant General, is responsible for all armed forces of the state. These include the Army National Guard, the Air National Guard, and the Naval Militia. The Organized Militia, consisting of the Governor's Foot and and Horse Guards, are also under the Adjutant General's direction. It is the department's responsibility to train members of the National Guard and to assist civil authorities in state emergencies.

ORGANIZATION AND PROCEDURES

The Military Department, with 147 civilian employees and a budget of \$1.6-million, coordinates the activities of some 7,000 Air and Army National Guard members as well as 400 Organized Militia and 500 Naval Militia personnel. Administrative divisions are under the direction of the Adjutant General. These include the Claims Historical and Security Division, Military Op-

erations, Business Administration, Operations, and Property and Procurement.

The Organized Militia consists of two companies each of the Governor's Foot and Horse Guards. The units are essentially social and ceremonial as is the Naval Militia. The department maintains some 45 installations, including 200 buildings. Major installations include facilities at Bradley Field, Niantic, and East Lyme for extended training activities. The estimated value of all state property is in excess of \$27-million. In addition to state support, undetermined amounts of federal funds and equipment have been made available to the Air and Army National Guard.

EVALUATION OF EFFECTIVENESS

The administration of the department is good. The leadership and dedication of the top officials are

outstanding. However, maintenance of facilities is not adequate, and failure to provide funds for essential preventive repairs will ultimately lead to greater expense. Armories and other facilities are fully used, but utilization of armory space for private purposes is carried on under rules, regulations, and precedents which have not been reviewed for years. Schedules of fees are inadequate. More than 4,000 square feet of space in the Hartford Armory is leased to the Officers' Club of Connecticut for the yearly rental of \$240. Although the club provides cafeteria facilities for department employees at the armory, the casual arrangements are cause for concern.

Legislation requires that the department provide on request a firing squad to attend the burial of any veteran of the armed forces. The cost to the state has risen from \$39,000 in fiscal 1963 to approximately \$100,000 in 1971. Projections for future years indicate accelerated activity.

RECOMMENDATIONS

1. Update the schedule of fees for use of armory facilities by private noncharity organizations.

Fees for the use of various armories have not been reviewed for more than 25 years. This places private auditoriums and facilities at a disadvantage in competing with the state. For fiscal 1970, more than 600

leases bringing in almost \$30,000 were negotiated. By doubling the rental fees, an additional \$30,000 in income would be possible. However, more realistic fees should make private facilities competitive and would probably cut this to \$15,000 per year.

2. Increase the yearly rental charge to the Officers' Club of Connecticut to \$20,000 for space occupied at the Hartford Armory.

The club occupies 4,000 square feet in the armory. It pays \$240 in annual rent, provides a cafeteria for use by armory personnel, and agrees to make its kitchen and club facilities available to the department in case of emergency. A moderate figure would be \$5 per square foot, making a total of \$20,000 in rent. All other conditions of the lease, including cafeteria and availability of space, should be retained. Additional annual income would be about \$19,700.

3. Institute a planned program of preventive maintenance for facilities.

The personnel recognize the need for maintenance of department buildings and include funds for this purpose in the budget request. However, the proposed appropriations have been severely reduced. In the absence of a planned program, this action is proper. However, maintenance is important and a planned program should be instituted quickly.

Office of Civil Defense

The office was formed to protect life and property in the event of a major disaster.

ORGANIZATION AND PROCEDURES

Although included in the Military Department for administrative convenience, this office reports directly to the Governor. Work is performed through three major divisions, Administrative and Fiscal, Plans and Operations, and Resources Management. Five regional units coordinate activities of local civil defense directors. In addition, eight federal employees are involved in community shelter planning and radiological instrument calibration activities.

EVALUATION OF EFFECTIVENESS

The basic responsibilities of the office are neither understood nor welcomed by the public. The organization is concerned with coordinating emergency activities during natural as well as manmade disasters. Misunderstanding of the office's responsibilities exists because of the conflict between statutory responsibilities assigned by state and federal governments. The

state includes natural disasters while federal laws limit responsibilities to manmade calamities, particularly attacks.

Given these circumstances, the office functions effectively, but in an ambivalent atmosphere. It is diligent in coordinating activities for contingencies the state has decreed to be its responsibility. Although few people believe that a disaster will occur, the urgency has not been dissolved. In these adverse conditions, the staff shows a loyalty and dedication which is seldom recognized.

RECOMMENDATION

1. Make no changes in budget, organization, or structure of this office until its role is clarified.

The agency does serve to coordinate civil defense preparation and training efforts at the state level. There is pressure from the federal government to increase state staff. This pressure should be resisted and an effort made to define the state's role in civil defense and natural disaster activities.

Labor Department

The Labor Department is responsible for enforcing state labor laws, administering state and federal unemployment compensation acts, and operating a federal-state system of public employment offices. Major functions include factory inspection, minimum wage enforcement, apprentice training, mediation and arbitration of labor disputes, and administration of the State Labor Relations Act. Other responsibilities are the payment of benefits to the unemployed, administration of the Connecticut State Employment Service, and collection of employer contributions to the Unemployment Compensation Fund.

ORGANIZATION AND PROCEDURES

Responsibilities of the department are divided into two sections. One is financed with state funds and is headed by a deputy commissioner. The other is federally funded and headed by an executive director. The state-financed section has 150 employees and estimated expenditures for fiscal 1971 of \$1.5-million. It is composed of the Business Administration Department, Bureau of Labor Statistics, Minimum Wage, Apprentice Training, Labor Relations, Mediation and Arbitration, and Factory Inspection Divisions.

The federally-financed Employment Security Division has over 1,500 employees and estimated expenditures for fiscal 1971 are \$14-million. It includes various staff functions, the Employment Service, and Unemployment Compensation Departments. The staff of the executive director provides data processing, business management, research and information, legal, personnel, and management service functions. The Employment Service Department operates from 25 offices throughout the state. The Unemployment Compensation Department is responsible for payment of benefits to the unemployed. It operates 21 offices. Approximately 120,000 unemployment compensation payments, totaling over \$6-million, were processed each week in May 1971. Recognizing rising unemployment rates, the department obtained special proprietary equipment leasing authority from the U. S. Assistant Secretary of Labor. It has completed the replacement of its computer equipment with a major increase in capacity and data access flexibility. A companion decision was implemented to schedule claimant visits every second week to receive two weekly benefit payments.

EVALUATION OF EFFECTIVENESS

Upon assuming office late in the first quarter of 1971, the commissioner, deputy commissioner, and executive director initiated a review of department func-

tions and procedures. An early result was the elimination of an internal activities and operations report.

Assignment areas of state-funded field personnel overlap. Several of these units could be consolidated, with cross-training to provide better staff use. Field supervision is lacking and there has been no attempt to establish standards to measure agent productivity.

Processing delays are evident in the Labor Relations and Mediation and Arbitration Divisions. They are due to a lack of dictating equipment and stenographers. The Factory Inspection Division is inspecting boilers and elevators at fees far below cost. It also inspects bedding and upholstered goods which is not a Labor Department function.

The reporting activity performed by the Bureau of Labor Statistics would be more appropriately assigned to the divisions accomplishing the inspections and other services involved.

Due to sharply increased unemployment, contingency funding was required to supplement budgeted amounts. Biweekly scheduling of unemployment payments has significantly reduced local processing congestion and removed the need for increased space and personnel. Despite extensive overtime and the addition of more than 300 interim employees, backlogs have accumulated in several areas handled by the Unemployment Compensation Department.

Duplication in staff training personnel and facilities between the Connecticut State Employment Service and Unemployment Compensation Department has been recognized by the executive director and solutions are in process. More extensive overlapping exists between the three management analysis groups. Data processing systems require overhaul to eliminate inordinate effort associated with obsolete punch cards. Internal unemployment compensation transactions require systems analysis to develop processing standards and delinquency criteria. Management effectiveness in the Employment Security Division is impaired by the dichotomy in each field office because of the separate Employment Service and Unemployment Compensation organizations.

RECOMMENDATIONS

1. **Contract for a stenographic service to transcribe labor relations hearings for the State Board of Labor Relations.**

The board enforces the Connecticut Labor Relations Act and, through formal hearings, resolves complaints and disputes. The law requires hearings be recorded

and a transcription made available to participants. Recording and transcribing is done by a stenographic service and a state typist. If a stenographic service were to do all the work, annual savings of \$800 would result. The department has a five-month backlog of clerical work and has requested an additional secretary. The use of a stenographic service will free 50% of one typist's time and partially eliminate the need for more help.

2. Purchase dictating equipment for use by labor relations agent of the State Board of Labor Relations.

This agent directs the administrative arm of the board. The work, despite the help of two clerks and an assistant, is backlogged five months due to delays in finishing reports on board decisions. Unless this agent gets and uses dictating equipment, the backlog will continue to grow. Dictating equipment may be purchased by the state for a one-time cost of \$300.

3. Transfer the regulation of bedding and upholstered furniture to the Department of Consumer Protection.

Inspectors from the Factory Inspection Division license and inspect bedding, upholstered furniture, and sterilization processes. Since the Department of Consumer Protection is responsible for enforcing standards for consumer goods, it should have jurisdiction over bedding and upholstered goods. Transfer of this function will free two inspectors. However, savings will not result as the Department of Consumer Protection will have to provide for this increase in work load.

4. Combine the five inspector classifications in the Factory Inspection Division into a single one of industrial inspector and establish a computerized system for scheduling inspections.

The present system suffers from duplication and inefficiency. Combining the inspector categories and computerizing the schedules will eliminate overlapping areas, duplicate visits, and overly large coverage areas. Some cross-training will be necessary. The cost of programming the schedules will be \$10,000 with an annual expense of \$3,000. Potential staff reductions through implementation should provide annual savings of \$46,200.

5. Combine the Minimum Wage and Factory Inspection Divisions into a Wage and Safety Division.

Minimum Wage inspectors provide overlapping service with staff from the Factory Inspection Division. Combining these functions and cross-training personnel will eliminate duplications and provide a more efficient service. The annual savings should amount to \$30,000.

6. Eliminate duplicate management organizations within the Employment Security Division's field offices.

Restrictive job descriptions for senior employees prevent cross-training between Employment Service and Unemployment Compensation Sections in the field offices. This means a temporary increase in the work load for either function requires overtime or addition of part-time help. Also, parallel and uncoordinated organizations for the two functions contribute to management inefficiency.

A single management position should replace the three now responsible for field office operations. The proposed director would implement manpower service programs as required by Employment Service and Unemployment Compensation Department directors.

In the field, five supervisors will replace the current seven. Each will work from the largest office in his area, rather than from home. All field office positions will be redefined to permit assignment to either Employment Service or Unemployment Compensation Sections. The annual cost, which will be federally reimbursed, will be \$24,000. The annual savings, also federal, will be \$90,000.

7. Computerize the comparison of employer/employee social security quarterly records to detect overpayment of unemployment compensation benefits.

Present procedures include manual selection of 12% of unemployment claims in which fraud or error is suspected. They are referred to a control group for investigation and recovery of overpayments. Recent expansion in computer capacity should permit an automated quarterly review of all state employer reports. The one-time program design cost would be \$16,500. Annual expenditure, including an increase in the control group, would be \$63,000. There has been no comprehensive analysis of fraud or error incidence in unemployment benefit claims for at least eight years. Based on a curtailed review, and assuming annual benefit payments of \$280-million, implementation should result in additional recovery of \$600,000 per year.

8. Permit a bank to reconcile the Unemployment Compensation Benefit Fund account.

The Data Processing Division prepares a monthly reconciliation of the checking account for this fund. Volume has grown to such an extent that the division is eight months behind and has 7-million checks and vouchers to process. The total cost is \$200,000 a year. The charge for bank reconciliation is estimated to be \$80,000. Implementation would result in an annual savings of \$200,000, all of which is federal money. The cost would also be federally subsidized.

9. Consolidate and upgrade the three management analysis groups in the Employment Security Division and develop systems management plans for manpower service.

Management analysis functions are assigned to groups on the staffs of the executive director and the directors of the Connecticut State Employment Service and Unemployment Compensation Departments. This fragmented organization is not responsive to the complex problems involved in handling over 120,000 weekly unemployment benefit payments.

The groups should be reassigned under the principal management analyst, reporting to the executive director. All public relations, special exhibit, and routine or repetitive tasks, including the conduct of training programs, should be reassigned. Elimination of these tasks will reduce the requirement for administrative and clerical positions by six. They should be replaced by two experienced management analysts. Such action will complete the acquisition of competence in management analysis suggested by the U. S. Department of Labor Manpower Administration.

The smaller but strengthened management section will not, by itself, increase or decrease division expenses. However, studies by the group proposed in accompanying recommendations will result in savings and reduced processing backlogs.

10. Transfer public relations responsibilities to the Office of the Labor Commissioner.

Prompt response to requests for labor information is an essential function of the department. It is equally important that the commissioner have access to news media. At present, such responsibilities are handled by the Director of Research and Information. Reassignment of two of his staff to positions as public relations assistants in the commissioner's office should provide necessary controls. General requests will be referred to the commissioner. Statistics and routine data will be obtained from present sources while specific queries will be handled at the direction of the commissioner. The assistants will coordinate his approval of the editorial content of department publications. No costs or savings are involved.

11. Replace keypunch machines with key data recording equipment.

Punched cards are used to process data for the computer system. Approximately 15-million cards are keypunched and converted to magnetic tape annually. Key data recording equipment transcribes material directly to the tape and is 20% faster than keypunching. The present operation costs \$27,000 per year. An additional \$18,000 annually would be needed for the proposed system. Annual savings would be \$80,000. All costs and savings are federal.

12. Establish productivity standards for measuring the performance of inspectors in the Minimum Wage and Factory Inspection Divisions.

Wide discrepancies exist in the number of inspections made by individual staff members and no system exists to measure productivity. In the five division categories, top producers completed between 43% and 167% more inspections than low producers in a six-month period. Therefore, a system is needed to identify and enforce work standards. An increase of 12% in overall productivity would eliminate the need for six inspectors, providing an annual savings of \$72,000.

13. Increase fees for elevator and boiler operating certificates to cover the cost of inspection.

The Factory Inspection Division inspects boilers and elevators and issues licenses for average fees of \$10 and \$5, respectively. The actual cost is \$20 per elevator and \$15 per boiler. If fees were increased to cover these charges, it would generate \$83,000 in additional revenue for the state.

14. Eliminate the Bureau of Labor Statistics.

The bureau collects data for and publishes 11 reports. A recent directive eliminated six. The remaining material should be produced by the departments which generate the source information, eliminating the need for this agency. The savings through implementation would be \$60,000 per year.

15. Pay biweekly unemployment claims with one check instead of two.

Unemployment claims are paid every two weeks with two checks. Biweekly payments were designed to reduce the number of claimant visits to local offices. This system does nothing to reduce the clerical backlog resulting from claims. Processing of authorizations and ledger posting is 12 weeks behind and check and voucher work is eight months in arrears. The department has hired 140 temporary employees since June 1970 to assist with the increased work load. A total of 42 of these workers could eventually be eliminated by paying claims with a single check. The annual savings in federal funds would be \$294,000.

16. Establish a wage incentive plan for keypunch operators which bases salary on card output.

Such plans usually upgrade production by 30%. At this level of production, the salary increase is about 8%. This would be an annual cost of \$24,000. However, the total staff could be reduced by 14 positions for an annual saving of \$100,000. Both cost and savings are federally financed.

17. Eliminate the monthly bulletin and consolidate remaining manpower service publications.

Cost/benefit analysis has not been applied to the various publications and reports issued by the Re-

search and Information Section. One publication, a monthly bulletin, accounts for 36,000 annual mailings, yet a significant portion of the readers have only casual use for the magazine. Eliminating it would save \$8,000 annually of which the state share would be \$600.

The proposed Management Analysis Section should schedule a consolidated manpower service information plan for publications. All reports and bulletins

not required by U. S. Department of Labor regulations should be reviewed for possible consolidation or elimination. Consideration should be given to combining all data into an annual statistical abstract, distributed at the cost of preparation. The proposed plan should include a cost analysis for each continued publication. Annual savings from implementation are estimated at \$50,000 resulting from elimination of four positions.

Workmen's Compensation Commission

This commission administers the act under which employees and certain others are compensated for work-connected accidental injuries and occupational diseases. Disputes are adjudicated through this group in lieu of common law redress. A 1967 statute added a workmen's rehabilitation program to the commission's functions.

ORGANIZATION AND PROCEDURES

Commissioners are appointed by the Governor for each of seven districts, plus one at large. A chairman is designated to perform additional duties as central administrator. He maintains files of employer insurance coverage, publishes compensation statutes, correlates the work of the commissioners, and prepares commission budget, cost, and assessment data with the Comptroller. Administrative costs are recovered from insurance carriers and employers who are self-insured. In fiscal 1970, these amounted to approximately \$460,000. During the same period, expenditures reported under the act were \$34.8-million. The total staff amounted to 23 full-time employees in fiscal 1970 with an increase to 32 expected for 1971.

The organization of the Division of Workmen's Rehabilitation is presently limited to the director and a business manager. Services are to be financed from a fund supported by an assessment against insurance carriers. Including other income, this amounted to approximately \$380,000 in 1970. The business manager will ultimately assume the functions of consolidated budget, payroll, and purchasing for the commission.

EVALUATION OF EFFECTIVENESS

Considering population size, the commission is performing its function with proportionately fewer personnel and a lower budget than in other states. This efficiency is partly the result of streamlined case disposition procedures and also of the competence and impartiality of the commissioners. Approximately 90% of compensation cases are resolved directly between

the parties by written agreement. Another 9% are settled by mediation with the assistance of a commissioner. The remaining 1% require formal hearings.

Since 1970, the chairman has significantly improved the budget cycle's efficiency by consolidating individual districts. Adjustments can now be made between districts in response to unexpected variations in hearing work load without the Governor's approval.

RECOMMENDATIONS

1. **Continue to appoint members of the bar as compensation commissioners, and reappoint commissioners to succeeding terms on merit, without regard to political affiliations.**

The commissioners are required to be residents in the districts to which they are appointed. Beginning with the establishment of the commission in 1913 and continuing through 1970, appointees have been members of the Connecticut Bar. A precedent has been followed by Governors of both parties by reappointing commissioners as their terms expire without regard for party affiliations. As a result, Connecticut's commissioners are extremely competent and free from political or other influences. Continuation of these precedents is necessary to maintain the effective conduct of this office.

2. **Restructure the seven compensation districts to equalize work load.**

The Workmen's Compensation Act applies to all employers with a staff of one or more people. The work load of the commissioners is proportional to the population of their respective districts. In 1970, the populations varied from 319,200 to 533,100. As the populations continue to change, inequities between work loads will increase.

The boundaries presently defined by statute should be revised. Sufficient flexibility exists to allow the chairman to develop a plan which will recognize em-

ployee/employer geographical relationships without ignoring the requirement that commissioners reside in their respective districts. Enabling legislation permitting the chairman to set new boundaries should include a provision for review of the boundaries every

10 years with mandatory redistricting permitted whenever any section includes significantly more or less than 15% of the population. Implementation will permit existing commission personnel to administer the Workmen's Compensation Act.

Unemployment Commission

This commission adjudicates appeals resulting from denial or approval of claims by the Unemployment Compensation Department of the Labor Department.

ORGANIZATION AND PROCEDURES

The commission is a federally financed agency composed of six commissioners. One is assigned to each of five districts and the sixth serves as a commissioner-at-large to handle interstate claims. This agency is not responsible to the Labor Department or any other state or federal office.

EVALUATION OF EFFECTIVENESS

The commission is efficiently run and staffed by dedicated people. Six commissioners are not adequate to handle the increased claims resulting from rising unemployment in the state.

RECOMMENDATION

1. **Appoint four temporary commissioners to adjudicate appeals.**

High unemployment levels have increased the number of claims to be adjudicated. New cases exceed closed files by 200 per month. This has created a critical condition which is expected to continue.

Each commissioner can process approximately 100 appeal cases per month. Two are needed to handle a claim load that is growing by 200 cases per month. Another two are needed for six months to reduce the 1,500 case backlog. There will be a cost to the state of \$24,000 in making these appointments. All funds used by this commission are reimbursed by the federal government.

Department of Consumer Protection

This department protects the public by assuring food and drug quality as well as honesty in merchandising. Its principal function is licensing and inspecting food processors, manufacturers, and drug outlets, as well as maintenance of prescribed standards for weights and measures.

ORGANIZATION AND PROCEDURES

The Department of Consumer Protection is organized into the Pharmacy, Food and Drugs, Consumer Frauds, Weights and Measures, Consumer Education, Athletic, and Administrative Divisions. The present organization is shown on the following page.

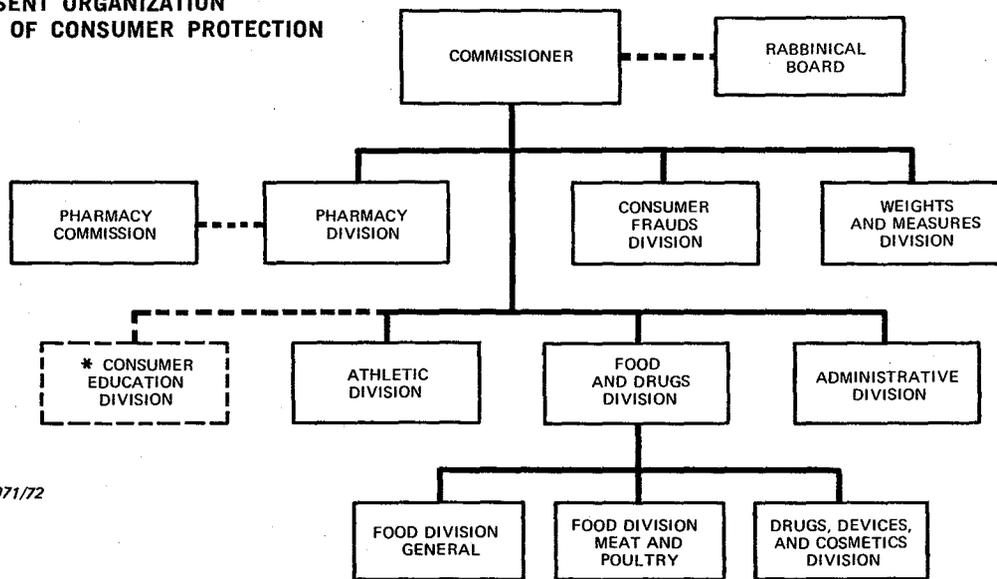
Department expenditures have grown from \$304,000 in 1960 to \$900,000 in fiscal 1970. The staff has increased from 50 to 127. One of the primary causes of rising expenditures was passage of the 1969 Meat and Poultry Inspection Act. It made the state responsible for inspection of all meat and poultry slaughtered and processed for intrastate purposes. Federal funds are provided at a 50% level of expenditures.

During fiscal 1970, the Pharmacy Division collected \$97,800 in revenues from the issuance of pharmacy licenses. Professional matters such as examination of new pharmacists and banning pharmacists from practice are handled by a six-member commission.

The Food Division — General Section enforces state laws and regulations requiring food to be safe, wholesome, honestly and informatively labeled, advertised, and packaged. The Meat and Poultry Section is responsible for ascertaining that only healthy animals are slaughtered for food and that inspected, truthfully labeled, wholesome meat and meat products are sold to the consumer. The Drugs, Devices, and Cosmetics Division licenses wholesalers of drugs, health devices, and cosmetics.

The Consumer Frauds Division investigates complaints on deceptive advertising, pricing, trade practices and issues various types of licenses. The Weights and Measures Division is the custodian of the state standards for weights and measures and conducts

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* Authorized for 1971/72

various inspection activities. A new division has been authorized to provide consumer education programs. The Athletic Division issues wrestling match permits. The Administrative Division handles department financial activities such as payrolls.

EVALUATION OF EFFECTIVENESS

The functions of the Pharmacy Division, the Drugs, Devices, and Cosmetics Division, and the Narcotics Control Section, Division of Preventable Diseases, Department of Health overlap in that each group inspects drug stores. Annual inspections of bakeries before renewal of licenses and collection of license fees by inspectors constitute an inefficient use of personnel. Activities of the Weights and Measures Division overlap those of the Food Division in that store scales are sealed by this division while Food Division inspectors examine stores for compliance with sanitation and other regulations. Investigation procedures used by the Consumer Frauds Division indicate a lack of preparation.

The licensing functions performed by the Food, Pharmacy, Drug, Consumer Frauds, and Weights and Measures Divisions are inefficient. Numerous clerks are required to perform seasonal work that could best be performed collectively for the department by the Administrative Division. Retail food stores must be licensed to sell milk. However, they also require inspection in areas such as packaging, labeling, and sanitation. No income is generated from these stores to defray inspection expenses. In the Administrative Division, a manual set of records is maintained which duplicates the state accounting system.

RECOMMENDATIONS

1. Reorganize the department.

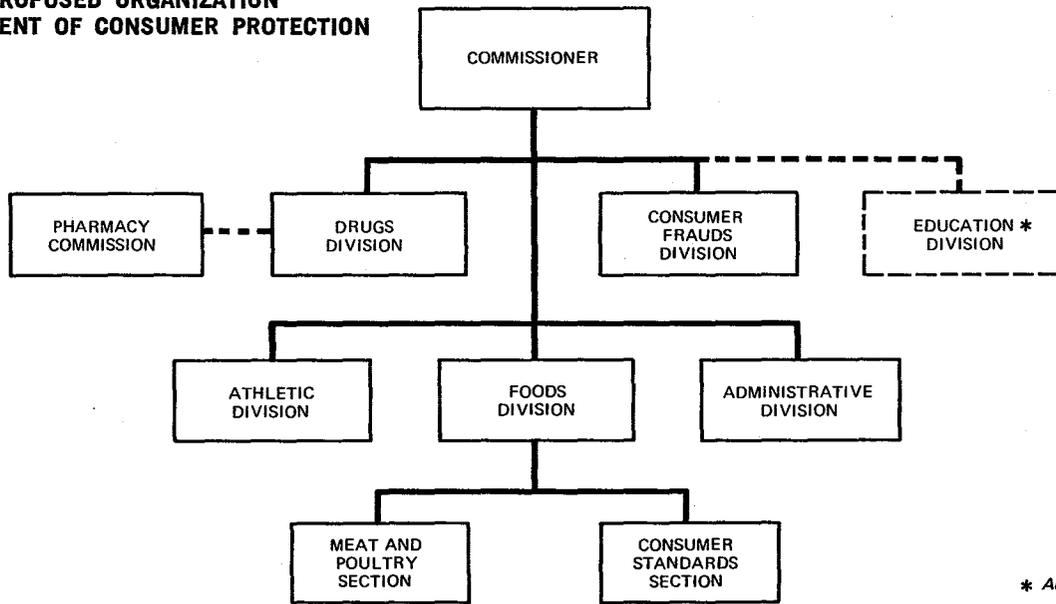
The present organization has Pharmacy, Food and Drugs, Consumer Frauds, Weights and Measures, Consumer Education, Athletic, and Administrative Divisions. Food and Drugs is further divided into the Food Division — General Section, Food Division — Meat and Poultry, and Drugs, Devices, and Cosmetics. The present Food and Drugs Division should be combined with Weights and Measures into a Foods Division. This new unit would have a Meat and Poultry as well as a Consumer Standards Section. The proposed organization chart is shown to the right.

Currently, inspectors from the Food Division — General Section check sanitation and packaging in grocery stores. In addition, the Weights and Measures staff inspect and seal scales in these stores and check package weights. To eliminate this overlapping, a Consumer Standards Section is proposed. It would be divided into Foods and Weights and Measures. The Foods Division would have four inspectors from the former Weights and Measures Division. It would be responsible for total inspection of retail food stores including sealing scales. Thus, only one inspector would visit a store. Subsequent recommendations cover the proposed Drugs Division and centralization of department licensing functions.

2. Centralize the licensing function under the Administrative Division and mechanize the operations through use of the data center.

Licensing functions are performed by five of the seven divisions. Approximately 10,000 licenses are issued

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* Authorized for 1971/72

annually. About five persons are involved full time in this work. Centralizing and mechanizing this function should result in reduced personnel and added efficiency. The annual savings would be \$35,700. There would be a one-time cost of \$3,000 and an annual \$500 cost.

3. Combine the Narcotics Control Section, Department of Health, the Drugs, Devices, and Cosmetics Division, and the Pharmacy Division into a Drugs Division within the Department of Consumer Protection.

Principal functions of the Narcotics Control Section are inspections and investigations of drug manufacturers and wholesalers, pharmacies, hospitals, extended care facilities, laboratories, and physicians. In the Department of Consumer Protection, controlled drug wholesale and retail outlets are audited by a division chief, three inspectors, and a clerk. In addition, the Pharmacy Division is charged with the licensing and inspection of drug stores, pharmacists, and hospital pharmacies. Thus, inspectors and agents from three groups examine these stores and other facilities handling narcotics while controlled drugs are investigated by two groups.

Combining the three into a Drugs Division in the Department of Consumer Protection would permit one group of inspectors to cover all locations. Estimated requirements indicate a need for a director, chief agent, six additional agents, clerk, and stenographer. The annual savings would total \$156,300 by reducing the staff to this number.

4. Combine retail milk licensing with sanitation, packaging, and related inspection functions.

Retail stores are licensed to sell milk by the Board of Agriculture. Personnel from the board inspect stores for compliance with regulations. The licensing and inspection functions performed on an independent basis at these stores include license to sell milk, inspection of scales, testing weight of packaged goods, inspection for sanitary conditions, labeling inspection, sampling of various products, and temperature testing. All of these are functions of either the Board of Agriculture, Department of Consumer Protection, Weights and Measures Division, or Food and Drugs Division. Recommendations in the Division of Agriculture report propose transferring the inspection function to the Department of Consumer Protection and identify the savings. Another recommended consolidating the Weights and Measures Division's retail outlet inspection under the new Consumer Standards Section.

Retail outlets should be licensed to do business. The fee structure should be based on the size of the outlet. Income should cover the cost of licensing plus inspection. Estimated annual revenue should be \$81,500.

5. Establish a fee schedule for weight and volume calibration performed for private industry.

During fiscal 1970, the metrologist in the Weights and Measures Division spent a third of his time calibrating weights and volume standards for private industry.

No charge was made although the cost is estimated to be \$10,300 per year. A fee of \$12.50 per calibration

would yield an annual revenue of \$10,000. The charge should be reviewed every two years so that current costs are reflected.

6. Change the statutory requirements that bakeries be inspected prior to license renewals.

In accordance with the governing statute, bakeries are inspected just prior to license renewal. Thus, bakery inspections take place during a six-week period. Inspectors also collect license fees at this time. By altering the statute to allow for renewal and license

fee collection independent of the inspection, a random schedule could be used, improving the effectiveness of the visits.

7. Stagger expiration dates for licenses.

The bulk of the licenses issued by the Department of Consumer Protection fall due in January, February, June, and July. This imposes a twice yearly peak load for clerical workers. Legislation to enable the commissioner to set expiration dates would correct this condition.

State Banking Department

This department examines and supervises all state-chartered bank and trust companies, savings, industrial, and private banks. It does the same for state-chartered savings and loan associations, credit unions, small loan companies, security houses, sales finance companies, and other financial entities.

ORGANIZATION AND PROCEDURES

The department is responsible to the Banking Commission consisting of the commissioner, Treasurer, and Comptroller. The department is managed by a commissioner and deputy commissioner. The Administrative Division performs clerical and business functions. The Banks and Related Institutions Division regulates and examines 595 institutions annually.

The Securities Division regulates approximately 7,100 brokers, salesmen, and investment counselors. The Credit Union Division examines 182 state-chartered credit unions. The Disclosures and Consumer Credit Division is responsible for about 300 small loan and sales finance licenses and debt adjusters. Expenditures of the department are fully compensated by the institutions regulated and examined through collection of assessments and fees.

EVALUATION OF EFFECTIVENESS

Division supervisors appear capable and knowledgeable in examination procedures and statutory requirements. State-chartered banks are examined jointly with federal agencies. However, these examinations are essentially duplications. Further, since these inspections are not audits, little assurance as to the propriety and reasonableness of the banks' financial position is given.

RECOMMENDATIONS

1. Restructure the Bank Examination Division.

The annual examination of state-chartered banks required by law should be eliminated since they duplicate those performed by federal agencies. Addition-

ally, state-chartered banks should be required to be audited annually by independent certified public accounting firms. Implementation would allow elimination of 30 examiners and five clerks for annual savings of \$535,000 to the supervised banks. Remaining examiners could:

- ▶ Establish improved auditing procedures and reporting requirements.
- ▶ Prepare a general audit questionnaire to assure that banks are adhering to laws and regulations and are solvent.
- ▶ Upgrade new bank and branch charter application requirements.
- ▶ Develop a more effective complaint investigation program.
- ▶ Devote more time to necessary law revisions.

2. Assess state-chartered banks on a current basis for services rendered.

State-chartered banks are not assessed for services rendered by the department until the subsequent fiscal year. This results in the state incurring additional interest expense and deprives it of the current use of such monies. Annual assessments should be made at the start of each fiscal year for savings of approximately \$20,000 per year.

3. Eliminate the Research and Statistics Section.

The Research and Statistics Section compiles, maintains, and publishes comparative reports on state-chartered banks. Although these reports are useful to the banking industry, they could be prepared by other bank division personnel, eliminating the need for this section. Estimated annual savings of approximately \$50,000 would result.

4. Increase prices of printed publications.

The department's publications are priced to cover printing and transportation costs. No consideration is

given to preparation and maintenance. Prices should be increased to recover all applicable costs. Revenue increase is estimated at more than \$10,000 annually.

5. Revise examination billing rates for the Credit Union and Consumer Credit Divisions to cover all applicable expenditures.

In fiscal 1970, expenditures exceeded revenues in the Credit Union and Consumer Credit Divisions by approximately \$14,000 and \$9,000, respectively. These deficiencies resulted from inadequate billing rates. Both divisions should increase their rates to cover service costs. A minimum of \$10 per hour is recommended. Revenue increases would approximate \$15,000 for each division, producing \$30,000 annually.

6. Establish an improved system of internal and administrative controls.

A review of administrative procedures revealed certain deficiencies. The following actions would alleviate the weaknesses and improve service:

- ▶ Have the Administrative Service Officer perform tests of accountability and recordation on the Business Service Officer.
- ▶ Return the \$125 imprest petty cash fund no longer needed by the department.
- ▶ Prepare detailed monthly cost performance reports for each division showing revenues and expenditures, both estimated and actual.

Insurance Department

The Insurance Commissioner has responsibility for the enforcement of the insurance code and supervisory authority over the insurance business in the state. He conducts the licensing and examination of companies and agents as well as the review and approval of policy forms and notes. In addition, he collects fees imposed on the operations of the industry in the state and taxes on business conducted by out-of-state companies. Insurance-related complaints from state residents are also received by the commissioner.

ORGANIZATION AND PROCEDURES

The department has eight divisions and a total of 55 employees. The Examination Division reviews all life and accident and health policy forms offered for sale in the state. It also examines annual statements of carriers licensed by the state and issues new licenses. In fiscal 1970, it collected \$12.5-million in taxes from companies domiciled outside the state. License and Claims licenses approximately 24,000 agents and brokers and reviews complaints from the public. Rating supervises rates, policy forms, and rules for property and casualty operations. Administration handles personnel, bookkeeping, and budgets.

EVALUATION OF EFFECTIVENESS

The department is performing effectively despite an increasing work load. It has been careful in issuing licenses and zealous in its examination of licensed companies. Over the years, this department has exercised considerable ingenuity in eliminating clerical work and holding down costs. The Rating Division performs an important task, but it is understaffed. State insurance departments traditionally charge companies for the cost of examinations, including travel expenses when necessary. However, the practice of

submitting travel expenses directly to the company could lead to a conflict of interests. In fiscal 1970, \$67,000 in fees was collected from agents and brokers representing companies domiciled in Connecticut and elsewhere with the exception of New York. The commissioner is considering a request for new legislation to change this exemption.

RECOMMENDATIONS

- 1. Change the procedure to require expense accounts for out-of-state travel by examiners to be submitted to the department for approval and payment.**

Under current practices, the chief examiner for the team conducting an out-of-state review submits the related expense accounts directly to the company for payment. This is clearly an invitation to conflict of interest and should be stopped. After the expense account is approved and the employee has been paid, the Administration Division should invoice the company concerned.

- 2. Charge a uniform annual fee of \$5 for licenses to agents doing business in Connecticut regardless of where the company is domiciled.**

Currently, the fee charged agents is \$5 if the company is Connecticut-based, nothing if in New York, because of a retaliatory law, and \$2 for other states. If the statute were changed to provide a uniform fee, the annual additional income would be \$129,000.

- 3. Recruit technically qualified personnel to bring the Rating Division to full strength.**

This division employs an acting chief, two examiners, and a part-time consultant. This is not sufficient for satisfactory operation. The commissioner is seeking a full-time actuary and funds have been allocated.

Department of Agriculture and Natural Resources

The Department of Agriculture and Natural Resources was established by grouping agencies under a commissioner and establishing a council. The commissioner is charged with supporting agriculture, industry, and consumers as well as managing land, water, and wildlife resources of the state, public and private.

ORGANIZATION AND PROCEDURES

The council consists of the Commissioner of Agriculture and Natural Resources, the Chairman of the Connecticut Development Commission, and chairmen of five of the boards and commissions included in the department. This group sets policy and coordinates agency activities within the department. The Commissioner of Agriculture and Natural Resources has also held the position of Director of Agriculture since the department was established.

The organization chart depicted below shows the boards and commissions comprising the Department of Agriculture and Natural Resources. Each board or commission is charged with specific policy determinations affecting agriculture or natural resources.

Most budget requests are consolidated and presented to the Governor and General Assembly by the com-

missioner. The Boating Commission budget is presented by the commissioner separately. In addition, the Agricultural Experiment Station submits its budget request independently.

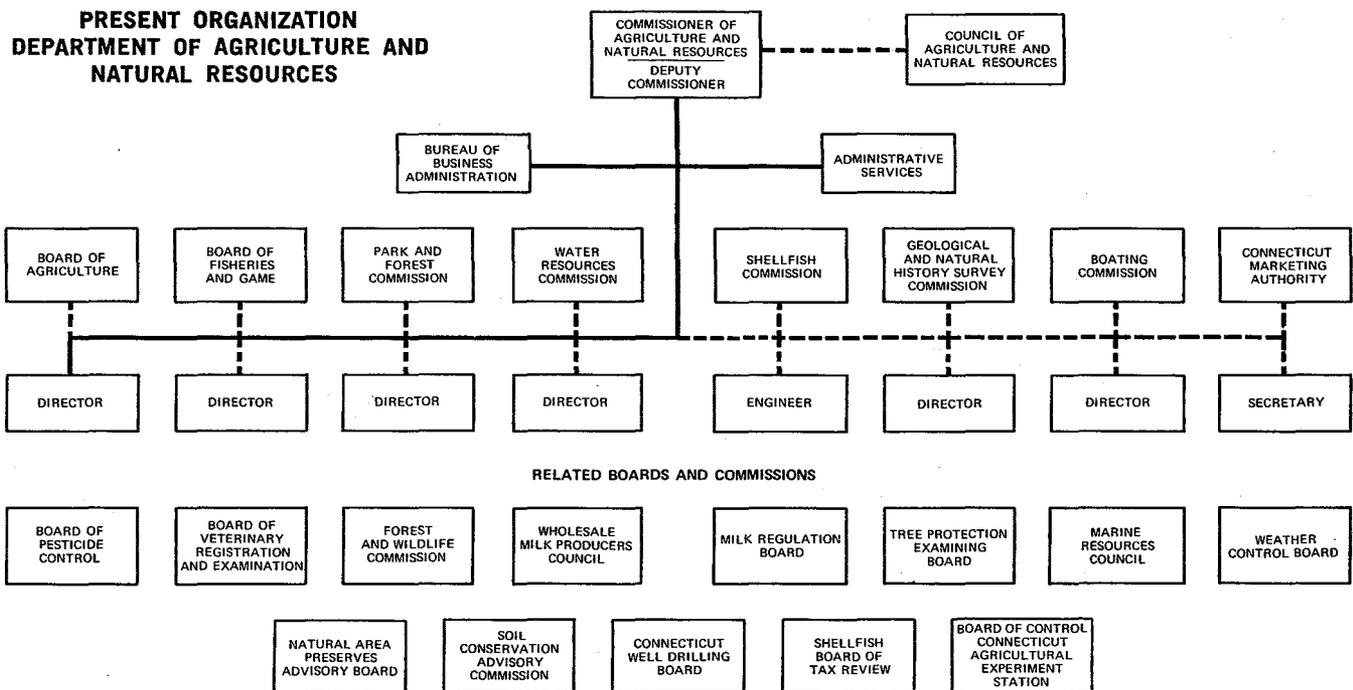
During fiscal 1970, fund sources included federal programs, \$914,000; general fund appropriation, \$8-million; and various revenues, \$2.3-million. In the same period, permanent employees averaged 600, with approximately 650 seasonal employees.

EVALUATION OF EFFECTIVENESS

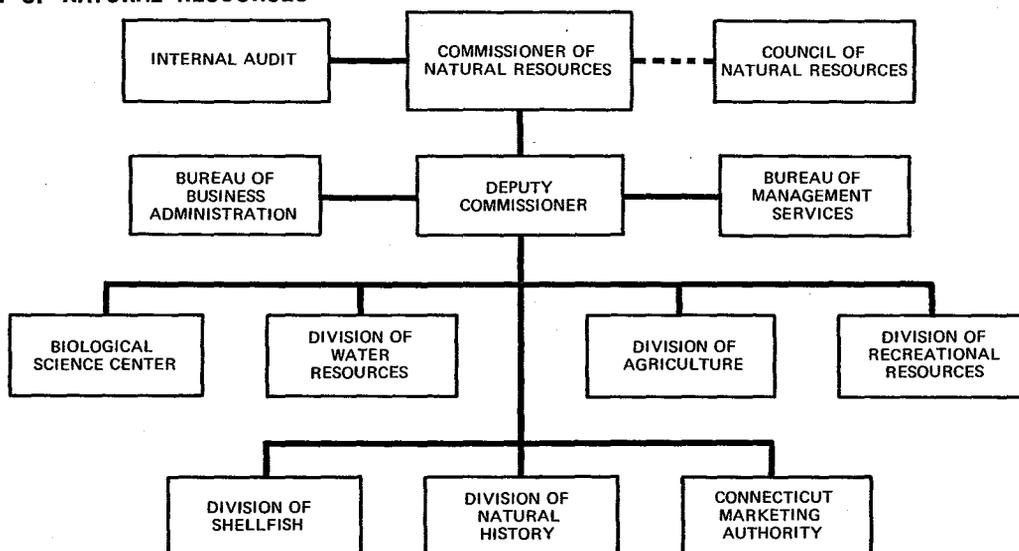
The Commissioner of Agriculture and Natural Resources also functions as chief executive of a major agency within the department, preventing effective management at either level. The eight agencies designated as the department function independently of each other and of the department head, continuing to act autonomously under their respective boards and commissions whose directors and other employees acknowledge little or no management control by the commissioner.

Budget review authority held by the commissioner has not been used effectively. Attitude and organization adjustments in response to present environ-

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mental realities are overdue. As the number of acres of land committed to agriculture has declined, the cost of agricultural support activities has increased. The annual investment for the Agricultural Experiment Station continues to grow although there is little management coordination between that station and the agricultural agency of the department. Milk consumer protection duplicates functions handled by the Department of Consumer Protection.

The Park and Forest Commission and the State Board of Fisheries and Game do not exploit opportunities for mutual use of land under their control. The Shellfish Commission and the Connecticut Marketing Authority are specialized commercial support functions which require revised procedures to become self-supporting. Boating Commission activities are more closely related to those of the Department of Motor Vehicles and revenues are not large enough to meet enforcement obligations.

The Bureau of Business Administration and the Administrative Services group have only limited success in providing centralized support services for the department. Fundamental management defects result in ineffective manpower and material use as well as a lack of cost control.

RECOMMENDATIONS

1. Reorganize the Department of Agriculture and Natural Resources.

Although enabling legislation has provided the commissioner with budget authority over the eight groups in his department, each group continues to assert in-

dependent management authority under its autonomous parent board or commission. The resulting organization has differences in procedures, forms, policies, and goals. There is duplication of services and facilities, and a basic lack of future plans for coordinated development of the state's natural resources.

Restructuring is needed to establish the commissioner as the chief executive of the department. Each board and commission should be dissolved and its authority transferred to the Commissioner of Natural Resources. The new Department of Natural Resources should be organized as illustrated in the above chart. Chairmen of the dissolved boards and commissions could continue as members of the Council of Natural Resources to provide assistance and guidance for the commissioner.

The Chairman of the Connecticut Development Commission should be replaced on the council by the Chairman of the Agricultural Experiment Station Board of Control. Further, the present Boating Commission should be transferred to the Department of Motor Vehicles. The Bureau of Business Administration, under the deputy commissioner, should perform all department licensing, financial accounting, purchasing, personnel administration, property accounting, and records management.

A new Bureau of Management Services would assume responsibility for planning and mapping information, education, and land acquisition. An internal audit function, reporting to the commissioner, should be established to comply with a recommended 1968 State Auditors' report. It would perform biannual revenue-cost reviews of self-supporting services.

Responsibility for inspecting dams should be transferred to the Soil Conservation Section of the Division of Agriculture. The new Division of Recreational Resources combines the functions of the Park and Forest Commission with the Board of Fisheries and Game and the former Historical Commission.

Savings resulting from this proposal have been identified in part in specific recommendations. Additional savings will be realized by consolidation of business administration and management services in the commissioner's office. Elimination of the eight boards and commissions is essential in order to establish executive accountability for management of tax-supported activities and capital investments of the Department of Natural Resources. While no specific savings are claimed, the state will benefit through improved services.

2. Combine the State Board of Fisheries and Game and the Park and Forest Commission into a Division of Recreational Resources.

The Board of Fisheries and Game and the Park and Forest Commission perform parallel functions. Both address themselves to environmental management of either forest or wildlife and provide recreational services through parks, hunting, and fishing programs.

The Board of Fisheries and Game and the Park and Forest Commission should be combined into a Division of Recreational Resources under direct control of the Commissioner of Natural Resources. Combining these groups will improve coordination of wildlife and forest management for better use of public lands.

Responsibility for park and forest land management should be placed under a Director of Recreational Lands through his Chief of Recreational Area Management. Law enforcement, conservation, and forestry service should be combined into one function. This would offer an opportunity for cross-training to achieve a reduction in personnel.

Savings due to more efficient use of personnel will result from implementation. Precise determination of these savings was not made due to the complexity of the reorganization. However, assuming a minimum reduction of 15 employees, the annual saving is estimated at \$125,000.

3. Review necessity for continued existence of 12 boards and commissions related to the Department of Agriculture and Natural Resources.

The related boards and commissions listed on the current organization chart shown on page 64 represent management liabilities for the Commissioner of Agriculture and Natural Resources. At present, he must either participate as a member or else accept policies generated autonomously by these boards and commissions. The relationship between his department

and each group should be defined by the commissioner. For example, the Board of Veterinary Registration and Examination may be better placed under the Department of Consumer Protection due to the predominant position of pets vs. farm animals in that profession. Marine Resources may be more effective within the Water Resources organization while the Weather Control Board may have outlived its usefulness. The recommendations by the commissioner for executive and legislative action needed to establish effective management status for the agencies should be submitted to the Governor and the Legislature as soon as possible.

4. Develop a Connecticut Comprehensive State-wide Outdoor Recreation Plan.

The present Connecticut Comprehensive State-wide Outdoor Recreation Plan for 1965/1970 has been updated on a temporary basis. Unless a new plan is developed, Connecticut may fail to qualify for federal assistance under major land acquisition participation programs.

The groups within the Department of Agriculture and Natural Resources which own, control, or have interest in land or facilities subject to potential recreation use are the Administrative Services Section, Board of Agriculture, Board of Fisheries and Game, Park and Forest Commission, Water Resources Commission, and Geological and Natural History Survey. They have displayed little interest in planning for multiple recreational use. The first order of business for the proposed Department of Natural Resources must be to develop a 1970/1975 Recreation Plan. It should determine needs, provide plans for use of existing resources, and outline state and federal action to acquire additional lands and facilities in the locations and on the schedules recommended.

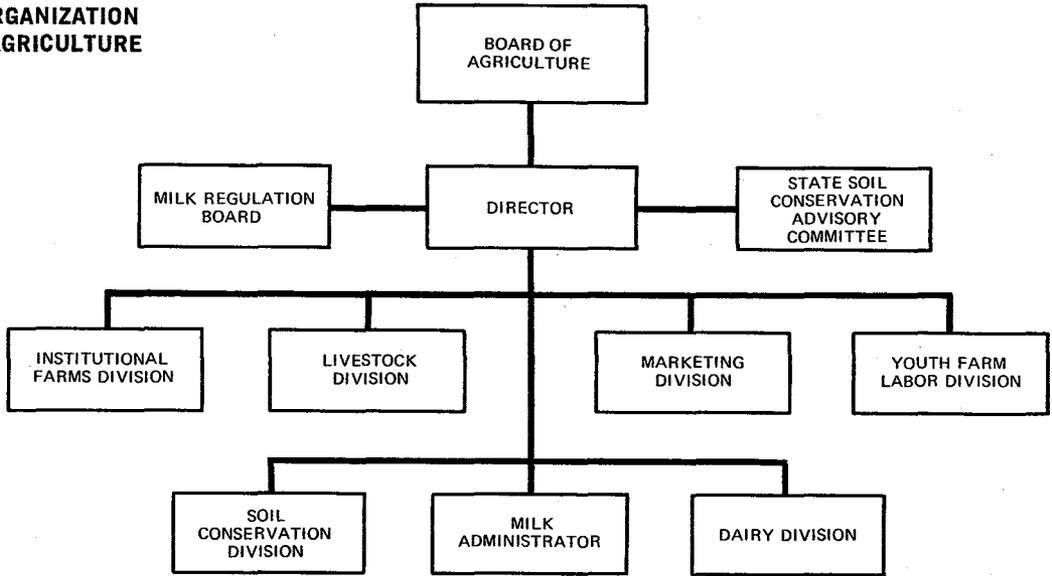
Division of Agriculture

The Board of Agriculture is responsible for setting policies which encourage and promote agriculture within the state. The Division of Agriculture, under the guidance of the board, regulates the dairy industry, promotes agriculture, supervises the sale of pesticides, and controls disease in livestock.

Six members of the Board of Agriculture are appointed by the Governor to serve six-year terms. The board also has three ex officio voting members, the Director of the Connecticut Agricultural Experiment Station, the Dean of the College of Agriculture of the University of Connecticut as well as the Commissioner of Agriculture.

The division has 114 full-time positions filled and another six authorized. Expenditures for fiscal 1970 were approximately \$1.5-million of which \$1-million

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was for personal services. The five major departments within the Division of Agriculture are Dairy, Livestock, Marketing, Milk Administration, and Soil and Water Conservation.

The division is comprised of dedicated employees who see their objectives as service to the agricultural sector. Because of a lack of overall management, each division is autonomous. Many departments perform activities that could best be performed collectively. Licensing and enforcement, currently performed by the Livestock, Dairy, and Marketing Divisions, are examples of functions which should be combined. A review of the Small Watershed Program indicates multiple land use and long-range planning for such use have not been considered in many instances.

RECOMMENDATIONS

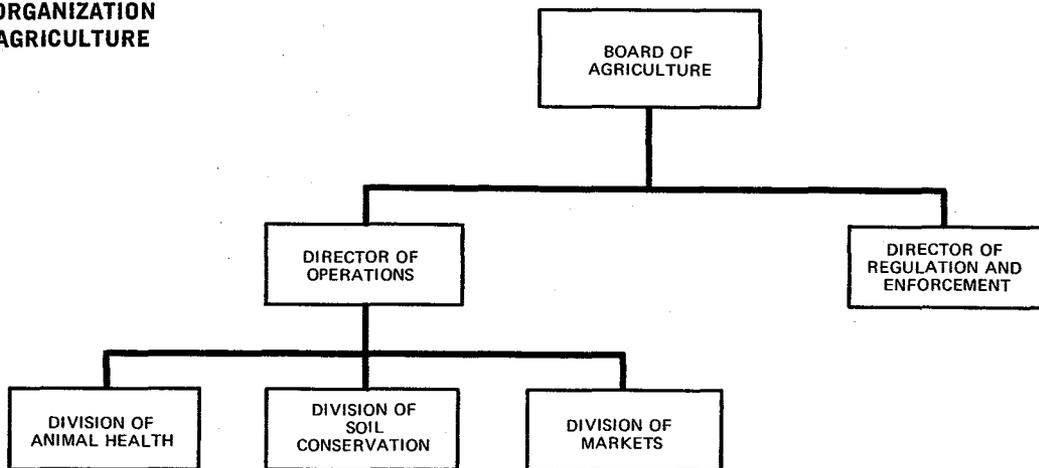
5. Reorganize the Board of Agriculture.

The Board of Agriculture is organized along program lines as depicted in the above current organization chart. Each division performs licensing, regulatory, enforcement, registration, and statistical functions. This type of organization promotes inefficient use of available resources because of varying work loads in the programs.

A reorganization along functional lines would include two new divisions, Operations, and Regulation and Enforcement. A chart for the proposed organization is presented directly below.

A Director of Operations would supervise the present Divisions of Livestock, Marketing, and Soil Conserva-

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tion. They would remain responsible for projects in their respective areas, but would be able to concentrate on program effectiveness, evaluation of alternatives, and future planning.

The Division of Regulation and Enforcement would handle licensing, registration, inspection services, legal, and enforcement functions. This would permit standardization of licensing regulations. Maximum use of data processing equipment would eliminate the need for four clerks required for manual licensing and registration functions.

Dairy functions would be absorbed into the existing Marketing and Milk Administration Divisions and the proposed Regulation and Enforcement Division. Centralized inspection would eliminate seasonal work loads. Cross-training present inspectors would promote greater efficiency, preclude duplicate visits, minimize travel time, and eliminate seasonal inspections. Legal and enforcement functions would be performed by a group of legally oriented personnel. They would work with the Attorney General when required and assist directors to draft legislation. Familiarity with regulations, rules, and laws would be the subject of continuous training for this group.

Milk Administration would be consolidated into the Division of Regulation and Enforcement. Collection of agricultural statistics would be centralized in the Marketing Division. Use of data processing equipment for registration and licensing should eliminate the need for a large staff to collect and disseminate statistical material. Annual savings from the proposed elimination of 20 positions are \$254,000. Space savings will add approximately \$3,000 annually.

6. Abolish the Dairy Division.

As a result of the reorganization, the functions of the Dairy Division would be divided among the Marketing, Milk Administration, and Regulation and Enforcement Divisions. This would eliminate the assistant chief and four clerical positions. Remaining staff would be transferred to the Division of Regulation and Enforcement. Annual savings are estimated at \$43,600.

7. Discontinue flavor testing of milk and transfer licensing of milk retail stores to the Department of Consumer Protection.

The milk flavor testing program was started by the Dairy Division: There is no state or federal requirement for this program. Division inspectors' visits to retail stores for samples duplicate those of Consumer Protection inspectors for other product inspections. The program should be discontinued since it is not the result of any public need recognized by the Legislature or the federal government.

Concurrently, the licensing function of the division should be transferred to the Department of Consumer

Protection. Savings of \$18,000 annually will result from release of present laboratory space and personnel. Additional savings from reductions in inspection and licensing personnel have been noted in an accompanying recommendation.

8. Increase efficiency of inspection procedures.

The primary purpose of dairy farm inspections is to determine adherence to U. S. Department of Health and State of Connecticut regulations. Inspections are for cleanliness, basic adherence to requirements, and new equipment installations.

The reinspection rate as a result of failure on regular inspections was 4% in 1969 and 5% in 1970. In view of this low rate, it is recommended the number of inspections be decreased. Furthermore, if regular and special inspections were performed together, farm visits could be reduced to two per year. Savings would result from a reduction of three inspectors on the in-state inspection staff.

Inspection of out-of-state dairy farms is a duplication of effort in many cases. Coordination with other states could result in agreements to exchange copies of inspection reports. Savings would result from reducing the staff 50% and eventually eliminating out-of-state dairy farm inspection. Annual savings would be \$86,700. Further, the state should study feasibility of a common agreement on inspection levels with contiguous states in the milk market.

9. Eliminate duplicate testing of unprocessed milk for bacteria and adulteration and consider transferring the function to the Department of Consumer Protection.

The Dairy Division has the Department of Health test a minimum of four unprocessed milk samples annually from each milk producer selling to the Connecticut market. Under U. S. Department of Health regulations, each milk dealer performs the same tests on samples from each milk producer monthly and reports results to the division. An estimated 13,000 samples were tested for the Dairy Division from 1967 to 1970 at an approximate cost of \$2 each. Elimination of redundant testing would produce annual savings of approximately \$26,000.

10. Eliminate state expenditures for soil survey maps.

The soil survey undertaken several years ago by the federal government has resulted in three counties being surveyed to date. In 1966, the state appropriated money to accelerate the mapping. Acceleration should have come from the federal government which is committed to performing this function on a national basis. Input of state funds should be eliminated and an effort made by the state soil conservationist to schedule federal efforts to meet state soil mapping priorities. The annual savings would be \$25,000.

11. Eliminate the use of private veterinarians for livestock testing.

Approximately 45 private veterinarians participate with state veterinarians in the testing of livestock for communicable diseases. Payments by the state totaled \$80,000 for fiscal 1971 for this service. The exclusive use of state veterinarians would result in a more efficient testing program. It is estimated that adding four staff members would eliminate the need for private veterinarians. Cost of expanding the staff is estimated at \$72,400 annually. This addition would make possible an \$80,000 savings through elimination of outside services.

State Park and Forest Commission

This commission is responsible for preserving and developing open land for the benefit of the public. It acquires and manages state and forest land, operates recreational facilities on public lands, and encourages development of private land for public recreation. It also administers forest fire prevention and control programs, operates a forest tree nursery, lumber mill and natural area preserves, and encourages productive management of private woodlands.

There are 300 full-time employees and approximately 633 part-time employees who operate summer programs. The commission is organized into a Park and a Forest Division.

The Park Division has 180 permanent employees and employs 623 more in summer. It is responsible for management of 30,000 acres of state parks.

The Forest Division has 120 full-time employees and 10 part-time people. It is responsible for management of 132,000 acres of state forests. This division has extensive responsibilities in the forest fire protection area. It coordinates a state-wide network of communications with local fire departments as well as volunteer units. It also operates an aircraft surveillance program.

Both the Park and Forest Divisions operate sign shops, make picnic tables, and do considerable woodworking. They operate jointly a central supply depot which maintains records of supplies and assets and performs maintenance on equipment as well as on motor vehicles. The recordkeeping is quite extensive. In regard to land acquisitions, both divisions are involved with other state agencies as well as the Legal Department. There is considerable work involved in maintaining and updating maps for the areas owned by the Park and Forest Divisions.

Attendance records maintained for three months of the year reflected approximately 7.5-million visitors during the 1969/70 period. Income for both parks

and forests amounted to approximately \$960,000 for fiscal 1971. Fiscal 1970 expenditures were about \$3.4-million for recurring expenses and \$160,000 for capital expenses.

The State Park and Forest Commission is managed by dedicated people. Its parent commission includes qualified consultants in both park management and forestry. Unrealistic budget requests in prior years have resulted in an accumulation of old or inadequate equipment. The director does not accept line authority from the Commissioner of Agriculture and Natural Resources, although the commission is designated by statute as a part of the Department of Agriculture and Natural Resources. Further, the commission management rejects any consideration of common use of facilities or personnel with any other part of the department. Park facilities are more extensive and experience greater use than public areas operated by the Forest Division.

Despite increasing appropriations for operation and expansion of facilities, no program exists for adjusting usage fees to correspond with costs. Efforts to cut costs will reduce summer employees from 623 in 1969/70 to 468 in 1970/71. However, no studies are available to justify permanent employee levels. Decentralization of repair and manufacture of signs, picnic tables, and other park and forest items has increased off-season manpower without expected cost improvements.

A 1970 reorganization of the Forest Division into four areas is improving forest management performance. The use of aircraft for forest fire control is more effective than watch towers. Division personnel feel additional forestry specialists are needed to respond to requests from private land owners for forestry advice. However, there is no evidence that state agricultural or environmental interests require this service at its current level, apart from any increase which may be proposed.

The Voluntown tree nursery has not made cost assessments based on accepted methods of the cost of the state for growing the seedlings, although the legislative authorization for the nursery requires that seedlings be sold at their approximate cost. The logging and lumber mill operation is also maintained without reference to cost effectiveness.

The Portland maintenance and supply depot has an average inventory of approximately \$500,000 in supplies and equipment. The old warehouse buildings are not guarded adequately and are not protected by a sprinkler system. A manual inventory management system to reflect usage rates, set order points, and identify items no longer required is necessary to anticipate shortages and limit inventory investment to active stock.

RECOMMENDATIONS

12. Increase parking and camping fees at parks to cover operating costs.

Commission actions to increase parking charges at state parks are not adequate to eliminate deficits in the park management account. It is necessary to increase fees immediately and to initiate a biennial review of fees and costs by the Commissioner of Agriculture and Natural Resources.

Excluding approximately \$800,000 expended annually from bond commission funds for capital improvements, the projected park management deficit for fiscal 1973 is estimated at \$2.9-million. The following fee schedule is recommended to reduce that deficit: beach parking — \$3; other parking — \$2; camping — \$4; other fees — \$1. The new fees will provide an increase of \$1.15-million in revenue.

This proposed increase is inadequate to eliminate a fiscal 1973 deficit. However, an initial increase sufficient to eliminate the deficit is not feasible. Biennial review and appropriate revision of the fee structure by the Commissioner of Agriculture and Natural Resources will be necessary to increase future revenue.

13. Establish a controlled inventory management system and eliminate duplicate inventory records at supply depot and nursery.

Commission inventory records are time-consuming to maintain, duplicate those of the nursery and depot, and lack controls for minimum inventory investment. An effective management system would reflect usage rates, set reorder points, and provide controls to prevent overbuying. Assuming 15% excess in a \$500,000 inventory, a \$75,000 reduction could be achieved. Applying 20% carrying charge to this reduction gives an annual savings of \$15,000 in inventory cost.

Depot and nursery records duplicate those in the commission's business office. Eliminating nursery records will save overtime of undetermined value. Disposing of depot records will save one-half the salary of an inventory clerk, or \$3,900 annually.

The commission employs three people who maintain inventory records and order and issue supplies. Supply requisitions are numerous and often for small quantities. Management of requisitions to provide fewer but larger supply requests, decreased asset records because of inventory reduction and fewer but larger purchase orders will mean less time spent on inventory management. Estimating that a new inventory management system will reduce clerical effort by one-half of one person, an annual saving of \$3,900 will result. Implementation will thus provide a one-time saving of \$75,000 through inventory reduction and annual savings of \$22,800.

14. Increase and periodically review the price of seedlings to cover cost of operating state nursery.

Cost of operating the nursery is about \$82,400 annually. Present investment in land, buildings, and inventory of seeds and seedlings is approximately \$100,000. Applying 6% cost of money to this investment yields a cost of funds of \$6,000. Thus, a total adjusted cost of \$88,400 generates 1.5-million seedlings at a cost of \$59 per thousand.

The state charges \$32 per thousand for seedlings although legislation requires seedlings be sold at their approximate cost to the state. An increase of \$27 per thousand will generate \$40,500 annually in additional revenue. The seedling price and applicable costs must be reviewed biennially by the Commissioner of Agriculture and Natural Resources to assure continuing compliance with the legislation.

15. Purchase seven refuse packers for rubbish removal to reduce labor needs.

During the summer, approximately 5,000 barrels of rubbish are removed daily at state parks and forests. This is done by 65 summer employees and 21 dump trucks. The state is divided into seven sections, each with a team of men and trucks. The operation could be performed by seven refuse packers, assigning one to each section. Packers hold 10 times as much as a dump truck.

If packers are used, 51 employees with part-time salaries of \$1,300 each will be eliminated, providing annual savings of \$66,300. The one-time cost of seven packers would be \$56,000.

16. Reduce off-season work programs and replace one-third of permanent park and forest maintenance employees with seasonal employees as needed.

Permanent maintenance employees have increased 26% to approximately 170 since 1965. Annual requirements for temporary employees have been reduced from over 600 in fiscal 1970 to under 500 in 1971. Per employee costs for permanent employees exceed those for temporary staff by approximately six to one. Commission personnel consider permanent employees to be more desirable because of administrative and supervisory difficulties generally associated with seasonal employees.

In the absence of productivity data, a reduction of 50 of the permanent maintenance personnel should be implemented immediately. At the same time, required work should be identified so only jobs which cannot be economically performed commercially are done by state employees. Further, work to be performed by state employees must be scheduled to permit maximum use of seasonal employees. Annual savings of \$317,500 will result from replacing 50 permanent employees with 75 seasonal people.

17. Discontinue the lumber production operation.

An estimate of the labor, equipment maintenance, and amortization costs developed from limited data available indicates an annual cost of approximately \$73,000 to produce 300,000 board feet of lumber. On this basis, the average cost to the state of \$243 per thousand board feet does not compare favorably with construction grade commercial lumber prices of approximately \$160. The lumber produced could have been purchased for \$48,000. The commission's statements that its lumber is of noncommercial dimensions and that labor used is off-season do not justify continuing an uneconomic operation. Lumber dimensions available on the market are adequate for park and forest uses, while any manpower expenditure must be acknowledged as contributing to cost. The saving anticipated does not include revenue which may occur from commercial arrangements for timber stand maintenance. The annual saving is estimated at \$25,000.

State Board of Fisheries and Game

The State Board of Fisheries and Game is responsible for protection, conservation, and management of fish and wildlife resources. The board develops wildlife habitats and game areas, produces and stocks a variety of wildlife species, and enforces fishing and hunting regulations.

The chief administrative officer is the director. He is responsible to a five-member policymaking board appointed by the Governor. The organization has six divisions: Fisheries; Game, Land Acquisition, Information and Education, Special Licenses, and Law Enforcement. Four inland operating districts also report to the director.

The board has 105 full-time employees. The fiscal 1970 operating expense was approximately \$1.5-million plus an equipment expense of \$87,000. Both were provided from the general fund. In addition, \$700,000 was allocated from the State Bond Commission for land and water rights acquisition.

The Fisheries Division operates three hatcheries. It is responsible for boat launching access sites and for maintenance of more than 25 state-owned dams. Its Marine District provides specialized law enforcement activities along the coast. Land Acquisition purchases land to implement the board's policies and programs. It also issues short-term fishing and hunting licenses.

The Information and Education Division produces bulletins and news releases and administers the state's mandatory Hunter Safety Program. The Special License Section issues commercial licenses and registrations. Hunting and fishing licenses are sold by town clerks with revenues from these sales and renewals deposited in the general fund. Under the guidance of the Law

Enforcement Division, the inland operating districts provide law enforcement and field services throughout the state.

This division is composed of competent, professional biologists and conservation officers. There is little evidence of acknowledgement by these individuals, or their parent board, of their status within the Department of Agriculture and Natural Resources. Fish and game operations are not coordinated with related activities in the Department of Agriculture and Natural Resources, Park and Forest Commission, or Water Resources Division. Land management programs administered by the Department of Agriculture and Natural Resources include land which could be incorporated in recreation, fishing, and hunting programs. Repair of state-owned dams and maintenance of boat launching sites are functions more appropriately assigned to engineers than to biologists or conservation officers. Present license fees were set in 1948 and a procedure for periodic adjustment is needed. An expanded fish hatchery facility is being completed. However, there has been no study of alternate means of supplying fish. Finally, there appears to be a lack of long-range planning to coordinate fishing and hunting requirements with environmental plans of other state or federal agencies.

RECOMMENDATIONS

18. Establish a procedure for periodic review of license fees.

Under present accounting practices, this division's expenses are not recorded by service. A study is needed to determine the cost of providing the services rendered by the Board of Fisheries and Game. Consideration should be given to recording expenses and requesting appropriations on a program basis, with services identified as self-supporting or tax-supported. Fees should be established to cover the cost of self-supporting programs.

Therefore, a biennial analysis of the board's expenses and capital investment should be made by the Commissioner of Agriculture and Natural Resources. There should also be a change in the statutes to permit adjustment of fees by the commissioner to reflect the approximate cost of the services rendered by the board.

Revenue produced by present license fees does not equal the expenses of these services. An immediate increase is needed. Legislative action permitting the Commissioner of Agriculture and Natural Resources to increase the license fees from \$4.35 to \$6.35 for separate hunting or fishing licenses and from \$6.35 to \$10.35 for a combined license will increase annual income at least by \$500,000 beginning in fiscal 1973 and place this special interest activity on a self-supporting basis.

19. Transfer the responsibility for repair and maintenance of state-owned dams and access and boat launching sites to agencies such as the Water Resources Commission and the Bureau of Highways.

The board is responsible for repair and maintenance of approximately 25 state-owned dams as well as 100 access and boat launching sites. This work is supervised by a biologist. It is more appropriately the function of an engineer.

These activities should be transferred to departments more adequately staffed for engineering assignments such as the Water Resources Commission and Bureau of Highways. Improved service should result although no savings are claimed.

Water Resources Commission

The Water Resources Commission is responsible for regulating the quality of the waters of the state. It also determines the extent of state water resources and regulates use of land abutting these waters to prevent flood hazards.

A seven-member advisory board, appointed by the Governor, determines major policies and programs for the Water Resources Commission. It appoints the director and passes on most of the commission's actions on a monthly basis. The commission has 32 employees, including 19 engineers. Its activities are divided into two functions, Clean Waters and Water Resources Management. Each is managed by a division engineer reporting to the director.

Activities under the Clean Waters program include:

- ▶ Enforcing the Clean Water Act.
- ▶ Setting water quality standards.
- ▶ Licensing commercial terminals for transfer of oil or chemical cargoes from waterborne vessels.
- ▶ Enforcing oil spill clean-up.

Activities under Water Resources Management program include:

- ▶ Preventing stream encroachment.
- ▶ Conducting flood control studies.
- ▶ Supervising algae and weed control.
- ▶ Inspecting dams.
- ▶ Designing shore erosion control projects.
- ▶ Preparing a water resources inventory.
- ▶ Licensing construction in navigable waters.

The director must coordinate his department's activities with the Interstate Sanitation Commission, the

New England Compact, the Connecticut River Flood Control Commission, and the New England River Basins Commission.

Commission personnel demonstrate a high degree of professionalism. However, the pace of activity suffers because decisions on applications, licenses, enforcement orders, and the like must wait for monthly meetings.

The Clean Waters program is proceeding at a reasonable rate. But there is no inspection program planned to see that water quality standards will be maintained by industry and municipalities. Water samples are analyzed by a private laboratory although the Department of Health offers lower cost facilities.

Fees charged for commercial terminal licenses are inadequate. Unnecessary inspections are being made of certain dams. In addition, state funds for a Water Resources Inventory have increased for a number of years without a review of this project's value.

RECOMMENDATIONS

20. Devise a specific inspection program and eliminate two staff positions.

As of March 1971, 63% of approximately 1,000 issued pollution abatement orders have been complied with and an estimated 90% of initial orders have been issued. Thus, two engineer-interns should be terminated. The remaining 13-member staff is adequate to conduct an annual inspection program. An inspection program should be established by July 1972 to ensure that quality standards are maintained by industry and municipalities. Since the average annual salary for an engineer-intern is \$11,500, implementation will produce an annual savings total of \$23,000.

21. Use the services of the Department of Health for testing water samples.

The Department of Health has laboratory facilities capable of testing water samples for the Water Resources Commission. The private laboratory expenditure in fiscal 1970 was \$54,000. Switching to the department's facilities will save the commission \$37,600 a year.

22. Revise legislation concerning dams that are a hazard to life and property.

The statute defining dams hazardous to life and property does not specify dam sizes. A study should be undertaken by the commission's civil engineer to define the maximum hydraulic head or acre foot impoundment that constitutes a hazard. This can serve as the basis for revised legislation to limit the scope of commission responsibilities. Most of the dams in the state are small and not truly hazardous. Implementation would improve the commission's service to the state.

23. Reduce expenditures for the U. S. Geologic Survey Inventory of Water Resources.

This 10-year program is now 75% complete. Costs have increased 22% over a four-year period. Since the most significant river basins have been inventoried, the scope of the program should be diminished. A future level of 25% of the fiscal 1970 expenditure is recommended. The 1970 expenditure was \$170,000. Implementation would yield \$127,500 in annual savings.

24. Increase the fee for transfer of oil and chemicals from waterborne vessels.

Inspecting a terminal and issuing a license involves at least two days work. Therefore, a fee of \$125 per terminal is proposed to make the activity self-supporting. A biennial terminal license fee review should also be instituted. A total of 80 terminals are presently licensed at \$10 each for an annual revenue of \$800. The proposed fee of \$125 per permit will yield \$12,000 per year for an annual increase of \$11,200.

State Geological and Natural History Survey

The State Geological and Natural History Survey is part of the Department of Agriculture and Natural Resources. The survey prepares geological maps of the bedrock and subsurface structure of the state and publishes educational material on Connecticut's natural history. It also maintains an educational program at Dinosaur State Park.

The survey functions under a Board of Commissioners which includes the Governor and five active scientists appointed by presidents of several colleges and universities. A member of the Department of Agriculture and Natural Resources is recognized at commission meetings, but serves without a vote. The commission elects a director from its members. The directorship is a part-time position with responsibility for management of geological and natural history programs. The survey employs two full-time geologists and one part-time secretary.

The geological mapping of the state's bedrock and subsurface structure is a cooperative program with the U. S. Geological Survey. In addition to operating its own program, the survey matches federal expenditures each year in an amount of \$75,000. The goal of the survey is to finish the mapping of the state. At present, completion of field work is expected by 1975. Research in topics relating to the natural history of the state is arranged by the survey through state universities and colleges.

The educational facilities of Dinosaur State Park are open to the public from April 1 to November 30. Attendance has grown steadily since its opening in 1968, and increases at a rate of about 15% a year.

Maintenance at the park is performed by the Park and Forest Commission.

While the survey is acknowledged to do an efficient job with its mapping, the end product is of questionable value. The maps and manuscripts are written for geologists and are almost impossible for a layman to use. The education program at Dinosaur State Park is well run, but authority to conduct the program is not provided by the statutes under which the survey was formed.

RECOMMENDATIONS

25. Eliminate expenditures for geological mapping.

The maps prepared by the State Geological and Natural History Survey do not have widespread use and are not vital to the people of Connecticut. Their value is in providing a general overview of geological structure rather than complete data.

Since 1956, the survey has paid \$853,000 to the federal government in a cooperative program with the U. S. Geological Survey. During the same years, the survey has spent an estimated \$368,000 for mapping so the total expenditure is about \$1.2-million. Continuation of the program will cost at least \$600,000 more before field work is complete. Elimination of expenditures for mapping would result in a total annual savings of \$125,000.

26. Move responsibility for the education program at Dinosaur State Park to the Park and Forest Commission.

The survey does not have statutory authority to conduct an educational program at a state park, nor does it have administrative capacity to do so efficiently. Now that the program is operating, it should be administered by the Park and Forest Commission. Park operations should be under the jurisdiction of one agency so policy, administration, and resources can be coordinated for the greatest efficiency.

Shellfish Commission

The commission is responsible for management of 40,000 acres of oyster beds and shellfish grounds. It issues leases and permits for commercial oyster farming and protects areas under state jurisdiction from unauthorized encroachment.

The five-member commission is appointed by the Governor. It selects a clerk, engineer, and three-man boat crew to perform technical and clerical services, including administration of leases, franchises, and licenses for oyster farming. There are 32 volunteer enforcement officers working for the commission.

Commission personnel collect sea water samples as part of a pollution monitoring program and assist in

identifying and controlling oil spills. Testing is done by the Department of Health. During fiscal 1970, revenues were \$25,000 and expenditures \$62,000.

This commission is efficiently regulating, improving, and managing state oyster grounds. It does not function as a division of the Department of Agriculture and Natural Resources except for administrative purposes. The question to be resolved concerning the commission is whether or not it should operate on a subsidy basis. It serves the commercial shellfish industry and is composed of oyster company representatives.

RECOMMENDATION

27. Modify existing fee structures and accounting procedures.

Commission expenses for fiscal 1970 were \$62,000. Revenue was approximately \$25,000. In our judgment, this specialized function which supports commercial enterprise should not have to be subsidized by public funds. An increase in lease charges and franchise tax assessments to yield income of \$60,000 a year should be made. The Commissioner of Agriculture and Natural Resources should then review costs and fees biennially to maintain a minimum deficit for this agency's operations.

A system of accounting which will reflect charges for testing water samples from the Department of Health should also be instituted. During fiscal 1971, some 3,000 samples will be tested at a cost of \$2 each. This cost is not now properly distributed or identified.

Implementing this recommendation will generate \$35,000 in additional income.

Connecticut Boating Commission

The commission is responsible for registration of motor boats, promulgation of boating regulations, and coordination of boating enforcement officers. It also provides boating education, licenses state harbor pilots, and issues boating safety certificates to youngsters under 16 years of age.

The director reports to a five-man commission appointed by the Governor. The department has 10 employees.

The staff issues renewal boat registrations, edits returned applications, and maintains a file of registered motor boats. Approximately 62,000 renewal applications are mailed between January and May of each year, with renewals effective March 31. Fees are forwarded daily to the Department of Agriculture and Natural Resources for deposit with the Treasurer.

Town clerks issue about 8,000 temporary registrations to new boat owners, forwarding fees to the Treasurer. Additionally, the department issues approximately

1,000 marine dealer rental boat registrations each year. In 1970, the commission issued 12,000 certificates to youngsters under 16 years of age who had successfully completed a boating safety course as required by law.

The commission deserves commendation for its manner of dealing with the boating public. However, its concern for service takes precedence over a need for more effective administration.

Issuing registration renewal applications with the same effective date results in having clerical personnel all year to meet a demand of three-months' activity. Additionally, the present method of handling payments needs improvement.

Although responsible for enforcement of boating regulations, the commission is not effective because it cannot reimburse local agencies for enforcement costs. As a result, direct enforcement at the local level is not adequate to ensure safety for the boating public. In addition, the commission does not function effectively as a component of the Department of Agriculture and Natural Resources.

RECOMMENDATIONS

28. Transfer functions of Boating Commission to the Department of Motor Vehicles and enact appropriate legislation to provide a staggered system of renewals.

The commission is performing services which could be handled more efficiently in the Department of Motor Vehicles. This department has field officers who could issue new and transfer boat registrations now handled by town clerks. Registration renewals and other services of the commission can also be performed by the Department of Motor Vehicles. Legislative action to transfer commission functions from the Department of Agriculture and Natural Resources to the Department of Motor Vehicles should include provisions to operate the services under an existing special fund generated from registration fees.

Rescheduling registrations throughout the year will reduce clerical work after a one-time increase in cost to cover conversion from a single date renewal cycle. The Department of Motor Vehicles now processes more than 2-million motor vehicle registrations and can add the approximately 60,000 boat registrations without an increase in personnel or data processing costs, provided these renewals are handled on a staggered basis. Processing new boat registrations in Department of Motor Vehicle field offices can also be accomplished without any increase in personnel.

Implementation will reduce clerical staff by three, providing annual savings of \$22,700. Additionally, data processing costs of approximately \$14,000 per year can be saved. A one-time expense of \$10,000 is estimated for converting renewals to staggered dates.

29. Increase boat registration fees and establish periodic review of fee structure and accounting procedures to ensure a self-supporting program.

Legislation governing the commission provides that operations shall be fully supported by fees collected from registration of boats. The present annual registration fee of \$3 is not adequate to cover administrative costs.

Costs not considered in attempting to define a self-supporting position include employee fringe benefits, office space, telephone, a portion of state motor vehicle use, and unreimbursed municipality enforcement services. Statutory provisions call for reimbursement to local municipalities for boating law enforcement activities. These are to be made from the Boating Commission Special Fund after payment of administrative costs and after setting aside a reserve of 10% of net revenue from fees remaining after such payment. This reserve is against future administrative expenses. Past practice, however, has been to set aside a reserve of approximately 25% while at the same time reimbursing the towns in amounts less than claimed and to a lesser extent than intended by the legislation.

If all administrative costs were acknowledged and if full reimbursements were made to the towns for boating law enforcement, the commission would show a \$118,000 estimated deficit for fiscal 1972. Increasing the registration fee to \$5 will produce \$145,000 in new annual revenue and allow the commission to become self-supporting. In order to maintain the Boating Commission Special Fund on a self-supporting basis, boat registration fees should be reviewed and adjusted biennially in light of the then current revenue and costs. This review should be the responsibility of the commissioner.

Connecticut Agricultural Experiment Station

The station conducts research in agricultural products, pests, and fertilizers. It also acts as the chemical analysis laboratory for the Department of Consumer Protection.

The Connecticut Agricultural Experiment Station is managed by an eight-member board which includes the Governor and other state officials. It has 125 positions paid from state funds. An additional 17 employees are paid from federal funds and the income from experimental station endowments. Plant research is conducted in entomology, plant pathology, ecology and climatology, biochemistry, genetics, and soil and water.

The station also acts as the analytical chemistry laboratory for the Department of Consumer Protection. During 1969/70, consumer protection services represented about 25% of the station's laboratory effort. Ex-

penses paid from general funds in 1969/70 amounted to approximately \$1.27-million.

There is no evidence of active participation in the management of the station by the Department of Agriculture and Natural Resources, nor of consideration for future needs of that department in the station's plans. In 1969/70, the analytical testing activities for agricultural and consumer protection represented approximately 20% of annual expenditures. The station also provides technical support and administration services to the Tree Protection Examining Board which examines and licenses custom tree workers.

Plant and other research activities represent the remaining 80% of annual expenditures. These are primarily in the field of plant science and have been extended to such related fields as detection of human lead poisoning and ecology. No comparable cost-effect evaluation of the station research is available due to the practice of not charging those for whom the station provides services. The diminishing economic importance of agriculture in Connecticut puts into question the validity of maintaining this facility as an agricultural support function. As presently constituted, the board has no representatives of the consumer or the nonagricultural taxpayer.

RECOMMENDATIONS

30. Rename the Connecticut Agricultural Experiment Station as the Connecticut Biological Science Center, change the membership and title of its board, and designate the center as a component of the Department of Agriculture and Natural Resources.

As agriculture has diminished in importance in Connecticut, the experiment station has been obliged to pursue other interests. Two examples are the perfection of a test for lead poisoning in children and investigation of biodegradation processes for solid waste disposition. The name of the organization should be changed to identify its present and foreseeable future technological activities.

Establishment of a smaller advisory board is recommended. It would be composed of a representative for the Commissioner of Agriculture and Natural Resources, the Commissioner of Consumer Protection, and the Commissioner of Health. On a rotating basis, two representatives would be appointed from the University of Connecticut, Yale University, and Wesleyan University. The board will provide policy and budget guidance to the Director of the Biological Science Center.

More than 80% of the center's technology applies to the Department of Agriculture and Natural Resources. Statutory assignment of the center as a component of this department will give the commissioner necessary coordinating authority.

31. Identify cost of service performed by the Agricultural Experiment Station.

Analytical tests and other services are performed for public and private agencies without identification of costs. Identification and annual assessment of the costs for services performed for other state agencies will permit officials of those agencies to evaluate the cost effectiveness of such services. Costs for services performed for individuals will be identified by program in budgets submitted for executive and legislative evaluation. Although no savings can be defined, this proposal will provide more effective management.

Connecticut Marketing Authority

The authority is under the direction of the Department of Agriculture and Natural Resources. It is responsible for operation of the Regional Market in Hartford on a nonprofit, self-liquidating basis.

An 11-member board appointed by the Governor determines major policies and programs for the Connecticut Marketing Authority and appoints its executive secretary. The agency has eight employees.

The Connecticut Regional Market consists of 76 store units occupied by wholesale food dealers and seven offices leased to food brokers, farm service organizations, and railroad service organizations. About 100 outdoor stalls are leased to area market gardeners and fruit growers. A filling station was erected under a lease agreement. There is also a leased restaurant, a 15,000 square foot warehouse leased to a wholesale grocery company, and land sufficient for expansion.

Stall leases are annual or daily and store leases are for a minimum of five years with rates of about \$1 per square foot per year. Rents are generally evaluated on a five-year projected basis so bond interest and principal payments can be made and a small profit realized.

The authority is obligated to pay back cash in excess of \$25,000 and reserves for repairs to the general fund. Bonds totaling \$1.79-million were issued in 1952 and 1967 and the payment of principal and interest is being made from operating revenue of the authority.

The operational aspects of the authority are handled efficiently. Rents charged are not sufficient to cover the true cost of the operation and financial reports do not properly reflect fund positions.

RECOMMENDATION

32. Increase rents to pay back obligations to the state.

Present fruit and vegetable wholesaler space rents are about \$1 per square foot per year. Comparable rents

for equivalent privately-owned facilities are \$1.50 to \$1.85.

The authority rents should be increased to \$1.50 per square foot per year or greater in 1972 when present leases expire. Rents for wholesalers at \$1.50 per square foot per year would yield an annual revenue of \$278,000 as compared to an estimated \$176,000 for fiscal 1971. Rent revenue is based on the present 185,000 square feet of space. Additional annual revenue would be \$102,000.

The authority is charged with transferring reserve funds to the general fund after the close of each fiscal year. No payments have been made to the general fund to date. With increased revenue, this obligation could be met by establishing a reserve for repairs of \$50,000, and an additional reserve for interest of about \$13,000, resulting in a 1972 return to the general fund of \$39,000. In subsequent years, a return of \$102,000 annually will dispose of the obligation and provide this amount of revenue annually to the state. The state should investigate the practicality of divesting itself of this activity after satisfying the liability to the general fund.

Addendum:

At the end of the 1971 session of the Connecticut General Assembly, the Legislature enacted a bill, subsequently signed by the Governor, which created a Department of Environmental Protection. This action occurred after this commission had completed its report on the Department of Agriculture and Natural Resources. The impact on this report is significant.

All natural resource functions will be transferred to the new Department of Environmental Protection. In many respects, this action parallels certain of this commission's recommendations. A careful review of the new legislation indicates that, for the most part, the conclusions in this report are still valid. It is strongly recommended that the formation and organization of the new department be conducted in light of the recommendations regarding the proposed Department of Natural Resources.

Although not provided for in the new legislation, consideration should be given to transferring the Agricultural Experiment Station to the Department of Environmental Protection and changing its name to the Connecticut Biological Science Center. It is still recommended that activities of the Boating Commission be transferred to the Department of Motor Vehicles. In light of the creation of a new department, it is possible that the Connecticut Industrial Building Commission should be retained. Its abolishment was recommended. As noted in the state reorganization section, the remaining Department of Agriculture should be made a division in the Department of Commerce.

Public Utilities Commission

This commission regulates public service companies supplying electric, gas, railroad, pipeline, water, telephone, and telegraph services. It is also authorized to supervise, regulate, and control interstate rates, fares, services, safety of operations, and accounting procedures of common carriers of passengers and property.

ORGANIZATION AND PROCEDURES

The agency is comprised of three commissioners who conduct hearings on public service company regulation matters and supervise an administrative group of 55 full-time employees. The staff is divided into the Legal, Administrative, Accounting and Investigation, Engineering, and Transportation Divisions. These units are charged with carrying out the regulatory responsibilities covering 163 privately-owned public service companies, 45 municipally-owned utility districts, and over 8,000 motor carriers engaged in the transportation of passengers and property for hire.

EVALUATION OF EFFECTIVENESS

The regulatory scope of this commission has been expanded to cover rates in the transportation industry although the interest being served is unclear. There is an overlapping of responsibility between this group and the Department of Transportation regarding highway and rail supervision.

Financial analysis and audit of regulated company records is performed manually and deals mostly with verification rather than interpretation. The Engineering Division spends 50% of its time on administrative work and its activities are of questionable value. The commission publishes an extensive annual report of limited readership and usefulness. Rate applications are frequently delayed for periods up to the maximum allowable of 150 days because of heavy work loads in the Accounting and Investigation and Engineering Divisions. Some efforts have been made to correct this problem by cross-training new supervisory personnel in order to provide for more efficient work delegation.

RECOMMENDATIONS

1. Eliminate the commission's annual report to the Governor.

The commission publishes a report annually containing operating and financial condition statistics on all utility and public transportation companies under its jurisdiction. The 500 copies published have limited readership and are of questionable value. Elimination will save the state \$5,000 in printing costs and half

the annual salary and fringe benefits of an accountant and a clerk for total annual savings of \$16,000.

2. Computerize routine audit and analysis of utility company annual reports.

Companies under the jurisdiction of the commission file statements of conditions, operating information, and other related schedules annually. These are audited for clerical accuracy and consistency by an accountant and a clerk. The functions could be computerized and the accountant and clerk eliminated. Implementation will require redesigning of the report forms. However, automation will expand the scope of financial analysis that can be performed. In addition, elimination of an accountant and a clerk will make room for a financial analyst trained to make use of the new data available. Programming expense is estimated at a one-time cost of \$15,000 with an annual processing expense of \$5,000. Annual savings will be \$24,000.

3. Employ a financial analyst to serve on the commission's staff.

Utility rate decisions are issued only after extensive data study by the Accounting and Investigation Division. The division verifies the accuracy of reported figures, ensures that figures have been prepared in accordance with prescribed reporting regulations, and comments on the financial merits of the applicant's argument. The comments have a great influence on the ultimate decision although the financial analysis is not broad enough to provide a comprehensive evaluation. The commission needs a competent financial analyst to study rate applications from an investor and utility management standpoint, and provide broader perspective and better balance to the research used by commissioners in making rate decisions. Implementation will cost \$22,000 annually.

4. Transfer the Public Utilities Commission's railroad engineering responsibilities to the Department of Transportation.

The 1969 Transportation Act assigns the commissioner such broad and comprehensive responsibilities for all modes of transportation that retention of railroad and street railway engineering and safety responsibilities in the Public Utilities Commission is unnecessary. However, the governing statutes are cumbersome and should be redrafted to reflect future integrated transportation needs of the state.

5. Augment the Engineering Division clerical staff and define objectives for utility engineers.

Rate setting procedures for public utilities require revenue estimates to be confirmed by engineers. The same staff must also investigate and resolve customer

complaints against utilities. Only about half of an engineer's time is available for professional activities because of administrative responsibilities. Adding two clerks under the supervision of an engineer to receive, record, and coordinate the resolution of complaints will release the equivalent of two professionals from

this function. Increased management time resulting from implementation of this and other recommendations should be applied to develop plans to be used as a basis for evaluating the long-term adequacy of the public utilities regulated by this commission. Implementation will cost \$15,000 per year.

Liquor Control Commission

The Liquor Control Commission is charged with responsibility for enforcement of the Liquor Control Act. Activities include issuing and renewing permits for the sale of alcoholic beverages. It also ensures that premises with permits are maintained in a proper manner and that violators of the act are penalized.

ORGANIZATION AND PROCEDURES

The commission is composed of three salaried members, appointed by the Governor, who are responsible for enforcement of the Liquor Control Act. Administration of the commission has been delegated to an executive secretary. Expenditures are about \$600,000 annually.

Issuance and renewal of liquor permits is the major function of the commission. License fees provide in excess of \$4-million in annual revenue.

Most of the duties related to permit issuance are performed by the Permit Section, composed of a section chief and 14 clerks. Fees are charged for some of its services. Investigation of new permit applicants, renewal applicants, and special investigations are conducted by the Investigation and Control Section. It has 19 inspectors throughout the state. The section is headed by a chief inspector, three supervising inspectors, and a report review inspector.

Violations of the Liquor Control Act and all questionable new or renewal applications are reviewed in public hearings before the three commissioners. These commissioners have the power to suspend or revoke permits for the sale of liquor and to deny new or renewal applications.

EVALUATION OF EFFECTIVENESS

Employee morale in this commission and working conditions are poor. The office is overcrowded, furnishings old, and equipment inadequate.

The schedule of permit fees suggests possible discrimination against smaller permit holders because license charges are the same for large and small dealers. Often, commission services are performed for little or no charge. As a result, a great deal of revenue is lost and additional expense incurred.

Management control of field inspectors is weak. Supervising inspectors are without quantitative methods or standards for measuring staff performance. The commission is handicapped in enforcing the Liquor Control Act by not being able to authorize night investigation. About 25% of an inspector's time is spent typing reports yet the commission claims to be short of inspectors.

RECOMMENDATIONS

1. Fine violators of the Liquor Control Act instead of issuing suspensions.

In fiscal 1970, the commission suspended 119 liquor permits for violation of the Liquor Control Act. Based on 119 yearly suspensions, a fine of 20% of gross sales loss for a period of about two weeks would generate about \$50,000 in revenue. Commission officials feel fines could be used in place of suspensions without damaging enforcement of the liquor act.

2. Charge a fee for permit holder substitutions.

Substitutions of permit holders are permitted by the Liquor Control Act after application to and approval by the Liquor Control Commission. The commission processed 723 substitutions in fiscal 1970 at no charge to the applicant. The total cost of handling a substitution is \$30. If a \$30 fee is charged, it would generate new revenue of \$22,000 annually.

3. Charge a fee for filing a new permit application.

The commission processed 960 applications for new permits during fiscal 1970. The cost of processing an application is about \$110. The commission does not charge for applications. If the state were to charge a nonrefundable fee of \$100 for processing new applications, this would provide \$96,000 in annual revenue.

4. Charge an annual fee for registration of brands.

Each manufacturer of alcoholic beverages is required to register brands sold in the state for a one-time fee of \$3 per brand. Other states require higher annual brand registration fees. An annual brand registration fee of \$20 would generate, after deducting for those being registered at \$3, \$215,000 in new revenue. Administering this program would require two clerks

at a cost of \$15,000 annually. This practice would help defray costs and more nearly approximate those of other states.

5. Charge a fee for cancellation of permits.

The commission cancelled 728 permits in 1970 at an approximate cost of \$20 per permit. A \$20 fee for cancellation, deducted from the permit holders' refund, would provide \$15,000 in annual revenue.

6. License employees of permit holders on a three-year basis.

The Liquor Control Act requires that a permit holder register employees who draw or prepare alcoholic beverages. If a three-year license were issued to each employee and a fee charged, processing could be spread over a three-year period, the number of applications would be reduced, and new revenue generated. A license would also allow bartenders to change jobs without filing a new application. If a \$10 fee were charged, this would generate \$120,000 in revenue every three years or \$40,000 annually. Processing and issuing licenses could be handled by the same staff. Although time per application would double, total processing time would be spread over three years.

7. Use standardized inspection report forms.

Inspection reports are prepared in narrative style. With the proper analysis, they could be reduced to basic elements, standardized, and abbreviated. Standardized short form reporting will add much to the efficiency of the reporting effort. No savings are claimed.

8. Authorize night inspections within the confines of a 35-hour week.

Inspectors work from 8:30 to 4:30. All work beyond these hours requires payment of overtime. The commission is unable to conduct night inspections because it cannot pay overtime. Lack of such inspections has lessened effectiveness of Liquor Control Act enforcement. Authorization of night inspections without overtime pay will improve enforcement of the Liquor Control Act. No savings are claimed.

9. Review fee schedule for all permits issued.

Permits are issued by type of establishment. Permit holders in the same category pay the same fee re-

gardless of their business volume. A revision of the fee structure based on volume would remove inequities and increase state revenue. Until this review has been performed, there is no way to determine its effect. No revenue is claimed.

10. Establish a program for measuring productivity of inspectors.

Inspectors in the field appear to be free from supervision. Reports are reviewed for quality and completeness by supervisors, but no program exists for measuring an inspector's performance. Until an effective program of supervision is established, the state will not be receiving full value from the \$40,000 paid in salaries every year.

11. Purchase dictating equipment for field inspectors and hire a typist to prepare inspection reports.

Inspectors are spending an estimated 25% of their day typing reports. The commission has requested five new positions for fiscal 1972. If inspectors dictated their reports while traveling, each would have more time for inspection. This would be equivalent to adding five inspectors to the staff. Dictating units could be purchased for \$100 each. One transcriber would be about \$300. A one-time expenditure of \$2,200 plus \$7,000 annually for a typist would increase investigative hours and would result in annual savings of \$56,000.

12. Charge a fee to suppliers for the posting of their delinquencies.

The Liquor Control Act provides that the commission shall prevent the sale of alcoholic beverages to a permit holder if he has outstanding bills for such purchases which are more than 30 days old. The state, thus becomes a collection agency for liquor and beer suppliers. The commission provides this service without charge and employs a full-time clerk at a salary and fringe benefits of \$7,600 annually to administer the program. In a random sampling, a total of 1,580 accounts were posted. Value of associated receivables was about \$195,000. These figures indicate 38,000 annual postings for a total value of \$4.7-million. If a fee of 5% were charged on the value of posted delinquencies, it would generate \$235,000 in new revenue annually.

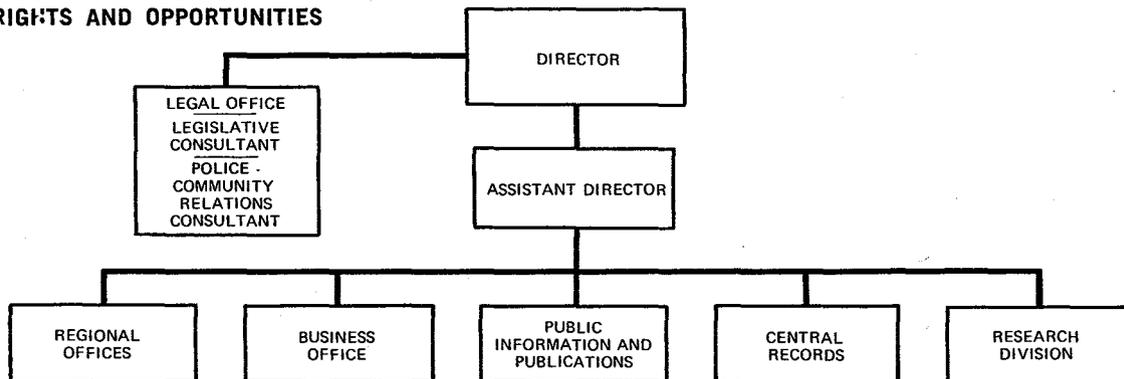
Commission on Human Rights and Opportunities

This commission's purpose is to eliminate discrimination in employment, housing, and public accommodations. Complaints are investigated and correction made through conciliation, public hearing, or court action.

ORGANIZATION AND PROCEDURES

A 12-member commission is responsible for appointment of the director. The agency has 66 employees, two of whom are paid from federal funds. Estimated

**PRESENT ORGANIZATION
COMMISSION ON
HUMAN RIGHTS AND OPPORTUNITIES**



fiscal 1971 expenditures are \$637,000. A chart showing the present organization is depicted above.

The Legal Office prepares complaints for conciliation and public hearings. The counsel represents the commission in legal matters where a state agency is the adverse party. Hearings are conducted by three-member panels selected from 15 hearing examiners appointed by the Governor.

The Equal Employment Opportunities Commission Counsel is fully compensated by federal funds. He investigates fair employment practices in the state on behalf of the federal government. A consultant to the Legislative Commission on Human Rights and Opportunities also serves as a legislative advisor.

Four regional offices investigate complaints involving possible discrimination in employment and housing. During fiscal 1970, a total of 1,371 complaints were examined.

The Business Office consists of two people who handle invoices, payrolls, and auto expense records. The

Public Information and Publications Office prepares various reports and publications.

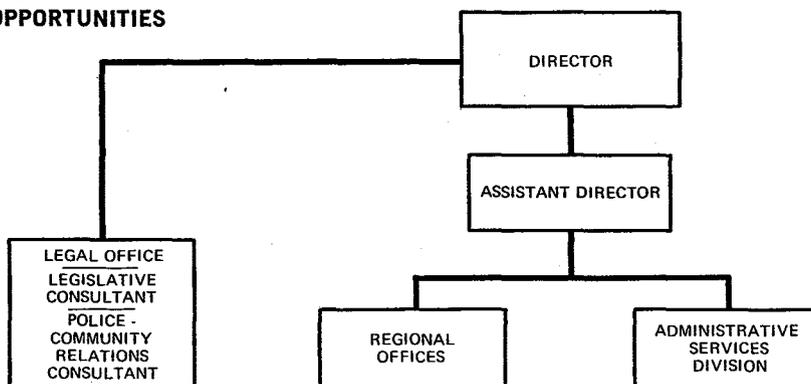
Central Records files incoming case material from regional offices, maintains a card file of active and closed cases, and keeps a locked file of cases awaiting hearings. The Research Division maintains a file of complaints and prepares quarterly and annual statistical summaries.

The Research Division conducts about three surveys a year such as a study of employment practices in television and radio stations, and employment practices in state agencies. Most questions in the surveys are directed toward potential discrimination because of race, creed, color, or sex. The division also conducts surveys of employment practices of private contractors doing business with the state. During 1969/70, 780 questionnaires were processed.

EVALUATION OF EFFECTIVENESS

The staff of the commission is professionally qualified and displays a keen dedication toward elimination of

**PROPOSED ORGANIZATION
COMMISSION ON
HUMAN RIGHTS AND OPPORTUNITIES**



various forms of discrimination. There is an imbalance in the average case load per investigator in the regional offices. Also, an overlap exists in the files maintained by Central Records and the Research Division. The assignment of clerical personnel does not result in a uniform work load.

The fee schedule for hearing examiners is not in line with compensation for their private jobs, making it difficult to obtain a hearing panel. The average time for cases to be presented is 12 months. This is too long to serve justice properly.

RECOMMENDATIONS

1. **Form an Administrative Services Division, combining the Business Office, Public Information and Publications, Central Records, and the Research Division.**

By combining the files in Central Records with those in the Research Division, one clerk can be eliminated.

By using the monthly case load summaries prepared by the regional offices — supplemented by the card file record — quarterly and annual statistical summaries can be prepared without a research assistant. Two typists should be assigned to the proposed Administrative Services Division. The new organization chart is illustrated to the left. Implementation will decrease staff needs by five positions for annual savings of \$39,500.

2. **Increase the number of examiners appointed by the Governor to 25 and raise the examiner's fee to \$75 per day.**

With only 15 examiners to choose from and a fee of \$35 per day, it is difficult to get a three-man panel for case hearings. With a list of 25 and a fee of \$75 per day, this condition should be eased. Thus, the time between a complaint filing and a hearing decision would be reduced. The annual cost of the proposed increase would be \$10,200.

Real Estate Commission

This commission enforces the Real Estate Code and has supervisory authority over real estate business conducted in Connecticut. In performing these functions, it licenses real estate agencies, brokers, salesmen, out-of-state land developers, and mortgage loan companies.

ORGANIZATION AND PROCEDURES

The commission has five members appointed by the Governor. It is managed by an executive director appointed by the commission. Activities are handled through the Administration, Investigation, Licensing, and Interstate Land Sales Divisions. The Real Estate Commission's staff consists of the executive director, a real estate associate examiner, five real estate examiners, and seven clerks.

The Administration Division handles money received for licenses, authorizes payment of invoices, and aids in budget preparation. The Investigation Division investigates written inquiries and files formal complaints concerning the conduct of real estate licensees. The Licensing Division processes applications, administers written examinations, issues new broker and salesmen licenses, and processes renewals. The commission's revenue amounted to about \$1.14-million for fiscal 1970.

EVALUATION OF EFFECTIVENESS

Professional competence is demonstrated at all levels of the commission. A computerized renewal system

for about 20,000 licenses, renewed biannually, is effectively operated. Complaint investigation is unsatisfactory and tends to favor the realtor.

RECOMMENDATIONS

1. **Revise complaint investigation procedures in the Real Estate Commission to protect both parties.**

When a complaint of possible illegal real estate practices is received by the Investigation Division, a copy is sent to the agency or broker. This alerts the broker or agency and allows them time to prepare a rebuttal. The procedure should be revised.

Upon receipt of a complaint, an interview should be conducted with the broker or agency. This would be followed by an interview with the complainant and other communications deemed necessary to conclude the investigation.

2. **Study possibility of incorporating the Real Estate Commission into the Department of Consumer Protection.**

Parallel functions exist within the Real Estate Commission and the Department of Consumer Protection. Both are charged with protection of the consumer, perform licensing functions, and maintain investigation groups. Undetermined savings to the state would result from combining licensing and investigation activities. Therefore, no specific amount is estimated.

State Ambulance Commission

The commission was organized in 1967. Its duties are to protect the public's health, safety, and welfare by regulating the licensing and operation of ambulance services. An additional responsibility is the certification of technicians, drivers, and instructors as well as establishment of meaningful standards for ambulance equipment.

ORGANIZATION AND PROCEDURES

The commission consists of five members. It selects a chairman who also serves as the administrative head. The agency licenses approximately 35 private ambulance services and is in the process of certifying ambulance drivers and technicians. A fee of \$100 is charged for licensing the services. There is no charge made to technicians and drivers. Revenues approximate \$3,500 per year. Expenditures for fiscal 1971 should reach \$6,500.

EVALUATION OF EFFECTIVENESS

The State Ambulance Commission has become something of a political football. Originally, a nine-member commission was established and then reorganized into a five-member group. More recently, the composition has been changed again. The Department of Health, Department of Motor Vehicles, and now the State Police Department are all involved in the commission.

The commission has not been totally effective in carrying out the regulations applicable to ambulance services. However, it has not been given the necessary tools to work with. Operating on a small budget, the commission could hardly be an effective regulatory, enforcement, and licensing agency. Present

statutes do not include the largest group of ambulances which are those operated by volunteer groups.

RECOMMENDATIONS

1. Transfer the licensing and enforcement function to the Department of Consumer Protection.

The administrative function of licensing can best be performed by a central board. Enforcement, with the exception of the ambulance inspection, should also be undertaken by this agency. The commission should continue to set standards and formulate regulations for ambulances, drivers, and technicians. The annual savings for transferring administration to the Department of Consumer Protection should amount to \$6,500. Assuming the licensing activity is mechanized, a yearly cost of \$3,000 will be incurred.

2. Regulate and license all ambulance services, public and private, as well as all drivers and technicians.

Presently, only private services and their drivers and technicians are regulated and licensed. They represent only a small portion of the total fleet operating in the state. The authority of the commission should be extended to all ambulances, drivers, and technicians. There are 35 private and 226 volunteer services. The licensing cost to the state would be approximately \$17,000 annually.

3. Use motor vehicle personnel to inspect ambulance equipment and have the State Ambulance Commission set the standards.

Ambulances are inspected by the Department of Motor Vehicles for safety features. If the commission were to set the standards and prescribe the inspection methods, this same group could perform its regulatory functions also. Costs would be negligible.

Miscellaneous Regulatory Commissions

A number of regulatory commissions and boards are concerned with professional and occupational licensing as well as the licensing of stores, shops, and offices from which such services ensue. These include:

- ▶ State Board of Accountancy.
- ▶ State Ambulance Commission.
- ▶ Architectural Registration Board.
- ▶ Board of Examiners of Barbers.
- ▶ State Board of Chiropractic Examiners.

- ▶ State Commission on Demolition.
- ▶ Dental Commissioner.
- ▶ Connecticut State Board of Examiners of Embalmers and Funeral Directors.
- ▶ State Board of Registration for Professional Engineers and Land Surveyors.
- ▶ Board of Firearms Permit Examiners.
- ▶ State Board of Healing Arts.

- ▶ Connecticut Homeopathic Medical Examining Board.
- ▶ Board of Examiners of Hypertrichologists.
- ▶ Connecticut State Board of Landscape Architects.
- ▶ Connecticut Medical Examining Board.
- ▶ Connecticut State Board of Examiners in Midwifery.
- ▶ State Board of Natureopathic Examiners.
- ▶ Connecticut State Board of Examiners for Nursing.
- ▶ Board of Licensure of Nursing Home Administrators.
- ▶ Electrical Work Examining Board.
- ▶ Elevator Installation, Repair, and Maintenance Work Examining Board.
- ▶ Plumbing and Piping Work Examining Board.
- ▶ Heating, Piping, and Cooling Work Examining Board.
- ▶ Commission of Opticians.
- ▶ Connecticut State Board of Examiners in Optometry.
- ▶ Connecticut Osteopathic Examining Board.
- ▶ Connecticut State Board of Examiners for Physical Therapy.
- ▶ Connecticut Board of Examiners in Podiatry.
- ▶ Board of Examiners of Psychologists.
- ▶ Connecticut Real Estate Commission.
- ▶ State Board of Registration for Sanitarians.
- ▶ State Board of Television Service Examiners.
- ▶ State Tree Protection Examining Board.
- ▶ State Board of Veterinary Registration and Examination.
- ▶ Connecticut Well Drilling Board.
- ▶ Commission of Pharmacy.
- ▶ Hairdressing and Cosmetology Section of the Department of Health.

Separate reports cover the operations of the State Ambulance Commission and Connecticut Real Estate Commission.

ORGANIZATION AND PROCEDURES

Expenditures for the combined agencies for fiscal 1970 were approximately \$910,000. Revenues totaled almost \$2.2-million. Total personnel is about 70. The number of board and commission meetings held was

320. On an annual basis, about 93,700 licenses are issued. Approximately 10% are new.

The State Board of Healing Arts is charged with licensing interns and the administration of a basic science examination to prospective medical doctors, chiropractors, osteopaths, and natureopaths. During fiscal 1970, examinations were given to 268 applicants, virtually all prospective medical doctors.

License fees vary from nothing to \$50. Many members of the medical professions have paid fees of \$10 biannually. Dentists, dental hygienists, optometrists, hypertrichologists, midwives, physicians, surgeons, osteopaths, natureopaths, chiropractors, podiatrists, registered nurses, licensed practical nurses, and physical therapists can elect an inactive or out-of-state status and remain registered without paying a fee for the years they are so classified.

EVALUATION OF EFFECTIVENESS

Licensing of professional and occupational functions is controlled largely by independent boards and commissions. Many of these operations are small, inefficient units handling less than 200 licenses per year. About 27% of such activity is handled manually. Approximately 83% of the renewal dates are concentrated in a seven-month period. The basic science examination functions of the State Board of Healing Arts are handled internally in several professional agencies. Such exams could be conducted by a general board or commission. Operations of several boards concerned with the medical profession could serve the public interest best under unified management. Centralized administrative operations would also be an improvement.

RECOMMENDATIONS

1. **Create a Professional and Occupational Licensing Division in the Department of Consumer Protection.**

This licensing activity is presently controlled by about 34 commissions, boards, and agencies employing approximately 70 people. A total of 320 meetings are held annually. Assuming 21 hours of clerical effort per meeting, four stenographers could handle the work load. About 10% of the licenses are new ones requiring applications and tests. A work force of two clerks and a typist should be sufficient to process the necessary paperwork.

Inspection functions which require nine people should be transferred to the proposed division and Consumer Frauds. The nursing examiners would remain in the Department of Health. Legislation should be passed to enable the Commissioner of Consumer Protection to set license renewal dates. Thus, the work load could be adjusted to a flow of about 8,000 per month. Operations not presently computerized should be.

There would be a one-time cost of \$3,000 and an annual cost of \$1,000. The data cards can be handled by two clerks and a typist.

A new position of Division Chief, Professional and Occupational Licenses will be required. The cost is estimated at \$17,000 per year. Annual savings should total \$243,100. Legislation establishing the division should provide that no action by the department will affect the manner of appointment or examination functions of the boards and commissions involved.

2. Abolish the State Board of Healing Arts and transfer its exam function to the Connecticut Medical Examining Board.

The board administers a basic science examination to applicants for Medical Doctor, Chiropractor, Osteopath, and Natureopath licenses. This exam should be

administered by the Connecticut Medical Examining Board. A second function of licensing interns can also be handled by the board. Savings would be \$450 per year.

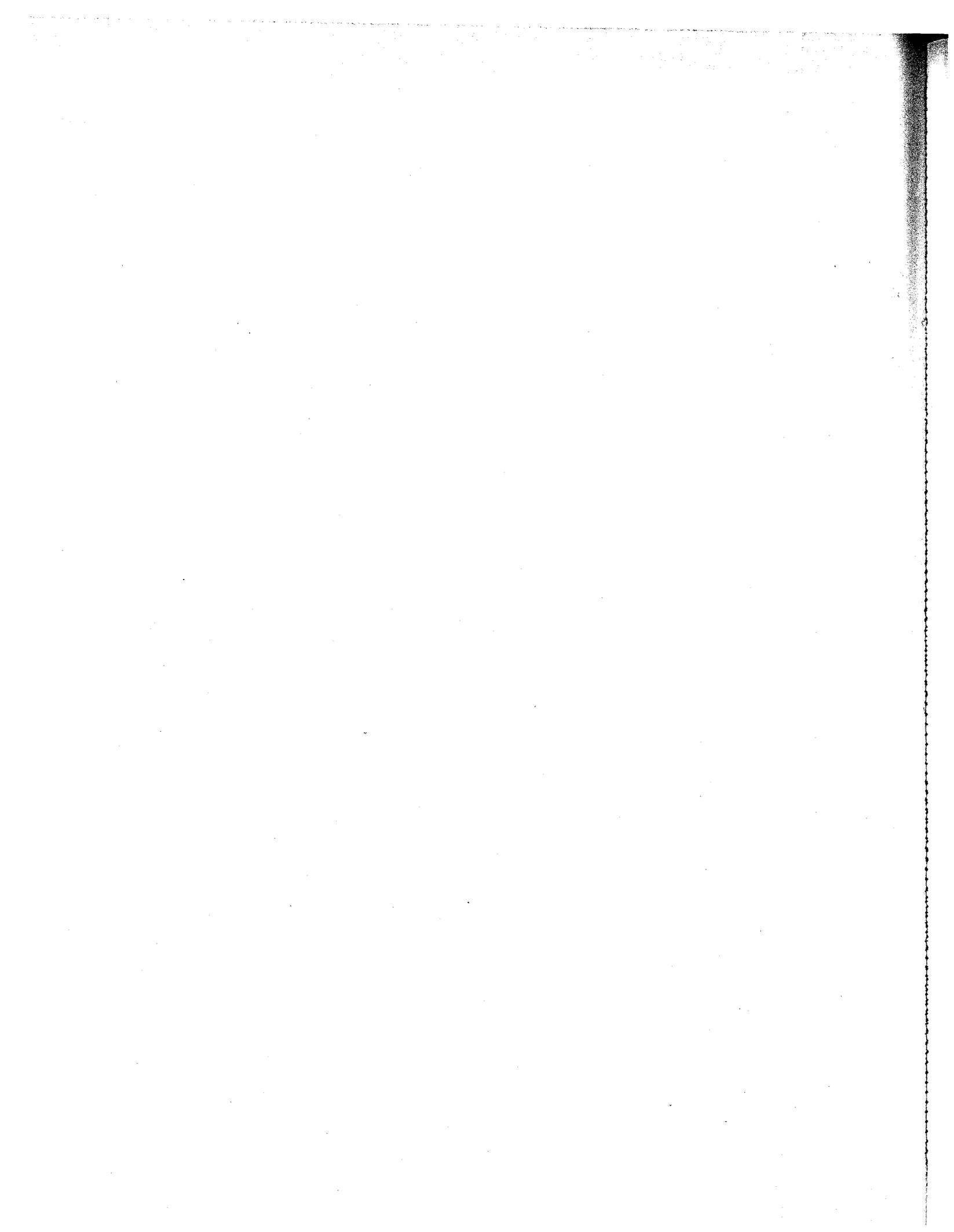
3. Establish a yearly fee of \$25 for issuance of demolition licenses.

No fee is charged for the issuance of demolition licenses. A charge of \$25 per year would yield revenues of \$4,000 a year to offset the cost of this service.

4. Charge a renewal fee for registering medical and dental practitioners with inactive or out-of-state status.

No fee is presently charged for maintaining these registrations. A charge of \$5 to dentists and medical practitioners and \$4 for nurses and practical nurses would generate an annual income of almost \$99,800.

**The Governor's
Commission
On Services &
Expenditures**



State Department of Education

The department is governed by a board of nine members appointed by the Governor for six-year staggered terms. The board appoints a secretary, who is also Commissioner of Education, to direct the State Department of Education. The members also serve as the Board of Trustees of the the State Technical Colleges.

This department administers policies and programs established by the State Board of Education. It also provides supervisory, advisory, and administrative services for preschool, elementary, secondary, special, vocational, and predegree adult education levels. In this context, the department interprets statutes regarding public school administration and plans development of the state's educational system.

ORGANIZATION AND PROCEDURES

The department is organized into five divisions. The Division of Departmental Administration provides central support services. The other four divisions — Instructional Services, Administrative Services, Vocational Education, and Vocational Rehabilitation — carry out their functions through 13 bureaus.

The department has approximately 1,650 positions, of which 710 are classified and 940 unclassified. Of these, federal funding covers 205 classified and 210 unclassified positions. In addition, about 1,410 part-time employees are authorized, most of whom teach adult evening classes. Some of these positions are federally funded.

Expenditures for the 1969/70 school year totaled over \$278-million. About \$21-million was for current expenses, \$256-million for fixed charges, and \$700,000 for equipment. Estimates prepared in the department project dramatic increases in expenditures by 1979/80.

Enrollments in elementary and secondary education are expected to increase by 10% to 726,000. But expenses per pupil are expected to double to about \$1,600 per year and state aid to increase to 40% from the present 30%. These assumptions imply that general support will triple and reach an annual rate of \$464.8-million within the next 10 years. State expenditures for adult education, vocational technical schools, vocational rehabilitation, and the Mystic Oral School are also expected to triple to a total of \$39-million.

EVALUATION OF EFFECTIVENESS

Key personnel appear academically qualified and dedicated to meeting the state's educational needs. However, the department's effectiveness is impaired by substantial deficiencies in three major categories.

In the area of organization structure and administrative policies, conditions have created serious mismatches between available and needed skills, particularly in key administrative positions. Progress in the area of systems, methods, and management information has not kept pace with technological developments. Procedures, forms, and operating practices need streamlining and updating. Particular emphasis should be placed on development of data processing systems for management information and operational procedures. Despite department efforts, present information is not sufficient to identify needs, monitor current programs, develop data on accomplishments, or evaluate results. Internal communication and documentation of prescribed practices is a third area where the department suffers from inadequacy. Criteria are unclear and controls are ineffective. Planning, scheduling, and monitoring against target dates must be strengthened.

The weaknesses concern both professional and support activities. They are the result of a lack of business management background in the department. Attitudes should be reshaped to improve management concepts. Improved direction, educational leadership, administrative capacity, and operational economy are needed to successfully control the state's present and future educational program.

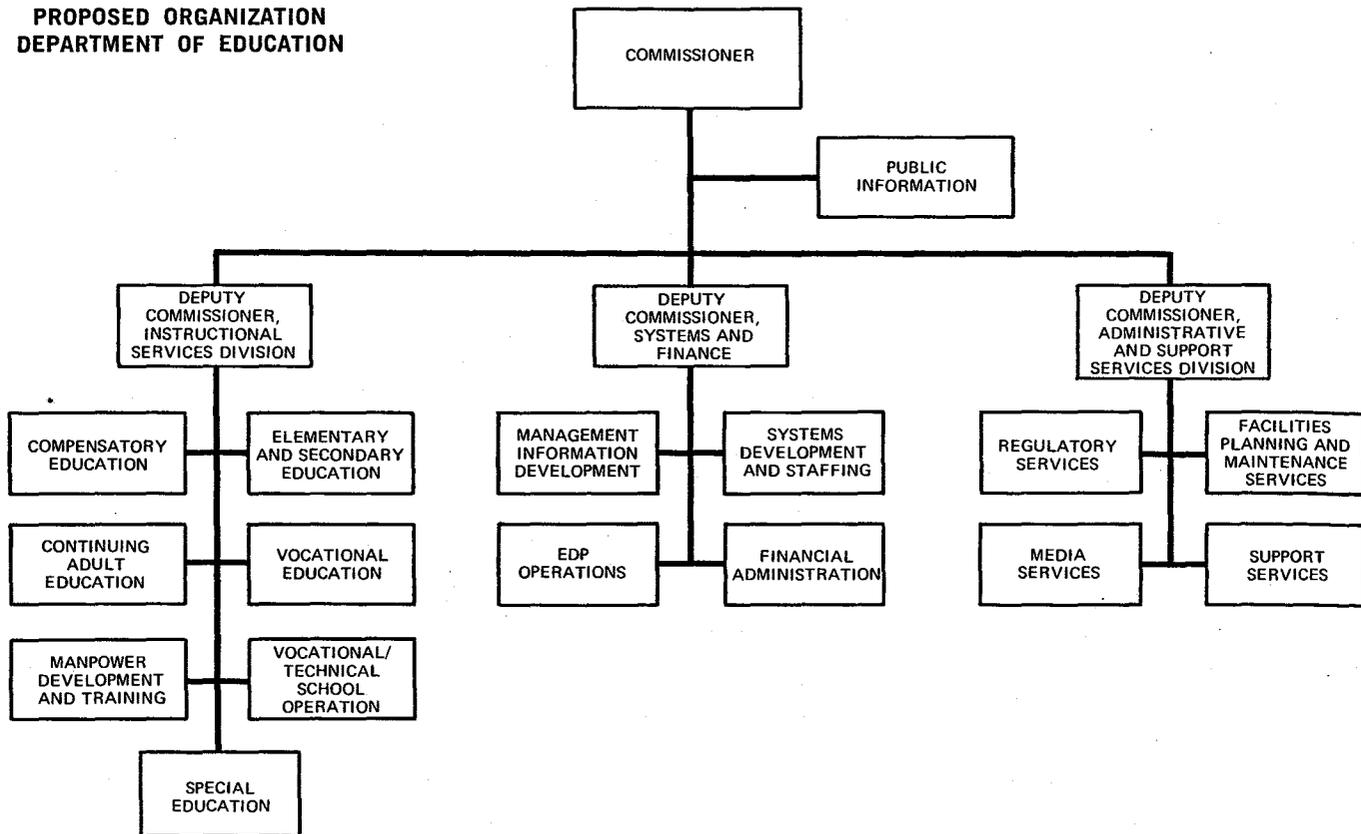
RECOMMENDATIONS

1. Restructure the organization of the department.

The existing organization should be modified to provide the necessary balance between educational and administrative expertise. Clear lines of authority and accountability are required to lay a foundation for improved productivity. Present bureaus vary widely in authorized staffing. Classified personnel are assigned according to an arbitrary pattern and considerable imbalance in the work loads is apparent. The fragmentation of functions lowers productivity while many necessary activities are not provided for. Key features of the restructuring, shown in the chart on the following page, include:

- ▶ Commissioner of Education — a professional educator, appointed by the Governor from a slate of candidates approved by the State Board of Education.
- ▶ Deputy Commissioner, Systems and Finance — a professional manager, recommended by the commissioner and approved by the Governor. The deputy and his staff would work across divisional lines to establish techniques for evaluating educational goals, develop a comprehensive man-

**PROPOSED ORGANIZATION
DEPARTMENT OF EDUCATION**



agement information system, and design improved procedures. He would also determine staffing needs, operate EDP systems, and administer department finances. Additionally, his staff would assist other divisions to establish operating criteria, work standards, and controls.

- ▶ Deputy Commissioner, Instructional Services Division — a professional educator, recommended by the commissioner and appointed by the Governor. Staff for program areas, both temporary and permanent, should also be professional educators. These two deputies would serve as assistant secretaries to the State Board of Education. The Instructional Services' deputy would function for the commissioner in his absence.
- ▶ Deputy Commissioner, Administrative and Support Services — another professional manager to supervise those units concerned with services to the central office and to communities.

Implementation would have major benefits such as strengthening the department's management and service capacity and providing potential for major economies. A five-year transition period may be required. Estimated costs and savings are included in other recommendations.

2. Remove those functions and personnel primarily concerned with social rehabilitation.

Over 200 people in the Division of Vocational Rehabilitation and the Bureaus of Pupil Personnel and Special Educational Services perform social rehabilitation work. This is not properly within the scope of the Department of Education.

These functions and personnel should be shifted into more appropriate agencies. Liaison should be maintained with the department to obtain educational services. Improved coordination of state services should result. In addition, substantial savings can be effected by consolidating staff and facilities.

3. Refer Division of Vocational Rehabilitation clients requiring physical and psychological examination to doctors employed by the Department of Health and limit the use of medical and psychological consultants paid on an hourly fee basis.

For fiscal 1970, the Division of Vocational Rehabilitation paid doctors \$490,000 in fees for diagnostic and evaluation consultant services. No full-time doctors are presently employed. Establishment of a section to handle diagnostic functions within the Department of Health has been recommended. It would be staffed

by salaried medical and psychological specialists. Clients of the Division of Vocational Rehabilitation should be sent to this center and referrals to doctors paid on a fee basis should be limited to special situations. Assuming an annual saving of 20%, the division will save approximately \$98,000 per year.

4. Eliminate the Bureau of Field Services by the end of the 1972/73 school year.

The state employs 10 superintendents, 10 supervisors of instruction, 10 clerk secretaries, a Chief of Field Services, and a secretary to provide supervisory services to local school boards. A total of 36 towns are covered by this staff. The 1970/71 budget is over \$500,000. Plans are to eliminate this bureau eventually. A definite schedule should be developed to close this operation by the end of the 1972/73 school year. The towns concerned should be encouraged to form regional compacts to employ their own administrative staffs. When fully implemented, annual savings will approximate \$500,000.

5. Revise personnel policies concerning the unclassified staff.

There are three policies concerning unclassified staff which should be changed. First, the requirement that all such personnel shall hold appropriate teaching or supervisory certificates should be eliminated. Second, the practice of granting permanent status to part-time employees in the unclassified category should be discontinued. Third, positions should be considered temporary for up to three years rather than one year.

In addition, corrective actions should be taken to eliminate other existing inequities regarding unclassified personnel. As an initial step, the Personnel Department should be requested to audit the present use of this status within the Department of Education, making comparisons with equivalent positions elsewhere. It should then make recommendations for improvement to the State Board of Education. Since the cost of fringe benefits is continually rising, it is uneconomical to grant permanent status to part-time professional personnel, thereby qualifying them for retirement credits and similar benefits.

If the department is to meet changing needs in education, policies should allow for the employment of qualified specialists on a temporary basis of up to three years to handle specific assignments. This arrangement will benefit the department's overall effectiveness. It will also improve local school systems when their teachers return from such assignments. Ultimately, a 60/40 ratio should be achieved between permanent and temporary positions. This will ensure a good balance between continuity and innovation. Adoption of the proposed policy changes will lay the groundwork for improved management and increased educational leadership, administrative capacity, and operational economy in the department. Specific savings cannot be identified at this point.

6. Take immediate steps to improve management control, service, and cost effectiveness in the Department of Education.

Improvement in department effectiveness requires a comprehensive, strongly managed program. A Deputy Commissioner, Systems and Finance, should be appointed and the necessary support group authorized. Such a staff would probably include two management systems analysts, a data processing systems analyst, and two programmers. Estimated cost per year is \$110,000. It may also be desirable to retain a consulting service for parts of the program development.

A time planning and monitoring system for educational consultants should be installed. The current system, comprised of biweekly reports, does not provide adequately for planning activity, monitoring work loads, and evaluating accomplishments. No savings are claimed through implementation. However, planning and monitoring professional efforts in the department will improve services and provide more effective direction for its activities.

A comprehensive work management program for clerical and support functions is needed to improve productivity and reduce costs. Virtually all work is now processed manually. Present procedures are not documented and accountabilities are unclear. Standards are not available to measure quantity, quality, or time required for various tasks. A program should be initiated to examine procedures and implement improvements. Typically, gross savings potential under such office conditions exceeds 20% in the positions studied. Implementation, therefore, would provide possible savings of \$600,000 annually, although it will require two to four years to get the program completely set up.

7. Establish an effective property control procedure.

The department has under its control approximately 500,000 items of equipment with an estimated value in excess of \$20-million. The annual budget for purchase of additional items exceeds \$1.5-million.

Procedures for maintaining accountability for this property are inadequate. Records are prepared and filed manually and do not lend themselves to periodic review and analysis. Physical audits are not conducted in a regular and meaningful manner. No valid estimates of property losses are available. The requirement that property control records should be maintained for capital equipment with a cost in excess of \$15 should be changed to \$50.

Purchases should be identified and coded by the Central Inventory Office. Property records should be maintained on data processing cards to facilitate preparation and analysis of reports summarizing financial values, retirement schedules, and use studies. Annual inventories of portable equipment should be conducted by the Central Inventory Office.

A meaningful system of reporting losses, transfers, surplus equipment, and retirements to the Central Inventory Office should be developed. An effective system would permit the department to identify losses and file insurance claims for recovery. Most important, meaningful property control would permit department management to establish individual accountability for safeguarding public property.

8. Request bids from private food management services for student meals in schools operated by the Department of Education.

The lunch program at the vocational-technical high schools is operating at a substantial deficit despite increases in charges to the students. Free food service is offered to the students at the Mystic Oral School. A private food management firm should be able to offer improved service and menus for competitive prices because of lower labor cost. To attract the maximum number of bidders, the contract award should include operation of and revenues from all vending machines in the schools. Use of a private service should result in annual savings of \$100,000 per year.

9. Revise the procedure for paying school building grants.

In 1969, the General Assembly revised the procedure for paying school building grants to communities. Under the terms of the present law, the state determines its financial responsibility at the start of a project and makes prorated progress payments during construction. By the time the building is completed, the state is obligated to pay the community its total grant.

To finance this change, the Legislature authorized the sale of \$160-million in state bonds. They will cost the state almost \$99.9-million in interest payments over a period of 20 years. Because the authorization has proved inadequate, legislation is pending which would grant an additional \$140-million bond issue for the program. The state should return to its previous practice of paying financial commitments to the towns from the general fund over a period of 20 years. An annual saving of approximately \$5-million in interest payments would be realized. Further, the burden of bonding and interest payment responsibility would be returned to the community where the construction program was authorized. Cost to the communities is difficult to estimate. However, it probably would be less than \$5-million annually.

10. Provide additional leadership and assistance to local school building committees.

The Bureau of School Buildings provides local committees with professional consulting services in the areas of planning, design, site selection, and construction. Due to a staff shortage, this agency is not able to give communities guidance which could generate substantial savings for both the towns and the state.

A major innovation in school construction is gaining widespread acceptance. The technique is called "systems construction" and promises several benefits. They include:

- ▶ Stabilization of inflationary construction trends with possible cost reductions of 10% or more.
- ▶ Improvement of overall quality of facilities by as much as 30%.
- ▶ Reduction in planning/construction time between 40% and 60%.
- ▶ Decrease in building process waste, coupled with improved use of available resources.

The Ford Foundation sponsored a comprehensive study of this new technique. It found the advantages included time saved both before and during construction, more flexibility to accommodate interior changes, lower construction and maintenance costs, and higher quality. In view of the favorable results which other states have experienced, the Department of Education should provide the leadership necessary to encourage local building committees to adopt similar programs. The state should promote the use of construction procedures such as standardized modular structures, compatible systems components, compressed planning, design and construction schedules, preassembled structures with integrated electro-mechanical systems, and computer-aided design techniques. A compression of six months in planning and design should lower contract bids by 9%. At the present construction level, a 10% annual saving would amount to \$3-million. Annual cost for an architect and building consultant would not exceed \$50,000.

11. Revise the school construction grant formula and establish guidelines for functional cost allocation.

The present formula for assisting local boards finance elementary school construction provides a payment of \$900 for each pupil the school is designed to accommodate. An additional payment of \$200 per pupil station is authorized for supporting educational facilities. The formula for secondary schools provides a payment of \$1,400 for each pupil station. For both elementary and secondary school construction, the state's contribution may not exceed 50% of total costs.

Analysis of construction information on 13 elementary schools during the 1968/70 period demonstrates a wide range of cost experience. Comparison of construction costs using pupil stations as the standard yields a range from a minimum of \$1,100 to a maximum of \$1,800 with an average of \$1,400. Using construction cost per square foot, charges ranged from a minimum of \$17 to a maximum of \$28 with an average of \$21. In both instances, the difference from minimum to maximum exceeded 60%. Another sig-

nificant standard of comparison is the number of square feet per pupil station. Over the past five years, the norm has been in the area of 65 square feet. However, many schools have as few as 53 square feet while others have up to 82.

The present construction formula does not encourage individual communities to control the cost of school construction in an effective manner. A new formula which computes the state's contribution on the basis of prevailing construction costs and a maximum allowable space allotment should be developed and passed by the Legislature. Per pupil space allowance would be based on a formula that authorizes maximum space allowance by function. The construction cost allowance factor would be calculated annually and established by the Comptroller or the Commissioner of Public Works. An allowance for fees, equipment, site development, and architect should be included, based on actual experience data.

The proposed formula would encourage school building committees and consulting architects to evaluate preliminary plans against standard construction patterns. It would clearly establish the maximum allowable state grant at the beginning of the planning and design stage. Another advantage would be the flexibility provided by an annually adjusted construction cost allowance. Based on the experience of other states, Connecticut's financial obligation will be reduced by about 3%. Assuming that school construction will continue at or above the present annual rate of \$60-million, this represents savings of approximately \$1-million to the state as well as \$1-million to local governments.

12. Initiate a pilot program to study 12-month use of vocational-technical schools.

One objective of year-round school use is to reduce capital investments in facilities. Depending on the number of terms scheduled, available classrooms can be increased from 25% to 33%. The state operates 15 vocational-technical schools with an enrollment of 9,000 full-time and 16,000 part-time students. Three additional schools have been authorized. Construction contracts are out for bid for the facility planned in Milford and the projected cost is estimated at \$13.7-million. The cost of all three schools is expected to exceed \$33-million. Substantial additions are also planned for existing facilities.

A pilot program should be launched in the Bridgeport, Hamden, and Ansonia schools to investigate the possibility of accommodating the planned Milford enrollment at these institutions by switching to 12-month use. It might also be possible to eliminate one or both of the other proposed facilities. A minimum one-time capital expenditure of \$13.7-million would be avoided. Annual savings from interest payments on construction bonds would total \$350,000.

13. Charge fees for teaching certificates and maintenance of pertinent records.

Although teachers are certified in the same manner as doctors, dentists, nurses, and the like, they are not charged a fee for certification. In addition, the Department of Education maintains teachers' records and acts as a middleman between the certificated party and the school system. A fee should be charged to offset the cost of providing such services. Each teacher should be recertificated on his birthday at a charge of \$5. Those requesting an additional endorsement would pay another \$5 since this amounts to a second certificate. New applicants, including persons who have allowed their certification to lapse, would pay a \$25 fee if a state resident and \$50 if from out of state. The schedule should be adjusted periodically to reflect any increase in costs. Implementation should provide an annual income of \$280,000.

14. Provide a computerized information storage and retrieval system for certificated teachers.

The long-term plan for the computer centers of the Comptroller's department or the University of Connecticut should include mechanization of the Department of Education's files on certificated teachers. Processing of certificates with the present manual method is five months behind schedule. Computerized consolidation, updating, and purging of these files is technically feasible and would eliminate the backlog and improve the inquiry service.

Implementation would require provision of random access data storage at the selected center and a program design cost of approximately \$330,000. The annual upkeep cost would be \$25,000. In addition to improving current service, this system can be the basis for computerized professional and personnel records for the state's teachers in the future.

15. Install a system for evaluating, projecting, and monitoring financial aspects of federal and state grant programs for education, and publish a summary report to inform taxpayers of projected obligations.

The Department of Education administers large amounts of federal money under various stipulations. Many of the programs have provisions whereby federal funding is gradually withdrawn with the state absorbing more and more of the cost. The present and future financial implications of such programs should be under constant scrutiny by the state. At present, three factors need stronger control:

- ▶ Tendency to build administrative overhead into federal programs by establishing new units although existing staffs could absorb the functions paid for by grants.
- ▶ Possibility of duplications and overlapping in grants.

- ▶ Long-range financial picture including a consolidated summary of future financial obligations.

State grants are generally established by the Legislature, which enacts formulas for payment and criteria for qualification. Such grants are administered and paid by the Department of Education. The grants tend to remain in effect even though they may have served their purpose. Therefore, the long-range implications for state expenditures should be closely watched. In addition, the terms of both state and federal grants should be summarized and published to inform taxpayers of the financial obligations. Savings potentials should be revealed by consolidating data collection and coordinating grant administration.

16. Request bids from commercial custodial firms for cleaning services in state-operated schools.

Custodial salaries in the 15 vocational-technical schools totaled \$772,000 in fiscal 1970, not including retirement and fringe benefit factors of over 20%. The use of commercial custodial firms should be investigated for cost comparison purposes both at vocational-technical schools and at the Mystic Oral School.

17. Consider charging parents for room and board of children at the Mystic Oral School.

The school provides residential and feeding facilities at no charge to over 200 deaf or aphasic children. Other state-supported agencies have a fee schedule for such services rendered to children with other impairments. A study should be made to determine if parents should be charged room and board for children at the school and on what basis.

18. Develop personnel policy guidelines at the state level for use by local systems in negotiations with teachers.

Public elementary and secondary school teachers have organized to gain collective bargaining rights. Local boards of education must now negotiate with teachers as with any other labor group. Guidelines should be designed by the Department of Education to assist

the boards in carrying out negotiations. They should include:

- ▶ Criteria for evaluating teacher performance, including "merit" criteria.
- ▶ Techniques for conducting survey, making evaluations and translating results into salary ranges.
- ▶ Salary schedules including suggested factors to adjust for regional cost of living differences.
- ▶ Fringe benefit programs.
- ▶ Standard school calendars and suggested work loads.

19. Require the State Board of Education to take greater initiative in exploring educational improvement opportunities and to submit periodic progress reports.

During fiscal 1970, the board was convened 11 times, for a total of less than 30 hours. Virtually every action taken was an affirmation of department recommendations in routine administrative matters. The board should be encouraged to take an active role in setting educational standards and goals for the state. It should also take steps to ensure that communications are strengthened within the department and with the Commission for Higher Education.

20. Assign responsibility to the Deputy Commissioner, Systems and Finance, for expanding the department's service and improving internal operations through greater use of data processing.

Greater service to school systems could be rendered and reporting requirements met more efficiently if data processing were used to:

- ▶ Simplify and accelerate compilation of information on educational needs.
- ▶ Process teacher certifications.
- ▶ Disburse state grants.
- ▶ Produce grade and accounting information as well as various schedules for local school systems.

Commission for Higher Education

The Commission for Higher Education is charged with planning and coordinating higher education activities in the state. It conducts research, analyzes legislative proposals and budget requests, and makes recommendations on them to the Governor. It is also responsible for licensing and accreditation of programs and institutions of higher learning.

The state system of higher education comprises the Commission for Higher Education, the University of Connecticut with its five branches, the Farmington Health Center, four state colleges, four technical colleges, and 10 regional community colleges (three more have been authorized). The community and technical colleges are two-year schools offering as-

sociate degrees. The university branches are also two-year schools, but are intended to offer the first two-years of a baccalaureate program.

Enrollment at publicly-supported colleges will exceed an estimated 70,000 by 1975 and 81,000 by 1980. Operating expenses are expected to rise from the current level of \$97-million to an estimated \$232-million by 1975 and \$411-million by 1980, an increase of 324%. In addition, capital needs of \$1-billion are estimated for the 10-year period ending in 1981.

The rapid escalation in the cost of higher education makes it imperative that further development of the system be accomplished in a planned and orderly way. Priorities must be established within acceptable limits in the use of the state's financial resources. In addition, innovative ways to become more cost-effective must be found.

ORGANIZATION AND PROCEDURES

By statute, the commission consists of 16 persons, at least one of whom is affiliated with a nonpublic institution of higher education. It appoints a chancellor as chief executive officer. The 24 employees are divided into four functional areas of accreditation and student financial assistance, program planning and coordination, research and publication, and finance and administration.

Accreditation and Student Financial Assistance has responsibility for licensing and accrediting public and private institutions of higher learning in the state. Procedures are similar to those used by the New England Association of Colleges and Secondary Schools. This division also evaluates and approves specific educational programs and performs a continuing monitoring function not covered by the regional authority.

Additionally, the division develops policies on student financial assistance, meets with student financial aid officers, responds to inquiries, and generally oversees various scholarship programs. By law, the Commission for Higher Education furnishes administrative supervision for the Connecticut State Scholarship Program. A new contract is negotiated with the Education Testing Service at Princeton annually and approximately 1,900 undergraduates are helped at a cost of \$1.32-million.

The Program Planning and Coordination Division reviews academic programs of the respective institutions and monitors the needs, structure, finances, and output of higher education. Coordination with private and quasi-public institutions with education-related functions is also a division responsibility. In addition, it provides legislative liaison and the associate director acts as deputy for the chancellor in his absence.

The Research and Publication Division compiles, publishes, and distributes statistics and narrative information on institutions of higher learning and their students. Statistical information is shared with the U. S. Department of Health, Education, and Welfare. The clerical staff is largely engaged in typing statistical data onto offset masters for duplication. The source documents are often computer-produced information.

A major activity of the Finance and Administration Division is the preparation and issuance of forms and instructions for budgeting. Considerable time is spent reviewing combined budgets and making changes prior to submission to the Governor. Operating budgets of \$123-million and capital budgets of \$175-million were reviewed and submitted for 1971/72.

EVALUATION OF EFFECTIVENESS

A long-range plan for higher education in the state has not been developed. In addition, the commission does not have sufficient authority to direct policies and procedures needed for a coordinated, cost-effective operation. For example, tuition is charged at some institutions, but not at the university where fees (\$305) are below the national average of \$486 in tuition and fees. Present actions are based on the group's ability to correct, analyze, and convince rather than direct the operating units within the higher education system. The secretarial staff is too large.

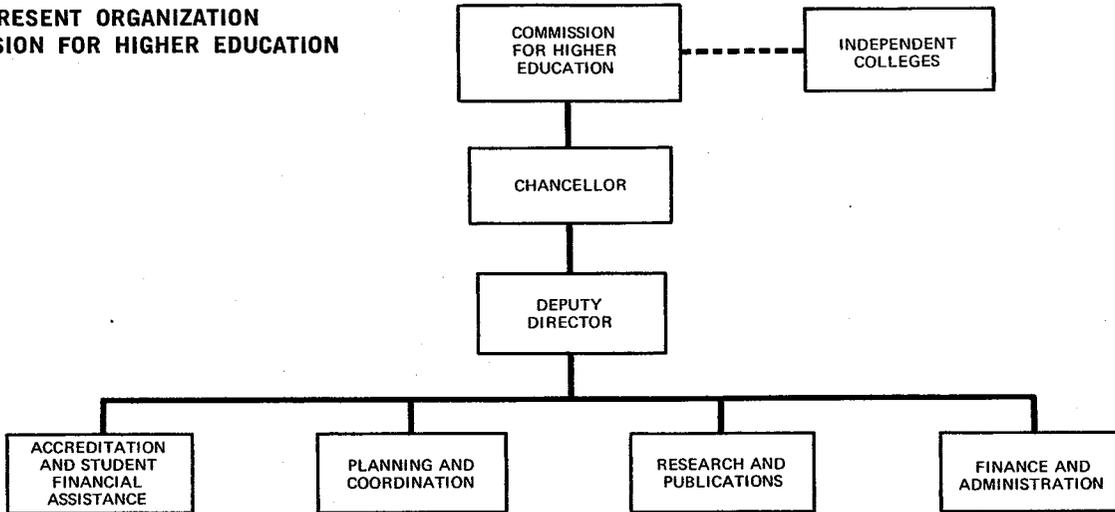
RECOMMENDATIONS

1. Restructure the existing Commission for Higher Education.

This commission falls into the category of a weak coordinating board. A chart showing the present organization is on the next page. The financial situation in the state requires more decisive and immediate action than is possible with the present structure. The name of this commission should be changed to the Board of Regents and it should be given additional authority and responsibility. Areas of authority would include:

- ▶ Master planning.
- ▶ Academic program objectives.
- ▶ Budget consolidation, review, and approval.
- ▶ Allocation of capital and operating funds.
- ▶ Development of systems and procedures.
- ▶ Admission policies, tuition fees, and other charges.
- ▶ Personnel and salary policies within Personnel Department guidelines.
- ▶ Research and development.
- ▶ Establishment of a comprehensive two-year college system.

**PRESENT ORGANIZATION
COMMISSION FOR HIGHER EDUCATION**



- ▶ Promotion of coordination with the independent colleges.
- ▶ Selection and termination of college presidents.
- ▶ Student financial aid.
- ▶ Centralized management information systems.

The board would consist of nine members appointed by the Governor, subject to approval by the Legislature, for three-year staggered terms. The proposed organization chart is shown at right. The chancellor would be appointed by the board to head the central staff. He would be responsible for appointing key members, including three vice chancellors. One would be responsible for the state-wide system of two-year colleges. The second would supervise other publicly-supported higher education institutions, and the third would be in charge of administrative activities. These would include a management information system, operating budgets, financial control and accounting policies, as well as personnel, purchasing, and legal functions. The chancellor, on behalf of the board, should be the representative of public higher education in conducting business with the Legislature, the Governor, other agencies, and the courts. Annual cost of this reorganization is estimated at \$500,000. Overall savings, however, would vastly surpass the annual cost.

2. Abolish existing governing boards for state, community, and technical colleges and the University of Connecticut.

Establishment of the Board of Regents will make existing governing bodies within the educational system unnecessary. It will open opportunities for redefining the make-up and functions of on-campus senates and related groups to assure proper attention to student and faculty opinions.

Annual savings from implementation will amount to \$705,000. It is anticipated that, by selective process, certain staff members of the existing central offices will be absorbed into the board's staff.

3. Separate the Farmington Health Center from the University of Connecticut.

Planning and operations of the center have been the responsibility of the university's Board of Trustees. The size of the financial requirements for this facility warrant a separate chain of responsibility to ensure adequate management control. The center should be supervised by a president and an advisory board. Liaison would be maintained with the university for educational needs. The Board of Regents should study the arrangement now in use at Yale University and the Yale New Haven Hospital.

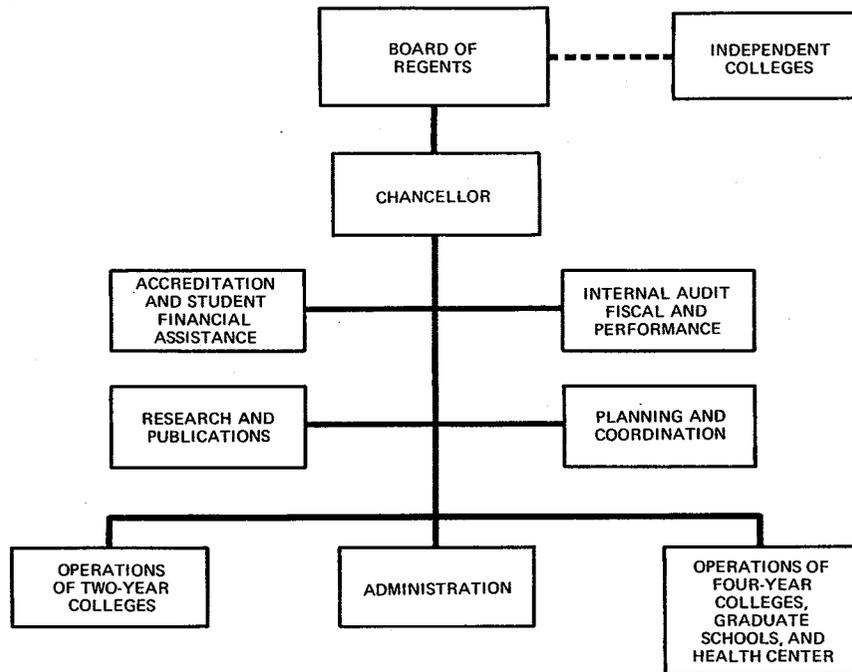
4. Establish an internal performance and fiscal audit staff reporting to the chancellor.

None of the institutions or governing bodies have an effective internal audit program. State auditors work from two to three years behind actual events and their information is completely historical. A staff should be established to make current examinations of financial matters and performance at every institution. They would also make tests of administrative procedures. A supervisor and five auditors would cost \$123,000 annually.

5. Develop a state-wide master plan to guide the growth of public higher education.

A comprehensive management approach is needed to cope with the rising cost of higher education. Capital and operating fund allocations are being authorized without any system of priorities. To establish a master plan, the role of each public college must be considered as well as the state's relationship with inde-

**PROPOSED ORGANIZATION
BOARD OF REGENTS**



pendent schools. Thought should be given to allowing state-supported four-year institutions to concentrate on upper and graduate level work, leaving lower division programs to community colleges in the future. Approximate size limits should be established for each publicly-supported college to foster efficient management.

The master plan should present objectives, detailed plans and anticipated financial requirements for 5-, 10-, and 15-year periods. Consideration should be given to developing proper tuition and fee structures for all publicly-supported institutions of higher education. It should be submitted to the Legislature's Education Committees for tentative approval and updated annually.

6. Establish a single two-year college system.

There are currently 10 community, four technical, and five university branch colleges operating in the state. All but the branches award associate degrees. There is already some course overlapping and extreme duplication of overhead which will probably grow as more schools are added. Thus, development of a single comprehensive two-year system is desirable to avoid duplication of facilities and staff. The change could be accomplished in two phases, coordinated by the Board of Regents. First, the community and tech-

nical colleges would be merged. Later, the university branches would be integrated into the system.

7. Review faculty tenure practices and establish state-wide policy guidelines for public higher education.

Faculty tenure policies should be reviewed by the Personnel Department. Alternatives to the principle now in use should be explored and recommendations framed by the Board of Regents to cover administrative practices for each constituent unit.

8. Institute a 12-month school year in a two-year college on a trial basis.

Adoption of such a plan will forestall the financial emergency which seems likely because of the rising per-student cost of education. This is not a device to accelerate the educational process. Advantages of implementation include:

- ▶ Almost 50% more students can be educated in a calendar year using existing educational facilities and administrative personnel, substantially decreasing the per-student cost.
- ▶ Higher education will be made available to more students. Applications now far exceed available space in the various institutions.

- ▶ Revenue-producing facilities such as dormitories would operate more effectively in terms of cost.
- ▶ Faculty would only have to be added as the number of students increases.
- ▶ Students attempting to obtain vacation employment would find it less difficult because of the staggered terms.

As a start, one of the two-year schools should be converted to the 12-month schedule for a trial period of two years. If the program is a success, it should be extended to the rest of the publicly-supported institutions of higher learning.

9. Reduce the typing and secretarial staff to five.

This staff is authorized for 11 positions of which two are vacant. It supports a professional group of 10 and is not fully occupied. By more intensive use of dictating machines, automatic typewriters, and computer-produced statistical information, six positions can be eliminated. Implementation would provide annual savings of \$39,800.

10. Study the feasibility of using automatic typewriters to prepare statistical tables for reproduction purposes.

These tables are typed onto offset mats. It is time-consuming and corrections or additions often require retyping of entire tables. With automatic typewriters, corrections, additions, and deletions can be made without manual typing.

11. Make use of direct computer/printing of reproduction mats for repetitive statistical reports.

A large percentage of the data now manually typed onto offset mats is computer-produced. It is economically feasible to mechanize preparation of the mats when data is produced by a computer to eliminate the typing. Implementation would reduce the work load by 50% producing annual savings of about \$4,000. The one-time cost of programming would be \$3,000 and the annual charge would be \$1,000.

12. Reduce the number of issues of the newsletter.

The newsletter, *Higher Education in Connecticut*, is published 10 times a year. Reducing it to a quarterly publication would raise reader interest and cut costs by \$5,200 per year. Following the distribution change, a readership survey should be conducted and a decision made on continuing publication.

Data Processing Activities

In addition to the facilities maintained by the University of Connecticut, 10 colleges have computer installations. These are used for educational purposes and to process administrative work such as registrations, accounting data, and the like.

Organizational structures and equipment vary widely between institutions. Systems analysis and programming are done internally for the most part. Some use is made of part-time student help. Educational use consists of providing facilities for students to test programs they have written.

Data processing activities in the various colleges appear ineffective in terms of what could be done. Although there is a similarity of application, program design is done separately and there is no interinstitution liaison. This has resulted in much duplication and a lack of format and report uniformity. Only four of the schools have computers large enough to provide meaningful student training. These are the Storrs campus of the University of Connecticut, Central and Southern Connecticut State Colleges, and Waterbury Technical College.

RECOMMENDATIONS

13. Institute quarterly meetings of data processing managers.

A subsequent recommendation suggests centralization of computer facilities and standardization of input data and resulting reports. To facilitate implementation and end duplications of effort, managers should meet quarterly to exchange information and decide on standardized procedures. The meetings should be convened and directed by the Board of Regents.

14. End the use of on-site computers at institutions other than the University of Connecticut.

Collectively, the colleges are spending \$423,800 annually in computer rentals and \$42,700 for service bureaus. While this expenditure has provided reasonably satisfactory student training, it has been inadequate for administrative data handling. Institutions which own computers should retain them for student use.

High-speed computer terminals should be installed in the state, community, and technical colleges and connected to the computer facility at the University of Connecticut to provide centralized administrative data programming. Although no net savings are anticipated, the result of implementation will be uniformity of data and reports, simplified procedures, and mechanization of manual administration work.

15. Institute an internship approach to computer operator training.

A trained operator is familiar with console operations, logging procedures, operating systems, job-control language, tape and disk handling, as well as control procedures. The small computers now used at most state colleges cannot provide experience in all of these areas. A rotating internship program should be established to provide training for students at major state-owned facilities such as the one at the university.

University of Connecticut

This institution is both a state university and a land grant college. Originally chartered to foster agricultural and mechanical arts, it has evolved into a comprehensive institution of learning with five branches and a new health center. Programs are offered in the arts, sciences, and professions leading to various degree levels. The branches offer two-year programs and the Farmington Health Center provides degrees in medicine and dental medicine. Adult education courses and vocational training programs are also available.

ORGANIZATION AND PROCEDURES

The university functions under a 12-member Board of Trustees. The board establishes rules and determines general operating policies in regard to admissions and development of schools, colleges, divisions, and departments. The board appoints the president, who is the chief executive and administrative officer. A chart of the present organization is shown below.

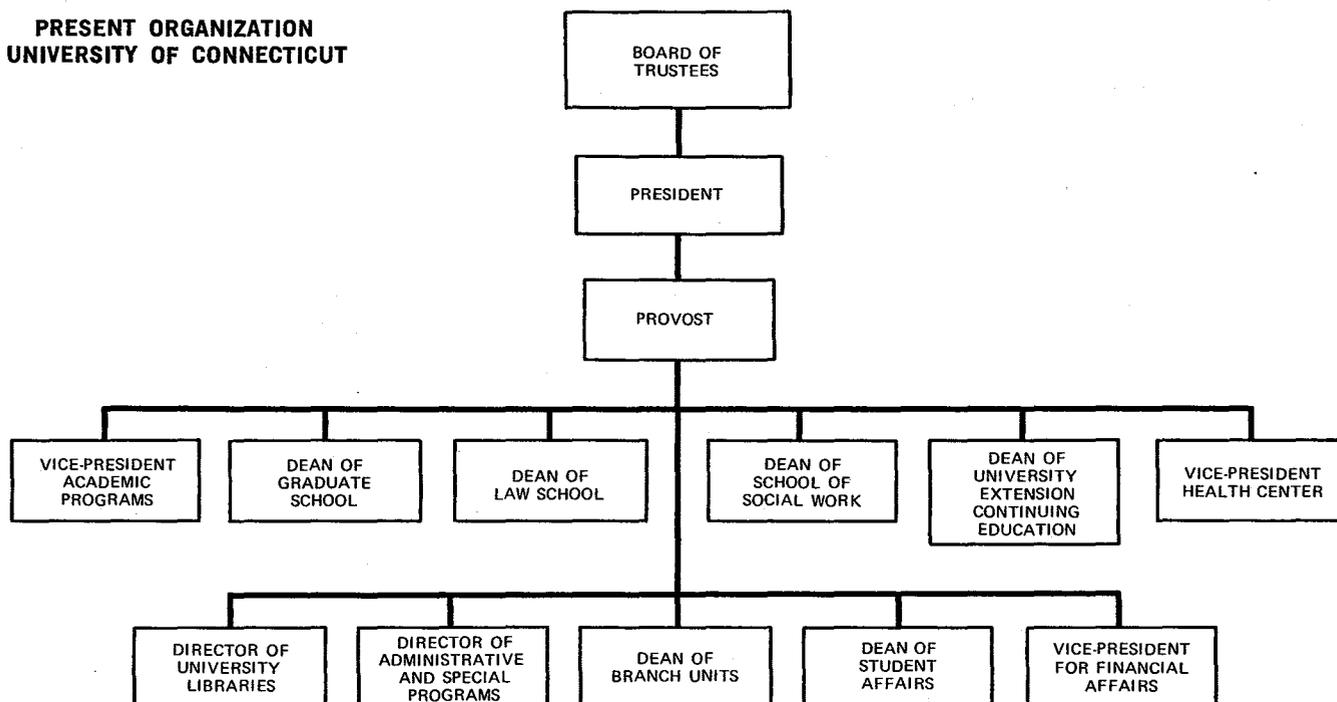
Student enrollments, excluding the Farmington Health Center, were nearly 22,000 in the 1969/70 school year. About 14,000 were undergraduates and approximately 13,700 of the total enrollment were located at the Storrs campus. Additional facilities are maintained at the Greater Hartford campus in West Hartford, and in Groton, Hartford, Waterbury, Stamford, and Torrington. The staff employed by the university numbers

about 4,100 of which 2,750 are supported by general fund contributions. The institution occupies a total of about 3,400 acres with numerous buildings. The plant value is over \$150-million. Existing facilities at Storrs cover 4.83-million square feet of which 3.08-million is assignable. Facility use is shown in the table directly below.

CATEGORY OF FACILITIES	FACILITY USE	
	PERCENTAGE OF TOTAL ASSIGNABLE SPACE	SQUARE FOOTAGE
Classroom	4.8	149,282
Laboratory (Instructional)	8.4	256,703
Laboratory (Non-class)	8.7	265,864
Office	10.9	335,793
Study	3.3	101,547
Special Use	12.1	370,714
General Use	6.2	189,422
Supporting	2.9	91,717
Residential Facilities	42.7	1,316,267
Totals	100%	3,077,309

Total expenditures for 1969/70 were over \$61-million of which about \$34.7-million came from general fund appropriations. This will be increased to \$40.5-million for 1970/71. The Governor has recommended a general fund appropriation of \$44.6-million for the next

PRESENT ORGANIZATION UNIVERSITY OF CONNECTICUT



school year. Unofficial projections to 1979/80, show general and support requirements of \$122-million, excluding the health center.

The center is comprised of Schools of Medicine and Dental Medicine under construction in Farmington and McCook Hospital in Hartford. It offers four-year courses leading to MD and DMB degrees. At present, there are 144 medical and dental students, 60 interns and resident physicians, 15 PhD candidates, 20 graduate students in other programs, and about 150 dentists in a continuing education series. Employees number about 1,100 including the staff at McCook Hospital. Facilities are largely temporary. About 1.1-million square feet is under construction in Farmington. Completed facilities will include a 200-bed hospital and clinics for patient care, research, and teaching on a 150-acre site. Total expenditures for 1969/70 were over \$12.5-million, more than half from general funds.

EVALUATION OF EFFECTIVENESS

Policy decisions governing costs and management demand a more businesslike approach to university operations. Stronger control is needed in the areas of admissions, personnel practices, compensation, planning, and use of facilities. Operations are broader and more complex than the present administrative organization can handle effectively. Before further growth takes place at Storrs, the impact on the surrounding community should be carefully considered.

Firmer management is essential to improve the effectiveness of expenditures for personal services and facilities. Clear distinctions should be recognized between educational autonomy for academic freedom and management accountability with fiscal responsibility for resources supported by public funds. Because of the lack of work analysis, standards, and controls, work loads for nonprofessional employees are uneven. Assignments are unclear and skills mismatched with needs for professional and technical positions. The faculty determines the basic allocation of teaching time, use of instructional space, and course hours. There is substantial room for improvement in cost effectiveness. Auxiliary enterprises such as dorms, food services, and bookstores are not self-sustaining. Building requirements and real estate policies need to be integrated with state-wide programs.

Financial implications of planned programs need greater definition. There are no systems to correlate costs and incomes for analytical purposes and record-keeping systems are inadequate for comparisons.

RECOMMENDATIONS

1. Redefine the role of the Board of Trustees.

Little evidence exists that the Board of Trustees has ever initiated policies or seriously probed the management process at the university. The organizational

structure, particularly the board's role, warrants change. The scope of its authority should be redefined as advisory and confined to university matters. The president should be made accountable to the proposed Board of Regents.

2. Restructure the organization to bring about more effective management of university affairs.

Under the current structure, academic representation is not balanced by specialized management strength to conduct and plan business operations. Reporting relationships need to be simplified and fragmented functions consolidated.

The recommended organization would have two vice presidents reporting to the president. One would be responsible for student and academic affairs. The other would be in charge of financial planning and systems, administrative, and special services functions. There would also be a public information staff reporting to the president.

The Financial Planning and Systems Section would be responsible for:

- ▶ Developing comprehensive management information concerning students, staff, and facilities.
- ▶ Analyzing and improving present systems and procedures for scheduling work and achieving proper staff balance.
- ▶ Documenting prescribed systems.
- ▶ Conducting work management training.
- ▶ Performing internal audit functions and reporting results to the president.
- ▶ Compiling and submitting the budget.
- ▶ Serving as an approving authority for non-academic consulting contracts.

Administrative Services would conduct support activities such as personnel, purchasing, security, physical plant, housing, and so on. Special Services would include the auditorium, museum, audio/visual equipment, and athletics.

3. Institute measures to reduce the per-student cost of instruction at the university.

The cost of instruction is the product of several measurable and controllable factors. They include salary schedules, student/faculty ratios, student/faculty contact hours, and distribution of staff by classification. Comparison of data related to these factors at the university with like information from 11 similar publicly-supported institutions outside the state reveals that Connecticut's instructional costs are among the highest in the nation.

Significant cost reductions would result from measures to increase the student/faculty ratio and to raise the average number of faculty contact hours.

Under university bylaws, each full-time member of the professional staff is required to perform duties which are equivalent to 12 credit hours of teaching. In practice, many members do not teach at all, but are engaged in research, community service, or administration. Those who teach average 8.5 hours per week. At Storrs, the teaching work load for the total faculty is 5.5 class hours per week.

One reason to establish a Board of Regents with a mandate to govern is to prompt a balanced study of academic, financial and competitive implications of a change faculty work load policy. If, for example, the student/teacher ratio were increased to 17:1, and teacher contact hours were raised to an average of 9 per week for total faculty, 250 faculty positions could be eliminated or 4,250 more students could be accommodated with the present faculty. Annual savings would be \$5-million.

The instructional salary schedule compares favorably with most public institutions and surpasses those of a target group of schools. If salaries were frozen for one fiscal year with increments for staff members limited to situations where serious inequities exist, the annual saving would be \$700,000. The present board should consider this or an equivalent step.

No objective administrative standards exist over the distribution of faculty members in the classifications of professor, associate professor, assistant professor, and instructor. There is a continuing upward trend in the percentage of faculty members in the higher ranking and higher salaried groups. Lack of a table of organization has caused a 10% increase in costs over and above the influence of other factors in the last 10 years.

Implementation of a formal program utilizing job descriptions and classifications would result in cumulative annual savings starting at 1% of payroll in the first year and increasing to 10% in the tenth year. First-year savings would be \$180,000. Full implementation could save about \$6-million annually. No savings are claimed.

4. Revise the graduate school admission policy for out-of-state residents.

Approximately 40% of the 1970/71 graduate school enrollment of 3,239 students were out-of-state residents at the time of their original applications. The present policy requires these students to pay a non-resident tuition fee of \$300 per year. However, almost all circumvent this charge by establishing an address in Connecticut. Based upon a university estimate of \$3,300 per year for each graduate student, the cost of educating out-of-state residents at the university is approaching \$5-million annually.

In view of the administrative and legal problems associated with the collection of nonresident tuition fees and the rapidly escalating cost of educating grad-

uate students, the admission policy should be revised. The number of out-of-state students should be limited to 10% of the graduate school enrollment. The result would be a minimum annual saving of \$3.75-million.

5. Remove class scheduling from faculty control, establish a 60% utilization goal for classroom space, and set a suitable target for instructional laboratories.

Classroom seat occupancy at the university is as follows: Storrs, 31%; Groton, 19%; Hartford, 22%; Stamford, 19%; Torrington, 18%; and Waterbury, 26%. Corresponding national averages are approximately 40%. Connecticut should establish a goal of 60% utilization as have several other states. Use of laboratories is even lower than that of classrooms. Since laboratory scheduling is more complicated, an appropriate target use rate should be established by the Board of Regents.

Faculty control of class scheduling has resulted in unnecessary limitations on facility use and has not been responsive to student interests. Nearly 400 additional time blocks are available for classroom schedules within the 8:00 a.m. to 5:00 p.m., five-day week during the regular school year. By designating scheduling as an administrative function, removing classrooms from the jurisdiction of any department or group of departments, and correlating class sizes and room capacities, the university can obtain reasonable use of its space. By doubling present utilization rate, the need for equivalent new construction can be avoided. Conservatively, annual savings would amount to about \$2.1-million including rental savings of \$700,000 and operating costs of \$1.4-million. Before further instructional facilities are authorized, a feasibility study should be made of other alternatives such as evening, Saturday, or year-round schedules.

6. Establish a system for assessing actual allocation of time by faculty and other professional and technical personnel.

Each year, heads of academic departments are requested to prepare time allocation estimates for their teaching staff. The estimates vary and no system exists for monitoring actual time allocations. Nonteaching professional and technical support staff keep no records either. Because the salaries concerned are a major financial factor, more reliable information is essential for evaluations of individuals, departments, schools, colleges, and the university.

Despite variations, clear definitions can be established. Therefore, a recordkeeping system should be designed and installed to be maintained by all unclassified personnel assigned to departments. It should be keyed to program budgeting and designed for computer processing, based on weekly records prepared by the individuals concerned. The following benefits are expected:

- ▶ Ability to assess individual performance in perspective with work load factors and the effort expended.
- ▶ Comparison of department work load vs. staff level.
- ▶ Increased capability to plan, schedule, and control academic efforts more effectively.

7. Publish terms of agreements with university and health center faculty.

Agreements with faculty members are not disclosed for review. Since these agreements influence the employment terms for state employees, they should be public knowledge. Full disclosure should be made of existing agreements to reveal any need for revising terms or establishing policy guidelines for the future.

8. Defer building dormitories at Storrs until cost reducing alternatives are studied and the results are published.

Costs have become prohibitive in terms of traditional dormitory construction. At present, due partially to state pay scales and administrative practices, room charges to students quartered on campus do not provide sufficient margin to meet bond amortization. As a result, about 70% of the general fee charged to all students has been diverted to bond repayment. In past years, many other auxiliary enterprises have required general fund subsidies, and other student fees have been diverted to pay dormitory costs.

While the Auxiliary Working Fund is now \$2.3-million in the black, a deficit of \$3.5-million is expected within four years, principally due to bond interest payments on dormitories. On-campus living has lost favor with students and commercial developments are increasing in the university area. Alternatives to dormitories should be considered. These would include modular apartments with student housekeeping privileges and turnkey commercial operations with contracted custodial services.

9. Charge the bookstore for space occupied.

At \$5 per square foot, the rent would be \$50,000 a year. Applying this to the 1969/70 operating statement would have shown a more realistic profit of \$52,000 instead of \$102,000.

10. Solicit bids from private operators for the bookstore concession.

Because of its advantageous central campus location, the university bookstore has little competition. Based on 1969/70 costs of operation, the state would receive higher profits by contracting it to a private operator if terms could be arranged to give the state 6% or more of gross sales with a minimum guarantee of \$85,000 annually. Such a contract is now in effect at Central Connecticut State College calling for pay-

ments of 7.5% on net sales up to \$850,000 and 5% on sales above this amount. The minimum guarantee there is \$75,000 per year. The college provides rent-free space and the operator supplies all support services.

The Commissioner of Finance and Control should solicit bids for such services in liaison with the university's administration to achieve lowest cost for students and taxpayers. In making comparisons, all expenses, direct and indirect, should be considered.

Computer Facilities, Storrs

Two major facilities exist on this campus. The larger is operated by the Engineering Department to provide computer service to faculty, students, and other institutions for research and training. There is a large general purpose computer which processes major applications on a batch basis. It also supports remote terminals and other distant input/output devices which allow faculty and students to undertake computer operations on a time-sharing basis. About 20% of operating costs are covered by grants from the National Science Foundation.

The Engineering Department's computer staff consists of a director, assistant director, four programmers, six operators, one keypunch employee, and two secretaries. In addition, six graduate and eight undergraduate assistants are used on a part-time basis. Usage records are kept by project and department but dollar charge-outs are made only to federally-sponsored projects. These continue until the federal funds are used up. Charges are also made for non-university activities. Monthly usage reports are sent to each department. A system is planned for the fall of 1971 whereby each department is assigned a pro forma dollar budget for data processing. Work will not be accepted once a budget is exhausted.

The administrative facility staff includes a director, two assistant directors, five programmers, four equipment and 10 keypunch operators, one maintenance assistant, and three secretaries. In addition, a Manager of Systems and Programming, assisted by three programmers, uses the facility for program testing. This facility processes administrative records. There is no direct faculty or student use. Usage records and reporting procedures are similar to those in the Engineering Department. All computer components are rented from the equipment manufacturer.

An annual growth rate of 30% to 40% is reported by the Engineering Department facility. Current expectation is that it will be saturated within two years. Larger equipment will have to be installed to maintain service quality. However, the premises are already severely crowded and a new building or major space alterations will be necessary. The time required

for either solution casts doubt on the facility's continuing ability to supply growing demands for computer services. A good deal of the demand results from the absence of an effective cost charge-out system. Institution of such a program would eliminate outdated or unjustified applications, cutting the demand for computer time significantly.

The administrative facility is well-organized and properly staffed. Work loads are growing, possibly due to the absence of a formal procedure for accepting new projects and ensuring that current programs are still needed. A system to provide such controls, as well as an upgrading of equipment, will probably be necessary in the future. All equipment is rented from the same manufacturer. Using compatible input/output devices from other firms could result in a cost savings. Strong interest was expressed by the Registrar and Admissions in an on-line inquiry system to ascertain the current status of any student or applicant. If such a service is economically justified, the present computer would have to be upgraded.

RECOMMENDATIONS

11. Use computer components furnished by manufacturers other than the one supplying central equipment after studying what is available.

Input/output units used by both facilities are rented from the manufacturer of the central components. Other manufacturers offer components which would be simple to use and would require no program modification to install. In addition, they are less costly than present equipment and, in some cases, offer higher performance. In the Engineering Department facility, bulk core storage and three magnetic tape units could be replaced. Disk storage and four magnetic tape units could be substituted in the other facility. The annual savings would be almost \$35,400. In addition, the proposed bulk core storage equipment operates five times as fast as the present unit.

12. Institute data processing service cost charge-out system.

Only federally-funded projects and outside institutions are actually charged. University departments making use of data processing facilities are given monthly usage reports on an information-only basis. Thus, these departments have free and potentially unlimited computer services. Accordingly, no incentive exists to limit calls to justifiable projects or to terminate applications once their greatest usefulness has passed. An annual growth rate of 30% to 40% in computer usage is the result.

Charging the budgets of departments serviced and crediting that of the computer facilities will limit the costly growth rate of the service and enable the administration to monitor its effectiveness. No specific savings can be claimed, but experience with such sys-

tems in other large installations shows them to be highly effective.

13. Strengthen security of computer installations.

Both facilities are inadequately protected in view of recent vandalism experienced at computer installations on other campuses. Bulletproof glass, heavy-duty screens or other protective devices should be installed on outside windows to protect against forcible entry and explosive or incendiary devices. The wooden doors leading from the centers to public hallways should be replaced by exit-only steel doors. Entry to each facility should be through a single lockable steel door. Secretaries should be located near that door to identify and approve persons entering. The estimated one-time cost of implementation is \$10,000.

Physical Plant Department

This department is responsible for operations, maintenance, and improvement of the grounds on the Storrs campus, excluding farm land and athletic fields. It also provides electrical, utility, custodial, and sanitary service to all buildings and technical support to maintenance staffs at the branch facilities.

It operates under the control of the Vice President for Financial Affairs. Including the director, this department employs 586 people. The department is divided into Administration, Planning and Engineering, and Operations. Operations is further organized into Landscape, Power Utilities, Water Utilities, Facilities Maintenance, and Building Services Divisions. The 1970/71 budget is approximately \$7.04-million.

Basically, the department is adequately structured to carry out its responsibilities. However, there is a lack of long-range planning, systems/work measurements, and interagency coordination capability. Methods used are comparable to industry procedures with these exceptions:

- ▶ Remodeling and renovation estimates, used for budgeting, are not made by qualified personnel.
- ▶ Some requests are not clearly defined as either repairs or remodeling/renovation projects.
- ▶ Data processing equipment is not used for recordkeeping and report preparation.
- ▶ The Building Services and Landscape Divisions do not have established work standards.
- ▶ There is a lack of mechanized equipment needed by various trades, particularly van-type vehicles. One reason for the shortage is the absence of a justification procedure to present such requests to management.
- ▶ Trade shop facilities have not kept pace with university expansion. As a result, they are tiny and congested.

RECOMMENDATIONS

14. Obtain contract bids for building service and landscape work to compare with department costs.

Bids should be obtained covering comparable services from outside firms. If current department costs are found to be cheaper, a methods and work measurement program should be established covering these highly repetitive activities.

15. Create the position of assistant director in the Administration Division if custodial and landscaping operations remain a function of the Physical Plant Department.

There is a need for additional administrative capability in the areas of long-range planning, systems/work measurement analysis, and interdepartment coordination. Position responsibilities would include:

- ▶ Development of an economic justification procedure for equipment and facility requests.
- ▶ Review of proposed buildings and facilities to establish efficient custodial and landscaping procedures at the design stage.
- ▶ Implementation of systems/work measurement study findings.
- ▶ Coordination of data processing efforts to produce needed information and reports.

The incumbent would be required to show annual savings at least equal to his salary as a requirement for maintaining the position.

Security Department

This department provides police security, fire protection, ambulance service, parking, information, intra-campus buses, and traffic control for all personnel and facilities located on the Storrs campus. It also supplies limited security coverage at Avery Point and Hartford as well as supervising operations at the other branches.

Employees total 138 and are organized into the Administration, Fire/Ambulance and Traffic Services, Police and Branch Security, and Special Services Divisions. The 1970/71 budget is almost \$676,000. Significant changes have taken place under the new director. Prior to 1969, morale was low, there was no rapport with students or faculty. Further, equipment and facilities were poor. The new director has made significant progress with the personnel, relocated the department headquarters, and added a considerable amount of necessary police equipment.

Designation of the department as "security" is questionable since only 32 of the employees are engaged in this function. While the structure is satisfactory for

the multitype uniformed services provided, there is extreme dependence on students to provide manpower. Facilities are adequate with these exceptions:

- ▶ Lack of garage space for a fire truck housed off campus.
 - ▶ Danger of fire to wooden security quarters.
 - ▶ Unsuitable location of central telephone control system.
- Need for locker space.

RECOMMENDATIONS

16. Provide improved consolidated quarters for the department.

The following physical improvements should be given priority over any additions to the labor force:

- ▶ Fireproof buildings.
- ▶ Move central telephone system to the department's administration building as protection.
- ▶ House the security equipment in an adjacent compound.
- ▶ Provide adequate locker space.

It is not possible to estimate the cost at this time.

17. Implement a master plan for dealing with a major campus catastrophe.

The department is capable of handling normal campus problems. It is not equipped for major catastrophes. A dependable emergency plan should be implemented to cover such events. The president, department director, and state police should jointly determine the possible need for trooper support and assign specific responsibilities to each group. The results should be drawn up into a master plan and trials made to assure its workability.

18. Implement a coordinated program for control of pedestrian and vehicular traffic.

A great deal of damage is done to campus grounds by pedestrians and cars. It is essential that the Security Department spearhead a joint effort with the Physical Plant Department to alleviate this situation. Actions to be taken include:

- ▶ Reduce the number of cars on campus. Increasing the car fee should encourage greater use of buses and bicycles.
- ▶ Tighten parking rules by restricting cars to assigned areas.
- ▶ Determine the number and routes of buses which would be needed to meet majority needs. Charge all students an annual fee for bus service.
- ▶ Investigate pedestrian walk requirements, establish definite routes, and install more walks. Use

markers and other devices to halt traffic across grassy areas.

- ▶ Establish rules and penalties and publish them with an explanation of their necessity.
- ▶ Require the Security Department to enforce the regulations.
- ▶ Provide for monthly meetings between the two departments and the president or his representative to assure continued cooperation in solving the problem.

Purchasing and Warehousing Department

This department is responsible for all university purchasing except library books. It operates a central warehouse for maintenance, repair, and operational supplies as well as a commissary warehouse. In addition, the department is responsible for the motor pool, office machine repair, property control, and travel arrangements for university personnel.

Headed by a director, this section employs 79 persons, including four students. Operating costs were \$672,600 in 1969/70. Employees are organized into Administration, Purchasing Services, Purchasing Warehousing, and Miscellaneous Operations. The staff is knowledgeable and well-organized. Information with regard to operations, costs, and work volume trends is readily available. Personnel are fully utilized to cover a multitude of responsibilities. Quarters are ample with no extra space. The purchasing operation follows classic lines with only two questionable areas:

- ▶ More restrictions exist than are normally found in industry. These are costly and time-consuming.
- ▶ There is a lack of sophistication and data processing support with regard to economic order quantities, reorder points, and purchase order preparation. Real time inventory lists, delivery reports, and evaluations of vendor punctuality and reliability are also handled manually.

RECOMMENDATIONS

- 19. Investigate the feasibility of installing a computerized inventory control and purchase order preparation system to replace current manual operations.**

All operations regarding materials ordered for the central and commissary warehouses are manual. There would be a significant savings in time and labor cost if a computerized inventory control and purchase order preparation system could be devised at a low cost. Such a system would use precalculated reorder points and economic order quantities. A compatible program is now used by industry to supply computer service for maintenance materials inventory control

and purchase order preparation. There is a possibility this program could be adjusted to provide the department with a low-cost system.

- 20. Provide a relocation allowance policy authorizing travel expenditures at a fixed level and budget accordingly.**

Unlike most agencies, the university recruits its faculty from many places outside Connecticut. In the absence of specific authorization permitting travel and relocation expense reimbursement, professional personnel are sometimes put on the payroll prior to their actual starting date. A reasonable policy would make this unnecessary. Travel expenses, when appropriated from the general fund, should be proposed as a budget line item. Once an amount is approved, the Department of Finance and Control need only authorize travel outside the established policy limits.

- 21. Revise the system for assigning pool vehicles to provide detailed information on need and use for control and to estimate future requirements for vehicles.**

Currently, there is a pool of eight sedans and 19 station wagons which can be used by anyone on the university payroll with a driver's license. When a car is used, information is obtained about departure and return time, destination, driver's name, department code, and approval, if the car is to be taken out of state. This is insufficient for proper control. Information should include the reason for the trip, supervisor approval, number of passengers, their departments, mileage, and material transported. New forms and procedures should be established to accumulate these data. It should be processed annually to provide a profile of vehicle requirements. The use of sedans and station wagons is questionable when most of state departments are using compact models. Use requirements should be evaluated at the end of the first year.

University Library

The library system provides a reference and research facility to the students, faculty, and staff as well as the public and other libraries through interlibrary loans. It is a member of the New England Library Information Network (NELINET), a consortium of six New England state universities set up to establish a computer center and develop data processing systems on a regional basis.

Resources include 1-million volumes, 450,000 government publications, and 500,000 microtexts plus other miscellaneous items. Net acquisitions are 100,000 volumes per year and it is a federal depository for government publications. The organization consists of Technical, Public, and General Services Units as well as the Department of Special Collections. The 1969/70

operating budget was about \$2.2-million. It is estimated at \$2.6-million for 1970/71. In 1968, the university decided to use the Library of Congress indexing system. After an initial program of reference material conversion, the balance of the collection is gradually being changed over. About 20% of the cataloging is automated through NELINET which is based on the Library of Congress MARC system. Approximately 5% is original cataloging and the remainder is manual, using a photostated copy of the Library of Congress card. There are 59 professional and 70 clerical and other personnel, not including student help.

The Wilbur Cross, health center, law, and Stamford branch libraries are at capacity. Reader room seating ratios are below the national average and there is no multimedia equipment. Microfilm units are marginal. In addition, the staffing ratio is low compared to similar universities and the volume per student figure is among the lowest in the same group. A participatory management program has been introduced to improve coordination between the Public and Technical Services Units.

Middle management job responsibilities and organization guidelines must be clarified. Modern techniques should be applied to circulation control, acquisition records, inventory, reserve list maintenance, and use analysis of books. There is no operations manual and book loss figures are unknown. Security still depends on visual observation. Automated cataloging has been approached on a regional basis with development costs borne by NELINET.

RECOMMENDATIONS

22. Hire a methods-systems expert.

An industrial engineer-systems analyst should be given functional responsibility for defining organization guidelines and responsibilities. This person would analyze systems and procedures, review methods, and coordinate preparation of department operation manuals. He would also be responsible for developing a meaningful program budget using time surveys, floor-space allocations, statistical data, and the like. The person currently assigned would be an excellent assistant and the nucleus of a two to four person department. While the estimated annual salary for a professional analyst would be from \$15,000 to \$25,000 the improvements in methods, cost reduction and efficiency should more than offset this cost. Students could be employed to run special studies for this function.

23. Install an automated library system using NELINET computer facilities.

With present manual systems and control, there is no efficient way to determine where books are, which volumes a patron may have, or when a book is delinquent. This results in loss, unavailability, and potential duplication. Overdue notices, reservations

lists, and student help payrolls are manually prepared causing costly clerical activities.

A number of flexible automated library systems are available with equipment and standardized applications which can be tailored to suit the university's needs. They use keyboard entry terminals. By choosing one which produces a paper tape-off line mode, the system can be used in conjunction with the NELINET computer and appropriate programs purchased. One-time costs for purchase of the keyboards, debugging, and programs will be \$35,000. Operations will run about \$15,000 per year. Annual savings should amount to \$57,000 with a staff reduction of four full-time employees and a 25% decrease in student personnel. An additional savings of \$98,000 per year can also be realized through avoidance of hiring seven people every five years to handle circulation increases. However, this amount is not being claimed.

24. Install book theft detection equipment at the Wilbur Cross Library.

Electronic detection devices can substantially reduce book losses. On the basis of 667,000 volumes in this facility, installation of a detection system could result in annual savings of \$187,000 per year. The one-time cost would be \$167,000 with an annual expense of \$10,000. Since the initial cost is based on tagging all the volumes at once, it could be reduced by marking only a portion of the collection. It may also be possible to obtain federal funds for student work-study programs to subsidize this physical preparation.

25. Arrange for an exchange of services with the New England Research Application Center.

The center is a nonprofit service function operated by the university's School of Business and has access to millions of pieces of information including all research results from NASA and its thousands of contractors. Its tape files only contain data as far back as 1960. Prior information must be gathered from printed material such as the books in the Wilbur Cross Library. Therefore, an agreement should be established between the school and the library for mutual preparation of bibliographic development. Costs would be offset by eliminating bibliographic salaries.

26. Improve use of existing library facilities and establish priorities for building additions.

The university's library system has reached the limits of its capacity. Acquisitions have averaged about 110,000 volumes per year for the last four years. Discards average only 3,000 per year, resulting in increased floor space use of 7,300 square feet per year. If ground were broken immediately for new facilities, they would take three years to complete. Therefore, the following alternatives should be evaluated:

- Review acquisition policies.

- ▶ Develop closer interlibrary relationships.
- ▶ Devise and implement a strong discard policy.
- ▶ Move departments with no patron contact or those which require a minimum of space to nonlibrary facilities.
- ▶ Investigate the feasibility of converting a periodical reading room and the all-night study area to storage space.

27. Make the Wilbur Cross Library the central clearinghouse for the college system.

In addition to the university system, there are 18 other college libraries with at least a half dozen more in the planning stage. The books alone total approximately 2-million with annual acquisitions of about 260,000. Therefore, the Wilbur Cross Library should be made the central clearinghouse for all college acquisitions. By developing a list of holdings, it would prevent duplications and encourage expansion of interlibrary services. Avoidance of 10% of the current acquisitions would save \$235,000 per year. Preparation of the list would cost \$25,000 with annual maintenance expense of \$5,000. Interlibrary transportation costs are estimated at \$17,000 annually.

Health Center Library

This facility was established five years ago. The staff totals 19 including nine professionals. Its 1970 budget was \$383,000 and the current collection totals over 70,000 volumes.

Present rented facilities are completely filled and reader and technical services are at a minimum. Equipment, including desks, tables, and warehouse-type bookstacks, is marginal. Systems and procedures are adequate.

A new library is under construction and completion is estimated for December 1972. However, it will hold only the present collection. A proposal has been made to use the basement for the anticipated overflow. No security program is in effect or planned.

RECOMMENDATIONS

28. Install a security system in the new building at Farmington.

No provision has been made for an electronic security system in the new library. Book marking and equipment installation are estimated at a one-time cost of \$20,500. Annual savings on lost books are estimated at \$22,500.

29. Use standard furniture, stacks, and fixtures in the new facility.

Current plans are to order custom furniture, stacks, and fixtures for the library. The estimated cost is \$200,000. Using catalog purchased equipment would provide a one-time saving of \$100,000.

Division of Housing and Food Services

This division operates a total of 92 residence units and eight large dining facilities. Over 60 small dining halls are operated by students with guidance from the division. It also supervises two apartment buildings and 77 houses for faculty and administrators.

The fee structure in residence halls ranges from \$420 to \$500 per school year for undergraduate rooms. Graduate accommodations are \$600 per year. Board charges cover three meals a day, five days a week. Meal plans in university operated halls are \$610 per year. Meals in student operated facilities range in price from \$480 to \$600 per year. The apartment house rentals are \$95, \$105, and \$150 per month. Free residences are provided for the president and one other officer. Monthly rentals for the other residential facilities vary from \$30 to \$250.

The housing and food service fees are supposed to cover all operating expenses as well as a portion of the capital cost of the buildings. They do not meet these expenses as some salaries are paid out of the general fund. Net losses for 1969/70 were: residence halls, \$1.2-million; food services, \$35,900; and residential properties, \$67,600, without considering either salaries paid by the general fund or fringe costs.

Housing and food services are being provided at greater expense than necessary because state labor rates are higher than commercial competition and because of the lack of cost-conscious management. Neither area of this division uses effective work standards and both are overstaffed. Present accounting procedures are costly, cumbersome, and do not establish cost/effective standards.

RECOMMENDATIONS

30. Solicit bids from commercial catering services for the purpose of reducing costs of food service and associated support functions.

Food service costs are paid partially by the students and partially by general fund appropriations. In addition to direct expenses, the university and the state must provide support services — personnel, purchasing, accounting, and recordkeeping as well as retirement and fringe benefit costs — to maintain this function. By using professional management and cost-reduction techniques, commercial catering firms are often able to supply equal or superior service at lower costs than those incurred in self-operation. Therefore, the Commissioner of Finance and Control should solicit bids for such services in liaison with the university's administration to achieve lowest cost for students and taxpayers. In making comparisons, all expenses, direct and indirect, should be considered, including fringe and retirement costs now paid but not allocated.

31. Strengthen the management of the food service operation if catering services are not contracted.

Another recommendation proposes studying the feasibility of contracting for food services. If this is found to be impractical, the present organization should be realigned to give better work distribution and control. The operation would report to a director. He would be assisted by an office manager and a chief dietitian. The manager of off-campus snack bars would be responsible for facilities at Waterbury, Hartford, South-eastern, Stamford, and Towers. The assistant director, dining hall operations, would handle the north campus, Shippee, Whitney, McMahon, Commons, Ryan, and Buckley. The commissary manager would be in charge of the bake shop, linen room, and storekeeper operations. Planning menus centrally would save \$80,000 in food costs each year. Establishing staffing standards and reducing personal service expenditures by 20% would produce annual savings of \$336,000. Total savings would be \$416,000 and the cost of implementation would be \$25,000 per year.

32. Adjust residence hall room fees to cover all costs.

The fees now charged students range from \$420 to \$600 per year and are not sufficient to cover all expenses. Salaries of the division's director and four members of his staff as well as head residents and resident counselors are paid from general funds. This is done on the theory that the residents and counselors are advisors rather than monitors. However, since adult supervision is a necessity in the residence halls, at least half of these salaries should be considered a residence hall expense. Based on 1969/70 figures, additional income of almost \$1.07-million would be needed to cover expenses. Fees should be increased by 33% to provide the necessary income.

33. Adjust charges for food services to cover all operating expenses.

The university policy is to charge enough for food served in dining halls, the student union, and snack bars to cover operating expenses. Fees are adjusted each year based on estimated expenses with the intention of breaking even. However, the salaries of the division's director and four of his staff are not covered. Prorating this expense of \$48,000 between food and residential services, the food service income should be increased by \$24,000 annually.

34. Increase rental rates of residential properties to cover all operating expenses.

The university operates two apartment houses and 77 residential units for faculty, administrative personnel, and graduate students. Rents are adjusted periodically to cover operating costs on a breakeven basis. To offset bond amortization and staff salaries not allocated elsewhere, the rates should be increased to provide \$48,000 in additional income each year.

35. Remove residential housing from prime central campus locations to provide more space for educational purposes.

Many of the 77 housing units are in central locations intermingled with student residence halls, classrooms, and other buildings. Most were built in the early 1900's, are costly to maintain, and detract from the appearance of the campus. These houses should be removed and the land put to better use. The need for housing for faculty and administration officials should be studied and, if required, new residences built on less valuable land.

College of Agriculture and Natural Resources

The college offers four-year undergraduate programs in general agriculture as well as agricultural business and science leading to a bachelor of science degree. The graduate school offers master's and doctoral degrees while the Ratcliffe Hicks School of Agriculture offers one and two year certificate programs.

Headed by a dean, the college employs 456 persons at an annual cost of \$5.25-million. The present enrollment is 527 students and the college controls approximately 2,500 acres of land while maintaining large and varied numbers of animals. It sells animal and plant products to the university and surrounding communities to recoup some of the operating costs. Approximately 80% of its expenditures are for personnel services.

This college is not carrying out the university's major mandate to educate students in branches of agricultural and mechanical arts. Enrollment is small and has been so for several years while the rest of the university's enrollments have been growing. The college is most actively occupied with extension and public service programs which receive 38.8% of the personnel expenditures. Organized research has 34.2%. Instruction and department research incurs 18.4%.

Almost 1,200 acres of the 2,500 controlled by the college are not used and another 500 to 600 acres is woodland. Use of prime land adjacent to the main campus for poultry and pasture is questionable since the university could use this land for expansion purposes without additional expenditures. Farm buildings and equipment are outmoded and in poor repair. Numbers, types, and locations of livestock appear excessive. The policy of selling products to cut costs has not been successful.

RECOMMENDATIONS

36. Establish specific objectives for the College of Agriculture and Natural Resources and eliminate nonessential activities.

The college controls a large segment of the university's physical resources and a significant portion of the operating budget considering the size of its enroll-

ment. Use of the 2,500 acres controlled by the school is inefficient, but the university has continued to acquire land in the last two years. Instruction and department research receive only 18.4% of the total personnel expenditures. The remainder is spent on extension and public service programs as well as organized research. Enrollment is dropping and the cost of instruction per student is double that of the university as a whole. The lack of meaningful objectives has prevented development of an effective functional and financial plan.

A five-year plan of operations, directly related to effective staff and financial control, should be prepared. If general fund appropriations for instruction and departmental research were cut by \$210,000 annually, per-student costs would still be 50% higher than for the university as a whole. Additional savings should result from sale or lease of unused property, elimination of most livestock, and a resultant lowering of operating costs.

37. **Require that any requests for additional land sent to the Governor or General Assembly be accompanied by an inventory of land owned by the university including present usage and future plans.**

Considering the amount of unused land owned by the university, it is doubtful that current acquisition control practices are adequate. Expenditures of \$494,000 for 192 acres during 1968/69 and 1969/70 are hard to justify when 1,000 unused acres are already owned. Pasture and poultry land adjacent to the main campus could easily be used if central land is required. The approving parties should be provided with complete, easily interpreted data so a better evaluation can be made.

The E. O. Smith School

This facility was established to serve as a public secondary school for the towns of Mansfield and Ashford. Its goals are:

- ▶ Maintenance of a secondary facility beyond what the local communities can afford to serve the families of present and future university staff.
- ▶ Provision of a school to aid in training secondary teachers studying in the university.

- ▶ Establishment of a testing area for educational programs which would serve as a model for the state.

A vocational-agricultural center has been added to serve students from several communities. The University Board of Trustees also serves as the Board of Education for the school. The Dean of the College of Education shares the role of superintendent with the provost and an assistant dean who is the school's director. Key teachers are employed by the college. There is an advisory board comprised of representatives from the university, delegates from the Mansfield and Ashford Boards of Education, and community representatives. The university pays \$150,000 of the annual cost and provides the buildings and grounds. The towns are charged tuition on a per-student basis to cover other operating costs.

The school has not achieved its goals and the towns are discontented with tuition rates, administrative practices, and general lack of response to community perspectives. Responsibilities are not clear and the present organization is unsatisfactory.

RECOMMENDATION

38. **Review the objectives and restructure the organization which governs the school.**

The present organization is not satisfactory and is causing friction between the university and surrounding communities. To accommodate the interests of both, a new pattern should be established by legislation along the following lines:

- ▶ Relieve the university board of direct responsibility for the school.
- ▶ Require the university, Mansfield, and Ashford to establish a joint board to govern the school. The make-up should be decided by the present advisory council which would then be dissolved. A superintendent position for the school should also be established.

Benefits will include improved communication, better representation for both university and communities, and more effective participation in school matters as well as clearly defined accountabilities.

State Colleges

Direction of the four colleges is the responsibility of the Board of Trustees. It makes appointments and other top level personnel decisions as well as handling liaison activities for the schools. It also provides coordinating, consulting, and advisory services.

The colleges are education-oriented and approximately 60% of the students intend to teach. Present broad curricula also offer a more general approach. The colleges grant associate and bachelor's as well as master's degrees.

ORGANIZATION AND PROCEDURES

The board consists of 12 members assisted by a professional staff of six and a clerical/secretarial group of three. The staff is divided into the Planning, Research, and Fiscal Affairs Divisions. National Defense Education Act loan repayments are administered by two employees with part-time assistance as required. Grants have been made totaling approximately \$3-million. Repayments are made to the board, which turns the money over to the Treasurer. The average number received is 20 per day.

The full-time graduate and undergraduate enrollment is 18,000 students. This is expected to reach 31,000 by 1980. Applications exceed the number of available places and students are selected on the basis of high school class standings and entrance test results. All graduates of state community colleges with grade averages of 2.0 are eligible for admission to junior level classes. Staff, except for part-time student help, are civil service. Most faculty positions are unclassified while nonacademic ones are classified.

Tuition charges for state residents are \$100 per year. Out-of-state students pay \$700. There is also an activity fee of about \$36 and various charges for special courses. The per-student cost is over \$1,500. Estimated expenses for fiscal 1971 were \$24.34-million. Apart from monthly meetings of the presidents, there is little interinstitution coordination. The colleges are relatively free to set their own policies and procedures. They do participate in such state-wide functions as purchasing, budgeting, financial control, personnel, and payroll.

EVALUATION OF EFFECTIVENESS

The board staff is well qualified and productively employed. However, coordinating functions have not been carried out effectively on administrative and operational levels. The result is redundancy in some activities and a lack of middle management coordination at the colleges. Loan repayment records are not given adequate physical protection and no off-site files exist. Destruction of this information could result in outstanding loans being written off because of a lack of documentation.

Evaluations of the colleges are limited to administration and operations. Most of the shortcomings either involved other state agencies or were the result of required state-wide procedures. All four schools make use of state computer facilities in addition to equipment of their own. However, automation of administrative functions has not proceeded far enough. Considerable variations exist between the institutions in regard to administration and procedures, leading to inefficiencies and duplication. Three of the colleges have low utilization of classroom space.

RECOMMENDATIONS

1. Provide adequate protection for Financial Division records.

The board administers repayments of loans granted under the National Defense Education Act. Approximately \$3-million is outstanding. Each student's repayment record is posted to a ledger card. These are kept in uncovered files which are left in an open office area. They should be given fireproof storage, preferably locked, during times when the board's office is not in use. Destruction would result in substantial loan write-offs. For the same reason, records sufficient to enable reconstruction of the information should be stored in another building. Since storage space is available, there is no cost for implementation.

2. Consolidate the National Defense Education Act loan repayment functions of all public colleges.

These loans are granted to students at all public colleges. Each institution maintains a separate loan repayment function. Since the activity is identical, it should be administered by a single group and automated for further economies.

3. Adjust financial incentives to provide funds only for those teaching areas where a shortage exists.

Substantial loan remissions are granted to students who enter and remain in teaching on the primary, secondary, and higher education levels where there is currently an oversupply. No financial incentive is offered to nursery school teachers although there is a shortage of personnel in this area. State law should be changed to offer remissions to such teachers.

4. Do not fill vacant staff positions and transfer the Director of Planning to the Division of Research and Publications in the Commission for Higher Education.

Primary activities of the board's staff include budget consolidation and loan repayment administration. The present number of employees is ample for the work load and the Director of Planning would be better used by the Commission for Higher Education. The savings which would result from not filling vacant positions total \$121,000 per year.

5. Improve control over bookstore cash receipts at Western Connecticut State College.

At the end of each day, the contents of the registers are counted, balanced to the journal tapes and, except for an imprest amount of \$50, turned over to the Bursar's office with a control sheet. The cash is counted on the following day and balanced to this sheet. During the process no bookstore representative is present. This could lead to difficulties if the office reports a difference between cash received and the control amount. Accordingly, a bookstore employee should remain to assist in resolving differences. No savings are claimed.

6. Install anti-pilferage devices in the Western Connecticut State College Bookstore.

In the absence of a perpetual inventory system, no exact figures exist on the store's pilferage experience. Similar retail establishments have found installation of convex mirrors and/or real or dummy television cameras significantly reduces losses. Savings should exceed the modest cost of installing mirrors by a significant amount.

7. Offer textbook discounts at the end rather than the beginning of the semester at Western Connecticut State College.

A 10% discount on all items is offered to students during the first two weeks of each semester. This is the Bookstore's peak volume period. If the discount were offered in the last two weeks of a term, students would be encouraged to buy books early, reducing the inventory carried. No saving is claimed.

8. Circulate a dead-text list at the end of each semester.

Unsold textbooks no longer required for courses remain in inventory indefinitely. It is possible, however, that a given text may be used at other institutions. A list of such texts should be prepared at the end of each semester and circulated to other college bookstores. Substantial discounts should be offered. Implementation would lower costs and reduce inventory writeoffs.

9. Study the feasibility of leasing college bookstores to private operators.

The store at Central Connecticut State College is leased to a private operator who pays the school \$75,000 annually plus a percentage of gross sales. It is thus a permanent source of revenue. The other schools operate their own stores, sometimes at a loss. It might be to their advantage to ensure a modest income by a leasing arrangement, even at the cost of possible substantial profits. In addition, the colleges would be freed of retailing responsibilities.

10. Use computers to accomplish recasting of the state colleges' budget preparation.

The colleges must submit their budget requests to the board in three formats. Recasting the budget twice is done with considerable manual effort. Since the reporting requirements are the same, a computer procedure to accomplish the recasting should be developed at the State Data Center. No savings are estimated.

11. Transfer the payment preparation procedure at Western Connecticut State College to the Accounting Department.

The procedure which leads to issuance of vendor checks is the responsibility of the Purchasing Department.

Combining issuance of orders and payment for them in a single department is not desirable because of the possibility of procurement frauds. The payment procedure should be transferred to the Accounting Department.

12. Do appropriation accounting mechanically at Central Connecticut State College and give greater protection to cash.

Student and general fund accounting is performed on an accounting machine while appropriation accounting is done manually. It, too, could be mechanized. If a second machine is found to be necessary, the one-time cost will be \$18,000. Annual savings would be \$13,000 because of a staff reduction of two positions. In addition, protection of cash and checks in the cashier's office should be strengthened.

13. Institute and implement a receivables ledger by mechanizing the function at Western Connecticut State College.

Information about amounts to be received from or refunded to students is manually compiled. It should be computer-produced. The one-time cost of conversion would be \$3,000. The annual saving would be \$3,400.

14. Strengthen the security of college data processing installations.

Computer installations at the state colleges do not have adequate security protection. There is some off-site storage of data, but not of programs or documentation. Therefore, the following safeguards should be instituted:

- ▶ Placing bars or heavy screens over outside windows. New installations should have interior quarters for increased security as well as humidity control.
- ▶ Limiting student access to the facilities.
- ▶ Providing spare copies of source card decks for all regular programs as well as magnetic tapes or disks for off-site storage. Similar backup should be given to important data files and program documentation.
- ▶ Obtaining locked fireproof storage facilities for program and data card decks plus magnetic tapes and disk files kept in the installation.
- ▶ Improving program documentation practices. Verbal descriptions, flowcharts, compilations, input and output layouts, samples and operating instructions should be provided for each program and documentation bound in a joint folder.

The one-time cost of implementation is estimated at \$25,000.

15. Purchase catalog, and book pocket cards from the central State Library instead of outside vendors.

Two of the college libraries purchase around 23,000 books annually and acquire their catalog and pocket cards from outside vendors at a total annual expenditure of about \$19,000. The same cards are available from the State Library at \$0.40 per set. Their use would result in an annual saving of about \$9,500. If procedures at the other two libraries are similar, the annual saving would amount to around \$19,000.

16. Institute an inventory system in the library of Central Connecticut State College.

There is no precise inventory information for this library. A regular system, possibly similar to the cycle followed at Western Connecticut State College, should be instituted. This can be handled by existing staff during summer months.

17. Institute financial controls over the laundry operations at Central Connecticut State College dormitories.

Laundries are located in the dormitory basements. These machines are owned by an outside vendor, who pays the college 40% of gross collections. However, the vendor's cash count is accepted, which is an undesirable financial practice. Cash removal and counting should be done in the presence of a college representative. Employees should be assigned this duty on a rotating basis. Consideration should be given to applying this recommendation to other colleges' relationships with outside vendors.

18. Use the computer to provide complete student transcripts.

Student transcripts are prepared manually by pasting computer-printed gummed labels onto pretyped transcript cards. The computer procedure could be expanded to prepare a full transcript for each student. One-time programming cost is estimated at \$6,000 and annual savings at \$21,200.

19. Centralize the basic functions of the admissions procedure.

Admission procedures are independently administered by a staff at each state college. Some of these functions could be centrally administered. No savings are

claimed. However, the operational advantages would be more rapid processing of applications, inventories of available student places by institution and major subject, and ability to adjust rapidly to changes in overall admissions' policies.

20. Increase the intensity of classroom use.

The high cost of classrooms and related teaching facilities makes it necessary to use them as intensively as possible. At the state colleges, teaching hours should be from 8:00 a.m. to 5 p.m., including the noon hour. At Southern Connecticut State College, the percentage of available seats occupied during teaching hours is 50.8%. The remaining schools vary from a low of 17.3% to 33.9%. The national average is about 40% and a number of states have set 60% as a goal. The state colleges could obtain increased use of facilities by designating the problem as an administrative one and removing classrooms from the jurisdiction of a single department or group. Poorly attended classes should be discontinued. Using the 60% rate, savings from reduced needs for new construction would be a one-time amount of about \$2.44-million. The indicated savings are calculated on the avoided costs of building additional classroom facilities to educate that number of students at present rates which could be educated at a 60% rate with present facilities.

21. Review applicability of preceding recommendations to Eastern and Southern Connecticut State Colleges.

Many of the recommendations may be applicable to Eastern and/or Southern Connecticut State Colleges. Therefore, the administrative policies and operations of those schools should be reviewed to determine applicability.

22. Determine and implement a specific discard policy for state college libraries.

Relatively few books are discarded by these libraries. Unless a specific policy is established and followed, stack requirements and costs will continue to grow without an attendant growth in facility quality and value. A study to determine a realistic discarding level should be conducted as soon as possible and the resultant policy made mandatory on these state college libraries.

State Technical Colleges

The four state technical colleges offer programs that prepare students for immediate employment and fill the need for skilled personnel in Connecticut's man-

ufacturing and service industries. They provide two-year, collegiate-level curricula in various technologies leading to associate degrees in applied sciences. Of-

ferings also include a one-year occupational certificate course, a one-year pretechnical program to prepare students for degree studies and unit courses.

ORGANIZATION AND PROCEDURES

The State Board of Education is also the Board of Trustees of the State Technical Colleges. It appoints a director who is responsible for operating four colleges located in Hartford, Norwalk, Norwich, and Waterbury. A fifth is planned for the greater New Haven area.

Admission is open to high school or vocational-technical graduates, who are required to pass an entrance examination which stresses math and the physical sciences. Tuition is \$100 per year for day attendance, plus charges of about \$150 for books and incidentals. Evening courses are \$5 each. The colleges use uniform organization patterns, operating procedures, and budgeting guidelines. Each has a regional council composed of representatives from businesses in surrounding areas. A close relationship is maintained with vocational-technical schools. The schools are accredited by the New England Association of Colleges and Secondary Schools and the Engineers Council for Professional Development. Graduates can enter some four-year colleges at full credit.

The Hartford site has no land available for further expansion. The other sites have room for one more addition. Expansions are planned for Norwalk and a combined technical-community complex in New Haven and Hartford. Expenditures are estimated at \$4.24-million for fiscal 1971.

EVALUATION OF EFFECTIVENESS

The colleges have done a good job in training technicians for industry. They have identity, educational and professional accreditation, and industry recognition. The administration reflects reasonable business practices. Expansions are carefully planned and the use of facilities, while low, exceeds other publicly-supported higher education colleges.

In 25 years of operation, the State Board of Education has failed to be a leader in developing liaison between the technical and other colleges. The four institutions, while similar in many areas, lack a formal interchange of information, data, and programs. Approval procedures are unduly complicated.

An increasing number of students go on to four-year colleges. In 1970, 39% took this route. To permit full transfer credit, curricula have been altered somewhat. This has meant duplication of nontechnical courses.

Applying students have balked at the higher tuition fees and stiffer entrance requirements and have signed up at the less costly community colleges. These schools are being established in areas where there are

existing technical institutions. This results in duplication of facilities. There is need for the technical colleges to become part of a master plan with a definite place in the overall higher education system.

RECOMMENDATIONS

1. Increase intensity of classroom use.

The high-cost assets represented by classrooms and related teaching facilities should be used as intensively as possible. Therefore, teaching hours should extend from 8:00 a.m. to 5:00 p.m. including the noon lunch hour. The percentage of seats/hours utilized during the day are Hartford, 27.3%; Norwalk, 33.7%; Thames Valley, 36.6%; and Waterbury, 41.3%. The national average is somewhat about 40%, while a number of states have set 60% as their goal. The colleges should work towards greater use of their facilities by designating the problem as one for administrative rather than departmental attention. Poorly attended classes should be discontinued and no classrooms assigned to only one department. Savings are calculated on avoided cost of facility expansions. Using a construction figure of \$60 per square foot, increasing classroom use to 60% would avoid one-time costs of \$879,500.

2. Defer further expansion of technical colleges until the higher education master plan can be defined and implemented.

Since 1965, the Legislature has fostered development of community colleges without a master plan for the state's higher education system. The dual existence of technical and community colleges has resulted in several problems:

- ▶ Duplication of facilities, faculty, and curricula with some areas of the state still being inadequately served.
- ▶ A basic policy split with technical colleges aiming for employment at the end of two years and community schools advocating continuance at four-year institutions.
- ▶ Marked differences in entrance as well as tuition requirements.
- ▶ Competition for students and faculty.
- ▶ Failure of both types of institutions, judged in terms of one system, to offer a comprehensive program of education.

Therefore, a master plan should be developed and implemented for both types of schools before any further expansion. In addition, a long-range funding program should be established to support the project. No savings are claimed. However, elimination of duplication and an increase in facility use will result in substantial savings on a per-student basis.

Regional Community Colleges

The regional community college system is comprised of 10 institutions which are located in high population centers throughout Connecticut. The Board of Trustees is the governing body for the community colleges. It is responsible for the administration and program development of the existing colleges and for planning new colleges and curricula. The curriculum of each college is structured to the needs of the area served. Degrees of Associate of Arts and Associate in Science are awarded upon successful completion of the two-year programs.

ORGANIZATION AND PROCEDURES

Each college is administered by a president who reports to the Board of Trustees. The board consists of 12 persons who administer the system through an executive officer and central office staff. Subject to policies and directives established by the board, the president of a school has full responsibility for academic and administrative functions.

The 10 colleges now in operation are Northwestern, Manchester, Greater Hartford, Norwalk, Middlesex, Mattatuck, Housatonic, Mohegan, Tunxis, and South Central. Three more colleges have been approved by the General Assembly. They include North Central, North Eastern, and Lower Naugatuck Valley. In addition, a study is being made to consider the feasibility of a college to serve the towns of Meriden, Wallingford, Southington, and Cheshire. Of the operating colleges, only Northwestern occupies its own campus.

The others are housed in a variety of leased facilities. Most are operated at several widely separated locations and many classes must be held during the late afternoon and evening. Facilities for libraries, lunchrooms, bookstores, and extra curricular activities are either not available or at a bare minimum. The colleges offer approximately 40 courses in liberal arts, science, applied arts and sciences, public and social services, allied health services, and business. They also provide noncredit community service courses and a full program of academic and career counseling for their students.

EVALUATION OF EFFECTIVENESS

The Board of Trustees, the presidents, and the professional staffs have done a remarkable job in creating a 10-college system within a six-year period. However, insufficient operating and capital funds have made it impossible to offer students more than a bare minimum of educational opportunity. Much remains to be done to improve the existing colleges and their programs. The system would benefit by deferring new

schools in order to concentrate on improving those now in operation.

Buildings and equipment are makeshift, rented, or borrowed. They are widely dispersed and there is little sharing of facilities with other state and private educational institutions. The colleges do not meet necessary standards for full accreditation.

The board has given considerable autonomy to each college. Because of this and a lack of coordination from the central office, the schools have developed different procedures for similar tasks. Thus, there is a lack of uniform records, accounting methods, and recordkeeping equipment.

The system is seriously imperiled by being under the control of a Legislature which now meets annually and passes laws and appropriations contrary to the study findings made by educational authorities. This precludes essential long-term planning. The lack of permanent campuses, accreditation, and coordination with other two-year state educational institutions limits eligibility for participation in federal funding.

RECOMMENDATIONS

1. Discontinue using capital funds derived from issuance of state bonds for payment of annual lease expenses.

Funds derived from state bonds are being used to pay annual rentals. In the next two years, rents are expected to total \$5-million or more. Borrowing this amount at 5% interest for 20 years will double the expense and cost the state \$5-million in interest over the period. The rents should be paid out of the appropriation for current operating expenses, saving interest of \$250,000 a year and a total of \$5-million over a 20-year period.

2. Defer establishment of additional colleges pending the development of a master plan.

The Legislature has authorized three additional community colleges. It is estimated they will cost about \$39-million. A master plan with a firm directive and schedule should be developed with consideration given to the amalgamation of the two-year technical schools and the two-year branches of the University of Connecticut with the regional community colleges.

Legislation should be passed deferring the building of additional colleges until this plan has been completed. It is anticipated that approximately \$570,000 will be included in the 1971/72 budget for operating expenses. This amount would probably be equally divided between two of the three colleges which have been authorized. No savings are claimed.

State Teachers' Retirement Board

This board was created to supervise the teachers' retirement system. Its responsibilities include accumulating payroll deductions, handling transfers, terminations and reinstatements, and administering the retirement plan.

ORGANIZATION AND PROCEDURES

The board is composed of the Insurance Commissioner, the Bank Commissioner, the Secretary of the State Board of Education, and two elected teacher representatives. General administration of the system, exclusive of investments, is vested in the board. It employs a secretary to administer the retirement system and retains an actuary as its technical advisor.

Membership is restricted to certificated teachers in the public schools for whom it is mandatory. Certificated personnel in the employ of various state educational organizations may also elect to join the system. The board's staff has increased from 22 in 1965 to 31 in 1970. Administration expenses have grown from \$145,000 in 1965 to \$282,000 in 1970. The 1971 projection is \$327,000. All disbursement authorizations for refunds, pensions, medical insurance withheld from pension checks, and dependency/survivorship benefits are issued by board employees. As each teacher retires and elects a pension option, the board determines the validity of the claim, the amount of the monthly check, and the actuarially determined amount the state must pay to fund the pension fully. Commencing in 1969, the state has funded its portion partially with cash, but in large part by issuing its own 20-year bonds to the retirement fund.

EVALUATION OF EFFECTIVENESS

Office operations are tightly and effectively controlled by the secretary. But the systems in use have evolved over a long period and are repetitive and overlapping. The data processing system was installed in 1963 and is not fully used.

The lack of effective two-way communication with the 233 state agencies paying into the fund causes unnecessary clerical work duplication. The practice of paying a longevity bonus twice a year cannot be supported on a logical basis.

The proposed deferral of retirement annuity funding will add unnecessarily to costs. The failure to provide current funding for the more than 45,000 teachers is a serious weakness in the fiscal soundness of the teachers' retirement system. The matter is not under the control of this board, but is directly relevant.

RECOMMENDATIONS

1. Institute an actuarial study of the present method of terminal funding.

The maximum retirement benefit is computed on average salary for the three highest years with a multiple of 2% for each year of service up to a limit of 75%. The state actuarially funds the difference between the annuity derived from salary withholding, plus interest, and the total retirement benefit. This averaged \$75,000 per retiree in 1970 and in one case cost \$160,000.

The rapid growth of teachers' salaries will lead to disaster in terminal funding of pension costs unless a new program of funding is adopted. A study would involve a one-time cost of not more than \$25,000.

2. Provide money for retirement funding through current appropriations.

Funding retirement benefits is an annual charge which will grow each year. Borrowing money to pay these benefits is fiscally unsound. In 1970, funding totaled \$40.1-million of which \$30.9-million was borrowed money in the form of state bonds. If bonds continue to be used, the interest payment will amount to \$24-million at the end of 20 years. Added to the \$30-million due on matured bonds, the total expense will reach \$54-million per year. Funding the retirement program through current appropriations will save \$1.2-million for the first year.

3. Prohibit the State Teachers' Retirement Board from holding state bonds as part of its portfolio.

In 1969 and 1970, state bonds were issued to the retirement fund in lieu of cash. This was contrary to the judgment of the board. Interest rates were 4.5% and 5%. With cash, utility bonds could have been acquired with rates of 8.25% and 8.62%. If the bonding practice is continued, the state's cost to maintain actuarial integrity of the retirement fund will increase by \$6-million per year. This amount represents the difference between low yield state bonds and high yield bonds.

4. Reject proposal to fund teachers' retirement in year subsequent to retirement rather than in year of actual retirement.

It has been suggested that the \$35-million required to maintain actuarial soundness of the 1972 retirement fund be deferred until 1973. Benefits would thus be paid out prior to having money for the specific retirees, decreasing the fund's earning power. The state would have to reimburse the fund for its lost income. Using a 6% rate, an additional \$2.1-million of state

money would be required. Rejecting the proposal would save this amount.

5. Discontinue longevity pay.

A bonus to employees with 10 or more years of service is paid semi-annually as an incentive. It is computed as a percentage of the annual increment in the employee's salary group and increases with years of service. The bonus has no relation to job performance. Savings from elimination are claimed elsewhere in this report.

6. Assign a board employee as full-time liaison with employers and members of the retirement system.

The 233 school districts remit monthly payments and submit annual reconciliations to the Accounting and Retirement Divisions. The reports are complex but vital. A liaison employee could clear problems in advance and eliminate time-consuming reconciliations of data. This person also should arrange area meetings for teachers nearing retirement to discuss and clarify program options and benefits. Implementation should make possible a staff reduction of one, for annual savings of \$13,000.

7. Restructure the data processing system to handle major functions done manually and provide rapid-inquiry facilities.

The data processing system does not provide full benefits, because the following functions are done manually:

- ▶ Calculation of retirement benefits.
- ▶ Reconciliation of monthly contributions with annual reports to individual members.
- ▶ The buy-in-through-withholdings procedure.
- ▶ Eligibility determination for survivorship/disability benefits.

Reprogramming to handle these functions would cost \$30,000. A rapid-inquiry facility for account status records on computer files is also needed. At present, up to three months is required to answer inquiries.

A printing terminal, at a one-time cost of approximately \$1,200, could be purchased to provide hard-copy replies for account inquiries. Annual savings of \$27,600 could be obtained by eliminating requested additional personnel for the manual work.

Board of Education and Services for the Blind

The Board of Education and Services for the Blind provides rehabilitation programs for legally blind and visually impaired persons. Most services are rendered by traveling rehabilitation and educational consultants and social workers.

ORGANIZATION AND PROCEDURES

Six members are appointed to the board by the Governor for a term of four years. The Governor and the Chief Justice, or designated representatives, serve as ex officio members. The director is appointed by the board. There are four separate divisions reporting to the director. They are Children's Services, Adult Services, Adult Vocational Rehabilitation, and Business Administration.

Children's Services assists about 600 blind and visually impaired children throughout the state. The Board of Education and Services for the Blind also uses facilities of the Oak Hill School, a private, nonprofit, residential school for blind children. The director is a member of the school's board. In 1970, state funds provided \$440,000 of the school's \$1.1-million operating expenses.

Adult Services is responsible for services to approximately 500 adult blind. These consist of rehabilitation teaching and counseling in the home as well as administration of a home industries program providing work for the shut-in blind.

Adult Vocational Rehabilitation, with federal assistance, offers specialized services to about 500 blind and visually impaired people.

There were 73 board employees in fiscal 1970. This is expected to increase to 83 in 1971. Department expenditures for fiscal 1970 totaled \$1.7-million. An increase to \$2.5-million is anticipated for 1971. The recommended operating budget of this agency for 1972 is \$2.9-million.

EVALUATION OF EFFECTIVENESS

The Board of Education and Services for the Blind is well organized and offers high-quality, specialized services to the blind of all ages. The professional proficiency and dedication of the director, the chiefs of the four divisions and members of their staffs is much in evidence. However, there are areas where justification of expenditures is difficult.

RECOMMENDATIONS

1. **Modify legislation so parents and guardians able to pay are not compensated for school transportation costs of blind children.**

Children at residential facility schools are frequently brought home for visits by parents or guardians. Acts passed in 1969 make it possible for a parent or guardian to receive up to \$300 per year for transportation costs without proving financial need. Based on 158 students, \$47,400 has been recommended in the fiscal 1972 budget. Except where financial hardship exists, this transportation allowance is an unwarranted expense to the state. By limiting payments

to those in need, it is estimated that \$21,000 can be saved each year.

2. **Combine storekeeper duties and reduce number of jobs.**

There were eight employees in the Business Administration and Adult Services Divisions doing storekeeper and home industry material preparation tasks. One storekeeper in Adult Services has already been eliminated. An additional reduction would be possible by combining the storekeeper duties of the two divisions. This would reduce employees to six with no change in level of service. Savings would be approximately \$12,800 a year.

The Connecticut Student Loan Foundation

The Connecticut Student Loan Foundation guarantees, and in part, subsidizes educational loans to students. It performs these functions in cooperation with the federal government, using income from investments originally acquired with state funds.

ORGANIZATION AND PROCEDURES

The foundation is governed by a Board of Directors consisting of two ex officio and nine active members. An executive director, appointed by the board, is in charge. He is supported by an assistant director, who handles day-to-day operations. Permanent staff totals 15, supplemented during the peak season by 16 temporary workers. Present volume is about 30,000 loans a year. The average per student is in the neighborhood of \$4,000.

In most cases, the federal government pays the interest while the student is at college, and for one year thereafter, if the education program is satisfactorily completed. It also guarantees 80% of the foundation's losses in cases of default. Default experience to date has been 1% of all amounts guaranteed, and 3% on loans in the process of repayment.

EVALUATION OF EFFECTIVENESS

The foundation is soundly managed and the staff is fully occupied. The idea of using temporary help during the peak season is sound. However, the present loan approval procedure is both cumbersome and repetitive.

RECOMMENDATION

1. **Consolidate multiyear loan approvals into a single process.**

A student wishing loans for a four-year study program must go through the loan application and approval procedure four times. The procedure should be altered to permit one-time processing of loans needed for an anticipated multiyear study program. Additional processing would be needed only in cases of drop-outs or other departures from original study plans.

Implementation will require amending federal as well as state legislation. In the case of Connecticut, it should be possible to reduce the foundation's administrative operations to effect annual savings of about \$60,000.

Commission on Aid to Higher Education

The Commission on Aid to Higher Education reports to the Commissioner of Finance and Control. It examines applications by institutions of higher education for grants for facilities, equipment, interest grants on bank loans for equipment, and community assistance projects.

ORGANIZATION AND PROCEDURES

The commission's staff consists of an executive director, appointed by the commission, two professionals, and two secretaries. The commission consists of 12 members. It administers grant programs, which are almost entirely federally funded.

In the last few years, grant funds available on a current basis have been reduced from over \$3-million annually to less than \$1-million. During this period, the commission's staff has been reduced from six to five.

The number of applications processed has remained about the same, with grant amounts lessened to reflect decreased funding.

Application processing involves headquarters and on-site administrative, engineering, and architectural reviews. Extensive preapplication consultation takes place between the institutions and the commission staff. The staff also does on-site audit work to determine if funds granted have been spent for designated purposes within permitted time spans.

EVALUATION OF EFFECTIVENESS

The commission's staff is well-organized and properly qualified. Funds have, over the past two years, decreased by over 70%. Staff size has decreased by 20%. Grant amounts have declined and the extra clerical capacity has been used to publish a series of one-time statistical reports. Unless an increase in federal and/or state grant funds is imminent, this staff will not be fully utilized.

RECOMMENDATION

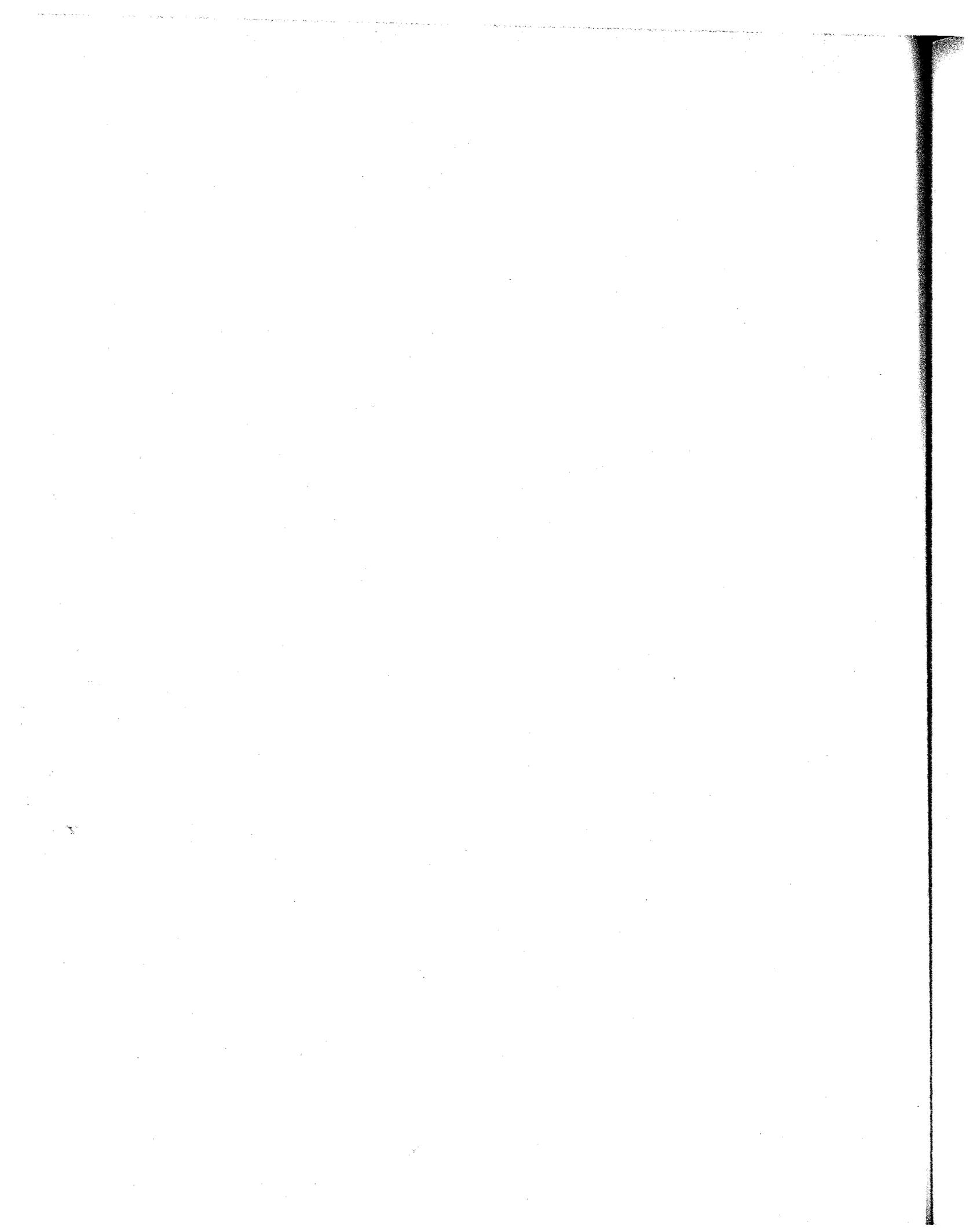
1. Abolish the Commission on Aid to Higher Education and reassign its staff.

This commission is established as a separate entity to meet federal requirements as to composition. However, if an existing board were suitably altered in composition, the federal requirements would be met and one board would do the work of two.

Grant application processing involves reviewing technical data such as engineering and architectural plans. Processing an application for a small grant requires only slightly less effort than an application for a larger grant of the same type. Accordingly, the commission staff probably cannot be reduced as long as the grant programs they administer remain in existence. However, the staff could handle additional duties, if they were made part of a larger, more diversified organization. Although financial benefits from implementation appear minor, considerable organizational and operating flexibility would result.

Records indicate members of the commission collectively receive about \$500 annually in travel reimbursements. That amount would be saved annually upon implementation.

**The Governor's
Commission
On Services &
Expenditures**



Department of Transportation

This department operates under the Commissioner of Transportation and is responsible for planning, design, rights-of-way acquisition, construction, maintenance, and repair of state highways. It also plans, designs, acquires land, constructs, maintains, and operates state-owned airport facilities. Additionally, the department formulates plans and programs for improvements in service and facilities for commuter, urban, and interstate movement of people and goods by all modes of transportation.

ORGANIZATION AND PROCEDURES

The department is comprised of the Bureaus of Administration, Highways, Planning and Research, Aeronautics, Rail and Motor Carrier Services, and Waterways. Each operates under a deputy commissioner. Several commissions offer advisory service on transportation activities. In fiscal 1970, operating expenditures were about \$75-million. Construction and capital outlays totaled \$120-million.

EVALUATION OF EFFECTIVENESS

This department is responsible for the entire state transportation system. Thus, it must unify previously independent operations relating to highways, aeronautics, waterways, rail, and motor carrier services. To be more effective, the department must adopt a more businesslike approach to planning, organizing, and controlling its vast operations. The organizational structure needs further refinement to eliminate overstaffing and duplications. There should be more emphasis on management control. Currently, there are few productivity measurements and insufficient concern for cost control as well as little accountability for results. Overall effectiveness would be enhanced by consolidating as many headquarters functions as possible in the Wethersfield facility.

RECOMMENDATION

1. Modify the department's organization.

To improve its capability for fulfilling its statutory responsibilities, the present organization, shown in the chart on the next page, should be modified. The proposed organization, illustrated on page 117, establishes a revised Bureau of Administration and a new Bureau of General Services to provide administrative and service support; new Bureaus of Planning and Design and Construction to plan, design, and construct an integrated transportation system for Connecticut; and a new Bureau of Highway Maintenance. The Bureau of Aeronautics has been revised. The existing Bureaus of Rail and Motor Carrier Services and Waterways would continue to operate and maintain the specific transportation system assigned to them.

The proposed Bureau of Administration would be composed of the Offices of Fiscal Services, Personnel, Management Services, Data Processing, and Revenue Collection. The Office of Staff Services would be abolished. The Office of Rights of Way would be transferred to the Bureau of Design and Construction. Fiscal Services would be modified by the establishment of a Division of Financial Planning and by the abolishment of the Division of Purchasing.

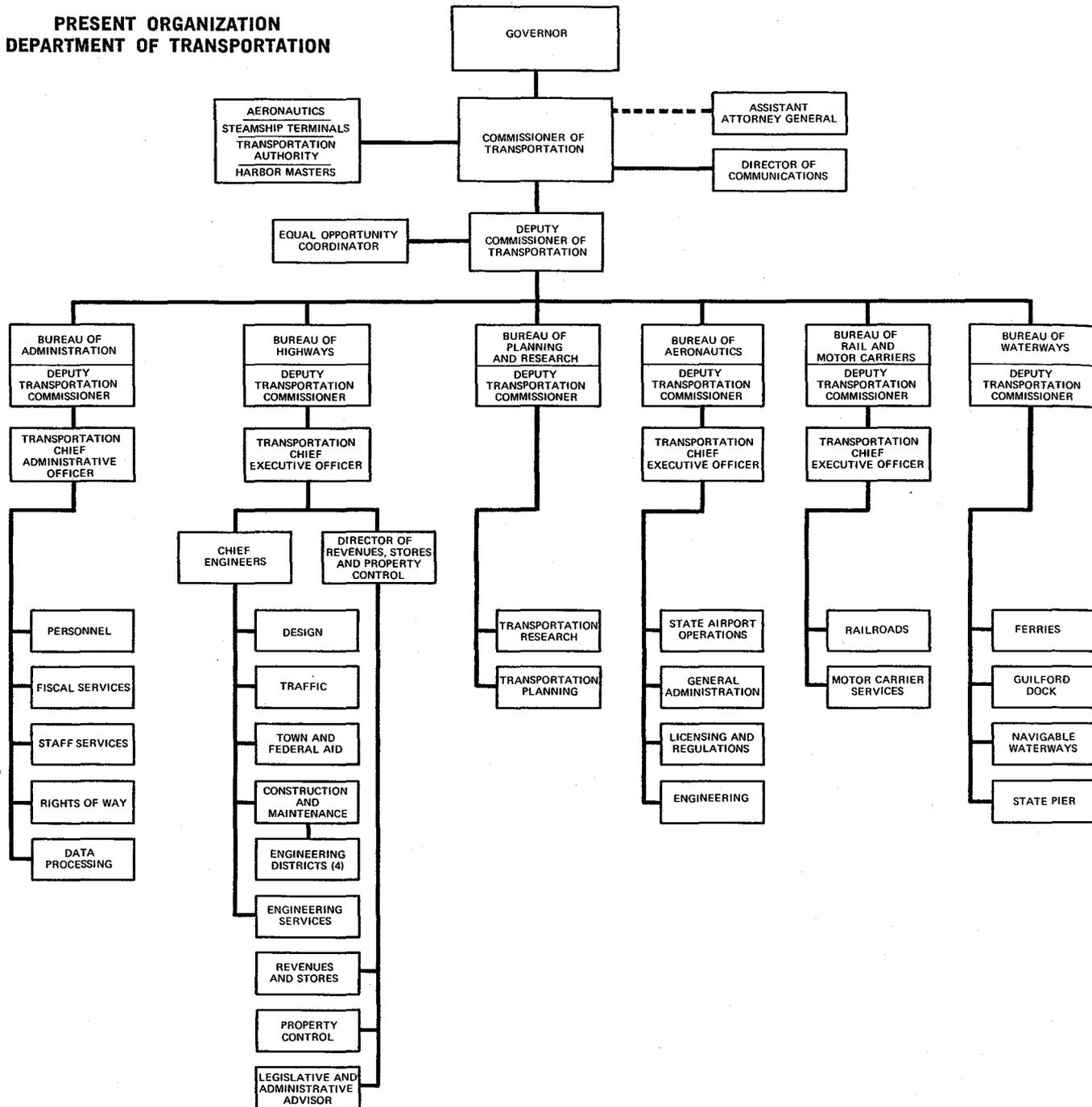
Two new offices would be created — Revenue Collection and Management Services. Revenue Collection would include the Divisions of Lease and Revenue Agreements and Tolls Operations. The Office of Management Services would incorporate three divisions. They would be the newly formed Systems and Industrial Engineering Divisions and the Division of Legislative and Administrative Advisor which would be transferred from the Bureau of Highways.

The proposed Bureau of General Services would be comprised of the Offices of Business Services, Property Management and Maintenance, and Material Management. It would be responsible for all activities providing support services to the Department of Transportation. Consolidation of these support functions would relieve the operating bureaus of unrelated activities. Elimination of duplicated support services would, in many cases, permit immediate reduction in positions and other operating expenses.

The Office of Business Services would provide clerical and administrative support to the Department of Transportation in the form of printing and duplicating, typing and steno pool, central filing, and mail and messenger services. The Office of Property Management would be responsible for satisfying all space and motor vehicle needs. It would also provide repair and maintenance services. The Office of Material Management would supply logistical support such as material acquisition, storage, disbursement, and inventory control. The Divisions of Materials Testing and Research and Development would be transferred to this office from the Office of Engineering Services.

To facilitate development of a comprehensive and integrated transportation plan, the Bureau of Planning would be made fully responsible for the determination of transportation needs, economic evaluation of alternative solutions, and presentation of a specific action program for legislative approval. To further this aim, the bureau would be organized into three offices — Transportation Research, Programming, and Route Planning. Transportation Research would collect and analyze all information required to determine the need for additions or improvements to the state's

**PRESENT ORGANIZATION
DEPARTMENT OF TRANSPORTATION**

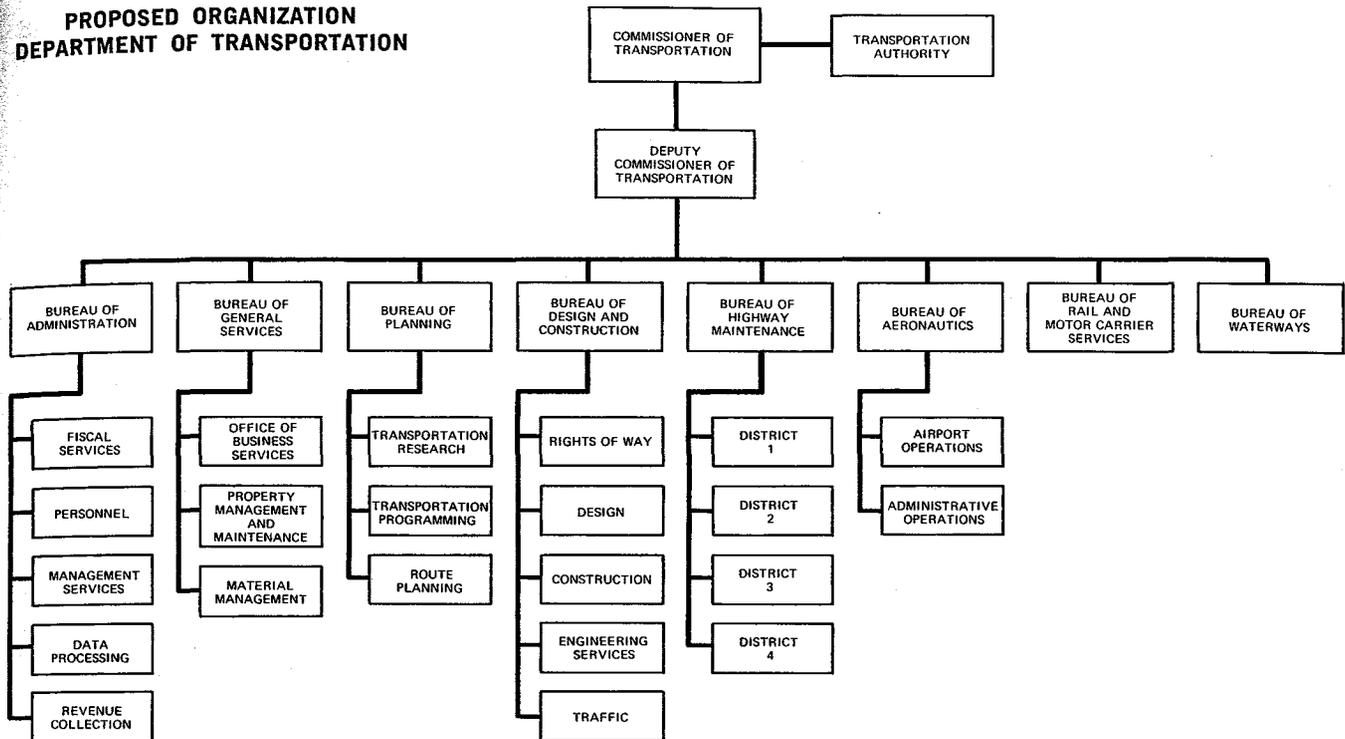


transportation system. The Office of Transportation Programming is new and would be primarily responsible for assembling the department's comprehensive action plan to solve identified needs. The Office of Route Planning would then select the best route location for the proposed projects.

Implementation of programs developed by the Bureau of Planning and authorized by the Legislature for all modes of transportation would be the principal

responsibility of the newly created Bureau of Design and Construction. It would be comprised of the existing Offices of Design, Rights of Way, Construction, Traffic, and Engineering Services. Its functions would include design of air, rail, water, and highway facilities. It would also be responsible for acquisition of rights of way, construction by contract, and design and installation of traffic control signs as well as signals and markings. This would bring together all functions associated with completion of a project.

**PROPOSED ORGANIZATION
DEPARTMENT OF TRANSPORTATION**



The Scheduling and Monitoring Section would coordinate and control projects from their initiation to the completion of construction contracts. It would follow a more orderly procedure than presently exists for establishing priorities, setting realistic work loads, and scheduling project design, rights of way acquisition, and awarding of contracts based on total transportation requirements. Upon completion of construction, projects would be assigned to the appropriate bureau for operation and maintenance.

Highway maintenance requires \$32-million annually and 2,500 employees. This is more than one-third of the department's total operating budget and personnel. All responsibilities for highway operation and maintenance are to be separated from construction activities and placed in the Bureau of Highway Maintenance. This change would establish the autonomy of the maintenance operation, emphasize its magnitude, and provide the necessary incentive for development of effective management practices.

Reorganization of the Bureau of Aeronautics would create a more efficient administrative division supporting the operation of state-owned airport facilities. At the same time, more effective control would be exercised over the safe operation of private and municipal airports. The Bureaus of Rail and Motor Carrier Services and Waterways have been examined and retention of their present bureau status is recommended.

The Department of Transportation has a formal relationship with three outside commissions. The Connecticut Aeronautics Commission was to advise the commissioner on matters of air safety, system development, and facilities usage. However, it has had little impact on decisions relating to these matters. The Steamship Terminals Commission was intended to advise the commissioner on matters relating to the movement of people and goods over navigable waters in the state. It has not met for nearly two years and all of its functions have been assumed by the Bureau of Waterways. The Connecticut Transportation Authority is incorporated within the department. It advises and assists the commissioner on matters relating to rail and motor carrier facilities and services in the state. Its assistance is important in preparing and implementing the long-range rail transportation modernization program. Therefore, its present status should be maintained.

Bureau of Administration

This bureau provides administrative services for the Department of Transportation. Specific responsibilities include auditing and accounting, personnel, data processing, budgeting, central services, and purchasing. In addition, all functions associated with the acquisition of land for highways, railways, and airports are coordinated by this organization.

ORGANIZATION AND PROCEDURES

The bureau's operating budget for fiscal 1971 is \$5.1-million. Additionally, funds totaling approximately \$28.4-million will be administered by this organization for activities associated with the acquiring of land. Units reporting to this agency include the Office of Staff Services, Office of Fiscal Services, Office of Rights of Way, Office of Personnel, and the Division of Data Processing.

EVALUATION OF EFFECTIVENESS

The Bureau of Administration is a collection of generally unrelated activities. Functions have been assigned without any clear statement of the bureau's objectives. Almost without exception, the procedures in effect are cumbersome and require more paper handling than is necessary. There appears to be a definite lack of communication between top management and employees. In addition, there seems to be no delegation of authority.

There is a definite need for stronger, more comprehensive management systems. An overwhelming number of data processing reports are prepared which contain inaccurate and untimely information. As a result, the operational units maintain duplicate records rather than use the reports. Individual discussions of the department's offices follow.

RECOMMENDATIONS

2. Create an Office of Management Services in the Bureau of Administration.

This office will provide management services for the Department of Transportation. It will be comprised of Systems Analysis, Industrial Engineering, and the Legislative and Administrative Advisor. The staff for this last division will be transferred from the Bureau of Highways. Systems Analysis will develop effective management control systems for all department units. Industrial Engineering will develop and maintain cost control procedures including performance standards for all bureaus. Total cost of implementation will be \$285,000 a year.

3. Establish the Office of Revenue Collections.

Three sections would be transferred to the Bureau of Administration from the Bureau of Highways. They are associated with the Office of the Chief of Revenues and Stores in the Bureau of Highways and would become the new Office of Revenue Collections and the Division of Tolls Operations. The current Divisions of Concessions and Revenues, Accounting will be combined to form the Division of Lease and Revenue Agreements.

4. Eliminate the position of Transportation Chief Administrative Officer.

This position has been vacant since February 1971 and its functions have been performed by the Deputy

Transportation Commissioner — Administration. He should continue to retain these responsibilities and the position should be abolished for an annual saving of approximately \$28,500.

Office of Personnel

The Office of Personnel provides staff assistance to bureaus of the Department of Transportation. It maintains personnel records and handles employee relations for, and provides liaison between, the bureaus and the Personnel Department. Its Division of Personnel maintains department personnel records.

The Division of Training plans, organizes, and conducts training programs for the department. The Division of Safety has similar responsibilities for safety programs. It also coordinates emergency planning for civil defense functions that concern the department and provides liaison between bureaus and the Military Department.

There is no coordinated personnel administration program in the Department of Transportation. The Office of Personnel is overstaffed, particularly the Operations Section. Also, there is a lack of communication between department management and employees.

RECOMMENDATIONS

5. Reduce the Operations Section staff.

An analysis of work load data indicates work processed by six people in this section has decreased over 40%. By using standardized abbreviations for employee status changes on record forms, the work of the unit can be cut even further. Thus, the clerical staff could be reduced by three for annual savings of \$23,000.

6. Abolish the Night Typing Unit in the Division of Personnel.

This part-time operation does copytyping for several sections of the Bureaus of Highways and Administration. Five typists work 16 hours weekly, under the direction of the most senior employee.

The Bureau of Highways has 125 persons with typing and stenographic skills plus a stenographic pool in the Office of Staff Services. Therefore, the Night Typing Unit should be abolished and the work absorbed by user bureaus for annual savings of \$20,000.

7. Abolish the Organization Unit.

This one-person unit prepares and maintains department organization charts and manuals. The function could be absorbed by the Division of Personnel. Annual savings are estimated at \$16,000.

8. Combine the Training and Safety Divisions.

Consolidating these divisions under the new position of Assistant Personnel Director — Training and Safety would reduce the staff complement from 16 to 11. It

would also provide greater coordination of effort throughout the Office of Personnel. The positions of highway engineer and highway assistant safety advisor would be eliminated in Training. Four positions could be abolished in the Safety Division by making greater use of the district personnel who investigate accidents and train drivers. Eliminations would include one assistant safety director, two assistant civil defense coordinators, and one clerk. Total annual savings from the proposed merger would be \$70,000.

9. Reduce the number of intern program positions.

The number of engineering interns required by the Department of Transportation has been reduced from 50 to 25 over the past two years with a resultant 25 vacancies in various bureaus. These positions should be identified and abolished. Savings would total \$301,000 per year.

Office of Fiscal Services

The Office of Fiscal Services reports to the deputy transportation commissioner. It is responsible for budgeting, accounting, auditing, and purchasing functions of the Department of Transportation. The office is comprised of the Audit, Accounts, and Purchasing Divisions. The Division of Audit examines charges made by public utility companies, income from concessions at airports, turnpikes, and so on, and billings from consultants.

The Division of Accounts prepares payrolls for approximately 2,700 hourly and 3,300 salaried employees, issues invoices to state agencies and others for labor, materials, and services furnished by the department, and processes fund requests for various activities. It also analyzes projects to determine if they qualify for federal aid and issues invoices to federal agencies for reimbursement on qualified projects. Additionally, the division prepares budgets and financial reports.

The Division of Purchasing processes requisitions, contracts, and purchase orders to procure supplies, materials, equipment, and services required by the department. It issues requests for bids and makes awards on minor purchases. The division also orders release of materials stockpiled throughout the state for highway repair and snow removal.

The Office of Fiscal Services is well-organized. Divisions are not overstaffed, but methods used are cumbersome and require more clerical handling than necessary. Much of the work is repeated at the Office of Finance and Control's Division of Purchasing.

RECOMMENDATIONS

10. Combine four salary payrolls.

The Payroll Unit compiles payroll records for hourly and salaried employees of the Department of Transportation. All are paid bi-weekly.

A salaried employee could receive four separate checks for base pay, overtime, shift differential, and standby pay. Separate payrolls are prepared for each type of earnings. For hourly employees, one check is issued which includes all earnings. Combining the salary payrolls will eliminate issuance of approximately 500 checks each pay period. Savings are estimated at \$13,000 per year.

11. Consolidate the purchasing functions.

The Office of Fiscal Service's Division of Purchasing has authority to commit state funds up to \$100 per order, limited authority on purchase orders between \$100 and \$2,000, and no authority on orders over \$2,000. The 25 employees spend much of their time typing, filing, and doing other clerical operations which are duplicated at the state's Division of Purchasing. Ten positions could be eliminated if the functions, files, and personnel necessary to service Department of Transportation purchases were transferred to the state's Division of Purchasing. Implementation would result in annual savings of \$97,500.

12. Reduce the Division of Accounts staff by two.

Three accounting machines are used in the Division of Accounts to post information to cards controlling authorizations, allotment of funds, commitments, expenditures, and the like. The same information is developed by the Division of Data Processing of the Department of Transportation for other purposes. A program should be devised to supply information now handled on the accounting machines. No additional cost would be incurred. Implementation would result in elimination of two positions and three accounting machines, with annual savings estimated at \$15,000.

13. Assign responsibility for mailing vendors' copies of invoices to the Comptroller's staff.

All vendors bill the state on invoice forms supplied by the state. After processing by Fiscal Services, the white copy is sent to the Comptroller for payment. The check is mailed by this office and a blue copy of the invoice is mailed by Fiscal Services. This blue copy should be sent to the vendor with the check to eliminate duplicate mailing. An annual saving of \$6,800 will be realized.

14. Revise systems, procedures, and clerical methods in the Division of Accounts.

Present procedures require too many clerical operations and too much paper handling for what is accomplished. Simplified procedures would increase division productivity. Implementation should make it possible to reduce the staff by 10 positions, resulting in annual savings of \$117,000.

Office of Staff Services

This office is responsible for programming, scheduling, intradepartment liaison and control, and contracts. It

also provides library services and handles activities related to the availability of funds under the Federal Aid Program.

The office has four divisions including Contracts, Programming and Scheduling, Technical Library, and Business Services. The Construction Section of the Division of Contracts advertises, receives bids, and awards contracts for construction, engineering services, and vendor contracts. The Demolition Section does the same for demolition or removal contracts.

There are three sections in the Division of Programming and Scheduling. The Program Planning Section maintains a highway needs inventory, defines the scope of recommended projects, and develops suggested programs and priorities. Fiscal and Federal Aid maintains records of financing and provides reports for effective use of available and anticipated funds. In addition, records needed for federal aid are kept. Scheduling and Monitoring coordinates design, rights-of-way acquisition, and construction schedules. Reports are prepared for management giving the status of all projects.

The Division of Technical Library maintains facilities for use by the department and distributes information regarding the availability of library material.

Office Services is responsible for the operation of five units which provide stenographic, printing, mail, file, and messenger services to the department. An Engineering Records and Reproductions Unit reproduces engineering work as well as map files for the department.

The office is a conglomerate of sections performing diverse functions. As a result, providing proper management is almost impossible. The activities of the Division of Business Services should be administered by an agency responsible for such services across departmental lines.

Ordinarily, the Program Planning Section develops a transportation program to present to the Legislature. At the 1970/71 meeting, a list of highway needs was submitted without a comprehensive program. As a result, projects chosen by the Legislature for initiation during fiscal 1972 are not always related to the state's most critical highway needs.

RECOMMENDATIONS

15. Eliminate the office of the Transportation Director of Staff Services.

With the reorganization of the Department of Transportation, functions performed by the Office of Staff Services will be assigned to other bureaus and offices. The three positions in the director's office can thus be eliminated at an annual saving of approximately \$55,000.

16. Abolish the Division of Programming and Scheduling and transfer the three sections.

Functions performed by the Program Planning Section parallel those of the Bureau of Planning. This section should be transferred to the bureau to prevent overlapping activities. Scheduling and monitoring activities are completely ineffective. With formation of the Bureau of Design and Construction and consolidation of the Office of Rights of Way and Office of Design in this bureau, the Scheduling and Monitoring Section should be transferred to this bureau also. Fiscal and Federal Aid should be moved to the Office of Fiscal Services to become the Division of Financial Planning in the Bureau of Administration. Activities of the Cost and Budget Unit duplicate those of the Division of Accounts and could be absorbed without an increase in personnel. The unit could then perform the additional function of financial planning. Three positions in the Division of Programming and Scheduling will be eliminated at an annual saving of approximately \$44,000.

17. Transfer the Division of Business Services and the Division of Technical Library to the Bureau of General Services.

The Bureau of General Services is being established to provide services required by all bureaus of the department. Functions such as stenographic, mail, messenger, printing, engineering records, and the technical library are of this type and belong in this bureau rather than the Bureau of Administration. There will be no cost or saving from implementation. However, a more effective operation will result.

18. Transfer the Division of Contracts to the Bureau of Design and Construction.

This division works almost exclusively with the Offices of Design and Rights of Way. They have been combined in the Bureau of Design and Construction. Therefore, this division should also be transferred to that bureau. Implementation will improve operating characteristics and organizational flexibility.

Office of Rights of Way

This office acquires land to be used by the Department of Transportation for highways, railways, airports, and waterways. It is responsible for establishing titles, appraising land and property, negotiating for purchases, and closing purchase agreements. In addition, the office must relocate displaced families and businesses and manage acquired property prior to demolition.

The fiscal 1971 operating budget for the Office of Rights of Way amounted to about \$1.37-million. Personal services accounted for \$1.28-million of this amount. This agency also controls large expenditures which are charged to other accounts. In calendar year

1970, they amounted to approximately \$28.4-million primarily for land and property acquisition and related expenses. The Office of Rights of Way is organized into six functional divisions. They are Administration, Appraisals, Acquisition, Boundary and Geodetic Survey, Titles, and Property Management.

The office is dependent on maps and engineering data prepared by the Office of Design in the Bureau of Highways. Progress is frequently delayed by incomplete and delinquent design information. Internal operations are properly organized by functional responsibility, but delegation of authority and accountability are impeded by unnecessary supervisory relationships.

The Division of Administration has consistently fallen behind on processing property plans for federal aid. This activity is being transferred to the Boundary and Geodetic Division. The function of the Division of Appraisals is to obtain and review appraisals for properties to be acquired. Productivity of the division is well below the national standard for highway departments and also compares unfavorably with the work pace of the independent fee appraisers. Additionally, the division has been faulted for submitting conflicting appraisals in condemnation proceedings.

The Division of Acquisition arranges for property purchases. Offers are restricted to values established by the Division of Appraisals. Since negotiations are limited to one offer, productivity of one transaction per man week is too slow.

The Division of Titles performs the legal functions associated with property purchase or lease. Deed information is hand copied from town office records. Division title search costs are significantly higher than those of title companies specializing in this area.

The Division of Property Management provides relocation assistance to families and businesses displaced by construction activities of the Department of Transportation and arranges for the sale of excess property. The division's efforts to sell excess property are handicapped by lack of a current inventory. Functions of the Boundary and Geodetic Survey Division could be performed more efficiently with electronic measuring equipment and apparatus.

RECOMMENDATIONS

19. Transfer the Office of Rights of Way to the Bureau of Design and Construction.

The interrelation of design information and rights of way activities makes it necessary for the two offices to work together. However, physical separation and the lack of an organizational tie make it difficult for them to attain the coordination necessary. To achieve a better working relationship, the Offices of Rights of Way and Design both should report to the same

bureau. This should be an operating bureau also containing the Office of Construction and the Scheduling and Monitoring Division. These units can best be brought together in the Bureau of Design and Construction. The proposed organizational change can be accomplished without appreciable cost and should increase the overall effectiveness of the Office of Rights of Way.

20. Eliminate the assistant director and assistant division chief positions within the Office of Rights of Way.

The assistant director acts as an internal consultant. Establishment of an Office of Management Services and realignment of the Office of Rights of Way will eliminate the need for this position resulting in an annual saving of \$23,000.

Assistant division chiefs supervise from two to five section supervisors and report to the division chiefs. Their primary function is to assist the chief in management of day-to-day operations and review work prepared by each section. Since this is also done by the chief and section supervisors, the assistant's work is redundant. Elimination of six assistant division chief positions will result in an annual saving of \$109,000. Total savings will be \$132,000.

21. Improve productivity of the Division of Appraisals' staff.

Although productivity of the Division of Appraisals has been increasing, it is far below the national average for highway departments. The few states with similar output rates assign a much larger percentage of appraisals to their internal staff. Outside firms report it generally takes 20 man-hours to perform an appraisal. In contrast, this division takes an average of 28 man-hours to administer and review outside appraisal work. The productivity rates reported by other states and outside appraisers indicate that a substantial amount of the work can be performed by the internal staff.

In order to preserve a high standard of work, 50% of the appraisals should be assigned to the internal staff. Since this amounts to approximately 750 appraisals per year, the work load can be handled by the existing staff in approximately 15,000 man-hours, allowing 20 man-hours per appraisal. Implementation will provide annual savings of \$285,000 in outside fees.

By doing more appraisals internally, the division should also be able to resolve conflicting appraisals prior to condemnation proceedings.

22. Increase efforts to achieve equitable out-of-court settlements.

In 1970, total condemnations were originally valued at \$15.6-million. Since court awards have been av-

eraging 37% higher than original values, penalty payments on condemnations made in 1970 are likely to approximate \$5.8-million. Thus, there is considerable incentive for the Division of Acquisition to reduce condemnation awards. To achieve this, the staff should be trained and motivated to seek more friendly settlements. Successful negotiating and closing techniques should be shared and practiced in periodic training sessions. Further, each member of the staff should be evaluated by his ratio of friendly-to-unfriendly settlements.

Potential friendly settlements also can be increased by allowing the division to provide relocation assistance at the time property settlements are discussed. Assistance is now provided by a different division at a later time.

The Office of Rights of Way has been increasingly successful in avoiding condemnation by the process of administrative settlements. Judicious use of this type of settlement should be encouraged whenever justified by new or conflicting appraisals.

23. Transfer the Relocation Assistance Unit to the Division of Acquisition.

It would be more efficient to combine property acquisition with relocation assistance. Therefore, the Relocation Assistance Unit should be transferred to the Division of Acquisition. This change should substantially reduce time for visiting property owners and allow a 20% decrease in the field staff. Elimination of three positions would result in an annual saving of \$40,000.

In addition, the work pace of the division should be stimulated. The average transaction now requires five working days. Since negotiations are limited to one offer, this rate is unduly slow. Assignments should be increased 20% freeing four positions for elimination or reassignment. This would yield an annual saving of \$51,000.

24. Use portable copiers to gather title information from local town offices.

The Division of Titles spends about four man-years hand copying information from deeds recorded in the offices of town clerks. Information could be recorded with portable dry copiers which can be purchased for \$70 per machine. Use of four copiers would reduce the division staff by three with a resulting saving of \$38,000 annually.

25. Eliminate authorized positions that are now vacant.

Performance of the Office of Rights of Way has not been adversely affected by existing vacancies. Therefore, the 15 open positions should be officially abolished, resulting in an annual saving of \$195,000.

26. Transfer the Security and Excess Property Units to the new Office of Property Management and Maintenance.

The Security Unit maintains, secures, and rents excess property owned by the department. Excess Property administers the sale of such property. Both should be transferred to the new Bureau of General Services.

Division of Data Processing

This division provides the data processing facilities and services required by the Department of Transportation. It maintains a data center with a support staff for equipment operation and keypunching. Analytic and programming services also are furnished.

The Division of Data Processing has grown from 12 people in 1955 to its present size of 72. The operating budget for fiscal 1971 is approximately \$1.05-million. Services are provided exclusively to the Department of Transportation. Major systems in production are:

- ▶ Finance — Budget reports, project files, payroll, and personnel reports.
- ▶ Highways — Road inventory, highway log, sign inventory, local road name, mileage, and highway needs.
- ▶ Planning — Transportation needs studies, traffic count, and land use.
- ▶ Engineering — Pavement, highway, and bridge design.

Planning by this organization is sketchy or nonexistent. The systems produced are inflexible and require major efforts to maintain or modify even slightly. Control of equipment users is not done. Systems have been developed without proper consideration for clear definitions of goals, benefits, or costs. In those areas where potential savings have been identified, there has been no follow-up to determine if costs were reduced.

RECOMMENDATIONS

27. Establish an automation committee.

Data Processing has an unusual relationship with other sections in the Department of Transportation. It should not be in a position to set policy, yet it will have a profound influence on the way other departments carry out their functions. Therefore, the division should be governed by top department management. At the same time, the divisions it serves should have a say in its activities. Specific functions of the proposed committee would include:

- ▶ Review the scope of data processing within the department.
- ▶ Establish long term goals for the Data Processing Division.

- ▶ Authorize systems development projects and establish priorities.
- ▶ Approve internal projects as well as equipment purchases.
- ▶ Review division progress periodically.

The chairman should be the Deputy Transportation Commissioner — Administration. Other members should include the data processing manager as well as representatives from user departments.

28. Develop a project control system.

The cost of delays caused by poor control of the system development process is incalculable. Adequate project control will reduce cost overruns on projects as well as time overruns. The objective of such control is the production of data processing systems that meet user's needs, at the right price, and on time. To accomplish this, carefully formulated rules for allocating and controlling resources are required as well as proper application of monitoring and control techniques. Savings of up to 25% are possible in project development when a system of this type is implemented. A conservative savings estimate of 12% eliminates three positions at annual savings of \$48,400.

29. Allocate data processing costs to users.

The division budget reflects all costs associated with operation of the data center. Thus, users of the equipment are not required to budget for these services. No one, including data processing personnel, has any idea of the costs involved. The center should be set up as a nonprofit service bureau. Rates should be established for such things as machine usage, keypunching, analysis, and programming labor. When a division uses these services, costs should be calculated and charged to the user.

30. Cancel four remote printers.

Each district office is being equipped with a remote printer. This device is capable of reading and punching cards as well as printing standard computer output. It is connected to the central computer using private telephone facilities. Per page cost is eight times greater than printing at the central site. There is sufficient print capacity at the center to handle the load. Removal of the remote printers will save \$55,000 per year.

31. Provide systems analysis for the division.

Acquisition of third-generation computing equipment and remote inquiry terminals at an annual cost of \$420,000 has furnished this organization with advanced equipment for developing computer systems. However, staff development has not kept pace and proper use has not been made of the machines. Proper systems must be designed and implemented as soon as possible. Therefore, consultants should be hired to

conduct a comprehensive analysis of systems currently being implemented. Six people could do the work in six months at a one-time cost of \$150,000. There are now five systems analysts in this organization. Their capabilities must be upgraded and five people added at a yearly cost of \$84,000.

Bureau of Highways

This bureau is responsible for the development, design, construction, operation, and maintenance of the state highway system. Areas of responsibility include the design of highways and bridges, contract preparation, traffic control, and safety. The bureau also handles construction, materials testing, research and development, highway and bridge maintenance, snow and ice removal, town aid, property control, and operation of toll and concession facilities.

ORGANIZATION AND PROCEDURES

The bureau operates under the direction of an appointed deputy commissioner. The Offices of Design, Traffic, Engineering Services, Town and Federal Aid, and Construction and Maintenance report to the Chief Engineer.

Property Control, Revenues and Stores, and the Legislative and Administrative Advisor report to the Director of Revenues, Stores, and Property Control. The operating budget for fiscal 1971 was approximately \$61-million.

EVALUATION OF EFFECTIVENESS

The Bureau of Highways has designed and constructed roads costing over \$1-billion in the last decade. Effective July 1, 1971, the functions of the Director of Revenues, Stores, and Property Control were reassigned to the Bureau of Administration. This change should strengthen the Department of Transportation.

The Offices of Design and Traffic are basically well organized. However, Town and Federal Aid has outlived its usefulness. The districts have reached their goals in both the construction and maintenance areas, but the procedures used to accomplish maintenance objectives need considerable attention.

RECOMMENDATIONS

32. Divide the Bureau of Highways into two new bureaus.

The two principal sections in this bureau reported to the Chief Engineer and the Director of Revenues, Stores, and Property Control, respectively. The latter group was placed under the Department of Transportation's Bureau of Administration in July 1971. A further reorganization would divide the Bureau of Highways into the Bureau of Design and Construction and the Bureau of Highway Maintenance. The func-

tions of the Transportation Chief Executive Officer and Chief Engineer would be eliminated. Savings are estimated at \$256,900 per year.

33. Abolish the position of liaison officer for conservation and preservation.

The purpose of this position is to coordinate activities of various private and public groups to preserve historical sites. Its duties overlap public relations, highway beautification, roadside development, and various other functions. It is redundant and should be eliminated. Implementation would provide annual savings of \$28,000.

34. Eliminate the Office of State Beautification.

In 1967, the Citizens Committee to Keep Connecticut Clean and Beautiful was created in response to a federal suggestion. The state provides the services of an executive director and two office personnel. No federal funds are received. There is considerable turnover on the committee and it is obvious that their activities have ranged far beyond the provinces of the

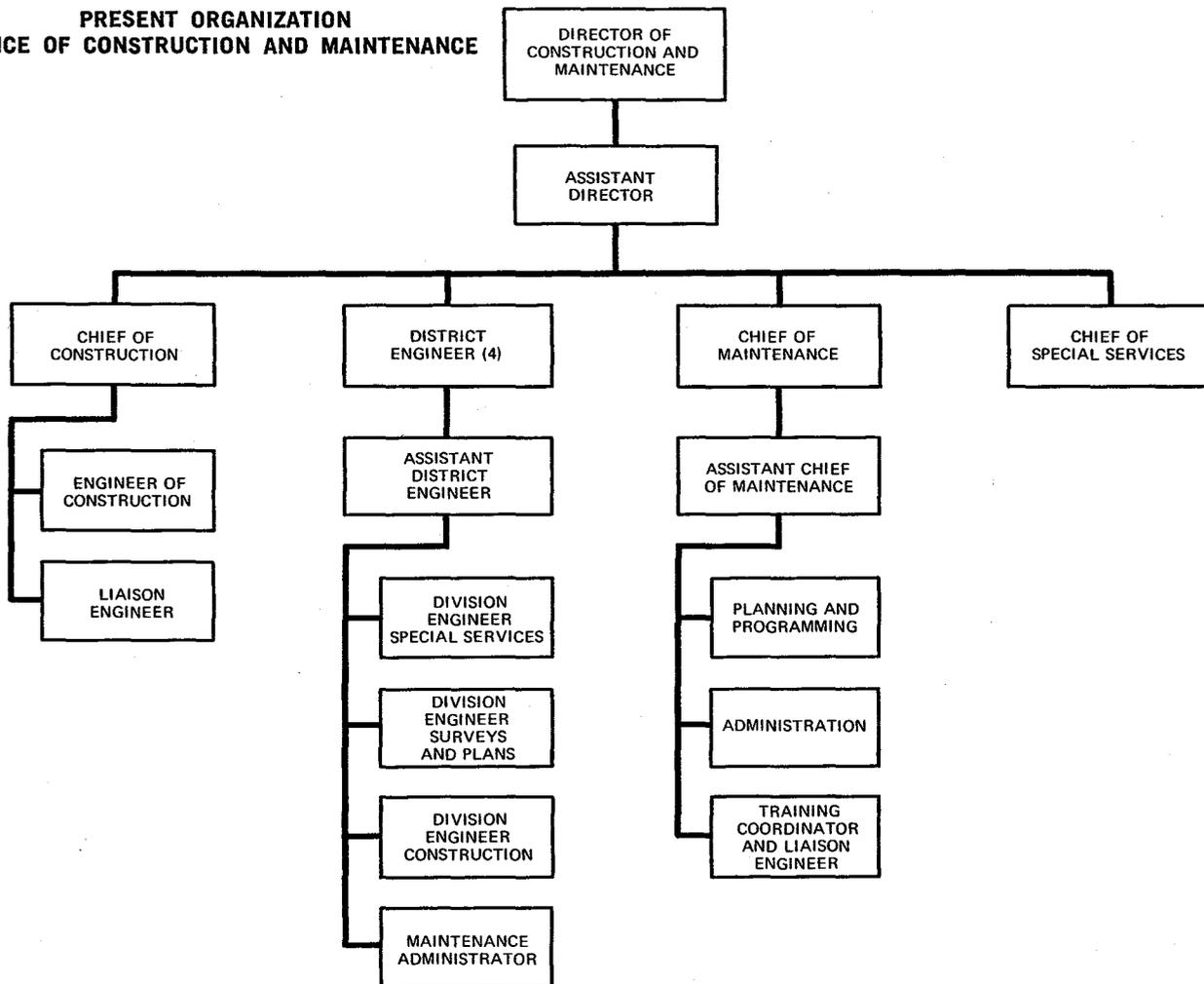
Department of Transportation. The office should be eliminated and the committee should report to the proposed Department of Environmental Protection. A determination can be made by the commissioner on its future. Savings are estimated at \$69,200 per year.

Office of Construction and Maintenance

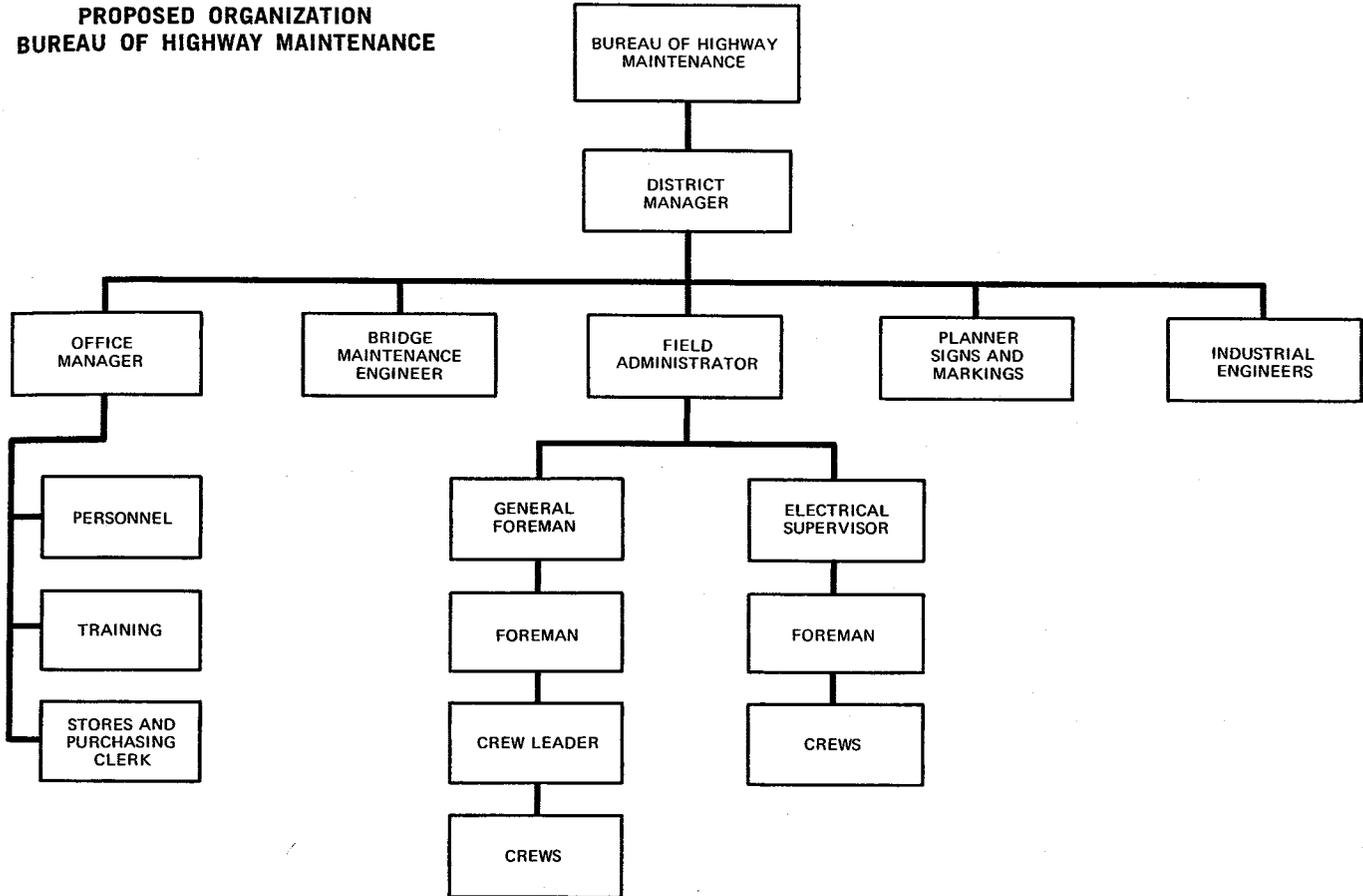
The duties of this office are to direct, coordinate, and administer funds and personnel for construction and maintenance of state highways and bridges. Responsibilities include preparation of budgets, inspection of state construction activities, administration of the Town Aid Program, liaison with the Federal Highway Administration, and planning of maintenance activities and procedures.

The director coordinates overall activities of the bureau. The assistant director's post is currently vacant. Divisions include Construction, a staff group which inspects projects and approves payments to contractors; Maintenance, which administers the work

**PRESENT ORGANIZATION
OFFICE OF CONSTRUCTION AND MAINTENANCE**



**PROPOSED ORGANIZATION
BUREAU OF HIGHWAY MAINTENANCE**



plan for the state highway system; Special Services, which coordinates engineering, construction and maintenance functions through liaison with the districts. The four engineering districts are field positions which direct and coordinate the physical work involved in engineering, construction, maintenance, traffic, and permit investigation activities.

This office has carried out its intended functions. However, the emphasis placed on both staff and operating divisions is generally engineering/construction oriented. Little attention is given to the use of managerial techniques for highway maintenance control and cost improvement. Although construction activities will require engineering orientation, the size of expenditures and the staff level for the maintenance operation warrant a separate management organization. It will stress cost improvement and concentrate on developing more effective line supervisors.

RECOMMENDATIONS

35. Reassign the responsibilities of the Office of Construction and Maintenance.

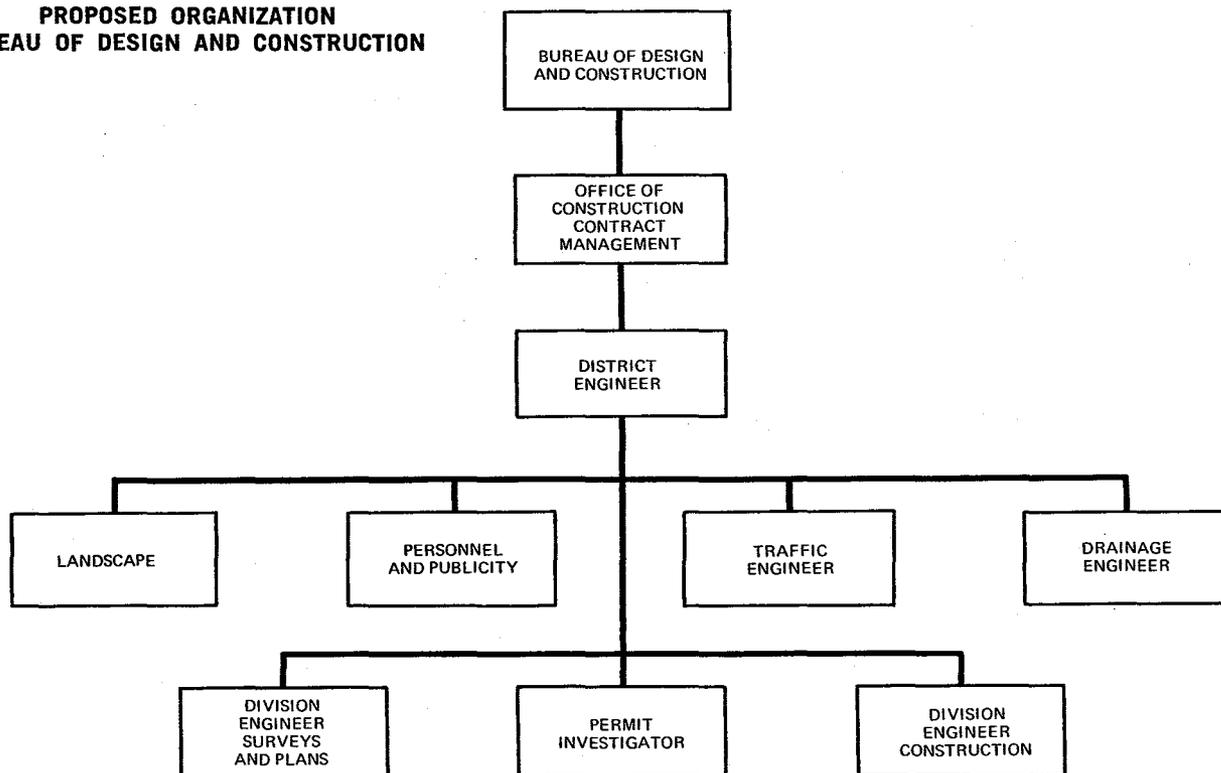
A chart outlining the present organization of this office is shown at left. Of the 3,092 authorized posi-

tions, 628 are related to construction activities while 2,464 are concerned with maintenance. Because these functions are so diverse, they should be reassigned to the two new bureaus.

State highways and bridges are valued at \$2-billion. Maintenance of the system requires an operating budget in excess of \$32-million. This represents 43% of the total department budget for fiscal 1970. To focus top level managerial attention in this area, a Bureau of Highway Maintenance should be established. The proposed organization chart is illustrated directly above.

The construction group deals with surveys, plans, construction supervision, and inspection. Staff members are generally at high technical and educational levels. Reorganization of the Department of Transportation created a Bureau of Transportation Design and Construction. It includes the Offices of Design, Rights of Way, Traffic, Engineering Services, and Construction and Contract Management. The four districts comprising the construction group could be absorbed into this bureau as shown in the chart on the following page. Implementation will result in elimination of

**PROPOSED ORGANIZATION
BUREAU OF DESIGN AND CONSTRUCTION**



24 staff positions. Estimated savings in salary and space costs total \$397,000 annually.

36. Reduce personnel costs associated with snow removal.

From November 1 to April 15, snow removal vehicles are manned by two people. The normal workday is 8:00 a.m. to 3:30 p.m. Overtime pay and a \$0.35 per hour winter differential are added to regular compensation for work performed outside those hours. During storm emergencies, vehicles are operated on a continuous basis. This practice presents an extremely serious fatigue problem. During any 24-hour period, each employee may receive as much as 16 hours of overtime pay. As a result, such costs for alert periods have increased by 72% over a four-year span. During fiscal 1971, the total cost was more than \$2.8-million.

To correct this, the truck crews should be reduced to one man per vehicle. Secondly, storm emergency personnel should be assigned work tours which are no longer than 12 hours at any one time. This can be done by preassigning crews to 12-hour shifts for storms, starting either at 8:00 a.m. or at 8:00 p.m. Overall costs should be lessened by 40%, producing an annual savings of \$1.12-million. Meal charges are expected to show a 40% decrease also for annual savings of \$42,000. Savings on winter differential pay would amount to \$84,000 per year.

Because of the reduction in crew size, the trucks should be equipped with radios at a one-time cost of \$350,000. Annual maintenance would be about \$50,000. Implementation would produce total savings of almost \$1.25-million per year.

37. Conduct a study to determine the optimum usage level of salt.

The Bureau of Highways uses salt to aid in removal and control of snow and ice. The optimum level of salt depends on various factors. Excessive use of sodium and calcium chloride creates both cost and environmental problems. A decision was made in mid-1970 to reduce usage from 160,000 tons to 100,000 tons. Actual usage in 1970/71 was at 95,000 tons. A detailed study should be conducted to determine the optimum usage level of salt. Each 5,000 ton reduction will result in annual net savings of \$50,000. During the period of the study, a maximum usage level of 90,000 tons should be arbitrarily established. This will produce an additional saving of \$50,000.

38. Revise the emergency storm period meal allowance policy.

The Department of Transportation provides meal allowances for employees called out to perform emergency duties because of storms or natural disasters. Up to \$8 every 24 hours is allowed for meals. This policy has created morale problems and requires

repeated clarification in the field. Many companies faced with similar operational schedules have abandoned voucher systems like that used by the state. Instead, they pay meal allowances direct to the employee. The policy should be revised to provide emergency meal allowances at a set scale not to exceed \$8 in any 24 hour period. Amounts due can be calculated from time sheets and paid in the employee's regular check. Annual savings of \$12,500, the cost of the voucher system now used, are estimated.

39. Revise the governing statute to relieve the Commissioner of Transportation of the responsibility of providing supervisory and engineering services to towns under the Town Aid Program.

The purpose of the Town Aid supervisory and engineering function in each district is to help the towns make use of their grants in the most efficient manner. District personnel provide assistance to officials in the determination of specifications, construction, reconstruction, improvement, or maintenance of highways, bridges, and incidental structures. The cost for this service in fiscal 1971 was \$931,000, of which approximately \$50,000 was for technical services. It is very important to recognize that this represents only 6.5% charged to preliminary engineering, designs and estimates, and construction surveys.

Over the last two decades, towns have generally become more capable of handling local problems. There has been a continually diminishing reliance on district personnel for technical assistance. They now provide more of a control function through inspection and recordkeeping. This situation has been recognized and Public Act 701, passed in 1967, permits towns to take their grants with no strings attached. Therefore, the governing statute should be revised so the commissioner will no longer be required to provide supervisory and engineering services under the Town Aid Program. Annual savings will be \$993,000.

40. Discontinue the practice of employing summer helpers.

A total of 611 summer helpers were scheduled for 1971 at a budgeted cost of \$492,000. These jobs cannot be justified on a need basis and the practice should cease. The argument that these positions are training grounds for possible future employees is a rationalization. Annual savings through implementation will be \$316,000.

41. Abolish the field position of Highway Civil Defense Coordinator.

Until recently, the federal government shared equally with the state in expenses related to civil defense activities. However, a federal cutback has resulted in reduction of the state's activities. The Highway Civil Defense Coordinator function has become a paper shuffling routine. Training of district personnel to

perform the operability check of the radiological monitor should be done by garage foremen. Remaining work is superfluous and should be discontinued. Updating of the Connecticut Survival Plan should be a staff function performed by the Director of Civil Defense. Abolishing the four positions of Highway Civil Defense Coordinator will save \$57,400 per year.

42. Reduce the manning level of district highway and roadside maintenance forces.

The Bureau of Highways staffs its maintenance operation in expectation of winter storm activities, necessitating a make-work operation between storms. Recently, the bureau hired a management consulting group to review their staffing procedures and establish a work performance measurement system.

By implementing the management study program and extending this program to include addition of two industrial engineering positions to the staff in each district, a reduction of 14.2% of the existing work force will result. Total annual savings will be almost \$2.2-million. The cost will amount to \$125,000 per year.

43. Consolidate the Division of Special Services with the Bureaus of Maintenance and Design and Construction.

The Division of Special Services performs maintenance functions which include the crafts, welding, bridge, road, and sign repair. The Office of Construction and Maintenance justifies the existence of this division on the premise that bridge repair, carpentry, welding, electrical work, painting, and so on are technically different from road maintenance. While this is a valid concept at the operations level, it is of secondary importance where managerial abilities are more important than technical orientation. Therefore, the existing structure should be disassembled into administration, maintenance, and construction. Bridge and electrical maintenance functions would be transferred to the Bureau of Maintenance. Drainage maintenance, traffic and permit investigation would be reassigned to the Bureau of Transportation—Design and Construction. The administrative staff would be eliminated. Implementation will eliminate 20 positions for annual savings of \$234,000.

44. Establish a four-day, 36-hour week on a rotating five-day schedule for field personnel and permit greater flexibility.

Currently, field personnel work a seven-hour, five-day week. The actual time available for meaningful production amounts to 4.5 hours. The work accomplishment, particularly during the afternoon, is very low. In addition, statutes provide that exact times for starting, stopping, and break periods must be defined. This limitation in conjunction with the policy which requires management to give two weeks' notice for any

schedule changes, has greatly decreased the efficiency of field personnel.

Establishing a nine-hour, four-day week will increase daily productive hours by 44% and make it possible to reduce the work force by 16%. Monday through Friday coverage will be attained by assigning hourly personnel, including foremen, to rotating schedules that run from Monday through Thursday and from Tuesday through Friday. Personnel will be compensated at a straight time rate for the one hour difference in the work week. Annual savings will amount to almost \$3.29-million.

45. Reorganize the district engineer's office and staff.

There are five units within each of the four districts which are concerned with construction and maintenance of state highways. They include:

- ▶ District Engineer — responsible for administrative activities such as personnel management, budgets, and so on.
- ▶ Special Services — takes care of bridge repair, electrical work, and other special maintenance.
- ▶ Maintenance — handles roadway and roadside maintenance and snow removal.
- ▶ Construction — performs project engineering duties, construction surveys, inspections of contractors' work and administers the town aid assistance program.
- ▶ Surveys and Plans — coordinates rights-of-way and boundary surveys.

Under the present organizational structure, the procedures, systems, and cost control methods are not accomplishing the overall objectives of the districts. This is a result of not developing a general management philosophy among key positions such as that of the district engineer. By reorganizing these groups into a construction unit and a maintenance unit, including addition of a staff of industrial engineers, a reduction of 44 positions is possible. This improvement will result in annual savings of \$495,500. The cost is included in a previous recommendation.

46. Eliminate the use of contracted snow plowing.

During fiscal 1970, the cost of contracted snow removal amounted to \$1.23-million. The cost of operating a state plow was 32% greater than the amount paid to contractors. However, implementation of previous recommendations should reduce direct labor and overhead costs. Therefore, operating a state truck in a snow removal operation, should cost 10% less than hiring a contractor. Implementation will require increasing the length of roadway plowed by each truck from the present average of 5.6 lane miles to a proposed 6.9 miles. A study, performed by maintenance personnel, arbitrarily increased the distance per truck

to 6.6 miles. This test did not indicate any adverse effects on the equipment. Therefore, the study should be reactivated and expanded to 6.9. The annual savings will be \$123,200.

47. Reduce the manning level of the hourly field forces in the Divisions of Special Services.

Each district includes a Division of Special Services whose personnel is capable of performing specialized maintenance functions. Previous recommendations pointed out the necessity for consolidating these divisions at the staff and district levels to eliminate duplicated supervisory and clerical functions. Similar duplication exists in the field force operation. Consolidation will improve methods for both work scheduling and control within the districts. The Bureau of Highways has already engaged a management consultant to study these divisions. Although the investigation is not complete, the following presumptions have been projected:

- ▶ Recommendations made previously concerning supervisory and technical procedures are applicable to the operations level.
- ▶ Application of industry work measurement techniques will yield results comparable to those attained in the Division of Maintenance.

The effect of these projections should be a reduction of 59 positions with annual savings in the amount of \$594,300.

48. Require suppliers to provide automatic print-out of net weights of truckload materials.

Materials contracts for many items are awarded annually on bids, which are based on very detailed specifications. The state uses "vendor in place" for most of the smaller maintenance jobs. On major construction projects, it pays the contractor for "yards in place" of Portland cement or for bituminous used. In neither case is the producer paid directly by the state for the materials. It is the responsibility of state personnel to see that contract specifications are met through inspection, sampling, and documentation.

There are an average of 25 weighmen from the districts at bituminous plants and another 10 at Portland plants. They are responsible for manually recording the weight of the materials in each truck. This group receives 5,000 hours of overtime annually and also have state vehicles.

As part of the contract awarding process, the state should require producers to install automatic print-outs of the net weight of truckloads of materials. This would eliminate 35 district positions. All scales are checked annually by personnel from the Weights and Measures Department. Frequent spot checks could also be made by the materials testing lab. The saving amounts to \$399,000 annually.

49. Improve the District I and IV office facilities.

Present District I and IV offices are totally inadequate. The proposal to lease new office facilities in Rocky Hill for District I should be implemented. A similar proposal should be made for District IV. Additionally, a more central location for this office should be considered.

50. Improve field force safety and effectiveness through the use of modern equipment.

The district crews are required to perform many operations by hand or by using outmoded methods. A seven-man surveying party, using a rod and chain, can measure approximately 0.7 miles per day. A three-man group can measure five miles per day by using a geodometer. More importantly, the potentially hazardous exposure to highway traffic is greatly reduced. Four geodometers will cost approximately \$16,500. This will be offset by an annual saving of \$9,500.

Similarly, truck-mounted, pneumatic drop hammers are available for sign post installation and mechanical augers will facilitate installation of rail posts and construction of drain tunnels. A total one-time expenditure of \$40,000 will provide four pneumatic hammers and four mechanical augers. The annual savings will amount to \$76,400. The total one-time cost will be \$56,500. Total annual savings will be \$85,900.

Office of Design

This office prepares design plans and specifications. It also estimates construction costs for bridges, highways, structures, and access roads and provides similar information related to repairs, general improvements, and safety features of existing structures.

The office is composed of four divisions including Contracting Engineers, State Design, Design Services, and Contracts and Specifications. State Design is responsible for preparing plans and specifications. It has two sections, Bridge and Highway Design.

Contracts and Specifications estimates construction costs, prepares federal agreement estimates, reviews plans and specifications, and maintains cost records. It also updates specifications to reflect the latest developments and technology. Contracting Engineers is responsible for liaison with the outside engineering companies used for design services. The 1970 expenditure for such services was \$5.9-million. Design Service is responsible for the geometric design of highways, defining field survey projects, conducting public hearings on preliminary designs, preparing property maps, and providing guidance to public utilities in relocating their equipment and facilities.

The procedures of this office are well defined and maintained in a series of manuals. An extensive library

of bridge design computer programs has been put into use, but a similar plan for highway design has not been developed. Highway design cost could be reduced and division productivity improved if such systems were implemented.

Extensive use is made of consulting engineers for design contracts to meet the peak work loads. Consultant costs per project hour are significantly higher than if the work was performed by the state.

Drafting operations are conducted with competence. However, a review disclosed several practices which, if updated, would increase design productivity. Project management and control procedures were weak as demonstrated by an excessive number of reports, a poor priority system, insufficient coordination on a project basis, and the manning of the controls group by administrative personnel in another bureau.

RECOMMENDATIONS

51. Reduce design management by two positions.

There are two unfilled positions of assistant division chief authorized in the Division of Design Services, which are unnecessary. Elimination will result in an annual saving of approximately \$46,800.

52. Establish and use automated techniques and computer aids for highway design.

The creation of two positions of senior highway design engineer is necessary for the purpose of collecting a library of highway design computer programs. These are available from the federal government at no cost. Based upon the success of such applications in bridge design, it is estimated that similar use could achieve a 5% reduction in the total cost of design work accomplished within the division. Implementation would cost \$40,000 per year. Estimated yearly savings would be \$378,000.

Office of Traffic

This office is responsible for determining the need for and coordinating installation of traffic signs, painted lines, and illumination on state and interstate highways. It also directs and coordinates all electrical engineering and traffic movement activities of the Department of Transportation.

The fiscal 1971 budget for this office totaled over \$2.7-million. It is organized into the Office of the Director of Traffic, Traffic Control, Traffic Operations, Traffic Signal, Traffic Administration, and Traffic Electrical Divisions. The director coordinates traffic and electrical engineering activities of the Department of Transportation, administers a portion of the engineering intern training program, and directs a seven-member staff which supports the State Traffic Commission.

Traffic Control determines optimum speed limits for state roads. It is also responsible for various studies, reviews, reports, and investigations concerned with highway needs. The Traffic Electrical Division prepares designs and specifications for signs, support structures, pavement markings, and lane assignments. It also maintains a sign inventory and reviews outdoor advertising to ensure compliance with federal beautification standards. An Accident Analysis Section within Traffic Operations investigates all fatal traffic accidents in the state.

The Traffic Signals Division designs and reviews requirements for signals at existing and proposed locations. It also prepares electrical layout plans, cost estimates, and specifications for installations. Traffic Administration provides liaison between the divisions and consulting engineers. It maintains personnel, facility, equipment, budget, and expense records and issues permits to oversize and overweight vehicles to travel within the state.

Recent changes in administrative procedures include updating and clarification of job descriptions, scheduling of regular supervisory meetings, and distribution of a new policy and procedures manual. In addition, internal communications have been facilitated by physically consolidating several units. The office is highly structured organizationally. It is divided into five divisions which are further reduced to as many as four levels. Traffic Control alone consists of 19 distinct units. The office could improve its effectiveness with an organization consolidated on functional lines. The working relationship between the office and district personnel needs to be improved. Requests for signals, signs, and road markings are investigated and recommendations prepared thoroughly and promptly. Management personnel exercise good control over projects and expenditures. Fiscal 1971 operating expenses are estimated to be approximately \$250,000 below its allocated budget.

RECOMMENDATIONS

53. Abolish the position of Executive Aide to the Director of Traffic.

The responsibilities of this position are basically clerical and include sorting mail, keeping records of its routing, preparing correspondence, and reviewing reports. These duties can be performed by the director and his secretary. Annual savings would be approximately \$20,400.

54. Combine the Traffic Devices and Operational Surveys Sections of the Traffic Operations Division into a Devices and Survey Section.

The major distinction between these units is the separation of signs and pavement marking designs for existing vs. new construction roadways. Considerations for both are similar, and this arbitrary division

of responsibility creates unnecessary duplications. A consolidated organization can achieve annual savings of \$117,000.

55. Transfer the Transportation Permits Unit to the State Police Department.

This unit's sole responsibility is the issuance of permits to overweight and oversize vehicles. Enforcement powers rest with the State Police Department. To make regulation of these laws more effective, permit issuance and enforcement should be consolidated. Total annual savings are approximately \$52,500.

56. Eliminate one stenographer position in the Traffic Control Division.

The division chief has two stenographers although one could serve him adequately. Annual savings from implementation would be approximately \$10,000.

57. Abolish the Railroad Study Unit within the Traffic Control Division.

The sole function of this unit is to conduct periodic surveillance of railroad grade crossings within the state. This activity can easily be absorbed by existing personnel in the Regulatory Unit who conduct inspections of roadways and related facilities. Annual savings would total \$40,000.

58. Abolish the State Traffic Commission Investigations and Reports Section of the Regulatory Unit, Office of Traffic.

The operation reviews reports for clarity, grammar, and completeness before submission to the State Traffic Commission. This function can be performed by the Regulatory Unit's chief. Estimated annual savings are approximately \$17,800.

59. Consolidate the Division of Traffic Signals and the Traffic Electrical Division into an Electrical Division.

The proposed consolidation will eliminate 11 duplicate positions. The Electrical Engineering Section of the division will combine the former Electrical and New Construction and Engineering Laboratory Sections with a portion of the Electrical Engineering Section.

The Traffic Engineering Section will be renamed Signal Engineering and the Illumination Section is a combination of the old section with Preliminary Illumination. There is also a consolidated Drafting Unit. Staff totals will be reduced from 71 to 60 for annual savings of \$172,100.

Division of Town and Federal Aid

This division negotiates, prepares, and processes agreements related to expenditures of funds called Town Aid Grants. These are furnished annually by the state in accordance with existing statutes.

This three-man division reports to the chief engineer in the Bureau of Highways. Upon receiving a request involving expenditures of Town Aid Grants, the division prepares and processes an agreement between the Bureau of Highways and the town requesting the expenditure. A copy of the agreement is sent to the Bureau of Administration. In fiscal 1970, grants totaled \$13.6-million.

The duties of this division amount to an intermediate step between the town requesting funds and the Division of Accounts. Direct contact between the two would improve service and reduce costs.

RECOMMENDATION

60. Eliminate the Division of Town and Federal Aid.

An analysis of the annual work output indicates that the division is less than 10% productive. By abolishing three positions and assigning agreement preparation to the Division of Accounts, an annual saving of \$49,900 will result.

Office of Engineering Services

This office provides plans and advice to state agencies, towns, and civic organizations. It is also responsible for soils and materials testing and inspection as well as preparation and revision of related standards and specifications.

The office is comprised of six divisions. Roadside Development plans and advises state and civic organizations on matters related to landscaping and maintenance. The Hydraulics and Drainage Division reviews, develops, and advises on matters concerning highway designs of drainage and hydraulic systems. Research and Development administers and coordinates physical research activities for the department. Materials Testing secures samples and performs laboratory analysis of products and materials. Soils and Foundations advises units on matters concerning soils and foundations as they relate to construction and maintenance of highways. Municipal Systems coordinates investigation and resolution of transportation problems in urban areas with federal, state, and local officials.

The range of performance among the divisions varies considerably. Roadside Development is a capable, efficient unit. Hydraulics and Drainage is sufficiently staffed for present demands and operates at a satisfactory level. Research and Development is adequately staffed with knowledgeable personnel. However, there is a definite lack of management direction regarding priorities and projects. Materials Testing is poorly organized and little attention has been given to improving its effectiveness. Soil and Foundations is a well-organized unit which practices a continuous application of cost reduction techniques. Municipal

Systems is adequately structured and staffed. However, expansion of its duties is probably based on the trend of federal and state legislative actions. Based on this analysis and the proposed reorganization of the bureau, the position of Chief of Engineering Services should be filled.

RECOMMENDATIONS

61. Reorganize the Division of Materials Testing.

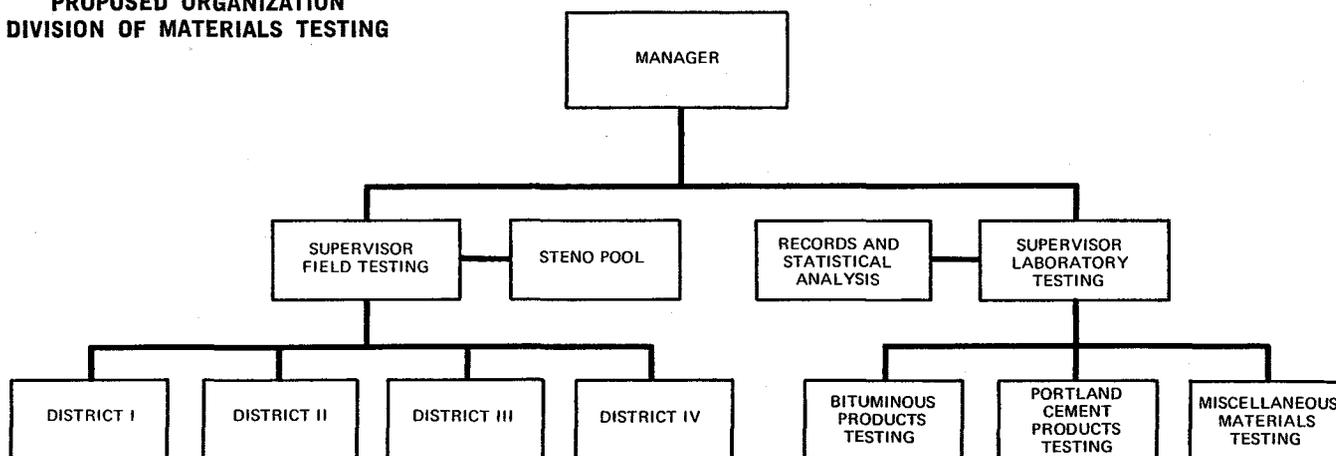
This division is organized into three groups, Bituminous Concrete, Portland Concrete, and Chemical. Approximately half of the 102 people employed are engaged in field work. The rest perform laboratory analysis and related activities. Little attention is given to cost control. The answer to most problems has been acquisition of more people or equipment. Thus, there is considerable overstaffing in the supervisory ranks. The biggest contributor to waste and inefficiency is the policy which requires every item purchased by the bureau to be tested before purchase, at delivery, and after installation. This shifts the burden of quality control from the manufacturer to the state. In some cases, a supplier's entire production may be tested, although only a fraction of the output is for state use.

The division should be reorganized to separate field and laboratory functions. Titles should be changed and responsibilities grouped as in the chart on the next page. The Manager of Materials Testing would report to the Director of Materials Handling in the new Bureau of General Services. His scope of activities would be broadened to include other department bureaus. The change will abolish the concept of three sections, each performing field and laboratory work. Instead, there will be two groups, one responsible for laboratory analysis, the other gathering samples and conducting routine field tests. Elimination of the third group will result in annual savings of \$89,000.

Each day, 25 laboratory people travel to the various bituminous plants to make a number of tests and inspections. The system should be changed to make the supplier responsible for quality control of the production. This can be done by adopting end-result testing, relying more on certification from suppliers, encouraging construction of automated plants, using automatic weighing machines, and implementing a statistical analysis approach to gathering test samples. Elimination of 27 staff members will result in annual savings of \$283,000, one-time savings of \$50,000, and annual savings of \$30,000 more in associated transportation costs.

Overtesting and assumption of quality control has created similar overstaffing in the Portland Concrete and Chemical Sections. Even though less than 15% of the reinforced concrete pipe produced in the state

**PROPOSED ORGANIZATION
DIVISION OF MATERIALS TESTING**



is used on highway projects, nine men are assigned to inspect the seven plants producing this material. Approximately 144 tests are made on paint samples before a contract is awarded. Further testing is made once the supplier is chosen. No reliance is permitted on manufacturer certification and spot checking of products is not condoned. Portland concrete is tested at the job site by field inspectors from the district engineer's office. The use of core samples and implementation of statistical analysis techniques together with the reorganization could reduce these forces by 18 people. Savings would include an annual amount of \$200,000 for personnel, one-time savings of \$20,000, as well as annual savings of about \$12,000 for associated transportation.

The Chemical Section employs an agronomist to test roadside soil samples. This service is provided free to state residents by the Agricultural School at the University of Connecticut and the New Haven Experiment Station. If the Bureau of Highways used these facilities, they could save \$16,000 per year in salary costs and there would be a one-time savings of \$50,000 by dismantling the laboratory.

Further savings are possible by reducing overtime costs necessitated by the policy of total coverage of plant operations. With the proposed testing routines, 50% fewer people would be needed. The 5,000 hours of overtime allocated to the division for 1971 should be reduced to not more than 1,000 for a savings of \$16,000 per year.

Implementation will require that four district field laboratories be equipped at a one-time cost of \$40,000. It will also be necessary to purchase two core boring rigs for a one-time cost of \$8,000. Total annual savings of \$646,000 and a one-time saving of \$120,000 are expected.

62. Restructure the relationship between the Division of Roadside Development and the district landscape personnel.

The division plans and advises on roadside landscaping, planting, development, and related maintenance operations. It serves as a consultant to towns and civic organizations on highway landscape problems.

There are nine authorized positions and the personnel are well-educated in their respective fields. They write manuals and procedures for use by the districts. Some time is also spent in teaching and training district crews. Currently, there are six landscape designers reporting to assistant district engineers. They should be reduced to four and report to the Division of Roadside Development. Savings are estimated at \$28,000 annually.

63. Develop a system of fees based on a daily rate of \$100 per man-day to be charged for reviewing site plans of major land development projects.

The division puts in about 150 days per year reviewing site plans for land development projects. This activity is to assure that requirements of the Water Resources Commission are being observed and that the state has no increased need for drainage or hydraulics. Developers are required to set up their plans in such fashion that no added expense to the state results. The division is responsible for seeing there is adequate drainage and provision for hydraulics. The work done is of professional quality and the state should be compensated. Income is estimated at \$15,000 annually.

64. Reduce the authorized manning of the division by one engineer.

The division has a staff of eight with two engineering vacancies. A reduction of authorized positions by one would allow it to fill a vacancy and retain the backlog within current limits. Annual savings would be \$18,200.

65. Review the technical objectives and policies of the Division of Research and Development.

The division is operating in a somewhat autonomous fashion. It should receive more effective direction in accordance with management's evaluation of overall needs and priorities.

Division of Concessions

This division inspects restaurants, service stations, and other concessions. It also is responsible for maintenance and repair of various properties, facilities, and equipment.

The division is staffed with 31 employees. Four of them perform daily inspections at eight restaurants and 24 service stations. Maintenance and repair crews inspect, test, clean, and otherwise service state-owned equipment in compliance with established programs of preventive maintenance. Crews are on rotating schedules requiring them to be available 24 hours a day, seven days a week, for emergency repairs.

This division is well supervised. The inspection and work schedules have been carefully prepared. Prompt action is taken on complaints and many constructive suggestions have been advanced to make facilities more attractive and enhance public acceptance. However, the number of employees appears excessive.

RECOMMENDATION

66. Eliminate five positions.

This division has three vacant positions. Facilities and equipment are well maintained by remaining staff so they should be eliminated to effect annual savings of \$35,700. Additionally, four employees make daily inspections at eight restaurants and 24 service stations. If inspections were made every second day, two positions could be eliminated for annual savings of \$21,500. Total savings would be \$57,200.

Division of Stores

The Division of Stores is responsible for maintaining an inventory of supplies, materials, and repair parts for all bureaus of the department. It has 91 employees and operates two distribution warehouses, several other stores, and 25 gasoline-dispensing locations. Additionally, it also has responsibility for 100 gas pumps manned by maintenance personnel. The division also maintains 125 sand and salt piles throughout the state.

The Records Section prepares the division's catalog, processes gas invoices, and records balances on the 125 gas stations. It also keeps perpetual inventory records on the two main stores, initiates requisitions to maintain stocks at established levels, audits and batches incoming transaction documents for the computer. The Stores Distribution Section operates 24

stockrooms. Each location keeps perpetual inventory records and initiates purchase requisitions to maintain stocks at predetermined levels. The Stores Inventory Section performs a complete audit of each store annually and spot audits selected items to compare inventory to computer records.

The Division of Stores is staffed by competent field and office employees. Field stocks are well organized and protected. However, the number of store locations is excessive and the level of supplies is more than is needed for normal operating requirements. There is no effective inventory control and management reporting systems are lacking.

RECOMMENDATIONS

67. Reduce the number of field store locations.

Currently, 24 stores service four bureau districts and Bradley Field. Inventories are maintained far in excess of what is required for normal operations. Consequently, 11 stores should be closed for a total annual saving of \$170,400. Delivery of parts and materials can be made weekly from the central warehouse in Portland, using existing staff and vehicles. The stores to be closed would include Waterbury, Portland Machine Shop, Newington, Branford, Higganum, Warehouse Point, East Haven, Norwich, East Hartford, East Haddam, and New Haven.

68. Reduce the stores inventory and establish a control system.

Each location establishes inventory levels on the basis of needs expressed by maintenance and vehicle repair foremen without regard to actual usage. Consequently, the inventories are excessive. As of May 1971, supplies including sand and salt, were valued at \$5-million. Usage for 10 months amounted to slightly over \$2.6-million. Establishing a maximum level of six-months' inventory will decrease costs by \$175,000 annually, assuming a 7% interest rate. Further savings may be realized through establishment of a comprehensive inventory control program. Additionally, a one-time savings of about \$2.5-million will occur through inventory reduction.

69. Transfer the audit function to the Bureau of Administration's Division of Audit.

The Stores Inventory Section should be reduced by three positions because of the closing of 11 field stores. The remaining two positions should be transferred to the Bureau of Administration's Division of Audit. It would then assume responsibility for auditing the stores' operation. Implementation will result in annual savings of \$43,000.

70. Reduce the staff in the Stores Record Section.

Currently, two clerks check each purchase and supply requisition generated in the Department of Transportation against a file of catalog items to establish a

record of materials in each store. This is also done on the computer and by the storekeeper. Elimination of this function will provide annual savings of \$17,000.

71. Reorganize the Division of Stores.

Implementation of previous recommendations will make it possible to reorganize this division to provide closer control and improve efficiency. The position of highway assistant stores superintendent should be eliminated as well as the assistant stores superintendent in the Stores Distribution Section. The three zone managers would thus report to the stores superintendent. Annual savings are estimated at \$27,000.

Division of Revenues, Accounting

This division is responsible for the billing and collection of rents and royalties accruing to the state from department properties or operations. It also takes care of accounting and auditing turnpike, highway, and bridge tolls.

The division has an operating budget of \$168,000 and a staff of 23 employees. Tolls collected on highways and bridges are deposited in designated banks by plaza cashiers. Receipts are sent to this division for audit and reconciliation with tapes from automatic recording equipment received daily. Deposits, charges by trucking companies, sales, and collections of commutation tickets are recorded and prepared for computer processing.

Bills are sent for rent and royalties due from a number of sources. Except for highways and bridge tolls, all sums collected are forwarded to the Treasurer. Open receivables are maintained for follow-up and to insure eventual collection of all bills by court action if necessary. Total income in calendar 1970 was \$34-million from tolls and \$6-million from other sources.

With the exception of five employees, this division has been relocated from Glastonbury to Wethersfield. The five are not properly supervised or productively occupied. Much of the office's activity is related to statistical reporting of revenue, traffic auditing of toll plaza tapes, and routine invoicing. Thus, little decision-making is required of supervisors. There are 12 persons engaged in editing and auditing toll plaza tapes as well as verifying collection deposits.

RECOMMENDATIONS

72. Transfer the Division of Revenues, Accounting to the Bureau of Administration.

This division performs a number of accounting and auditing functions. Therefore, it should be included in the Bureau of Administration.

73. Reduce the staff by four positions.

Three maintenance employees and two tickometer operators are located at the Glastonbury facility. The

jobs performed by the maintenance staff are unnecessary and the positions should be eliminated. One tickometer operator should be moved to Wethersfield and the other position vacated. Elimination of four positions will produce annual savings of \$34,000.

74. Dispose of division land and buildings at the Glastonbury facility.

This facility has been occupied by the Division of Revenues, Accounting. It is no longer required. The property was last appraised at \$55,000, which should be the amount of one-time income generated from implementation.

Division of Tolls Operations

The Division of Tolls Operations collects highway, bridge, and ferry tolls. It is also responsible for maintenance and repair of toll station electronic equipment. The division has just under 600 employees who staff 137 traffic lanes at 15 toll plazas on highways and bridges as well as two state-owned and operated ferries on the Connecticut River. Toll collections are deposited in designated local banks by toll plaza cashiers.

On the basis of published reports concerning the discrepancies in highway toll collections in the division, it is obvious reorganization is necessary. Because it is now under investigation and study by the State Police Department and the Commissioner of Transportation, no attempt has been made to study the toll operations related to highways and bridges. The study has been limited to the collection of tolls and operation of ferries.

RECOMMENDATION

75. Eliminate the operating losses for the Rocky Hill/Glastonbury and for the Chester/Hadlyme ferries.

The two state ferry systems operate at a considerable loss. In fiscal 1970, the Rocky Hill/Glastonbury ferry cost \$52,000 to operate and produced \$7,000 in income. The Chester/Hadlyme expenditures were \$62,000 with income of \$13,000.

These operations could be put on a self-sustaining basis by increasing the fees. If this is not feasible, they might be transferred or sold to a nonprofit historical organization. A third possibility is simply to cease operations, which would result in an annual saving of \$90,000.

Office of Property Control

This office prepares capital outlay and equipment budgets and maintains perpetual inventory of equipment. It also provides for telephone and mobile radio requirements, operates the Bureau of Highways' motor

pool, and handles specifications for purchase of special-purpose vehicles and equipment.

The Office of Property Control operates under the direction of the Chief of Property Control. It consists of three divisions and a motor pool, employing some 450 people.

The Division of Administration devotes its efforts to budgets and inventory control. It also administers maintenance, service, and utility agreements for department buildings and equipment.

The Division of Real Assets is responsible for liaison with the Public Works Department concerning the construction of, and major alterations and repairs to, Department of Transportation buildings. In addition, it handles routine structural, mechanical, and electrical repairs and administers the master key system for department buildings.

The Field Division repairs and maintains department vehicles and equipment. It is also responsible for supervising activities of the machine shop and Portland plant as well as preparing specifications for special-purpose vehicles and equipment. The Motor Pool Section administers this operation for the Bureau of Highways at the Wethersfield administration building, the Rocky Hill laboratory, and four district offices.

The intermixture of line and staff responsibilities within this group has seriously weakened its ability to do either task effectively. Substantial improvements in budget preparation and administration, inventory control, and equipment specification writing have been made by the present chief. However, much needs to be done to eliminate duplicate functions, delineate specific line and staff responsibilities, and promote a more cohesive relationship within the department.

RECOMMENDATIONS

76. Abolish the Office of Property Control and reassign its responsibilities.

The Office of Property Control operates almost exclusively for the benefit of the Bureau of Highways. Functioning in both staff and line capacities has created numerous problems, particularly in administration and control. The equipment repair staff receives little managerial attention and operation of repair garages is a matter for the garage foreman. The care and maintenance of buildings suffers the same way.

Budgetary and inventory functions have only recently been broadened to include other bureaus. Because there is more to be done, much duplication exists. Refinement of budgetary techniques and elimination of rechecks for field submissions are in order.

Processing of records, control of telephone requirements, supervision of office machine repairs, and administration of utility services to bureau buildings

are essential to the operation of the entire department. These functions should be transferred to the Bureau of General Services.

The motor pool should be modified and placed under the Bureau of General Services. It should include all motor pool operations for the department in close liaison with the fleet administrator in the Department of Finance and Control.

The mobile radio operation should combine its activities with other agencies using such equipment. This function should be assigned to the Bureau of General Services.

The budgets and inventories prepared in the Division of Administration should be transferred to the Director of Fiscal Services in the Bureau of Administration. This action will reduce duplication and permit an expanded operation.

Equipment repair should be transferred to the Bureau of General Services and reorganized to separate staff and field responsibilities. Field operations should be under the direction of a single person reporting to the Director of Property Management and Maintenance. The staff operation should also report through one person to this director.

The Motor Vehicle Safety Team should be abolished and its responsibilities transferred to the Bureau of Administration and combined with the Division of Safety. Annual savings resulting from staff reductions total \$77,500.

77. Transfer building design and construction functions to the Public Works Department.

Liaison with the Public Works Department on Bureau of Highways' building projects exceeding \$25,000 is the responsibility of the Division of Real Assets. This division also supervises design and construction of bureau facilities valued below \$25,000. The liaison operation duplicates what is done by the Public Works Department with the exception of design criteria and site requirement transmittal. Three people, supervised by a plan reviewer, should be capable of handling this function. Elimination of the remaining 10 positions will result in annual savings of \$120,000.

78. Modify the motor pool organization and its scope of operations.

The initial impact of the motor pool operation was to reduce personal car mileage costs from \$197,900 in fiscal 1969 to \$49,800 in 1970, a savings of \$148,100. It also temporarily halted misuse of state-owned cars but such misuse is now creeping back. To accomplish the expected savings, 50 additional cars were purchased. In addition, 13 people plus a supervisor were employed at an annual cost of \$140,000 for salaries and space and another \$60,000 in annual operating costs. This did not include the \$100,000 needed to purchase the vehicles.

There is not enough work to keep 14 people gainfully employed. Except for the administration building, the motor pool operation can be handled by a clerk in the district office. Duties involved can readily be absorbed by existing personnel. One person is needed for the administration building pool. Operating under the fleet supervisor, he can obtain assistance from existing personnel within the General Services' staff group. The fleet supervisor and not more than two additional people should become part of the staff organization within the Bureau of General Services outlined previously. They would formulate policy and, through inspection and control reports, determine where abuse and inefficiency exist, taking corrective action when necessary. This conversion would eliminate 10 positions for annual savings of \$100,000.

79. Transfer care of buildings to the Public Works Department.

Within the Office of Property Control, building care and maintenance functions are divided between the Real Assets and Administration Divisions. Salaries and expenses of the 27 electricians, carpenters, painters, and plumbers assigned to the division amounts to \$283,000 per year including vehicles. Based on industry staffing patterns, proper management of this function would reduce manpower requirements by 50% and provide a savings of about \$141,000 per year.

Responsibility for care and maintenance of buildings within the Department of Transportation is fragmented to the point of being nonexistent. The Public Works Department maintains some of the buildings in Hartford, but not all. The Bureau of Aeronautics maintains some buildings with its own people and others through contract services. The Bureau of Highways has an elaborate organization to maintain the administration building, the Rocky Hill laboratory, and various leased quarters in and around Hartford. At the same time, it leaves the maintenance of its district offices to repair garage foremen and highway maintenance crews. The entire situation breeds waste, inefficiency, poor working conditions, and excessive costs. Centralizing building care in the Public Works Department and implementing a program of preventive maintenance should result in annual savings of \$567,500.

80. Transfer the Portland plant and machine shop operations.

The Portland plant employs 22 people who are engaged in fabricating wood products for Bureau of Highways' use. In fiscal 1970, output amounted to \$340,000 worth of goods and services. The plant is well managed and efficient. Its operation results in substantial savings. Further economies would be possible if this operation were transferred to the Department of Correction and expanded to provide similar services to other agencies. In addition to reduced costs, tremendous potential exists in using this opera-

tion as a training center to teach inmates useful skills. By retaining the superintendent and four craftsmen and replacing the remainder with inmates, annual savings of \$150,000 in labor alone are possible.

The machine shop employs 16 people supervised by a foreman. Transfer and expansion of this operation would also result in economies and potential for training inmates. By retaining the foreman and three craftsmen, a labor savings of \$120,000 per year is possible. The building and land should be disposed of and the equipment transferred to the Department of Correction. A one-time moving cost of \$10,000 is anticipated as well as a one-time capital return of \$250,000.

81. Establish a second shift and develop a more realistic staffing guide in the equipment repair garages.

It would be possible to effect immediate economies in the Equipment Repair Section by implementing a second shift operation. Except for emergency situations, all equipment is in operation during the day. However, 10% to 15% of the fleet is down for servicing at all times. This is also true of nonvehicular equipment. Downtime should be held between 2% and 5%. This will be possible through a second shift operation. Reducing downtime by 10% means that 193 vehicles can be eliminated for a one-time savings of \$421,000 and \$94,650 in annual savings. A second shift would cost \$50,000 per year.

In addition, a more realistic staffing formula is required. Based on recent equipment inventories and the authorized formula, there should be 307 mechanics and assistants in the field. Currently, there are 167 and no garage is very far behind in its work. The reason for the discrepancy in actual vs. theoretical manpower is the formula used to determine requirements. It has as its base the contention that a mechanic can service 20 passenger cars in a year. The standard used by most fleet managers is 50 to 60 passenger cars per mechanic. Using this figure, the fleet need is about 122 mechanics. Reducing the present staff by 21 will provide annual savings of an additional \$197,800.

82. Establish a policy to encourage use of recaps.

A savings of at least 50% is possible by using recapped tires. No formal policy exists with regard to recaps. It is accepted practice in most commercial operations to use such tires on rear wheels, particularly on trucks.

About half of the new tires purchased for the Bureau of Highways last year had to be placed on rear wheels. If 50% of the tires had been recaps, \$39,000 would have been saved. Development of a definitive policy regarding increased use of recaps and preparation of adequate specifications will ensure annual savings of about \$40,000.

83. Revise the policies related to summer employees.

The Office of Property Control uses summer employees as fill-ins for the normal work force. Rather than being viewed as training slots for potential full-time employees, these positions are used to accomplish tasks shunned by the regular staff. Such a policy serves no useful purpose.

Retaining 10 positions as training slots for potential full-time employees, establishing a program to ensure proper assignment of candidates, and abolishing the remaining 38 positions will result in improved use of manpower and a saving of \$30,000 annually.

84. Reduce the inventory of spare tires kept at maintenance and repair garages.

No formal policy exists regarding the quantity and storage of spare tires necessary for fleet support. There is no reason why more than two of any size tire should be kept as spare in each of the maintenance and repair garages. Returning the extra tires to stock would result in a one-time saving of \$29,000 and free some much needed space.

85. Assign responsibility for care and custody of the the new interstate highway rest areas to the highway maintenance crews.

Seven rest areas will be constructed at strategic locations along the interstate roadways. Plans call for a group to be created in the Office of Property Control to be responsible for maintenance, repair, and cleaning within these areas. Staff is expected to total 63 plus a supervisor.

A previous recommendation proposed that building maintenance responsibilities be transferred to the Public Works Department. In line with this, plumbing, electrical, and structural needs of the rest area buildings can be met by this department. In addition, responsibility for care and custody of the rest areas should be assumed by the District Highway Maintenance Divisions. This can be done without additional people, vehicles, or equipment. One-time savings by not equipping seven crews will amount to \$105,000 and annual savings will be \$33,250.

86. Revise policies and procedures regarding security coverage in Bureau of Highways' buildings.

Five men provide 24-hour security coverage at each of three locations. Contract guard services, roving patrols, closed circuit television, security alarms or a combination of these could provide adequate security at considerably lower cost. A combination of closed circuit television monitored at a central console plus a contract service should be adopted to replace existing guards. This should provide sufficient security coverage at a one-time cost of \$21,000 and an annual cost of \$37,000. The cost of the present system is approximately \$110,000.

Bureau of Planning and Research

This bureau is responsible for planning an integrated state transportation system. The Office of Planning forecasts traffic demand, determines transportation deficiencies, and selects future route locations. The Office of Research conducts studies of innovative transportation concepts.

ORGANIZATION AND PROCEDURES

The Bureau of Planning and Research is administered by a deputy commissioner. Its fiscal 1971 operating budget was approximately \$1.1-million. The three Divisions of Transportation, Routes, and Airport Planning plus the Administration, Cartography, Road Inventory and Records, and Traffic Statistics Sections form the Office of Planning. The Division of Transportation forecasts future travel and determines potential deficiencies in the existing system. The Division of Route Planning recommends locations for new or improved facilities authorized by the Legislature. Airport Planning determines the need for new airport construction or major expansions. The Administration Section performs personnel, scheduling, and budgetary functions. Additionally, there is Cartography which prepares maps, Road Inventory which compiles vital statistics regarding road condition and capacity, and Traffic Statistics which collects and maintains traffic statistics. The Office of Research evaluates innovative modes of transportation and their potential application as well as the social, economic, engineering, and environmental implications.

EVALUATION OF EFFECTIVENESS

Although the bureau has a large staff, it is not performing a complete planning process. It has developed complex computer techniques for determining future traffic demand and transportation deficiencies, but has not followed through with specific program recommendations for maintenance and construction. The bureau has been lax in consideration of program costs and funding. Consequently, it has not been effective in producing a balanced plan for departmental and legislative action. Project priorities have not been clearly defined and enforced. As a result, few projects are completed without costly interruption making it difficult for the operating bureaus to plan efficient schedules and meaningful work loads.

RECOMMENDATIONS

87. Make the Bureau of Planning responsible for the development of a comprehensive transportation plan.

Transportation planning functions are scattered throughout the department. This has impeded development of a cohesive and complete plan. To facilitate development of such a program, the bureau should be

made fully responsible for determining transportation needs and analyzing potential solutions with specific consideration of benefits, costs, and funding. It should also present an annual and long-range action plan to the Legislature for approval. These should have prior approval from the communities which are affected.

88. Modify the Bureau of Planning organization.

To accomplish its planning responsibilities, the bureau should be reorganized. The new structure would include a Director of Planning who reports to the Deputy Commissioner, Bureau of Planning. Bureau functions would be divided into the Offices of Transportation Research, Transportation Programming, and Route Planning. All three would report to the director.

Transportation Research would collect and analyze data required to determine the need for additions and improvements to the transportation system. The Office of Transportation Programming would prepare a program to solve these needs. Proposed projects should be justified by an analysis of expected benefits, projected costs, probability of local approval, and availability of funding. This office would integrate the resulting construction projects into a cohesive priority plan for submission to the Legislature. The Office of Route Planning would determine rights-of-way feasibility for each project prior to submission to the Legislature. It would also determine the best route location for authorized projects.

89. Consolidate functional groups that contribute to the determination of transportation needs into the Office of Transportation Research.

The proposed office would be responsible for determining condition and capacity deficiencies in the state's system. At present, several groups support or contribute to this inventory. The function could be performed more efficiently if they were combined within the Office of Transportation Research. Reporting sections would include the Divisions of Traffic Forecasting, Facilities Evaluation, Transportation Statistics, and Modal Research.

The Division of Traffic Forecasting would be responsible for relating current and future traffic demand to the capacity of the state's transportation system. It would be staffed with 20 people now assigned to the Division of Transportation Planning. The remaining 17 positions in that division would be eliminated for an annual saving of \$206,000.

The Division of Facilities Evaluation would collect suggestions for maintenance and improvement projects, review proposed suggestions with appropriate operating sections, and then rate the projects recommended for action. The division would be staffed with the six-man group now assigned to the Needs' Inventory Unit in the Office of Staff Services.

The Division of Transportation Statistics would collect and maintain route and traffic information needed by the Bureau of Planning. Road Inventory and Records, Traffic Statistics, Cartography, and Road Systems Classification would be combined to form this division.

Consolidation would facilitate work scheduling and allow a 10% staff reduction for an annual saving of \$31,000. In addition, Traffic Statistics should be reduced by five positions and the responsibility for collecting machine-counted traffic data transferred to the Bureau of Highway Maintenance, resulting in an annual saving of \$36,000.

The Division of Modal Research would also be transferred to the proposed office. It would review new developments in all modes of transportation for possible application in Connecticut. Since the actual development work is done by industry, the review could be accomplished by a staff of three senior engineers. Therefore, the staff should be reduced from six to three for an annual saving of \$34,000 and the vacant director's position abolished for an additional saving of \$24,000. Accumulated savings within the Office of Transportation Research would be \$331,000 per year.

90. Abolish the Division of Airport Planning.

The duties of this division should be absorbed by the Office of Transportation Research. Eliminating the two positions would yield an annual saving of \$32,000 to the state.

91. Establish an Office of Transportation Programming to prepare an integrated transportation program for departmental and legislative action.

The office would be responsible for economic evaluation of the projects proposed by the Division of Transportation Research. Analysis should be based on expected benefits, estimated cost, and availability of funding. All projects should be rated according to urgency and combined into a total program consistent with the department's manpower and financial resources. After obtaining departmental approval, the proposed office would be responsible for presenting the plan to the Legislature's Transportation Committee. The plan should include a firm project schedule for the upcoming year and a preliminary schedule for the next 10-year period.

The office requires a professional staff of 12 and a clerical staff of three. It should be staffed with personnel from the Office of Staff Services and the Division of Transportation Planning. In addition, five senior transportation planners with specific experience with mass transportation systems should be recruited. This addition is intended to make the Bureau of Planning staff more qualified and experienced in all modes of transportation and would result in an annual cost of approximately \$121,000.

92. Upgrade the Division of Route Planning to office status and perform more planning internally.

The selection of transportation routes is becoming increasingly difficult due to local, state, and federal opposition. Recently a number of important transportation projects have been delayed or shelved.

Several organizational and procedural changes would make the division more effective. Its importance warrants upgrading the function to office status. In addition, a greater percentage of the work should be performed by the internal staff rather than by consulting engineers. Internal assignment of more projects would increase the department's awareness of and ability to respond to local objections and would also result in a saving of outside fees. Since internal cost estimates are 49% lower than consulting charges, the outside assignments, which now amount to approximately \$1-million in annual fees, should be reduced to less than \$500,000. The internal cost to perform this additional work is estimated to be \$255,000 including a full allocation of overhead burden. However, since much of the supporting overhead already exists, incremental costs should be less than this amount resulting in an annual saving of more than \$245,000. This work can be accomplished with the addition of 10 persons, five being in Route Planning.

93. Reduce the staff of the Administrative Section.

The functions of the section should be simplified. Reorganization will reduce staff needs by one for an annual saving of \$8,000.

94. Eliminate the Assistant Director of Planning.

Creation of the Offices of Transportation Research, Transportation Programming, and Route Planning eliminates the need for this position. Implementation will result in an annual saving of \$22,000.

Bureau of Waterways

The bureau develops and maintains facilities for transporting people and goods over navigable waters in the state. It is also responsible for promoting efficient interchange of traffic between water and other modes of transportation.

ORGANIZATION AND PROCEDURES

The bureau is staffed by a deputy transportation commissioner, and an executive assistant. It is responsible for operation of the state pier at New London through an agreement with a private operator who participates in the net profits. A portion of the pier is also leased to the U. S. Navy. Gross income from the pier for fiscal 1970 was in excess of \$1-million. Net income to the state was \$180,000. The bureau is also responsible for operation of the state dock at Guilford, and for coordinating the activities of 32 harbor masters and 14 deputy harbor masters.

EVALUATION OF EFFECTIVENESS

Coordinating the activities of the harbor masters and supervising the state dock at Guilford are not significant functions. Its main activity is to oversee operation of the pier at New London. This is a commercial operation and the state does not participate in seeking new business. Hence, the return to the state depends on the competence of the private operators. Funds tied up in this facility might be put to much better use elsewhere.

RECOMMENDATIONS

95. Dispose of the state dock at Guilford.

Income and operating costs for the dock in fiscal 1970 were both about \$400. This facility should be turned over to the town.

96. Reduce the staff by one position.

The deputy transportation commissioner has an executive assistant. This position is not necessary and should be eliminated to provide annual savings of \$16,000.

97. Determine the advisability of selling the state pier at New London.

In the last few years, operations of the pier have shown a profit. Before that, losses were sustained. Operation of this facility is a questionable function for the state. An appraisal should be made of the value of the property to determine if it should be sold. Disposal of the pier would leave very little responsibility in the bureau and its status should be reexamined at that time.

Bureau of Aeronautics

This bureau is responsible for maintaining a system of air transportation in the state. Activities include design, development, and operation of state airports. Additionally, the bureau inspects and licenses private and municipal airports, registers aircraft and airmen, develops safety programs, and maintains liaison with state and federal aviation agencies.

ORGANIZATION AND PROCEDURES

The Bureau of Aeronautics is comprised of four divisions. Together they employ 200 people, and 1971 expenditures totaled approximately \$2.1-million.

The Division of State Airport Operations is involved in airport and equipment maintenance and fire and crash operations. Under direction of managers at each of five state airports, 134 employees maintain runways, ramps, grounds, roadways, parking lots, and other physical facilities.

The Division of Licensing and Regulation processes, approves, and maintains records of airmen's licenses and aircraft registrations. It investigates accidents and

enforces state aeronautical laws. This division also maintains a small fleet of aircraft.

The Division of Engineering provides technical assistance on matters of design and facilities for state, municipal, and private airports. Also, as required by state and federal regulations, it inspects airports to ensure they meet applicable standards. The Division of General Administration is responsible for negotiating leases and contracts with state airport tenants.

EVALUATION OF EFFECTIVENESS

The Division of Airport Operations is well organized, but the other three need improvement. The licensing function duplicates records provided to the Bureau of Aeronautics monthly by the Federal Aviation Administration. Purchasing, personnel, contract, and revenue activities partially duplicate those performed by central staff services of the Department of Transportation.

Engineering has been manned to handle a work load much greater than normally exists. The result is a low level of activity among engineering personnel.

RECOMMENDATIONS

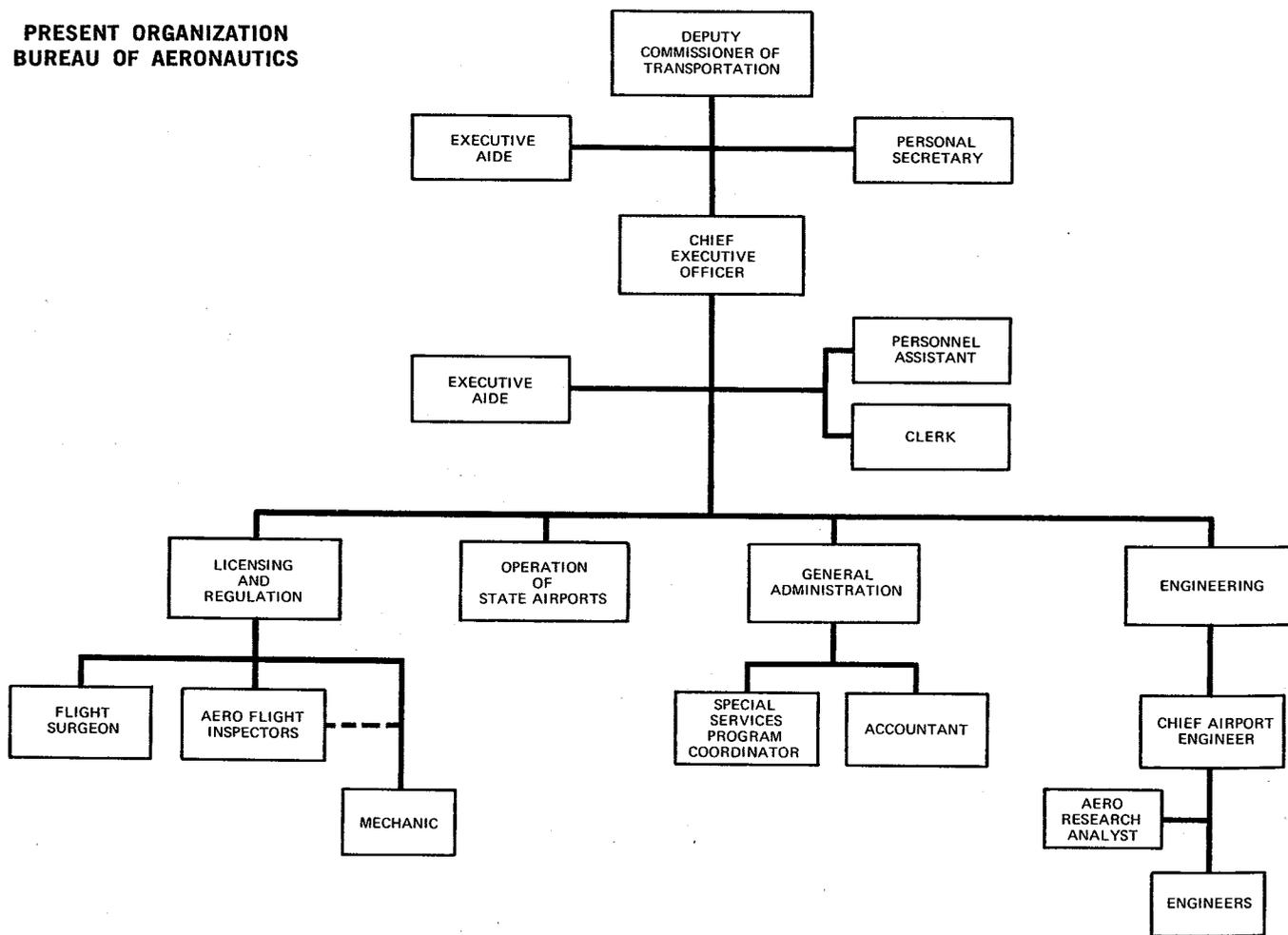
98. Restructure the Bureau of Aeronautics.

Many bureau activities duplicate functions performed by other bureaus or divisions within the Department of Transportation. Positions involved have been eliminated in other recommendations. To make more effective use of remaining personnel, the bureau should be restructured as shown in the present and proposed charts below and to the right. With reorganization, bureau personnel will be reduced from 32 to 21. Estimated annual savings will be claimed in subsequent recommendations.

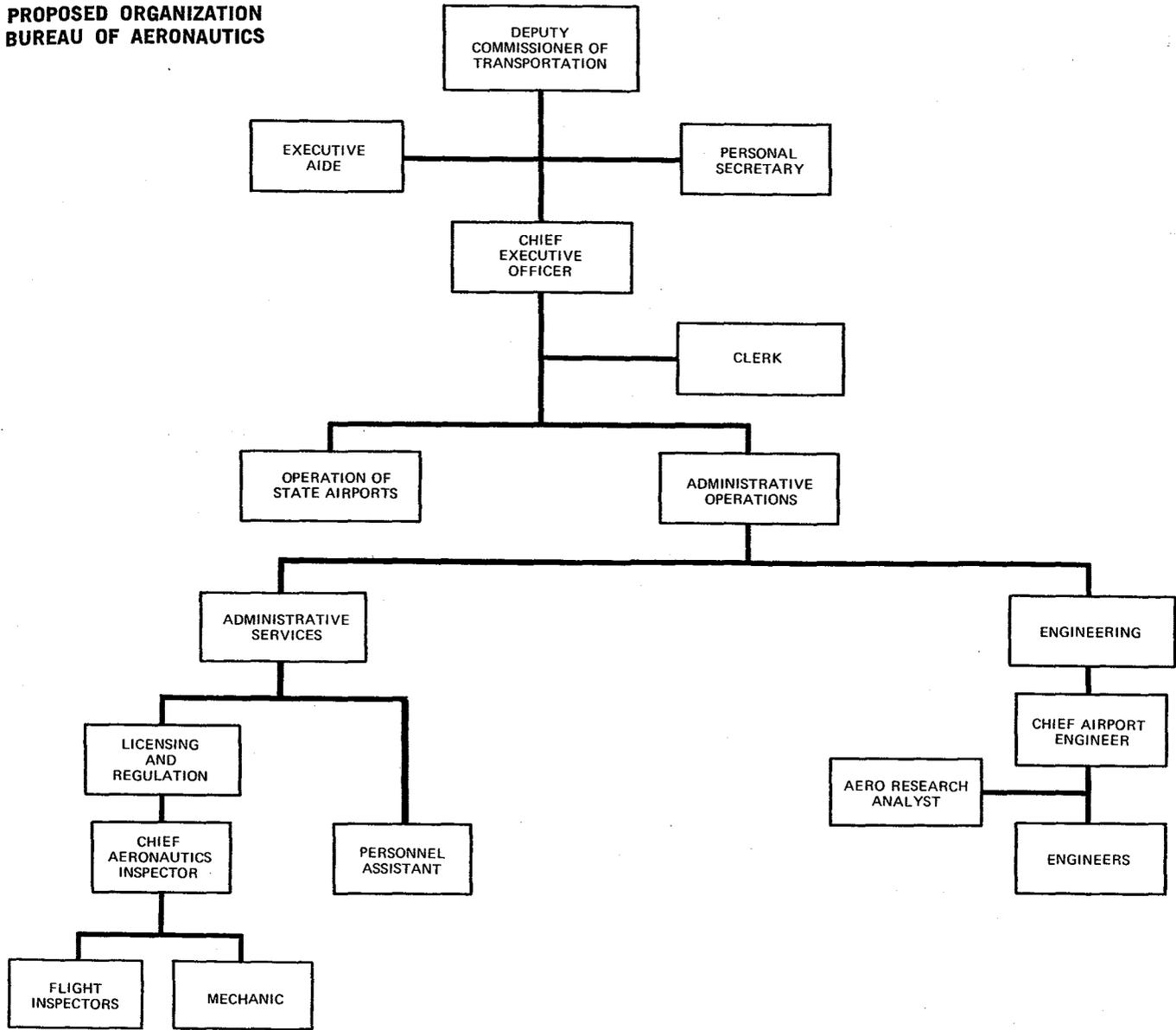
99. Abolish licensing of airmen and registration of aircraft by the bureau.

There is no federal requirement that states license pilots or register aircraft, and many states do not. The records maintained manually by three clerical employees duplicate those received from the Federal Aviation Administration. Therefore, this program should be abolished. Annual savings will be \$35,200, offset by a \$33,000 loss in revenue.

**PRESENT ORGANIZATION
BUREAU OF AERONAUTICS**



**PROPOSED ORGANIZATION
BUREAU OF AERONAUTICS**



100. Transfer responsibility for negotiation of leases and contracts to the Office of the Administrative and Legislative Advisor within the Bureau of Administration.

Leases and contracts between the bureau and airport-based operators and concessionaires are negotiated by the Transportation Chief Executive Officer-Aeronautics, his executive aid, representatives of the Administrative and Legislative Advisor, and the Division of Fiscal Services. In addition, the special services program coordinator spends almost 80% of his time gathering information used to negotiate approximately 100 leases and contracts. The Office of the Administrative and Legislative Advisor deals regularly in negotiation of contracts and leases. It could assimilate

responsibility for these agreements without additional personnel or expense. The chief executive officer would continue to represent the bureau in the negotiation process. Implementation will make it possible to eliminate the Special Services Section for annual savings of \$29,000.

101. Reduce the Division of Engineering staff by three positions.

This division has been manned for a high level of activity which is seldom achieved. As a result, engineering manpower could be reduced by three positions for annual savings of \$33,100.

In addition, an analysis should be conducted to establish a proper work-performance measurement sys-

tem. Because of the fluctuations in project activity, it is almost impossible for management to evaluate the efficiency of this group for purposes of project assignments.

102. Abolish the position and functions of Executive Aide to the Transportation Chief Executive Officer of Aeronautics.

This function duplicates work being done by other agencies in the Bureau of Aeronautics. Elimination of the position of executive aide will yield annual savings of approximately \$15,000.

Connecticut Aeronautics Commission

This agency advises the Commissioner of Transportation on matters of air safety, system development, and facilities planning and usage in the state.

ORGANIZATION AND PROCEDURES

The commission consists of seven members appointed by the Governor. Members receive no remuneration except for reimbursement of expenses. It convenes monthly and current activities of the Bureau of Aeronautics are the commission's principal subjects of its discussion.

EVALUATION OF EFFECTIVENESS

Operating decisions for the Bureau of Aeronautics are effectively made on a daily basis. Time seldom permits seeking the advice of the commission. As a result, the major contribution of this group is its ability to periodically bring objective outside perspectives to bear on the many aspects and questions of aeronautics.

RECOMMENDATION

103. Abolish the commission.

This group is not actually being called upon to advise the Commissioner of Transportation on matters of aeronautics. The time spent by bureau personnel preparing for meetings as well as that of commission members can be more efficiently used on other matters. Occasional reviews of aeronautics matters by ad hoc groups would be adequate.

Steamship Terminals Commission

This agency advises the Commissioner of Transportation on matters relating to the movement of people and goods over navigable waters in the state.

ORGANIZATION AND PROCEDURES

The commission consists of five members appointed by the Governor. It has only those powers and duties delegated to it by the Commissioner of Transportation. There are no scheduled meetings. Members receive no remuneration except expenses.

EVALUATION OF EFFECTIVENESS

All duties and powers of the commission were transferred when the Department of Transportation was formed in 1969. The Bureau of Waterways assumed the commission's previous major function which is operation of the state-owned pier at New London.

RECOMMENDATION

104. Abolish the Steamship Terminals Commission.

The commission has not met for nearly two years. Since the Commissioner of Transportation has chosen not to seek its advice, there is no need for this board.

**The Governor's
Commission
On Services &
Expenditures**

Department of Health

This department is responsible for providing health care programs and direction to the health needs of Connecticut citizens. Direct services of the department are the province of the Offices of Public Health, Mental Retardation, and Tuberculosis Control, Hospital Care, and Rehabilitation.

ORGANIZATION AND PROCEDURES

The department is directed by a commissioner appointed for a four-year term by the Governor. This individual must be a medical doctor with a public health degree. He receives policy direction from the Public Health Council.

Although most services have been traditionally provided by the Hartford office, the trend recently has been to decentralize certain programs. This has led to establishment or plans for relocation of 44 functional field operations. There are 4,700 employees in the department. The operating budget of approximately \$51-million includes \$438,000 for equipment. About \$6.8-million is federally financed.

EVALUATION OF EFFECTIVENESS

Overall operations appear to be administered well despite the department's size and interrelated functions. This is largely due to the efforts of many long-term employees who are able to work efficiently despite an outmoded organizational structure. The failure to reorganize on a basis of current programs is counterproductive to the department's purposes. Reliance on historical precedence in delivery of certain services has prevented necessary changes in attempts to meet modern health needs. Although measurement may be difficult, new methods must be tried and evaluated. Specific discussions of the Offices of Public Health, Mental Retardation, and Tuberculosis Control, Hospital Care, and Rehabilitation follow.

Office of Public Health

The office is responsible for providing direct services to citizens in the general health care field. One of the most diverse operations of the Department of Health, this agency is headed by a deputy commissioner who controls six divisions. These, in turn, control 35 sections concerned with various aspects of public health. The divisions include Community Health, Preventable Diseases, Public Health Nursing, Laboratory, Environmental Health Services, and Hospital and Medical Care Administration. The budget for fiscal 1971 is \$11.5-million. The staff total is about 650.

There is a definite need for administrative reorganization in public health services offered by the state.

Instances have been reported where persons receiving assistance from the Office of Public Health have had up to four visits in one day and none of the officials knew the others were going to be there. In one case, two people with the same job classification were sent from different sections of the department on the same day. A strong emphasis is placed on professional specialization in the department. There is evidence that this works against effective, efficient service to Connecticut's citizens.

RECOMMENDATIONS

1. **Institute a fee for licensing general hospitals, nursing homes, homes for the aged, rest homes, and chronic disease hospitals.**

The Hospital and Medical Care Administration Division provides free inspection and licensing service to hospitals, convalescent facilities, and rest homes in the state. These inspections involve extensive reviews of facilities, procedures, personnel, and general administration. A fee should be established for institutions inspected by this division. A charge of \$1 per bed with a minimum fee of \$25 per facility would be appropriate. Estimated annual income is \$32,000.

2. **Eliminate the Department of Health weekly bulletin.**

The department issues a weekly bulletin at a total annual cost of \$11,700. The material comes from a variety of sources and appears to be of a noncritical nature. It could be held for public distribution in the monthly bulletin. The total savings would be \$11,700 per year.

3. **Adjust charges for copies of professional medical directories.**

The Licensure and Registration Division prints directories for each medical specialty where licensing is required by state statute. They are sent to all licensed persons. In addition, various individuals and companies request copies for mailing list purposes, paying \$1 for the directories of physicians, dentists, and dental hygienists. Based on the fact that 175 directories of different types were requested last year by commercial interest groups, the annual revenue would be \$3,500 if a charge of \$20 were made for each directory sold.

4. **Review periodically professional license fees in the Department of Health.**

The Department of Health issues licenses in various professional categories to an estimated 80,000 individuals. The charge structure for almost all categories was set over 10 years ago. Since then, there have

been substantial increases in the medical care and services cost/price index and, more importantly, the fees paid to the licensed individuals. A better system should be implemented for periodic review of the suitability of professional license fees. The review should be made every two years by the Commissioner of Health who would recommend necessary changes to the General Assembly.

5. Transfer the quadriplegia program to the Welfare Department.

The 1969 General Assembly created a special program for aiding quadriplegics who need hospital care. An annual total of \$50,000 in funds is provided. It would appear that quadriplegics qualify for federal reimbursement. Transfer of this program would provide a 50% federal subsidy of hospital costs. This would be an annual income to the state of \$25,000.

6. Require all state agencies and departments to use state auditorium and cafeteria facilities for official meetings.

Some state functions are held in private hotels. There are several facilities in the state with auditoriums and all-purpose rooms where state functions can be held at low cost. It would be in the best interests of economy and efficiency if the availability of state facilities were checked on before private facilities are hired.

7. Charge private individuals and profit-oriented corporations for copies of the Connecticut Registration Report.

At present, 950 of these reports are published annually. They contain vital statistics of use to individuals and commercial institutions. There is no fee although the reports cost \$6,000 to print. Approximately 700 copies are sent to libraries, laboratories, hospitals, and government agencies. A charge of \$10 for the remaining copies would produce \$2,500 in annual income for the state.

8. Eliminate the standards grant to Newington Children's Hospital and provide state representation on the Board of Directors.

The state has been subsidizing the Newington Children's Hospital for 28% of its annual operating expenses since 1946. This grant actually pays 21% of the hospital's total expenses. In 1971, the hospital submitted a bill for over \$1.04-million. Next year, the estimate is almost \$1.36-million.

If direct payments were made for welfare recipients instead of the present grant policy, the costs would be 50% reimbursable by the federal government. This change could substantially aid both the state and the hospital. Based on next year's estimated cost, the state would save \$629,000.

Currently, there is no state representation on the hospital's Board of Directors. Certain aspects of its serv-

ices could be provided more economically if combined with state programs. There is vast potential in the education area alone for more closely related projects. Therefore, the state should have proper representation on the board.

9. Transfer the Disaster Health Section to the Office of Civil Defense.

One person in the department, paid with federal funds, is concerned with provisions for hospitals and medical facilities during national emergencies. Since this is a civil defense function, it should be located in that office.

10. Require all divisions to review the Public Health Code semiannually.

The Public Health Code is revised periodically, but needs to be reviewed more frequently. A semiannual check by the various divisions should be implemented.

11. Create a Bureau of Health Professionals to replace the present independent boards and the commissions.

There are 19 independent boards and commissions providing licenses and determining professional qualifications as well as operating procedures in the health field. One bureau within the Department of Health's administrative operation would provide more efficiency and require less staff. The following boards and commissions should be consolidated:

- ▶ State Ambulance Commission.
- ▶ State Board of Chiropractic Examiners.
- ▶ Connecticut Dental Commission.
- ▶ Connecticut Board of Examiners of Embalmers and Funeral Directors.
- ▶ State Board of Healing Arts.
- ▶ Connecticut Homeopathic Medical Board.
- ▶ Board of Examiners of Hypertrichologists.
- ▶ Connecticut Medical Examining Board.
- ▶ Connecticut State Board of Examiners in Midwifery.
- ▶ State Board of Natureopathic Examiners.
- ▶ Connecticut State Board of Examiners for Nursing.
- ▶ Commission of Opticians.
- ▶ Connecticut State Board of Examiners for Physical Therapists.
- ▶ Connecticut Board of Examiners in Podiatry.
- ▶ Board of Examiners of Psychologists.

Clerical licensing functions performed by these boards should be transferred to Consumer Protection as

recommended elsewhere. Clerical services will be assigned as needed.

12. Relocate the Connecticut Medical Examining Board and the State Board of Healing Arts to office space in Hartford.

Location of these two licensing bodies outside of Hartford has created substantial administrative problems. Since there is space available in the Department of Health's facility, the boards should be transferred there. Annual savings will be \$5,000.

13. Eliminate special compensation to board and commission members serving as the secretary or chairman of the operation.

At one time, the special compensation given to a board or commission member serving as chairman or secretary reflected the duties of the position. The new Bureau of Health Professionals would have sufficient staff to provide administrative services and the special compensation should be eliminated.

The boards affected include the Connecticut Medical Examining Board, Connecticut State Board of Examiners in Optometry, and the Commission of Opticians. Per diem expenses for the members would not be changed. This change will result in estimated annual savings of \$8,000.

14. Transfer the federally funded draft rejection referral operation at New Haven to the Selective Service System.

Draft rejectees are referred to a federally funded group for treatment suggestions. The transfer of this operation will result in greater efficiency in reorganizing the department.

15. Transfer the inspector in the Commission of Opticians operation to the Department of Consumer Protection.

The commission has its own inspector for commercial operations selling glasses and sunglasses. Most of the inspections are of pharmacies and stores which now have Consumer Protection employees making visits. Transfer of this function would result in 50% more efficient use of the inspector which would be the equivalent of \$5,000 in annual savings.

16. Include an inventory of state and private health services in the Health Facilities Planning Book.

The Hospital and Medical Care Administration Division annually prepares a complete health facilities planning book at federal expense. The book should include health services provided by the state. This could be done with existing personnel.

17. Conduct a study of the salary schedule for division directors.

Division directors who appear to have similar responsibilities have a great disparity in salary classification.

It would appear in some situations the highest classification is given to a person who holds a medical degree over one who does not although the supervisory responsibilities are unchanged. A more equitable form of compensation should be implemented after a study of the salary schedules.

18. Eliminate registration information on donated bodies in the Department of Health.

All hospitals notify the department of bodies which are donated from that institution. This is unnecessary since the information can be obtained at any time from the hospitals.

19. Transfer the eye registry to the Eye Bank at New Britain General Hospital.

The Eye Bank for the state is located at New Britain General Hospital and a record of donated eyes is kept at that location. The Department of Health also requires notification on donated eyes. This is an unnecessary duplication.

20. Eliminate the position of public information referral specialist at regional offices.

Plans are being made to add the position of referral specialist at all regional offices. This activity is performed in the southeastern office by two part-time people. Since there is a public information officer as well as regular staff who are qualified to answer questions about state health service, this function is unnecessary. Elimination will result in savings of \$15,000 per year.

21. Reassign the Poison Information Center as a section within the Toxicology Laboratory under the Laboratory Division.

The Poison Information Center is a 24-hour service which provides the public with emergency information on poisons. The center has one person answering calls. It is felt this activity would be better located within the Toxicology Laboratory. Personnel in the laboratory can aid, assist, and enlarge the function of the center to assure long-term continuation of this service.

22. Eliminate the Social Work Section in the central office of the Office of Public Health.

Presently, 10 persons are attached to this office although only three work there. The seven social workers actually report to the administrator of regional offices. Eliminating the section chief and two typists will result in total annual savings of \$29,000.

23. Remove the northeastern regional office from rented quarters.

The state pays \$3,000 per year for rented space in the town of Mansfield. However, there are several places at the Mansfield Training Center where regional office personnel could be housed at no cost. The annual saving will be \$3,000.

24. Eliminate the requirement that local directors of health for communities and combinations of communities with a population of 40,000 or more hold a medical degree.

The requirement that directors of health be medical doctors with an MPH degree has worked a hardship on communities with limited budgets. Since environmental matters are becoming a primary source of concern, communities should be allowed to appoint directors who hold a master's degree in public health.

25. Establish a Sanitation Complaint Unit in the Environmental Section.

Presently, complaints and requests for inspections are handled by several bureaus. Each section has personnel with the same basic experience. Complaints from a local community may be answered by visits from three or four employees from separate environmental sections. A Central Complaint Unit would provide greater efficiency and decrease costs for conducting field investigations.

26. Transfer responsibility for approvals for Medicare home treatment from the Public Health Nursing Division to Hospital and Medical Care Administration.

All standard Medicare-Medicaid approvals are handled by the Hospital and Medical Care Administration Division with the exception of Medicare home treatment. This function should be transferred to improve control and efficiency of the approval process.

27. Replace the part-time system of barber inspections with one full-time civil service position and transfer regular sanitary inspections to local health departments.

The three part-time barber commissioners cost the state \$26,000 per year. One full-time person could handle this function more effectively. The cost would be \$10,000 per year. Annual savings would be \$26,000. Local health departments can make the necessary facility inspections.

28. Require registration and licensing of all medical technologists.

Medical technologists working in laboratories and hospitals are not licensed although they take blood and perform tests critical to patient care. Regulation by the Bureau of Health Professionals will provide better control of this service. An initial fee of \$25 should be paid and an annual registration charge of \$5. Examinations could be waived for individuals registered by recognized national groups. However, they would still pay the \$25 registration. There would be a one-time income of \$67,500 and \$17,500 annually.

29. Institute a fee for shellfish processors, shippers, reshippers, seeders, and transplanters.

The department regulates general health aspects of the state's shellfish activities. A charge should be made

to defray the administrative costs. Processors would be charged \$100 and shippers and interstate reshippers, \$40. The fee for intrastate reshippers would be \$20, while seeders and transplanters would pay \$10. Estimated annual income is \$2,000.

30. Include indirect costs of reviewing waste water treatment facility plans when seeking federal reimbursement.

The Municipal Waste Water Section of the Environmental Health Division spends approximately two weeks reviewing local treatment plant plans. The review costs approximately \$600 per treatment facility with an average of eight plants built each year. Federal reimbursement would result in new revenue of almost \$5,000 per year.

31. Charge \$25 for approving public pool plans if a review is necessary.

Plans for approximately 50 public swimming pools are approved each year by the department. A study should be made to determine if this approval is necessary. If it is, a fee of \$25 per pool should be charged and would provide annual income of about \$1,200.

32. Transfer the function of testing clinical thermometers to the Department of Consumer Protection.

The Department of Health requires a percentage of clinical thermometers to be sold in the state be tested. The need for this service should be reviewed. If it continued, the function should be transferred.

33. Obtain federal funds for the Lead Paint Program.

The Lead Paint Control Act provides federal reimbursement for detection, control, and education activities. Such funds could be used to expand the present \$25,000 control effort approved by the 1971 General Assembly. Since the federal subsidy is 75%, the allocation could be increased to \$100,000. There is ample need for these funds for detection equipment to be used in the laboratory and the field. The annual income from implementation would be \$75,000.

34. Reorganize the Public Health Statistics Section and locate all statistics in this section.

Research functions for various health services are performed in six department locations. All of these activities should be in one location. The reorganized section would have two functions, statistical research analysis and recordkeeping of all vital statistics in the department. Reorganization will eliminate four research analysts and five clerks for a total annual saving of about \$61,000.

35. Transfer the Occupational Health Section to the Factory Inspection Section of the Department of Labor.

The Factory Inspection Section deals with safety hazards in industrial-commercial facilities. Occupational

Health concerns itself with occupational health hazards. These functions are closely related and duplication can occur in inspections. It is expected that coordination of factory inspections with health specialists will result in a more efficient service. There will probably be better use of transportation and support services as well.

36. Assign the writing responsibility for federal grant applications to one of the people in the Business Office.

Several opportunities have been lost for federal funds because no one was available in the Department of Health to prepare the application. Someone in the Business Office could provide this assistance as an extension of current financial duties.

37. Evaluate the present clinic program for crippled children.

The program has remained unchanged in staff assignment and location since 1955 and should be reevaluated. Some of the eight clinics see an average of three patients per visit while others see 21. It is apparent that low activity clinics should be closed and the service provided on a part-time fee basis.

38. Develop a plan for use of additional space in the department's cafeteria.

Additional office space will be needed as the department reorganizes and consolidates. The cafeteria is underutilized by at least 50%. Using the extra space for offices will result in savings of \$7,500 per year.

39. Establish minimum health standards and responsibility for inspecting family recreation trailer camps.

There are a growing number of recreation trailer camps being commercially developed in the state with no health standards covering their operations. As many families visit these facilities throughout the year, standards and inspection responsibility must be established. Fees to cover the costs of inspection and record maintenance should be established by the Legislature.

40. Assign speech, hearing, physical, and occupational therapists to full-time activity in regional retarded centers.

At present, five physical and occupational therapists from the Office of Crippled Children devote a total of 44 days per month to clinic services. This works out as 8.4 days per month per employee. Full-time assignment to regional retarded centers will result in greater service from these people. Additionally, four speech and hearing therapy personnel work an average of 60 clinic days per month. Here, too, full-time assignment will result in greater service. Annual savings are estimated at \$56,000.

41. Consolidate the Community Health Services and Preventable Disease Divisions in a new Local Health Administration Division.

Currently, the Community Health Services and Preventable Disease Divisions have several sections reporting to the directors. Changes already made require that a single division administer the remaining functions. In implementing the consolidation, the Community Health Services office should be eliminated rather than the Preventable Disease Division facility. This will eliminate two employees in Community Health Services at an annual savings of \$39,000.

42. Increase citizen representation on all Bureau of Health Professionals hearing committees.

Present policy for most independent health boards and commissions requires that a hearing on professional conduct in any number of cases be judged solely by the group which licensed the individual. It is felt that the addition of equal representation for citizens on all professional health board hearings would provide adequate representation for the consumer. In all cases, the Commissioner of Health should be a member with the power to vote. Professional medical investigations should also be directly controlled by the commissioner.

43. Transfer computer operations to the State Data Center.

The department's computer is only used to 30% of capacity. Because of its limited size, all larger applications are processed at the State Data Center. Assuming that proper control can be furnished at the center to ensure scheduling, accuracy, and the proper degree of care in handling classified information, all Department of Health work can be absorbed by the State Data Center. Transferring the remaining programs to the center would provide annual savings of \$77,000. Of this amount, half is state funded and the remainder federal money.

Office of Mental Retardation

The Deputy Commissioner for the Office of Mental Retardation is responsible for the planning, implementation, coordination, and administration of state-supported programs for the mentally retarded.

The Office of Mental Retardation is comprised of a central office, two training schools, and 12 regional programs. The Directors of Administration and Program Services relate directly to the superintendents in all general administration matters. Staff members deal with specific areas such as medical, nursing, research, and admissions. Personnel totaled 3,100 in 1970. Annual expenditures were \$24.24-million.

In 1960, the Department of Health embarked on a program to decentralize its activities by creating reg-

ional centers in the most populous community in each of 12 areas. Its purpose was to strengthen family involvement and use the generic services of the community. The schedule for regionalization of the program for mentally retarded patients has been developed and realization is contemplated over the next several years. At present, six regions are better than 90% complete. The others average about 25%. Needs of the state's retarded are being adequately met through the services of the regional centers and the training schools at Mansfield and Southbury.

The entire operation has a staff of competent professionals. There is evidence at every institution that Connecticut's reputation for having the best program for the retarded is well deserved. However, the central office is overstaffed. In addition, institution superintendents may have been encouraged to promote capital expansion programs instead of program development based on measured results. Further, it is time to reevaluate the regional program. Group homes for the mentally retarded could be supervised and operated from a central location such as is being done at the Seaside Regional Center.

RECOMMENDATIONS

44. Eliminate the maintenance/warehouse facility capital project at Southbury Training School.

The present maintenance/warehouse space at Southbury appears adequate to meet current needs. Using basement garages at Southbury for state automobiles is an unnecessary protection for the vehicles. These facilities could be used to avoid a \$300,000 one-time capital expenditure for the new project.

45. Decrease the scope of current plans to change the hospital building at Southbury.

By eliminating the basement kitchen, as proposed in a subsequent recommendation, ample space will be provided for use as either a dental care room or for extension of the psychology facilities. The area near the physical therapy room could have direct ground level access for ambulatory cases. Of the \$548,000 capital appropriation, approximately \$285,000 would be saved by eliminating construction of the proposed psychology building.

46. Develop a pilot volunteer program between the Waterbury Regional Center and the Town of Cheshire service organizations.

The opening of a residential treatment facility for the retarded in Cheshire affords an opportunity to implement a pilot volunteer program. The superintendent should develop a list of continuing project needs for his center such as recreation activities, foster parent programs, and the like. A meeting should be held with the service organizations in the community to encourage each to adopt a specific program. Success-

ful projects could then be applied to other areas where centers are located.

47. Eliminate the administrative building project planned for the Hartford Regional Center.

There is sufficient space at this center to meet most of the needs indicated for the proposed addition. For instance, there is a second kitchen planned as well as a reception area and a multipurpose room. All are available in the existing structure. The five proposed offices are questionable since some existing rooms have only one person assigned when two desks would provide a better space utilization.

The existing employees lounge can be converted to at least three offices if more space is required at a one-time cost of \$2,000. Since employees have their own cafeteria, the lounge would seem to be superfluous. Implementation will result in a \$245,000 one-time saving to the state.

48. Eliminate the proposed purchase of an activity building for the New Haven Regional Center and substitute two permanent portable classrooms.

The New Haven Regional Center has \$1.2-million appropriated to either build or purchase an activity building. Basically, the facility needs two classrooms for presently enrolled residents. Plans are being made to purchase a convalescent hospital in New Haven, a few miles from the center. It is felt this facility is unsuitable. Instead, two permanent portable classrooms should be purchased for use on the grounds. The cost would be a maximum each of \$20,000 for a total of \$40,000. A saving of \$1.2-million would result.

49. Transfer administration of grants for vocational and day care programs from the main office to the regional centers.

Grants to private organizations for vocational rehabilitation and day care programs for the retarded are administered by two persons in the central office. Giving funds to private organizations without approval by regional center superintendents has, in some cases, limited the effectiveness of regional programs. Centralization of grant activity has also added cumbersome procedures to the application process.

Decentralization would provide greater control, assuming the function is split between the public and private sectors based on cost effectiveness within a given region. Elimination of two positions and vehicles will yield an annual saving of \$50,000.

50. Study possible revision of the rate structure of charges made to legally liable relatives of mentally retarded patients.

Legally liable persons are obliged to pay up to \$94 per month per patient in an institution for the mentally retarded. No charges are made after age 21 or for outpatients at day care centers.

The per capita patient care cost at Southbury, which has no day patients, is \$360 per month. There are approximately 1,600 in-residence patients of 21 years or under. No fee is charged for therapeutic and other services rendered to outpatients at the regional centers or for the noon meal. Those services cost at least \$5 per day or \$150 per month. Therefore, a review should be made of the existing rate structure. Items to consider include:

- ▶ What share of per capita cost up to age 21 should be paid by legally liable relatives?
- ▶ Why is the maximum charge of \$94 based on taxable income of \$12,000?
- ▶ What share of per capita day cost services should be paid by legally liable relatives?
- ▶ What effect will an increase in charges have on family involvement?

51. Defer regional building expansions until a re-evaluation can be made of services offered by the centers.

There is a divergence of opinion among superintendents and other department personnel over the specific function of the regional centers. Many questions on treatment policies must be answered before further expansion takes place. Only by establishing a specific policy for the Office of Mental Retardation can the best service be rendered to the retarded through efficient allocation of human and material resources. No savings are claimed as this is only a postponement of cost until determination is made of the facilities which are needed.

52. Study the advantages of purchasing houses for decentralized residential homes vs. construction of an institutional type building at the Seaside Regional Center.

An appropriation of \$486,000 has been approved to build a cottage to house 24 retarded children and young adults. There is increasing evidence that institutional care is detrimental to the process of integrating retarded persons into society's living patterns. Experts consider it to be counter productive to keep such persons at institutions where they are not able to learn to live in society effectively.

The experience of the Seaside Regional Center in locating 20 mildly retarded patients in a residential facility in New London has been encouraging. The initial cost of this home was \$50,000. Placing one staff person in residence 24 hours a day or four employees per day requires \$23,400 per year. These employees serve as counselors to those in the house. The retarded who work in the community pay back \$15,000 annually for operation of this facility. Deducted from the state operating cost, this leaves a balance of \$8,400 or a little more than \$400 per resident per

year. Maintaining a retardee at Seaside Regional Center costs \$7,500 per year so this operation saves \$7,100 per occupant.

Personnel estimate that at least 24 mild, moderate, and borderline persons in the current enrollment could be accommodated at residential facilities in local communities. A maximum of three residences would be needed. The expenditure would be approximately \$500 per person for an annual cost of \$12,000. Annual savings would be \$180,000.

The current appropriation of \$486,000 could be used to purchase the residences. At an estimated one-time cost of \$180,000, this would result in a one-time saving of \$306,000. The most significant benefit of the residential facility is the opportunity to return retarded people to a normal life pattern.

53. Eliminate the research analyst from the central office.

The Director of Research has an analyst collecting statistical data on the general activities of institutions and regional centers. This information can be compiled by the director. The change will result in an annual saving of \$9,000.

54. Eliminate the hospital kitchen at Southbury and use the nearest cottage facilities to prepare meals.

Approximately 90 meals per day are served by three employees in the hospital kitchen. If cottage facilities were used, these positions could be eliminated. The annual saving will be \$22,700.

55. Initiate a cooperative job training service program between the Cheshire Reformatory and the Waterbury Regional Retarded Center and between the Meriden School for Boys and the Long Lane School for Girls and the Central Connecticut Regional Center.

The Waterbury Regional Retarded Center is planning a new facility in Cheshire. It will be located across from the Cheshire Reformatory and has significant potential for cooperative programs with the institution. The reformatory could supply the outside maintenance work for the center. In addition, the reformatory should supply at least five persons on a continuing basis to be trained as mental retardation aides, cooks' helpers, drivers, or for other specialties which may benefit the inmates after release.

The Meriden School for Boys and the Long Lane School for Girls can benefit from training programs for inmates at the Central Connecticut Regional Center. The use of inmates will result in a savings to the state by having them perform work now done by contractors and employees. It is estimated this plan will save approximately \$53,000 per year. The cost will be \$10 per week for each inmate employed.

56. Increase availability of information relative to open beds existing in extended care facilities in regional areas.

The institutions of the Office of Mental Retardation attempt to place some elderly residents in extended care facilities. This necessitates a time-consuming search for open beds in the area. It would expedite procedures if the Hospital and Medical Care Division of the Department of Health supplied monthly lists of open beds to the Office of Mental Retardation.

57. Upgrade nursing services in state institutions for mentally retarded patients, thereby qualifying them for federal funds.

To qualify for federal reimbursement, the state must:

- ▶ Change the state plan for Title XIX Medical Assistance Programs—Section III to provide for care of mentally retarded patients. They are presently excluded.
- ▶ Have the Hospital and Medical Care Division of the Department of Health certify that the facilities meet all licensing requirements.
- ▶ Upgrade the services in mental retardation institutions by adding nursing personnel and making certain building modifications.

Certification is contingent upon meeting these requirements within the first six months of operation under Title XIX funds. If requirements are not met, the term will be extended for a second and final six-month period. The Mansfield Training School has specific facilities for the care of severely retarded patients and can qualify for federal funds by adding 90 nurses and making modifications to the Knight Hospital.

Services would cost about \$150 per week per patient or more than \$6.4-million per year of which 50% will be paid for by federal funds. This will represent a gross income to the state of \$3.2-million for the Mansfield operation. It will be offset, in part, by a cost of approximately \$360,000 representing 50% of the cost of additional nursing personnel. There will also be a one-time capital expenditure of \$50,000 for modification of the Knight Hospital building.

The annual saving to the state would more than double if similar action was taken at Southbury, Seaside and other mental retardation facilities. Therefore, it is estimated that the income would approximate \$7-million from federal funds less the annual cost of \$750,000 for added nursing care. There would be an estimated one-time capital expenditure of \$100,000.

58. Use Crawford Hall at Southbury and Dimmock House at Mansfield for the retarded.

Both of these facilities are being used for personnel residences and office space. More capacity is needed for the retarded population at the two training schools and these buildings should be used to provide it.

59. Change the requirement that the Council on Mental Retardation must recommend a person for the post of deputy commissioner of the Office of Mental Retardation.

The present statute requires the council to recommend a person for the deputy commissioner's post. This requirement limits the administrative choice of the commissioner. An advisory recommendation would be preferable.

60. Initiate an independent review of cost and quality of services resulting from placing mentally retarded in private facilities vs. treatment in state institutions.

There are several private retardation facilities being used by the state. Some do not provide the same level of care offered at state institutions. In addition, placement in out-of-state facilities requires social workers to travel to these facilities periodically and creates problems of effective control. The cost of housing the retarded in state institutions vs. private facilities seems about the same. However, state institutions are thought to provide better treatment.

61. Apply for federal funds to develop an accounting system for the Office of Mental Retardation which will determine the cost per patient of various categories of services.

The present system does not separate costs for the services rendered to inpatients and outpatients. To qualify for various federal subsidies, these charges should be accumulated in separate cost centers. Application should be made for federal funds to develop the necessary cost accounting system. Development would be the responsibility of the Department of Finance and Control.

62. Qualify the facilities used for care of moderate and mildly retarded patients for federal funds as intermediate care facilities.

Intermediate care facilities are described by federal regulations as "residential accommodations which offer more than room and board, but less care than is provided by a skilled nursing home." In Mansfield, Southbury and certain regional centers, there are facilities for the care of moderate and mildly retarded patients which meet requirements. Reimbursement would provide a yearly income of \$1.5-million.

63. Identify relatives of mentally retarded day care patients eligible for welfare payments and apply for federal grants to pay for their care.

There are 1,050 patients receiving care five days a week in Office of Mental Retardation day care centers. Approximately 450 would be eligible for welfare payments. Federal funds would pay 75%. These services now cost the state approximately \$660,000 per year. If the state qualifies for federal reimbursement, it will receive \$495,000 in annual income. No income is claimed at this point.

Office of Tuberculosis Control, Hospital Care, and Rehabilitation

This office plans, develops, and administers state-wide programs for the control and treatment of tubercular persons as well as those affiliated with other chronic illnesses. It also undertakes medical rehabilitation of chronically ill, physically disabled, and handicapped persons.

The three chronic disease hospitals are Cedarcrest, Laurel Heights, and Uncas-on-Thames. Uncas-on-Thames has a radiation therapy center and recently added a linear accelerator to augment the existing cobalt unit. There are a total of 998 authorized positions in the office. This agency conducts broad programs of tuberculosis control, treatment, and follow-up. It conducts these projects in cooperation with the practicing physician and the local director of health. Similarly, chronic disease investigation is conducted in cooperation with practicing physicians. Patients recommended for admission to hospitals are reviewed by the medical team.

Programs are conducted through clinical services which are brought close to the patient's community through a combination of hospital outpatient treatment, four local chest x-ray clinics, and 17 regional field chest units. Chronic disease and tuberculosis patients needing hospital care are assigned to Cedarcrest, Laurel Heights, or Uncas-on-Thames. Plans for modernization and new construction are under way at all three to provide modern one, two, and four bed units for patient care. The number of tuberculosis patients is steadily declining. While the department has taken action by closing two of five previously operated hospitals, there is a lack of planned reduction in central office personnel and hospital services.

Although the office has assumed additional responsibilities for chronic patients, the use of hospital facilities has not reached the projected level and, therefore, the operation is inefficient. This is particularly true of treatment personnel at the three chronic hospitals. The Laurel Heights Hospital is run more efficiently than Cedarcrest. Uncas-on-Thames cannot be compared with either because of the high cost of cancer treatments. It is apparent from a review of data and direct observation that there is little need for all 17 of the state's regional tuberculosis clinics now in operation.

RECOMMENDATIONS

64. Secure funds for cancer research.

Uncas-on-Thames takes most of the cancer patients referred to a state hospital. There is extensive potential for research at the facility. Equipment is presently the institution's greatest need. The research

funds being provided by the federal government should be used for this purpose. Matching sums required could be provided by the existing research personnel effort at the hospital. Increased service would be the result rather than any identifiable savings.

65. Initiate an immediate recruitment effort to replace the university teams now operating the Phelps Radiation Therapy Clinic.

The radiation unit at Uncas-on-Thames is contracted to a university at a requested 1971/72 cost of \$353,000. This includes eight personnel categories at university stipulated salaries. Staffing this unit with state employees might reduce the number of people required. It should also produce more centralized and efficient service.

Substitution of state employees will eliminate the mileage fee of \$21,000 paid to university personnel each year. The state's annual cost of operating the clinic would be \$241,000. The annual savings would be \$353,000.

66. Eliminate seven regional tuberculosis control clinics and the three radiological stations.

There are 17 tuberculosis clinics and three chest x-ray installations serving the state. The clinics have not been decreased since the program started in 1946. A total of five medical teams from the central office serve these units on a weekly or monthly basis. Present control efforts should be reevaluated and the following clinics closed: Bristol, Danbury, Fairfield, Greenwich, Norwich, Putnam, and Trumbull. Also the chest x-ray services provided at the three public health offices should be eliminated. Facilities remaining open would include Hartford, two days per week; Meriden, two days per week; New London, two days per month; Norwalk, one day per week; Stamford, one day per week; Waterbury, one day per week; Willimantic, two days per month; Manchester, two days per month; Middletown, two days per month; and Torrington, one day per month.

A study should be made of the possibility of eliminating state clinics with their responsibilities to be assumed by general hospitals, local health departments, or private physicians. The x-ray equipment from the clinics and regional offices should be used to replace older equipment in other clinics. The Department of Correction should also be given properly functioning machines for use at its community correctional centers. The reduction in personnel and elimination of rents will provide an annual saving of \$235,000.

67. Phase out the Cedarcrest Hospital.

There is space available to take almost the entire patient population at Cedarcrest into facilities at Norwich and Shelton. Because of the decline in tuberculosis patients, the need for facilities of this type will

also be reduced. If additional bed space is needed to hasten the closing of Cedarcrest, Gaylord Hospital in Wallingford should be used since the state is already paying \$100,000 for this purpose. Chronic cases from the Hartford area who do not need specialized medical attention should be placed in extended care facilities regulated by the Department of Health. Concession of some of the beds at the Rocky Hill Veterans' Hospital to chronic use will also help meet these needs within the state.

Based on present trends, the number of chronic cases will probably increase. Additions planned for Laurel Heights and Uncas-on-Thames should more than meet this need. Closing Cedarcrest and sale of this facility will produce a one-time income of \$4-million and an annual saving of \$588,000.

68. Eliminate the position of deputy commissioner in the Office of Tuberculosis Control.

The decreasing administrative scope of the office should make it possible to eliminate this position and transfer the operation to the Office of Public Health. The annual savings will amount to \$40,000.

69. Eliminate future pathology service contracts for the Uncas-on-Thames, Laurel Heights, Connecticut Valley, and the Norwich Mental Health Hospitals.

Chronic disease hospitals contract for pathology services with whatever organization they care to use. The total cost of these services is \$63,900 per year. A full-time pathologist could handle the entire work load at a yearly cost of \$36,000. Annual savings would be \$63,900.

Department of Mental Health

This department has responsibility for developing and administering programs, managing facilities, and providing services for care, treatment, and rehabilitation of the mentally and emotionally ill. This includes those who are drug or alcohol dependent.

ORGANIZATION AND PROCEDURES

The department is presently managed by a commissioner appointed by the Governor. It receives direction from and is responsible to the Board of Mental Health. Major subdivisions include the Office of the Commissioner, State Mental Health Facilities, and the Alcohol and Drug Dependence Division.

The department has a budget of approximately \$56.6-million of which \$1.8-million is federally funded. Employees total about 4,000. The number of inpatients in three state hospitals has decreased by 34% in the last 10 years although admissions have increased by 150% in the same period. The ratio of readmission related to first admission has also increased. In addition, a decentralizing trend in terms of facilities to provide services closer to the community has been experienced.

The Office of the Commissioner consists of the commissioner and his staff. The Division of Community Services is administered here. The total budget is approximately \$4.1-million of which \$200,000 is federally funded. This includes \$2.7-million in grants made to regional clinics and comprehensive mental health facilities.

The state mental facilities provide care, treatment, and rehabilitation for mental illness on an inpatient and

outpatient basis. In addition, they have education and training programs to improve professional and/or non-professional mental health care and treatment. Specialized services are provided for geriatrics, children, and alcohol and drug dependents. The three state mental hospitals are Connecticut Valley, Norwich, and Fairfield Hills. The two specialized facilities are High Meadows for children and the Security Treatment Center for the criminally insane.

Two community mental health centers provide inpatient and outpatient care and treatment to the mentally ill. These are the Undercliff Mental Health Center in Meriden and Connecticut Mental Health Center in New Haven. The Bridgeport Mental Health Center is scheduled for completion in mid-1972. The Dubois Day Treatment Center is in Stamford. The total budget for these centers is approximately \$50.3-million.

The objective of the Alcohol and Drug Dependence Division is to provide care, treatment, and rehabilitation to those afflicted and to reduce the prevalence of these mental health problems. Direct services are provided throughout the state in a variety of facilities. These include six outpatient clinics, a hospital, a halfway house, and an extended treatment center. Emphasis is also placed on indirect services such as education and training, consultation, research, and program development. The budget is approximately \$2.2-million of which about \$200,000 is provided by the federal government. This represents an increase of 100% in the period from 1964 to 1969 and another 100% from 1969 to 1970, denoting a significant growth in emphasis.

EVALUATION OF EFFECTIVENESS

Prior to 1953, the mental hospitals were autonomous. Although the Department of Mental Health was established in 1953, little progress has been made towards coordinating programs and establishing controls over individual treatment facilities since that time. Long-range plans based on the responsibility and the scope of services have not been clearly established. Program evaluation to compare effectiveness of services provided within the department and nationwide is practically nonexistent. Following guidelines of the National Mental Health Institute and assisted by its grants, the department has started to develop community-based comprehensive mental health services.

No attempt has been made to assess the professional care in the mental health facilities. The three large state hospitals absorb 85% of the total budget and are still largely autonomous as far as operations and programs are concerned. Budget allocation is based on historical data. The following general observations were made:

- ▶ There is a lack of long-range planning. This is vital in view of the considerable changes in the field of mental health.
- ▶ Buildings are often poorly designed and space utilization can be greatly improved. Areas that have become available due to obsolete programs, methods, or decreased population have not been effectively reassigned.
- ▶ Payroll timekeeping and accounting procedures are inefficient, overcontrolled, and duplicated.
- ▶ Imaginative use of available funds has been made impossible by control procedures established by the Budget and Control Division.
- ▶ The lack of coordination and effective operating procedures between the Departments of Mental Health, Health, Welfare, and Correction has resulted in a shuttling of patients between agencies and in people remaining hospitalized beyond the necessary period in expensive treatment facilities.

The Alcohol and Drug Dependence Division offers a variety of programs and services within the limitations of assigned scope and budget. It has no formal reporting system for evaluating program effectiveness. Due to existing organizational splits within the state, the division does not have control over a number of alcohol and drug dependent persons being treated by other state agencies. However, some consulting services are provided to institutions. Due to this dilution in overall responsibility, the division cannot effectively coordinate the administration, program development, and evaluation functions of all alcohol and drug dependency services.

RECOMMENDATIONS

1. Establish a fee structure for nursing education.

The department provides education and use of its facilities to eight nursing schools and related organizations at a cost of approximately \$250,000. If a \$210 fee, which is deemed competitive, were charged the schools for the 11-week course and related organizations were assessed for use of facilities and meals, the total annual income would be \$79,500.

2. Fill the position of director in the Security Treatment Center.

The center began accepting patients in November 1970. However, the director's position has never been filled and the facility cannot be certified by the state. This has created two problems:

- ▶ Norwich Hospital must maintain the Salmon Building with a skeleton staff because the courts cannot commit patients directly to the center.
- ▶ Permanent psychiatric positions cannot be filled by an acting director and private psychiatrists must be contracted for patient care.

If the position were filled, the facility could be certified and the Salmon Building closed. No additional costs will be incurred since funding exists for this function.

3. Improve use of Ribicoff Research Center at Norwich.

The Ribicoff Research Center was opened in 1962 and has never been fully used. Approximately 40% of its space is vacant. The University of Connecticut is looking for temporary space for their Department of Biobehavioral Science. The Connecticut Mental Health Center is also overcrowded in their research area. In general, there is a need for laboratory facilities and available space should not be left idle.

4. Dispose of state-owned land.

The three mental hospitals own more than 2,600 acres of land, while physically occupying only about 700 acres. Allowing 300 acres for possible expansion or other uses leaves over 1,600 acres idle. The state should study its future requirements and if this land is declared excess, it should be rented or sold. The one-time income would be \$1.64-million.

5. Treat geriatric patients in Medicare-approved facilities.

During fiscal 1971, six geriatric patients were treated by the Alcohol and Drug Dependence Division and three by the Connecticut Mental Health Center. If treatment had been given in Medicare-approved facilities, there would have been a one-time saving to the state of \$3,300.

6. Develop an accurate daily treatment cost per patient and raise the maximum rate charged patients and legal relatives to the actual per capita cost including all indirect charges, using a schedule based on ability to pay.

There are several statutes governing charges made to patients and legally liable relatives. This has resulted in highly inequitable rates for the various treatment facilities and confusion regarding legal liability to pay. The daily per capita cost is calculated annually by the Comptroller. It is determined by dividing total budget by the number of inpatients. It disregards outpatient treatment and its related cost. A table of pertinent costs and charges is shown below. One

TREATMENT FACILITY	DAILY PER CAPITA COST	MAXIMUM DAILY CHARGE PATIENTS	RELATIVES
Norwich Hospital	\$ 24.096	\$24.096	\$ 3.85
Connecticut Valley Hospital	22.429	22.429	3.85
Fairfield Hills Hospital	13.633	13.633	3.85
Undercliff Mental Health Center	70.614	70.614	3.85
Connecticut Mental Health Center	256.136	50.00	3.85
High Meadows	55.933	—	32.61
Blue Hills Hospital	34.68	23.00	23.00
Day Treatment Facilities	15.00	15.00	15.00

statute states that the maximum rate which can be charged to legally liable relatives for care in a humane institution is \$3.85 per day. Legal liability is defined as each patient, the husband or wife of such patient, the father or mother of a patient under the age of 21, and the child or children of a patient under 65. Other statutes set forth different guidelines.

Medicare rates for the three large hospitals, which are a fairly accurate indicator of actual costs, average out to \$22.20 per patient per day or \$18.35 more than the liability limit. Statistics show that 1,000 patients are covered by private insurance. Since the companies need only pay the amount of legal liability, the state is losing almost \$10,000 per day. If a more reasonable rate schedule were developed, the state could recover close to \$700,000 per year from private insurance companies alone.

7. Forego construction of the school activity and recreational facility proposed as an addition to the Children's Center at the Connecticut Valley Hospital.

A bond issue has been approved for this school and recreational facility. The concept of the Children's Center is to take the children away from the mental hospital environment to improve treatment and rehabilitation. The proposal for the additional facility was made as an extension of this concept. However, it is not economical to make this kind of expenditure when similar facilities are available at the Connecticut Valley Hospital which can be used without exposing the children to contact with adult patients. Implemen-

tation would have a one-time cost of \$25,000 for a school bus with an annual cost of \$10,000. The one-time savings will be \$2.7-million with annual savings of \$91,500.

8. Separate projects and preventive maintenance in preparation of annual maintenance budgets.

Maintenance functions should consist of basic upkeep, emergency repairs, and provisions for utilities. Building alterations or renovations are a separate function and must be isolated as such. A list of projects in the second category should be prepared for the annual budget with cost estimates and justification. Projects over a predetermined dollar amount not listed and budgeted, which are required during the year, must be approved by the commissioner. Periodic reports should show expenses in these different categories. This will ensure necessary maintenance work is performed and will make a meaningful evaluation of the cost of upkeep possible.

9. Improve building heat control in the Norwich Hospital.

Heat is supplied by steam from a central power plant to all buildings. The control is poor in most buildings and must be done manually by closing and opening main valves. Complete modification of the system is economically unfeasible. However, the Connecticut Valley Hospital has experienced good results with smaller bypasses around the main valves. These bypasses would be controlled by a thermostatically operated valve. In spring and fall, heat will be supplied through the controlled bypasses. The one-time cost is about \$10,000. Annual savings should be \$12,500.

10. Revise drug inventory procedures at mental hospitals.

Variations of per capita drug cost between hospitals will always exist because of differences in population mix and numbers of outpatients treated. Other factors such as the total number of drugs kept in inventory and varying preferences for prescribing certain drugs for specific illnesses also have an effect. Applying ratios which take number of outpatients vs. inpatients into consideration results in a similar per capita cost for Connecticut Valley and Fairfield Hills. Norwich, however, shows a much higher cost. Reducing the cost at Norwich to a level comparable to the other two hospitals will result in annual savings of at least \$58,000. Studying inventory practice at Connecticut Valley and Fairfield Hills may produce additional savings.

11. Staff hospitals to comply with the Public Health Code.

To conform to the code, approximately 416 registered nurses should be hired for the three large hospitals. This will bring the institutions into conformance with Medicare and Medicaid requirements, resulting in an

additional federal reimbursement of \$546,000 per year. The cost of implementation will be almost \$4-million per year. Reduction of overtime by 75% will produce \$1.25-million in annual savings.

12. Discontinue manual inventory records of furniture and equipment at mental health facilities.

Each mental health facility submits furniture and equipment additions, deletions, and transfers to a central department. Periodically, this department produces a tabulation which is distributed to the institutions. Norwich and Connecticut Valley Hospitals also maintain a perpetual inventory file. If a semiannual tabulation could be produced, the manual records could be discontinued and annual savings of \$13,500 would result.

13. Run the Security Treatment Center and Children's Services as programs of the Connecticut Valley Hospital.

The Security Treatment Center and Children's Services are located on the grounds of the Connecticut Valley Hospital. Both organizations are planning to add their own supportive services. If these services were run as hospital programs, Connecticut Valley could provide the supportive services. Annual savings would be \$84,800.

14. Close the Lippitt Building at Norwich Hospital, transfer medical operations to Uncas-on-Thames, and patients to the Kettle Building.

The Kettle Building is closer to other active buildings and is also the hospital's newest facility. The medical-surgical facilities at Lippitt should not be replaced. The hospital should arrange to use facilities at Uncas-on-Thames instead. This would eliminate an annual maintenance cost of \$15,000. The one-time cost for equipment transfer would be \$35,000. Total annual savings would be \$116,700.

15. Sell the superintendent's residence at Norwich.

The superintendent's residence which adjoins the hospital grounds was valued at \$106,600 in 1964. In 1967, substantial renovations were made with a labor cost of \$15,000. The average maintenance cost is approximately \$4,000. This residence should be sold and the superintendent moved to one of the six other residences. This will provide a one-time income of \$75,000 and annual savings of \$4,000.

16. Consolidate Program Planning, Statistics, Mental Health Education, Community Relations, and the Division of Community Service into one group.

Similar functions are performed in each group. The Department of Mental Health has proposed the establishment of an associate commissioner to coordinate Program Planning, Mental Health Education, Community Relations, and Statistics. Integrating the Division of Community Services into this group will

strengthen it and provide improved services. The functions would include:

- ▶ Evaluation of program and development activities in the department based on priority of needs.
- ▶ Coordination of state and community services.
- ▶ Research into potential federal grants for mental health services, assistance in grant applications, and administration and control of state grants to community facilities.
- ▶ Development of meaningful statistics on a timely basis.
- ▶ Establishment of criteria for evaluating existing and new programs and measuring their overall effectiveness.
- ▶ Provision of periodic reports and recommendations to the commissioner on comprehensive mental health services.

By reducing the amount of statistics presently generated and establishing a group to investigate grants for the department, considerable additional income will be generated eventually. Annual savings by eliminating three positions are estimated to be \$24,000.

17. Eliminate duplicate perpetual inventory records for stock control at Norwich Hospital and Fairfield Hills Hospital.

In the Connecticut Valley Hospital, no separate records are kept in the storeroom. Inventory records maintained in the Accounting Department are used as the control. Using the same procedure at Fairfield Hills and Norwich Hospitals would result in annual savings of \$16,800.

18. Develop a long-range mental health plan as well as an effective coordinated performance control system.

Vast differences exist between individual treatment facilities in connection with level of care, programs, and staffing. Budgets are based more on historical data than on future needs. In order for the commissioner to control department programs and budget effectively, the following are needed:

- ▶ A long-range plan which clearly defines the mission and scope of all activities of the department, combined with a projection of the cost.
- ▶ Program-oriented budgets for each facility based on this plan.
- ▶ Program evaluation systems which use timely and meaningful statistics.
- ▶ A control system based on a uniform and well-defined reporting system to provide comparative performance measurements.

- ▶ Assignment of responsibilities to the commissioner's staff for program development, staffing guidelines, and performance evaluation.

19. Redefine the function of the regional mental health planning councils and their relationship with the Department of Mental Health.

The purpose of these councils is to:

- ▶ Study resources and needs to plan and coordinate expanded mental health services in their areas.
- ▶ Review applications for state funds, making recommendations and establishing priorities.
- ▶ Make recommendations for improvements to the commissioner.

Although these are important advisory groups, their functions should be further defined and their relationships to the department and their communities established. Overall planning and coordinating must be centrally controlled. The following actions should be taken:

- ▶ The commissioner should determine which functions can be performed most effectively by the councils and obtain those services from them in support of developing the overall plan.
- ▶ Councils should act as representatives of the local communities with advisory duties to the Department of Mental Health.
- ▶ Sources for private funding should be aggressively pursued by the groups.
- ▶ Representatives of the councils should be elected to boards of all state mental health facilities and their participation stimulated.

20. Implement additional programs in Undercliff Mental Health Center without additional cost to the taxpayer or close the facility and redistribute the services.

Space utilization at Undercliff is poor, cost for food and maintenance is high, and it is overstaffed. Six programs have been proposed to increase manpower and space utilization. Additional funds of \$100,000 are available for one program. The others can be implemented without additional funds according to mental health authorities. These programs should be further defined and criteria for evaluation of their effectiveness established. Within a year, an independent analysis should be made to determine if Undercliff is fully utilized, which programs have been implemented, to what extent the criteria have been met, and that this was done without dilution of services or an increase in expenditures. If these programs have not been realized at that time and the facility is still underutilized, then the buildings should be sold or leased, the services redistributed, and a majority of the staff terminated or relocated.

21. Review state laboratory requirements to eliminate or reduce unnecessary private fees.

Numerous facilities in Mental Health, Health, and Correction require laboratory services. These are satisfied by their own laboratories, private sources, the state facility or a combination. As state-operated facilities have different requirements, a survey should be conducted by the State Laboratory to determine each institution's requirements, the expertise of state-operated laboratories, and the most economical way to satisfy the requirements.

22. Cancel funds for planning a residential treatment facility for children at Norwich Hospital and use the vacant Bryan Building.

As a result of increased referrals of mentally disturbed children, \$50,000 has been appropriated for planning a children's residential treatment center on the Norwich Hospital grounds. Until the center at Connecticut Valley has been in operation long enough to evaluate its effectiveness, no new facilities should be planned. In addition, Norwich has a vacant building with 22,000 square feet of floor space and a capacity of 109 beds. It can be used for children's services, if needed. One-time savings would be \$50,000.

23. Consolidate state laundry facilities and modernize the laundries in the three large state mental hospitals.

The 1969 Legislature authorized bond money for the establishment of central laundries. It was decided to set up regional facilities in the three large mental health hospitals. The Budget Division has completed an extensive study to determine overall needs and necessary equipment modifications in the hospitals. Their plan incorporates:

- ▶ Modernized equipment to replace obsolete machinery and handle polyester blend garments.
- ▶ Replacement by attrition of cotton garments with polyester blends, which will result in considerable manpower savings in ironing.

The one-time cost will be paid out of the bond and will total \$1.45-million. Annual savings will be \$752,000.

24. Establish security deposits for employees occupying state-owned residences.

The average cost of residential upkeep at one state hospital amounted to 7% of the maintenance budget. Houses were left in unsatisfactory condition and required extensive cleaning, repainting, and repair of furniture. Efforts to collect for damages after departure of employees have proven fruitless. If security deposits were required, employees could be charged for damages and would take better care of their quarters. In the three state hospitals, at least 1,250 rooms are being

rented. If a security deposit of \$30 per room was charged, a total of \$37,500 would be deposited. A conservative estimate is that annual maintenance cost can be reduced by \$10 per room for annual savings of \$12,500.

25. Establish a policy for reporting surplus items.

Surplus items located at facilities should be labeled as to serviceability and the department should establish a policy for periodic reporting of these items to the commissioner. This listing should be matched against requisitions from other facilities. All materials still considered surplus should be reported to a central agency.

26. Use the Medicare cost per patient day rate for Medicaid reimbursement.

The cost per patient day claimed for Medicaid reimbursement is substantially lower than that paid for Medicare. If the same rate is used, the federal reimbursement would be increased by \$584,000 per year.

27. Change method of calculating depreciation in developing charges for Medicare and Medicaid.

Additional Medicare and Medicaid reimbursement can be secured if the optional allowance method of calculating depreciation were changed to an actual depreciation schedule. An appraisal would have to be made at an estimated one-time cost of \$180,000. Annual additional income would be \$1.26-million over a period of six years or an average of \$210,400 per year.

28. Establish a state-wide plan for treatment of alcohol and drug users.

The Alcohol and Drug Dependence Division does not have control over a number of these dependent persons. To use the state's public and private resources in this treatment area effectively, the division should be given the authority, responsibility, and funds to coordinate administration, program development, and evaluation of all such services. A coordinated state plan should be established and contain the following:

- ▶ Analysis of the need for services in major population regions.
- ▶ Coordination of private and public facilities within the regions to satisfy service needs.
- ▶ Certification of all programs by the division to ensure conformity with state standards.
- ▶ Establishment of a uniform reporting system which includes meaningful statistics for proper evaluation.
- ▶ Implementation of an operating system for evaluation, treatment, and rehabilitation of drug dependents in correction institutions.

29. Consolidate the Alcohol and Drug Dependence Division outpatient clinics with similar hospital facilities.

In several areas, the division and local hospitals have outpatient clinics which operate independently of each other. Consolidation should be considered to eliminate the duplications of clerical staff and to make better use of facilities and professional personnel.

30. Identify responsible relatives of mentally disturbed day care children who are welfare recipients and have the Welfare Department apply for federal funds to pay for these patients.

The Child Guidance Center has about 220 active cases and conducts approximately 3,800 interviews annually. Almost 90% of the patients' families are welfare recipients. At present, services of the center are free. If the Welfare Department were billed for these services, about 50% of the costs would be federally reimbursable. The annual income would be approximately \$58,500.

31. Increase control and performance measurement of food services, reduce personnel and inventory levels, and increase nutritional values in the state hospitals.

A survey of the state food service in hospitals reveals:

- ▶ These operations are not run as business enterprises. Managers do not participate in budget preparations, have inadequate accounting information, and are not evaluated on their financial performance.
- ▶ The operations are inefficient. Quality/cost controls are nonexistent and inventories are too high.

At Connecticut Valley, the Food Service Department is overstaffed by at least 24 employees, the amount of food and its nutritional value are questionable, and the food inventory should be reduced. In addition, there is an excess amount of equipment. A qualified dietitian should be employed by Connecticut Valley to review the menus. At Norwich, the department is overstaffed by 26 employees.

The annual cost of a dietitian for Connecticut Valley will be \$12,000. The annual savings through implementation should reach \$330,000.

32. Determine cost effectiveness of community mental health centers with the aid of simulation models.

The value of these centers as a better, more economical way to treat the mentally ill has not been clearly demonstrated in Connecticut. As a result, the Department of Mental Health has no clear direction as to treatment goals and budget allocations. Therefore, a number of theoretical models should be developed. Their cost effectiveness can be evaluated and

present as well as future facilities measured against it. The projections must include:

- ▶ Total cost of building and operating the facility, number of patients it will treat, average estimated stay, and readmission rate.
- ▶ Effect on existing hospitals, estimated reduction of patients and cost, and alternate use of excess facilities.

By trying different approaches and locations, a priority ranking based on greatest cost effectiveness to the department can be determined. Evaluation will accomplish the following:

- ▶ Develop standards of functional performance prior to program development and eventual implementation.
- ▶ Generate a controlled flow of research and other data into a well-constructed system.
- ▶ Attach some quantitative measurements to what have been quality judgments only.

- ▶ Improve judgement as to the way in which optimum mental health service can be delivered within fund limitations.

The estimated one-time cost of implementation is \$25,000.

33. Reorganize the Department of Mental Health.

The present organization is not conducive to effective central direction and control. A total of 22 people report directly to the commissioner. The proposed reorganization would divide the department into Direct and Indirect Services. Indirect Services would include Administration; Program Planning, Development, and Evaluation; Public Affairs, and Training and Staff Development. Direct Services would be organized into Programs and Facilities Sections. Facilities would be further divided into Western, Central and Eastern Districts. Implementation would provide a program-oriented organization and regionalization through the proposed districts to improve coordination of the department's facilities.

Welfare Department

This department administers financial aid and social service programs to residents of the state unable to achieve a minimum standard of living for themselves or their families. It also provides technical assistance and partial reimbursement to town welfare programs.

ORGANIZATION AND PROCEDURES

The commissioner is responsible for the operation of the department. The major organizational units consist of the Bureau of Business Administration, Bureau of Health Services, and Bureau of Social Services. Each reports to the commissioner through its own director. Eight district offices provide social services in their respective areas. In addition, the Warehouse Point Receiving Home takes care of approximately 100 children for a limited period, who have been assigned to the state by the courts. These children are later placed in foster homes or adoption centers.

The number of personnel is approximately 2,200. Expenditures were \$200-million in 1970. The sum of \$285-million was requested for fiscal 1972. This represents over 27% of the total state general fund budget.

Welfare recipients, in all categories, total around 195,000 persons. Of these, the number of persons receiving medical assistance only, has remained at about 83,000 for the last five years. However, the number requiring maintenance support has almost doubled from 61,000 in 1967 to 112,000 in 1971.

EVALUATION OF EFFECTIVENESS

Progress has already been made in this department toward reducing costs and increasing efficiency. However, there are still a number of operational problems. For example, federal regulations which govern many department activities add tasks and limit the effectiveness of efforts to increase efficiency. In addition, Connecticut only receives a 45% matching fund return from the federal government which is considerably lower than most states.

While many operations have been automated, a thorough systems study is needed. A variety of health care and vendor payments are backlogged, so employees are working overtime. Closer interagency relationships are needed to avoid overlapping and duplication. Finally, more effort could be made to return welfare recipients to employment.

RECOMMENDATIONS

1. Provide more efficient quarters for the Welfare Department.

The central office needs larger, better located, more efficiently designed quarters. Storage space is inadequate, parking is at a premium, and overcrowded conditions exist in many sections.

Present floor space consists of about 52,000 square feet at an annual rent of over \$280,000 or \$5.35 per square foot. There is no reason for this office to be

located within the Hartford city limits. A suitable facility could be rented in an outlying area. If the cost were \$4 per square foot, it would provide a saving of \$56,000 annually. Moving would be a one-time cost of \$25,000.

2. Improve office layout to increase efficiency.

The department has no organized office layout system. Office sizes vary widely. By using 150 square feet per person as a guide and developing an efficient, standardized layout, rental costs can be reduced.

In redesigning the layout, perimeter offices should be eliminated. The supervisor and his workers should be located together on the open floor. Conference rooms can be used for private discussions. Workers will be with their files, saving walking time and eliminating the need for file clerks. Closer contact between supervisor and worker should improve productivity an estimated 10%. Fewer supervisors would be required and phone coverage and case loads would be better distributed. Annual savings are estimated at over \$1.23-million of which \$677,900 would be state funds and \$554,600, federal.

3. Revise the method of controlling overtime.

One method of recording overtime is for the person to tell the clerk handling the report how many hours he worked. Another method is for the employee to write his overtime hours in a weekly log book. Both are open to error. An alternative would be to have the overtime report form put into the log book, one copy per employee per week. The worker will record overtime on this sheet. His supervisor will initial each line entry as it is recorded. At the end of the week, the form is removed and sent to payroll. Estimated annual savings will be \$22,000 of which \$12,000 is state and \$10,000, federal money.

4. Eliminate typed case narratives.

Existing files contain typewritten comments on case conditions. The information is obtained from handwritten notes. Portions that are of importance or could result in financial loss are duplicated on additional welfare forms. The dictation and typing of these reports should be eliminated and replaced by legibly handwritten notes taken at the time of the interview. Savings of \$963,000 annually can be realized by eliminating 130 typists. The state's share is \$530,000. The federal amount is \$430,000.

Additionally, the annual service agreement for dictating equipment can be eliminated. With the majority of the typists eliminated, the need for dictating equipment will be radically reduced. Nonrenewal of the contract will produce annual savings of \$26,500. Emergency service will cost approximately \$1,500 a year. The state's savings will be approximately \$14,500. Thus, total savings will be almost \$1-million of which \$544,500 will be state money.

5. Revise operating policy manual distribution and maintenance.

Each social and case worker is provided with an operating manual describing state and/or federal policies, budget determination charts, methods of approach to actual or potential clients, eligibility requirements, and the like. Changes are constantly being sent to update the manual. Very few workers have the time or inclination to keep current. Most workers extract the most used sections of the policy manual to carry with them.

A complete manual should be available for reference at each supervisor's desk. These could be updated by clerical personnel. An abbreviated version for workers would answer most questions and be easy to carry. Reducing the number of complete manuals printed, substituting abridged versions for workers, and eliminating one clerical position will save \$16,500 per year. The state's portion will be \$9,000.

6. Eliminate the message switching system.

A communications network exists between the central and district offices using on-line typewriters and outside telephone lines. The system is used to expedite messages and avoid financial loss that might occur if information were delayed in the mail. Extra work is created in the central office because many unnecessary questions are asked on this equipment. A daily mail car run could be substituted at a cost of \$33,500. Annual savings would be \$206,900, of which \$113,800 would be state funds.

7. Reduce the number of welfare recipients in convalescent homes.

There are approximately 9,400 welfare recipients residing in convalescent homes. Based on an estimate by qualified state personnel, 1,400 of them do not require the around-the-clock care provided by these institutions. The department pays over \$6,000 per year for each patient. If these 1,400 recipients were placed in private rest homes with nursing supervision, the cost to the department would average about \$3,300 each per year for total annual savings of \$3.8-million. Half of this amount would be state funds.

8. Correct excessive ineligibility levels for welfare recipients.

From time to time, it is discovered that persons accepted for welfare benefits were not actually eligible or that persons were receiving welfare who had become ineligible. Control is in the district offices where applications are received and reviewed, then periodic redeterminations of eligibility made.

The quality control system used makes no provision for action if the level of ineligibility found in samples taken exceeds reasonable limits. A program of corrective action should be implemented whenever quality control findings indicate a need for action. Federal

guidelines specify that ineligibility in excess of 3% indicates corrective action is needed. If 3% is the federal limit, 2% should be adopted by the Welfare Department as the limit for normal operations. If the ineligibility level were reduced to 2%, the annual savings would be \$9.722-million, of which \$5.347-million would be state funds.

9. Seek retroactive and current federal reimbursement for child welfare services.

Under new federal provisions, the Welfare Department is eligible for 75% reimbursement for services to children entrusted to the commissioner. Since the Warehouse Point Receiving Home qualifies, a claim should be made for fiscal 1971. This would be a one-time income of \$52,000. Costs for 1972 are estimated at \$75,000 and federal reimbursement would be \$56,350.

10. Install a productivity measurement system.

There are a number of department areas that could benefit substantially from installation of a productivity measurement system. The areas include those clerical functions which are highly repetitive in nature, such as typing and keypunch activity. In addition, some consideration should be given to installing a system for case workers in the district offices.

A study of the keypunch department should be made. Although 28 operators work a five-day, one-shift operation, outside companies are needed to handle overloads at a cost of approximately \$200,000 annually. A productivity measurement system should be instituted to determine whether this service is needed. If productivity levels could be increased by 30%, approximately \$52,000 in annual costs can be eliminated by reducing the use of outside services. Of this total, the state will realize about \$29,000 annually in savings.

Additionally, productivity improvement can be initiated in the typing activities of the district offices. A 30% improvement in performance would produce annual savings approaching \$264,000. Of this, approximately \$144,000 would represent the state's portion.

Finally, a similar system for case workers in district offices appears mandatory. Work is allocated on a caseload basis using the figure of 60 cases per worker as a guideline. However, this number has gone up as high as 115 due to lack of personnel. Additionally, the number of workers per supervisor varies from three to eight with an average of about four.

Development of the work measurement system would result in an equitable distribution of work load and allow management to effect a staff reduction of about 20%. Savings would amount to approximately \$2.4-million per year with the state's share being \$1.3-million. Total annual savings would be \$2.7-million. The state's share would amount to \$1.5-million.

11. Eliminate duplicate attendance records maintained by the Personnel Department.

Attendance records are kept by the Personnel Department although each department records the same information. Personnel receives weekly attendance reports from the departments. By using these reports as the official attendance record, one full-time clerk could be eliminated. Annual savings would be \$7,200, of which \$3,900 would be state money.

12. Reduce the Personnel Division staff.

The Personnel Division employs 12 people at an annual cost of over \$126,000. Much of the work duplicates what is done at the Personnel Department. In addition, records regarding employees are kept by the district offices. Two people should be retained to handle central office coordinating and 10 positions eliminated. Annual savings would amount to \$115,000, of which \$63,200 would be state funds.

13. Develop a system to expedite self-sufficiency of welfare recipients.

Case workers must expand their knowledge of the areas in which a client can help himself. Less emphasis should be directed toward services available from the state and more toward assisting persons capable of securing gainful employment. In almost every instance, motivation should be provided by the case worker.

If they were measured by the number of recipients that they could make self-sufficient, welfare rolls would be reduced and expenditures lessened. Discussions with members of the department indicate such a program could be implemented. Since annual expenditures total \$85-million for Aid to Families with Dependent Children (ADC), a 5% saving would amount to approximately \$4.25-million annually. It is recognized such a major departure from standard theory may be difficult to implement. As a result, the potential savings are not claimed. However, such a program should be explored for the purpose of determining exactly what savings are possible.

14. Negotiate for bank reconciliation of department checking accounts.

Department check reconciliation is done at the State Data Center. It is sometimes two to three months behind. The cost is approximately \$1,100 per month.

The bank which handles the department's checking accounts states that it can do the reconciliation and, based on balances kept in these accounts, there would be no charge. Annual savings would be \$13,200. The state's share is \$7,200.

15. Eliminate direct payment to vendors.

Payments under Public Assistance Programs are made four ways:

- To welfare recipients.

- ▶ To vendors for recipients being given protective services.
- ▶ To landlords who qualify for direct rental payments under Public Act 299.
- ▶ To vendors although recipients are not under protective services and vendor is not a landlord covered by Public Act 299.

In the first two instances, a portion of the funds is federally reimbursed. However, payments to landlords and vendors when the recipient is not being given protective services are not. For fiscal 1971, approximately \$1-million was paid to landlords and \$10-million to vendors other than landlords. Eliminating payments under Public Act 299 requires an Act of the Legislature, but the state will then be eligible for 50% reimbursement for funds paid to welfare recipients. Payments to other vendors should be stopped so the state can be reimbursed for these funds too. Annual savings in department clerical costs should be \$15,000, of which \$8,200 would be state money. Additional state income from reimbursements should total \$6.25-million a year.

16. Transfer responsibility for day care centers to the Welfare Department.

State funds expended for day care services are part of the budget of the Department of Community Affairs and not subject to federal reimbursement. If expenditures were part of the Welfare Department budget or if the department contracted to purchase day care services from the Department of Community Affairs, the state would be eligible for a 75% federal reimbursement. This would amount to an added annual income of \$4.5-million.

17. Substitute continuous-form paper checks for punched card type.

Punched card checks are used to pay welfare recipients and vendors as an aid to the department in check reconciliation. With modern data processing, paper checks can be reconciled with the same accuracy and control.

The checks used require a special printer at a monthly rental of \$1,675. The printer for paper checks would rent for \$972 per month. In addition, this machine would produce checks three times as fast, reducing computer time. Total annual savings are estimated at \$15,900, of which \$11,900 would be state funds.

18. Revise the organization structure.

The present organization has a single line of reporting from district offices through the Director of Social Services to the commissioner. The department should be reorganized to provide parallel lines of reporting from district offices through the Director of Social Services and through the Director of Administration. Social service functions would report through Social

Services and office functions through Administration. District directors would report to the Director of Social Services and provide administrative supervision for offices. There would be no need for field supervisors. The position of Eligibility and Services Project Director should be absorbed by the assistant to the director. Elimination of five positions would provide annual savings of \$107,000. State savings would total \$60,000.

19. Combine the Mailroom and Duplicating Departments.

These departments are located in the same room, but each has its own supervisor. Duplicating mimeographs departmental forms and manuals. The Mailroom distributes mimeographed materials. The work could be handled more efficiently if the departments were merged under one supervisor. There would be no cost savings as no decrease in personnel is recommended.

20. Use a two-shift operation in the Disbursement Section.

The Disbursement Section has 160 employees and uses almost 12,500 square feet of space. If the section were divided into two shifts, there would be a saving in space rental, parking, and equipment. The second shift would be paid a 1.5% bonus for a cost of \$6,900. Estimated annual savings from implementation total \$33,600. Of this, about \$20,000 is state money.

21. Expand the manual preedit in the Physicians' Unit of Medical Payment.

Each month, 40% of the 45,000 bills handled by this department are rejected for payment by the computer. About 85% of the rejections are caused by an incomplete case number, missing procedure code, diagnosis code, date of service, customary charge, or outdated diagnosis code. A limited manual preedit of all bills is now made. Therefore, inclusion of five more items should take only a little more time. Employees making the preedit have recognized these errors, but lacked authorization to remove inaccurate bills. Annual savings are estimated at \$86,200, of which \$47,400 would be state funds.

22. Assume responsibility for assistance to families with unemployed fathers.

Payments to families of unemployed fathers are made by towns. The towns are reimbursed by the state for 75% of their expenditures. These payments are not eligible for federal financial participation. It is estimated that for fiscal 1972, there will be approximately 2,000 families receiving assistance at an annual cost of over \$8.6-million.

If the state assumes responsibility for this assistance, federal reimbursement would be 50% of the total cost. Since it is not possible for the state to take over until October 1, savings available are 75% of the total for fiscal 1972 and 100% annually thereafter. In 1972,

this would amount to over \$1.8-million with additional town savings of \$2.16-million.

23. Separate functions of district office and social services policy personnel.

Providing welfare assistance consists of determining eligibility, making payments, and giving personal services. District offices traditionally have been organized so teams of social workers took care of these functions, supported by a clerical group.

The commissioner has endorsed a federally supported plan to separate these functions. The activities of social workers, clerks, and central office policy personnel would be divided into eligibility and services. If such a plan is adopted, the federal government will increase reimbursement of salaries of service personnel to 75%. The 1972 budget for district office and policy personnel is over \$25.2-million. At the present rate, reimbursement available would be approximately \$13.2-million. By assigning two-thirds of the personnel to services and the rest to eligibility and money payments, the reimbursement would increase to about \$16.8-million. Additional state income would be more than \$3.5-million.

24. Seek federal reimbursement for health services provided at the Warehouse Point Receiving Home.

Total health care expenses at this institution for 1971 were \$31,700. The fiscal 1972 budget is \$45,900. Currently, the state is not receiving federal assistance under the Social Security Act. If reimbursement were sought, the state would receive \$23,000 for fiscal 1972.

25. Make retroactive claim for federal reimbursement for foster care.

Under federal regulations, the Welfare Department is eligible for 50% reimbursement of monies expended in foster care of children. The amount of expenditure for 1971 is \$3.93-million. Reimbursement available is almost \$1.97-million. A claim should be made.

26. Use social security number for welfare case numbering system.

Presently, each case has a six-digit number plus a town and program prefix. Social security numbers are part of the data file on each case. This number should be used as the case number to simplify cross-indexing Internal Revenue Service records and to verify the recipient's outside income. Using it will reduce the possibility of double payments.

27. Have welfare recipients pick up their checks at state employment offices.

Checks are being mailed to approximately 70,000 recipients, twice a month. If they were required to pick up the checks at employment offices, job openings could be filled immediately, reducing the number of persons on welfare. State projects requiring unskilled or semiskilled labor could be accomplished at no additional cost to the state on a "no work, no pay" basis. Savings in postage would amount to \$135,000 per year. Savings in the reduction of persons on welfare rolls is unknown. Cost in clerical staff would be negligible if jobs were filled by recipients.

28. Seek cash discounts from medical vendors.

The Welfare Department has a program of assistance that is given to recipients through payments made directly to vendors of medical services. Because of inefficiencies in the department, payments have been made as late as 60 days after receipt of bills.

Procedures have been initiated to correct this situation and it is anticipated that medical vendors will be paid within 10 days. When the program is in operation, the doctors, dentists, and drug suppliers should be asked to extend a 10% discount for prompt payment. The fiscal 1972 budget for medical assistance is over \$108.2-million. If 20% of the vendors extend a 10% discount, it would amount to an annual saving of almost \$2.2-million. The state's share would be approximately \$1.2-million.

Department on Aging

This department studies the needs of the elderly in connection with housing, economics, health, employment, and recreation. It provides technical and consulting services to towns or private groups. When warranted, it also makes grants for implementation of programs.

ORGANIZATION AND PROCEDURES

The department is under the control of a 24-man advisory council. Administrative functions are per-

formed by an executive secretary and a staff of 11 employees. The department is involved in programs which include recreational activities, information referral, health services, transportation, home maintenance, and education. All are developed and implemented at the local level with the cooperation of town governments or private agencies. In 1970, more than 30,000 elderly persons were benefited by services provided through departmental funding of local agencies. The fiscal 1971 budget amounted to approximately \$400,-

000, 80% of which was supplied by the federal government. All funding is based on the assumption that financial support on a short-term basis will encourage local communities and organizations to maintain the project if it proves helpful to the elderly.

EVALUATION OF EFFECTIVENESS

A thorough study is made of any new project before it is approved. Existing programs are reviewed quarterly to ensure that funds are used as efficiently as possible.

In lieu of a commissioner, the advisory council acts as the department's governing body. However, it only meets two or three times a year and attendance at the meetings is poor. An executive committee convenes every two weeks and makes most of the necessary decisions. With no commissioner, there could be a lack of management control although the executive secretary seems to administer department affairs efficiently and competently.

RECOMMENDATIONS

1. Move the department to available space in the Welfare Department.

Offices for the 13-man staff contain 2,500 square feet with an annual rental of \$14,200. An area of 1,300 square feet would be adequate and space is available in the Welfare Department.

The cost of rental for the Department on Aging is 100% federally funded. Federal reimbursement for

the Welfare Department is 50%. By charging a rent of \$7,000 for the space, paid entirely by federal funds, there would be a state saving of \$3,500 and a federal saving of \$10,700. A one-time cost of approximately \$8,000 would cover lease penalties, moving expenses, and preparation of new quarters for the department. This would be divided equally between the state and federal governments.

2. Reduce the size of the advisory council.

The present council consists of 24 persons. Statutory requirements state that it will meet twice a year. Past attendance figures indicate that about 50% of the members attend.

A seven-man executive committee within the council meets every two weeks. It handles necessary management control, policy decisions, and executive duties. Reduction of the council to these seven people would have no direct monetary savings. However, it would increase department efficiency.

3. Reduce the department's office staff.

The department has 13 authorized positions with one vacancy. By placing this agency in the Welfare Department, duplicated functions can be eliminated. A research analyst and an administrative trainee are doing work similar to that performed in the larger facility. Elimination of these jobs and the vacant position would result in an annual saving of approximately \$34,000. Federal funding of administrative costs is on a 50% matching basis, so the state's share would be \$17,000.

Department of Correction

This department directs 12 institutions for the confinement of adult offenders or accused persons until they are released, complete their sentences, or are placed on parole. It also administers psychological treatment and counseling, educational and vocational training, work and work release programs, recreation, and rehabilitation during confinement as well as parole supervision procedures for those released by the Board of Parole.

ORGANIZATION AND PROCEDURES

During 1970, an average of 3,235 persons were in correctional institutions and 1,121 under parole supervision. The 1970 operating budget was \$15.2-million, representing a growth of approximately 200% over a 10-year period.

Through a Deputy Commissioner for Institutions, the commissioner directs a maximum security prison at

Somers, a minimum security institution at Osborn, a reformatory at Cheshire, a youth camp at Portland, and six state jails for men. A facility for women is under the direction of a Deputy Commissioner for Women. Women's parole services located at Niantic are also under the direction of the Deputy Commissioner for Women.

The Chief of Program Development directs a staff training center at Haddam. He also has responsibility for education, medical, research, staff development, rehabilitation, correctional industries, alcohol and drug treatment, and public information services. Male paroles, community release, and federal grant programs are handled by the Deputy Commissioner for Field Services.

The research function provides useful data for planning purposes. This information is used to establish trends, make forecasts, evaluate programs, and mech-

anize communications. Trends indicated include an increasing drug problem, the need to shift from retention institutions toward community-oriented halfway houses, a possibility of better use of volunteer services, and reducing the unsentenced jail population.

EVALUATION OF EFFECTIVENESS

The present organization is not conducive to efficient management. While the correction system attracts knowledgeable people to key administrative and specialist positions, it does not develop professional managers. Recognition of the need to manage the work of employees is fundamental if efficiency is to be improved. There is a need for measurement standards and position classifications.

Experimental drug programs, the existence of an unsentenced jail population, and education and work release programs have a significant impact on facility and organizational needs. These factors have not been effectively related to the department's planning. Specific objectives for improved operating efficiency should be established for each new facility. Additionally, the Adult Women's Division is handled as though it were a separate department. The main justification for correctional industries is to keep the inmates occupied. Relationships with other departments in the operations and treatment areas are not well defined.

RECOMMENDATIONS

1. Remove the computer from Somers prison and use the proposed terminal for inmate training purposes.

The computer is used by inmates as part of a training program. They also run their own payroll on it. The value of this type of use is questionable, particularly in view of the cost. All computer work for the department should be centralized in the State Data Center. Equipment removal will result in annual savings of \$33,300. Time for inmate training will be available on a terminal already planned for the institution at no increase in cost.

2. Modernize the external security system at Somers prison.

Security consists of inner and outer fences, spaced 25 feet apart, with an electrical proximity detection system on the outer fence. In addition to the guarded main gate and truck entrance, there are seven watchtowers manned around the clock. These watchtower positions can be eliminated by adding closed circuit television surveillance and a roving team of two guards. Exterior surveillance would require 17 cameras and monitors at a one-time cost of \$55,500 or a three-year lease and maintenance cost of \$54,700. Annual cost of operation would be \$195,000. Savings would total \$455,000 per year.

3. Negotiate a long-term agreement for transfer of 40 sentenced inmates from Niantic to the women's prison at Framingham, Massachusetts.

Other New England states have been sending long-term female inmates to this facility. The upkeep cost is about \$4,300 per year per inmate. This compares with an estimated cost of \$10,300 at Niantic. Based on reducing the prisoner count from 164 to 124, 27 of the 171 employees could be eliminated at Niantic. Cost of implementation will be about \$175,000 annually. Annual savings will be \$291,000. In addition, an estimated one-time saving of \$500,000 will be realized by not building the planned women's prison at the Cheshire complex. A yearly cost study should be made to determine the continued practicality of transferring prisoners to Framingham.

4. Require a 5% improvement in operating costs for the three projected community correctional centers.

In planning replacement facilities, a 5% improvement in operating costs should be the minimum decrease acceptable. By employing new architectural concepts and materials as well as modern electronic security systems, possible savings can be identified in the planning stage and should be required as part of the overall project. An improvement of 5% in facility maintenance and cleaning, the number of custody guards required, and food handling for the correctional centers planned for Hartford, Bridgeport, and New Haven would yield savings of about \$110,000 per year.

5. Phase out the dairy business at Osborn.

The dairy operation at Osborn provided activity for 74 inmates. During 1970, this operation lost \$4,000. Facilities and equipment need upgrading which will require substantial expenditures during the next few years. The inmates can better spend their time in educational programs and other more useful activities. Milk is available at competitive prices, so the loss of production at Osborn will not effect the supply or price level. Total annual savings should be \$138,000. Sale of livestock and dairy equipment will produce a one-time income of \$75,000.

6. Appoint a commission to study the bail bond system.

Holding people who are bailable, but cannot raise the required money is not always in the public interest. Studies show that those who meet certain criteria can be released on a promise to appear. The present system favors people in middle to high income brackets. Detaining persons in an accused status who are later found innocent appears to contribute to antisocial behavior. The system also imposes unnecessary costs on the state with no apparent benefits. The recommended commission study should take into account the role of police, courts, correction institu-

tions, welfare agencies, and the Connecticut Prison Association.

A pilot program at the Hartford Correctional Center reduced the accused population by 37%. If a similar record were realized state-wide, annual savings of \$1.3-million and a reduction of planned building costs of \$2-million could be realized. This estimated savings potential is not being claimed in this report, but there appears to be an opportunity for a distinct social service coupled with a major saving.

7. Implement staffing recommendations of U. S. Bureau of Prisons survey team at Somers.

In February 1971, a survey team from the U. S. Bureau of Prisons inspected staffing patterns at three state facilities. Based on the 35-hour week, the study indicated a need for 298 correctional officers at Somers. Initiation of the recommended pattern would result in a reduction of 13 officers. The annual saving would be \$143,000. A study in depth of the necessity for each position might yield further savings by the elimination of several other employees.

8. Improve operations at the furniture shop at Somers and the sign shop at Osborn.

Both prison units have order backlogs. In addition, the Bureau of Highways produces \$340,000 worth of signs, decals, picnic tables, and survey stakes while the Park and Forest Commission manufactures signs and pine benches.

Long-term planning, blanket orders with these departments, and enlarged operations would permit present sales of \$506,000 to be approximately doubled. Current inventories of raw materials would be more than adequate. Floor space is available at Somers and rearrangements at Osborn would provide the necessary area. While the other departments would benefit from staff reductions, Correctional Industries should increase annual profits by more than \$200,000.

9. Provide a centralized dining facility at Niantic.

A centralized facility would remove the need for one truck, a truck driver and helper, thermos-type storage units, and at least half of the kitchen staff. In addition, separate dishwashers, tableware and china storage, space for dining, and maintenance of equipment at four cottages would be eliminated. Annual savings are estimated at \$42,500. The plan can be implemented at once by staggering meal hours.

10. Negotiate with other departments so that prisoner hospitalization can be handled at other state hospitals.

Use of state-owned facilities would relieve the department of two major costs. Private hospital fees totaled \$146,000 in 1970. Providing custodial care for prisoners at such institutions costs about \$125,000 per year. Total annual savings would be over \$270,000.

11. Schedule court appearances to reduce time spent by custodial officers and inmates.

The judiciary practice of calling for inmates to appear without notice strains manpower allocations and requires excessive overtime costs. A working agreement for efficient scheduling and hearing of cases involving appearances of inmates can benefit the courts, lower prisoner transportation costs, and reduce the number of officers assigned to this duty. Annual savings would total \$55,800.

12. Phase out the manufacture of clothing at Somers.

The clothing operation at Somers provides activity for approximately 80 inmates. During 1970, it lost \$31,000. The prisoners can better spend their time in the recommended expanded furniture operation. Implementation will save \$31,000 annually.

13. Establish a policy to provide protection for volunteer personnel at state facilities.

Volunteer services are growing rapidly. Use of these people can decrease the cost of many state functions and improve their effectiveness. While no major mishaps have occurred, greater activity in this area increases the likelihood. A thorough investigation should be carried out to define the state's responsibility for volunteer workers.

14. Modify printing operations at Cheshire and Somers to provide increased output.

A review is needed of the allocation and types of equipment used in printing operations. Means of improving supervision, incentive pay for inmates, advantages of central placement, scheduling of printing orders, simplified recordkeeping, and pricing schedules should also be studied. Improvements in these areas could increase efficiency by 25%. Based on the 1970 output of \$220,000, this would increase output and sales \$55,000. Profits would improve by approximately \$35,000 per year.

15. Integrate male and female adult parole services under one administrator who would report directly to the commissioner.

A better division of case loading and geographical coverage can be obtained by integrating female parole officers into the existing male organization. Consolidation will eliminate the need for one parole supervisor and one typist. Savings of \$20,000 annually will result.

16. Institute a meaningful Work Release Program at Cheshire Correctional Institution with responsibility for program assigned to a specific member of the institutional staff and an objective of a minimum of 5% participation by inmates.

A recent report indicated only one person was active in Cheshire's Work Release Program. An effective pro-

gram could enroll at least 10% of the 450 inmates in gainful employment. Benefits to the inmates include improved self-esteem, training for and adjustment to self-support when released, and accumulation of savings. The state benefits from payments towards room and board as well as from taxes. Earnings can also help support families of these offenders, thus reducing welfare costs. An estimated annual income to the inmates in such a program would be \$80,000, of which about 35% or \$28,000 would benefit the state.

17. Reduce the secretarial/typing staff in the central office of the Department of Correction by 25%.

Based on professional observations and comparisons with industry standards, the work load does not justify the present secretarial/typing staff of 28. A conservative reduction of 25% should be made with rearrangements to share secretarial help and effectively use the stenographic pool. This should provide service equal to the present as well as annual savings of \$53,900.

18. Reevaluate the adequacy of the psychological and counseling program at Cheshire Correctional Institution.

The program at Cheshire provides one counselor per 100 inmates. Somers has a staff of one for each 30 adult inmates. Benefits of counseling as a rehabilitation tool are recognized to be greater with youthful offenders. Youth institutions usually provide a ratio of 1 to 15. Improved psychiatric and counseling services at Cheshire would provide potential benefits in excess of \$250,000 per year. The cost of 11 more counselors would be \$132,000 per year.

19. Transfer x-ray equipment not presently in use at the Department of Health to Cheshire Correctional Institution.

Because the x-ray unit at Cheshire is inoperable, this preventive health measure is not functioning. The cost for 750 to 800 x-rays per year would approximate \$7,500.

20. Determine the feasibility of relocating the central bakery and meat cutting facilities at a state correctional institution.

In 1970/71, the bakery at Middletown lost about \$14,000. During that same year, their labor cost increased by \$15,000. At Somers, the warden stated he has a problem with unemployed prisoners. The transfer of operations to a correctional institution would supply inexpensive labor to provide bakery goods and meat products to state agencies while teaching a useful trade to the prisoners.

21. Provide new detention facilities for accused and short-term female inmates and establish community-based rehabilitation centers.

In May 1971, there were 190 females in custody, 50 accused and 140 serving sentences. As a result of

previous recommendations, 25 of the accused would be releasable on bail and 40 sentenced prisoners could be transferred to a Massachusetts prison. This means 125 females must be provided for. A female detention wing to accommodate 50 women should be constructed as part of the Correctional Center in New Haven. The remaining prisoners should be placed in state-supervised or privately owned group homes in various communities. Costs would include a one-time construction cost of \$500,000 as well as a purchasing cost of \$500,000 for the community facilities. There would be a community home maintenance cost of \$550,000 per year. Annual savings would be \$739,000.

22. Cancel construction plans for women's facilities at Cheshire and close Niantic.

With the accused and sentenced female population provided for, plans should be cancelled for the Cheshire Center, providing a one-time savings of \$2.5-million. The Niantic Correctional Center would also be freed for sale for an estimated income of \$5-million.

23. Eliminate regional maintenance centers by combining them with Somers and Cheshire.

The purpose of the two maintenance centers is to provide pooled regional emergency services and to do needed work at the jails. Combining the north center with Somers' present crew would eliminate supervision, reduce travel time, and provide better work scheduling. Combining the south center with Cheshire's crew would provide the same benefits. Implementation will eliminate duplicate supervision, thus saving \$40,800 annually.

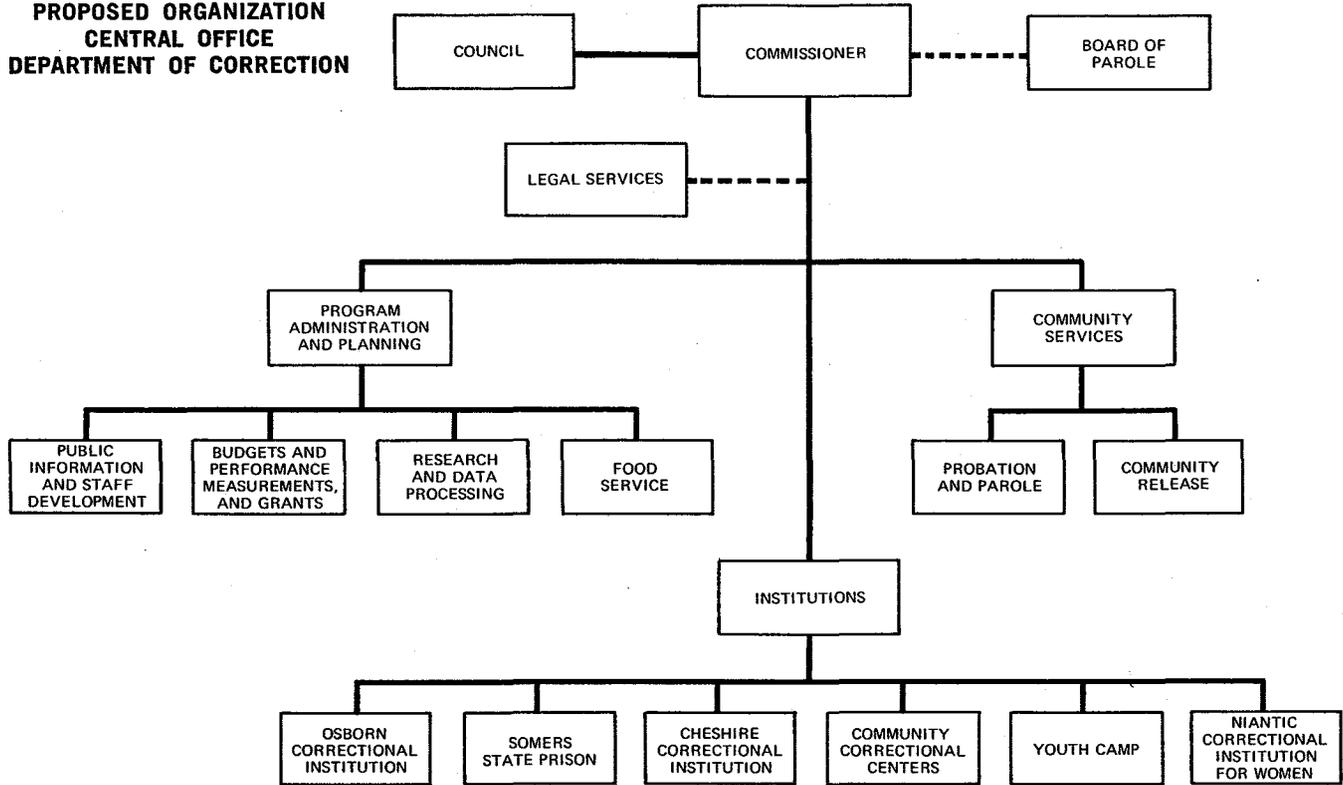
24. Institute a centralized data system for criminal justice information.

Present data is recorded and filed manually. Information relating to offenders from all state sources should be fed into a control computer file. The information should be kept under strict security regulations and readout reports provided only for specific requirements of specified authorities. Costs cannot be determined at this time.

25. Reorganize the department.

A reorganization of the department is recommended to provide more effective management control and to properly place authority and accountability. Elimination of assistants and special assistants is recommended as these positions tend to break down lines of authority and block communications. The function of facilities, care, and custody should be separated from the function of treatment, counseling, and programs at each major institution and organizationally these two functions should both report on an equal basis to the warden. An organization chart for the central office is shown to the right. Although substantial savings will result along with improved efficiency, none has been claimed.

**PROPOSED ORGANIZATION
CENTRAL OFFICE
DEPARTMENT OF CORRECTION**



Department of Children and Youth Services

The department is responsible for direction of two correctional facilities for juveniles and a community-based multiservice center for children 16 years and under. It was established in January 1970. The institutions provide youthful offenders with residential, educational, diagnostic, treatment, rehabilitation, counseling, and parole services. The community center located in Bridgeport is a preventive pilot counseling unit for children and families. This department is also charged with creating a comprehensive state-wide program for children and youths whose behavior does not conform to the law or to acceptable community standards.

ORGANIZATION AND PROCEDURES

The director has a central staff of 36 people, of whom 14 are federally funded. As of December 31, 1971, the federal grants will expire. Expenditures for fiscal 1971 are expected to total \$3.59-million. A special assistant provides legal service and is responsible for interstate compacts. A deputy commissioner directs the

Long Lane School for Girls and the Connecticut School for Boys. He also takes care of program development and planning, personnel, public information, administrative services, and the pilot community services unit at Bridgeport. A proposed diagnostic center will also come under his direction.

The Long Lane School for Girls provides residential care, education, training, treatment, and parole service. It has a rated capacity for 228 residents but the present population is only 82 and not expected to grow much beyond this size. The average age of girls at admission is 14 and the usual length of stay ranges from six to 10 months. Cottages are staffed by a housekeeper and a housemother who work five-day on, five-day off, round-the-clock schedules.

The Connecticut School for Boys provides similar care with a rated capacity of 250 and an actual population of 130. The average age at intake is 14.9 years and the stay about eight to nine months. Cottages are staffed during the day and evening by rotating sets of

house parents and a night watchman. The community facility at Bridgeport provides intervention services for juveniles and serves 203 children with a staff of nine, four of whom are part-time. Long-range plans include establishment of a diagnostic center and an additional community intervention unit.

EVALUATION OF EFFECTIVENESS

The aim of this department to shift from institutional schools to an intervention, diagnostic, and treatment system appears to be sound. However, immediate attention should be given to increasing the efficiency of this department as it is presently constituted. The central office consists of knowledgeable people in administrative and specialist positions who are mainly program oriented. This, coupled with the fact that 39% of the positions will be abolished at the end of the year, creates considerable confusion. The department needs to establish a middle management group.

Long Lane School for Girls at Middletown is overstaffed and has excess facilities for its present and projected population. The annual cost per girl is \$16,000 which appears excessive when compared with other institutions. Schooling and vocational training are operated at low achievement levels which makes it difficult to place girls in the public school system without special arrangements. Facilities at the Connecticut School for Boys in Meriden are poor and the institution is overstaffed. The annual cost there is \$16,300 per boy. Both schools have an excessive number of employees on maintenance programs.

The intervention center at Bridgeport is a pilot project and has not been in existence long enough to determine its value. To date there has been no noticeable drop in children referred to Long Lane and the Connecticut School for Boys from the area. On the other hand, the present system needs improving as 90 boys out of 333 at Cheshire Reformatory had previously been at the Connecticut School for Boys.

Relationships with other departments are not well defined. This situation will become critical, particularly with the Health and Welfare Departments, as this agency moves toward community-based intervention and treatment centers. The main problem is to put the present institutions on an efficient operating basis while working on a community-based system.

RECOMMENDATIONS

1. Combine the Connecticut School for Boys with the Long Lane School for Girls.

Better use of facilities and more effective rehabilitation would result from providing a coeducational institution at Middletown. Long Lane's rated capacity of 228 is sufficient to accommodate the combined current population. However, certain capital expenditures are required. The estimated one-time cost is \$850,000. It

includes a central dining and kitchen facility, \$200,000; added security, \$175,000; recreational facilities, \$150,000; vocational facility, \$100,000; rearrangements, \$125,000; and miscellaneous equipment, \$100,000. Implementation would make the Meriden facility available for other state use or sale, providing a one-time income of \$4-million.

In addition to improved facilities, this consolidation will allow a substantial reduction in employees and permit reorganization on a functional basis. Activities involving facilities, care, and custody should be separated from treatment, counseling, and programs at the top administration level with both groups given equal authority and responsibility. Since both functions would report to the same individual in the commissioner's office, he would become the managing director of the institution. By becoming involved in the day-to-day operation of the institution, he could provide the commissioner with feedback information needed to set overall objectives for the department.

Parole services should be consolidated under one administrator in the commissioner's office. The number of employees engaged in this activity can thus be reduced from 300 to 206 with no decrease in services. A detailed study of staff requirements should provide additional reductions. Consolidating Maintenance, Education, Business Office, and Administration Sections will abolish 35 positions. Eliminating assistants, special assistants, excess cottage personnel, and the special housekeeper will vacate 59 positions for a total reduction of 94. The annual savings will be \$940,000.

2. Reorganize the department's central office.

This department has unusual problems requiring a professional management approach. Reorganization is needed to improve efficiency and facilitate a shift of emphasis from institutionalized schools to an intervention, diagnostic, and treatment system. Integrating the organization will require the most attention as this involves changes in attitude. Management by objectives is a proven tool to force communication and should be used throughout the department. Measurement of results against written objectives should be instituted in addition to budgetary control.

Administrative services in the commissioner's office should be kept to a minimum. Functions should be limited to budgets, measurements, and personnel. All planning should be done by line administrators as directed by the commissioner. The central office consists of 36 people. Adjusting for the recommended transfer of parole services to this office gives a full-time employee count of 49. Combining parole services under one administrator eliminates a supervisor and a typist. Abolishing the position of chief dietitian as well as all assistants and special assistants plus another typist will reduce the total staff by 12. Annual savings will be \$120,000.

3. Institute procedures to appraise and sell real estate and stocks presently held in various Long Lane School agency accounts.

Present investments do little more than cover expenses, although the donation fund was established to benefit the inmates of Long Lane. When profitable, funds have been reinvested in real estate. This does not benefit the girls and may be contrary to the decree of the court which governs use of the money.

The current value of real estate investments exceeds \$160,000. If this amount were placed in a savings account, the interest could be used to provide bus rental for off-school activities, pay for special equipment or programs, or improve certain facilities. Implementation will provide \$9,700 per year in increased income and \$6,000 in annual savings by eliminating maintenance costs for the fund.

4. Move Long Lane counseling offices from the large school classroom to individual rooms now unused in the Chapel Sunday School unit.

The present open office does not ensure the privacy necessary for students who wish to discuss personal problems. The small classrooms would provide better counseling facilities.

5. Review staff housing to improve facility use.

The commissioner should review staff housing in conjunction with recommendations to combine institutions and reorganize the department. The study should develop plans for effective use of facilities to carry out the primary mission of the department.

6. Install a sprinkler system at Long Lane.

A potential fire hazard exists at the school. The estimated one-time cost to install a system is \$200,000.

7. Investigate alternatives to state-owned and operated community-based multiservice centers.

In keeping with today's needs, this department plans to shift emphasis from an institutionalized school system to community-based multiservice centers. In planning these regional units, it is important that consideration be given to involving the local private sector, other state departments such as Welfare and Mental Health, and established organizations such as the Connecticut Prison Association. If properly integrated, substantial service and financial help can be obtained from these sources and from ongoing federal funding similar to that being obtained by certain welfare programs.

8. Establish as policy that there will be one training facility, jointly planned, staffed, and operated by and for employees of the Correction, Children and Youth Services, and Youth and Adult Probation Departments.

In spite of proposals for a joint program, many agencies are preparing their own facilities and programs

to train personnel. This department is using 8,000 square feet of floor space for this purpose at Meriden and is in the process of preparing 7,000 square feet at Long Lane. At \$5 per square foot, this amounts to \$75,000 annually for facilities. By consolidating the training staff, annual savings of \$30,000 can be realized and less equipment will be required. Duplication, whether supported by federal grants or not, is costly to the taxpayer. Implementation will produce an annual saving of \$105,000.

9. Reduce the number of cars and trucks.

Presently, this department owns 21 trucks and leases 31 cars. All employees are eligible to use the cars. Since previous recommendations suggest reducing the staff by 106 positions, the number of cars can be cut by nine. The yearly saving will be \$7,300. By combining operations of the two correctional institutions, the number of trucks can be reduced by 10. The annual saving will be \$12,000 for a total of \$19,300.

10. Study the feasibility of assessing parents, based on ability to pay, for juvenile custody provided by the Children and Youth Services Department either in state-owned or private institutions.

The state bears the entire burden for children committed to the care of this department. Assuming that only 25% of the parents could afford support payments and the average payment was \$100 per month, the potential income to the state would be \$60,000. Use of probation and parole officers to follow up on delinquent support payments might require an additional officer at an estimated cost of \$15,000.

11. Replace the heating system at Long Lane.

The present heating system is in poor condition and needs replacing. In view of labor costs, an automated system should be installed to eliminate the need for five employees who provide 24-hour operation. The relative benefits of individual units vs. centralized units as well as various types of fuel should be established. The estimated one-time cost is \$250,000. Annual savings would be \$45,000.

12. Restudy the benefits of establishing Children and Youth Services as the department responsible for all institutional and community-based services to this group of recipients.

Presently, the Welfare Department has responsibility for wards of the state and dependent children. Children and Youth Services handles preventive procedures and treatment of those declared delinquent. The Department of Health cares for the mentally retarded and Mental Health for children admitted as or declared emotionally disturbed. With adequate authority and financial support, the Department of Children and Youth Services could diagnose, select treatment facilities, and supervise as well as evaluate rehabilitation. Reports by a committee to study youth-

ful wards of the state outline a variety of approaches to centralize this control. Full coordination with the Welfare Department is critical so that the utmost federal reimbursement can be obtained for such services. A centralized department would:

- ▶ Improve overall plan for services and strengthen expertise.
- ▶ Emphasize treatment approaches and reduce the tendency to categorize children.
- ▶ Decrease the potential for children being placed in the wrong treatment facility.

13. Apply through the Welfare Department for federal reimbursement of costs for eligible children assigned to the Department of Children and Youth Services.

Certain children assigned to this department by the courts qualify for partial expense reimbursement by the federal government. Specific responsibility for making the necessary application should be assigned to one official to ensure that maximum funding is obtained. Approximately 25% of the present residents qualify when transferred to private facilities.

Department of Adult Probation

This department supervises adult offenders placed on probation by the courts, submits periodic reports with recommendations on continuance, revocation, or release from probation, and conducts investigations of convicted offenders. It also provides special probation services for drug addicts.

ORGANIZATION AND PROCEDURES

The department is directed by a commission of six members. A director and deputy director administer departmental activities from the central office. The staff totals 140 with a budget of \$1.4-million.

Presentence investigations are used as a guide to courts in sentencing. Rapidly increasing caseloads require 80% of probation officers' time. The Youthful Offender Act may increase this by as much as 50%. Probation supervision covers 10,500 persons with an average caseload of over 125 per officer. Efforts to develop meaningful drug programs are supplemented by help from the private sector.

EVALUATION OF EFFECTIVENESS

Although dedicated, probation officers cannot provide effective services and presentence investigations without a major change in staff support and an increase in personnel. Financial support is not commensurate with the department's responsibilities. Legislation allowed a 50% increase in presentence investigatory work with no addition in personnel or budget. Facilities are not provided for research or planning. No work measurement or performance evaluation methods exist within the district offices.

The department's prime responsibility is supposed to be supervision of probation. National statistics indicate that proper probational supervision can be effective in rehabilitation of offenders. The department is developing a sponsorship program in an attempt to alleviate its manpower shortage. The National Council on Crime and Delinquency recommends a maximum

of 50 cases per officer with no presentence investigation load.

Department experience with drug control has led to the development of several group sessions tailored to different types of addicts as well as counseling and group discussions with parents of addicts. Pilot programs are underway to evaluate the effectiveness of intensive probational services by two probation officers handling 30 drug dependent probationers each.

RECOMMENDATIONS

1. Incorporate a single unified service of probation and parole within the Department of Correction.

Despite minor differences in pay grades and classification, probation and parole officers provide similar types of supervision and counseling. Consolidation of the two services will reduce the administrative duplication, strengthen research and training capabilities, and provide more advantageous office locations for coverage of parolees. It will also ensure greater flexibility in case assignments and increase the effectiveness of probation and parole services, both of which suffer from personnel shortages. Increased use of volunteer services can augment the rehabilitation efforts of professional probation and parole officers.

Overall administration can be handled in the present Department of Correction. The salaries saved should be used to employ more officers. The annual savings will be \$76,000. Adding four probation officers would cost \$51,000 per year.

2. Institute work measurements and performance evaluation for the combined Parole and Probation Services.

A study of the case loads of the combined services should be carried out. Requirements for presentence investigations should be based on modern methods of work measurement. Performance evaluation, using these work measurements, should be made semiannually by supervisors to ensure maximum efficiency.

Board of Pardons

This board is responsible for granting pardons to persons convicted of offenses against the state as well as commutations from the death penalty. It also proposes legislation to improve the pardons process.

ORGANIZATION AND PROCEDURES

The board consists of five members appointed by the Governor with the advice and consent of either house of the General Assembly. Members are required to be residents of the state and the composition of the board must be two attorneys, one physician, one social science expert, and one judge. Not more than three persons on the Board of Pardons can be of any one political party.

The board meets when and where occasion requires. Four of the five members must concur in order to make their judgment operative. It has the authority to compel the attendance of witnesses. The board presently meets four times per year and the average number of cases considered per meeting is 30. The estimated expenditure for fiscal 1971 is \$4,300.

EVALUATION OF EFFECTIVENESS

The board is an excellent example of using high caliber professionals as volunteers to perform a necessary state function. The number of cases has been increasing in recent years. This has placed an unfair clerical work load on the board when preparing for hearings. Overall, it provides an important service to the state at a low cost.

RECOMMENDATION

1. **Increase the budget to cover the actual cost of preparing case information for the board.**

Because of insufficient funds, a considerable amount of clerical work is donated by the board's secretary. There have been situations where this work imposes a financial hardship. The state should either supply the board with this service through state personnel or provide adequate fees for the work if performed elsewhere. The estimated annual cost to the state to provide case information would amount to approximately \$1,200.

Veterans' Home and Hospital Commission

The Veterans' Home and Hospital provides medical and surgical services, rehabilitation programs, and domiciliary care to eligible veterans with the exception of the mentally ill, tubercular, and alcoholic. The agency also administers grants to dependents of eligible veterans.

ORGANIZATION AND PROCEDURES

The Veterans' Home and Hospital is governed by a commission of eight members. The commandant is appointed by the commission and held responsible for management of the institution, custody, discipline, medical care, and well-being of patients and residents.

The facility is comprised of 43 buildings. The home has a capacity of 727 beds and the hospital, 496 beds. About 2,000 veterans receive care annually and in-residence patients average approximately 1,000. A plan to build a 60-bed nursing home was submitted to the 1971 Legislature. Cost was estimated at \$1-million and may be offset by 50% federal matching funds through the Veterans' Administration.

This department has a staff of 356 full-time employees. The fiscal 1971 budget is \$5.9-million of which \$5.67-million is provided by general funds. Reimbursement

from non-state sources is estimated at \$1.8-million for fiscal 1971.

EVALUATION OF EFFECTIVENESS

The facility is staffed with a variety of specialists. Buildings, equipment, and grounds are well maintained. There appears to be a good relationship between employees, patients, and residents. Due to lack of coordination between state departments, unnecessary costs are being incurred by the home and hospital for specialists to cover peak demands, vacations, and consultations.

RECOMMENDATIONS

1. **Substitute use of the existing 36-bed hospital ward for the planned nursing home.**

The unoccupied 36-bed hospital ward could serve as a substitute for the planned nursing home of 60 beds. If the ward is used, it will provide 60% of planned capacity at an earlier date and at no additional cost. As additional beds are required, the Veterans' Home and Hospital is authorized to place patients in convalescent homes and pay their costs. This one-time saving will total \$300,000 in state and \$300,000 in federal funds.

Additionally, a nursing care facility would need a dining area at an increased operating cost of more than \$86,000. Using the hospital ward will also entitle the Veterans' Home and Hospital to an annual reimbursement of \$2.50 more per patient from the Veterans' Administration. For 36 patients, this amounts to an annual income of \$33,000. The estimated saving is \$86,000 per year.

2. Initiate a study on continued necessity for the state-operated veterans' hospital.

There are 496 beds available at the state veterans' hospital. The federal hospitals in Newington and West Haven have a capacity of 195 and 778 beds, respectively. The state hospital has an average cost per patient of approximately \$21 per day due to participation of residents in the veterans' home operation. Average patient cost in the federal hospitals is in excess of \$50. A detailed trade-off analysis should be made to pinpoint the most economical method of providing deserving veterans of foreign wars with medical assistance.

3. Cooperate with other state hospitals to trade surplus time of medical specialists.

The Veterans' Home and Hospital has contracted for medical specialists at times when the regular staff was inadequate due to heavier than normal work loads, vacations, and illnesses. Such contracts cost the institution \$43,700 in fiscal 1970. When work loads are lighter, the institution has specialists available who could be loaned to other state hospitals.

If specialist services could be exchanged on a state-wide basis, they would be used more effectively at a substantial reduction in contract costs. Estimated savings for the Veterans' Home and Hospital would reach \$22,000 per year.

4. Lease the nursing residence to the federal government for a Veterans Drug Dependency Treatment Center.

The nursing residence at the Veterans' Home and Hospital is almost empty. Private living accommodations have rendered the facility obsolete.

The problem of drug dependency among returning Vietnam servicemen will affect Connecticut. The average estimate of those returning to the state who will need treatment is 500 per year. The federal government has an obligation to treat these individuals.

There is no space available for specific treatment for drug-dependent persons in either of the federal hospitals. Use of the nurses' residence at Rocky Hill would provide needed treatment at low cost. Food, laundry, and support services not directly related to staffing the facility could be provided on a cost reimbursement basis. The annual income from leasing this facility of 22,684 square feet at \$3.50 per square foot would be \$79,000.

5. Place the management of the Veterans' Home and Hospital under the supervision of the Commissioner of Public Health.

This facility is staffed with qualified specialists in internal medicine, surgery, physical medicine, urology, pathology, radiology, anesthesiology, and dentistry. Other specialized services are contracted for as needed. Some of the specialists are on the staffs of other state hospitals. If management of the Veterans' Home and Hospital was placed under the Department of Health, better use could be made of qualified staff specialists and less would be spent on service contracts. The department's commissioner should be made a permanent member of the Veterans' Home and Hospital Commission.

Soldier's, Sailor's and Marine's Fund

This trust fund was established by the General Assembly in 1919. It has been augmented periodically and now has a balance of \$30-million. Financial assistance is given to veterans of all wars who meet eligibility requirements. The money used is derived entirely from investment income.

ORGANIZATION AND PROCEDURES

The central group has a staff of 14 employees. Requests for assistance are processed at this office and weekly beneficiary payments distributed. The four district branches are staffed by two employees. The remaining 135 towns are serviced by volunteers.

Eligibility for assistance is somewhat less stringent in this agency than in the Welfare Department. The applicant must be a veteran of World War I, World War II, Korea, or Vietnam and a resident of Connecticut at the time of entering military service. He must have been honorably discharged and demonstrate a need for temporary financial help. The veteran's wife, widow, or minor children may also apply.

Grants to eligible veterans and their dependents during the past fiscal year totaled approximately \$1.3-million paid to over 6,000 families. The agency issues about 360 checks per week. New applications have been averaging over 80 per week.

EVALUATION OF EFFECTIVENESS

The process of accepting applications, determining eligibility, and distributing payments to needy veterans is an operation which involves a minimum of time, effort, and expense. However, it appears to be just another facet of the state welfare program, but without the benefit of cost-saving facilities available in the larger department.

The Hartford office has records on every person who has ever received aid since the inception of the program in 1919. In addition, each of the branch offices keeps duplicate files on its own recipients. There is little reference to these records. After six months' inactivity, a veteran seeking further aid completes a new application which voids all previous ones.

All posting, checkwriting, and mailing is handled manually at the central office. No use is made of computer facilities. Credit should be given to the American Legion for its voluntary role in implementing the program.

RECOMMENDATIONS

1. Establish a retention schedule and microfilm the records.

Establishing a retention system of 15 years would eliminate 90% of the existing records. Microfilming of remaining files and eliminating records over one year old would bring the operation down to one cabinet. At the present time, 900 square feet in the central

office are being used for files at an annual cost of about \$3,000. Microfilming and storage of film would have a one-time cost of \$8,000 and an annual charge of \$500. The annual saving would be \$3,000.

2. Eliminate the separate status of the Soldier's, Sailor's and Marine's Fund.

The Soldier's, Sailor's and Marine's Fund is a specialized form of welfare. Incorporating the agency into the Welfare Department would release the \$30-million trust fund for other purposes. It would allow present manual procedures to be handled by automation. This would release seven central office employees. Welfare district offices located in the cities which now have fund branches could handle functions now performed in these agencies, releasing eight other employees. The annual savings in salaries for personnel would total approximately \$105,000. Elimination of the four branches would also save about \$3,000 per year in rental fees.

The building occupied by the central office has an annual rental of \$14,600. Adequate space can be provided in the Welfare Department's building for the remaining seven employees. As a part of this department, their salaries should qualify for 50% federal matching funds. At an average of \$8,000 per employee, this would amount to additional income of \$28,000 per year. The total annual savings would be \$122,600.

Governor's Committee on Employment of the Handicapped

This committee was formed in 1940 by a group of volunteers to call attention to the unusual reservoir of labor available for the war effort. In 1965, the Legislature made it into a state agency with an executive secretary and clerical staff. Through education, publicity, and promotional campaigns, this group attempts to create a climate wherein every handicapped person can compete on equal terms for jobs commensurate with his ability and qualifications.

ORGANIZATION AND PROCEDURES

The committee is composed of an advisory council, 19 local committees, an executive secretary, and his assistant. The council and the local committee members are volunteers. The salaries of the executive secretary and his assistant plus supplies comprise the budget of this agency. It amounted to about \$24,000 last year. Publicity funds are donated by various or-

ganizations and individuals. The advisory council meets at least six times a year to discuss new programs and evaluate results of current campaigns. Local committees meet monthly.

Cerebral palsy victims, cardiac or stroke cases, injured Vietnam veterans, ex-alcoholics or drug addicts and the mentally retarded are some of the handicapped persons being helped to find gainful employment through the efforts of this agency.

Architectural barriers often eliminate or reduce job opportunities for the handicapped. Industry is being made aware of these problems and many companies have complied with agency suggestions to correct these conditions. Much has been done, both in the state and nationally, to help create an awareness of the handicapped person's problems as well as his ability to become a productive member of society.

EVALUATION OF EFFECTIVENESS

It is difficult to determine all of the benefits which have been derived through the efforts of this committee. However, the executive secretary has received over 700 calls in the past three years from handicapped persons seeking help. If 10% of these persons found employment and did not go on the welfare rolls, the program would be a financial success for the state. Acknowledgement should certainly be given to the volunteers who form the major part of this organization. The Governor's Committee on Employment of the Handicapped could not continue without them.

RECOMMENDATION

1. Incorporate functions of the committee into the Labor Department.

The committee's office is located in the Labor Department building. Referrals for employment, ideas for new programs, and administrative suggestions are often handled in conjunction with department staff. From an administrative control standpoint, the committee should be a part of the larger organization. The only monetary savings would be elimination of the one copying machine used exclusively by the agency. This amount would be \$2,500 per year.

**The Governor's
Commission
On Services &
Expenditures**

Connecticut Development Commission

This commission promotes tourism, encourages firms to locate in Connecticut, and offers technical and financial assistance to small businesses. It also provides marketing and economic data for industry, aids in conversion to nondefense related production, and promotes a favorable image of the state through public relations and advertising.

ORGANIZATION AND PROCEDURES

A 12-member commission is appointed by the Governor and selects a managing director. There are 39 permanent and 13 temporary employees. Annual expenditures total \$751,000.

The operation is divided into General Administration, Research and Information, Promotion and Development, and a temporary work force at the Eastern States Exposition in Springfield, Massachusetts.

Tourism promotions are handled in the Promotion and Development Division. Activities include preparation and mailing of brochures and advertising in a number of publications. During fiscal 1970, it was estimated that 15-million tourists in Connecticut spent \$270-million. The commission has established a goal of \$1-billion in income from tourism.

A development agent and a typist work on seaport, oceanography industries, and marina development. International trade is handled by three people. Export and import sales leads are furnished by this group.

The Promotion and Development Division encourages firms to locate in Connecticut. It also stimulates resident firms to continue their operations and to expand. Five industrial agents handle 280 current cases. Two agents maintain a list of available industrial sites and structures. Small business loans are offered under several financing plans. Technical services to industry are handled by three development technicians.

Economic research and marketing is a function of the Research and Information Division. Such research consists of location advantage studies and preparation of a purchasing guide of Connecticut manufacturers. The division also publishes a booklet on state market data and a manual for local development groups. During fiscal 1970, revenue for the commission was \$1,690, primarily from purchased publications.

EVALUATION OF EFFECTIVENESS

The managing director and his staff are qualified to promote tourist activities and attract industry to the state. However the organization structure is not efficient.

The caseload in the Location Services and Development groups does not justify an assistant industrial agent and two administrative trainees. Both the chair-

man and the director are members of a number of committees unrelated to the Connecticut Development Commission, thus diluting their effectiveness.

RECOMMENDATION

1. Reorganize the commission to provide greater efficiency.

In the General Administration Division, an accountant processes an average of 85 invoices a month, prepares bills, and receives monthly payments for 17 small business loans. A clerk in the same office handles a bi-weekly payroll for the staff. Neither task requires a full-time employee. The work load carried by the development technologists consists of 200 inquiries per year per technologist. Industrial and development agents carry a caseload of approximately 40 cases each. The chart on the next page shows the present organization of the commission.

A chart of the proposed organization is also shown on the next page. The positions of assistant managing director and secretary can be eliminated. Under this plan, the commission would be organized into five operating divisions: Administration, Research, Information and Publications, Travel Promotion, and Industrial Development.

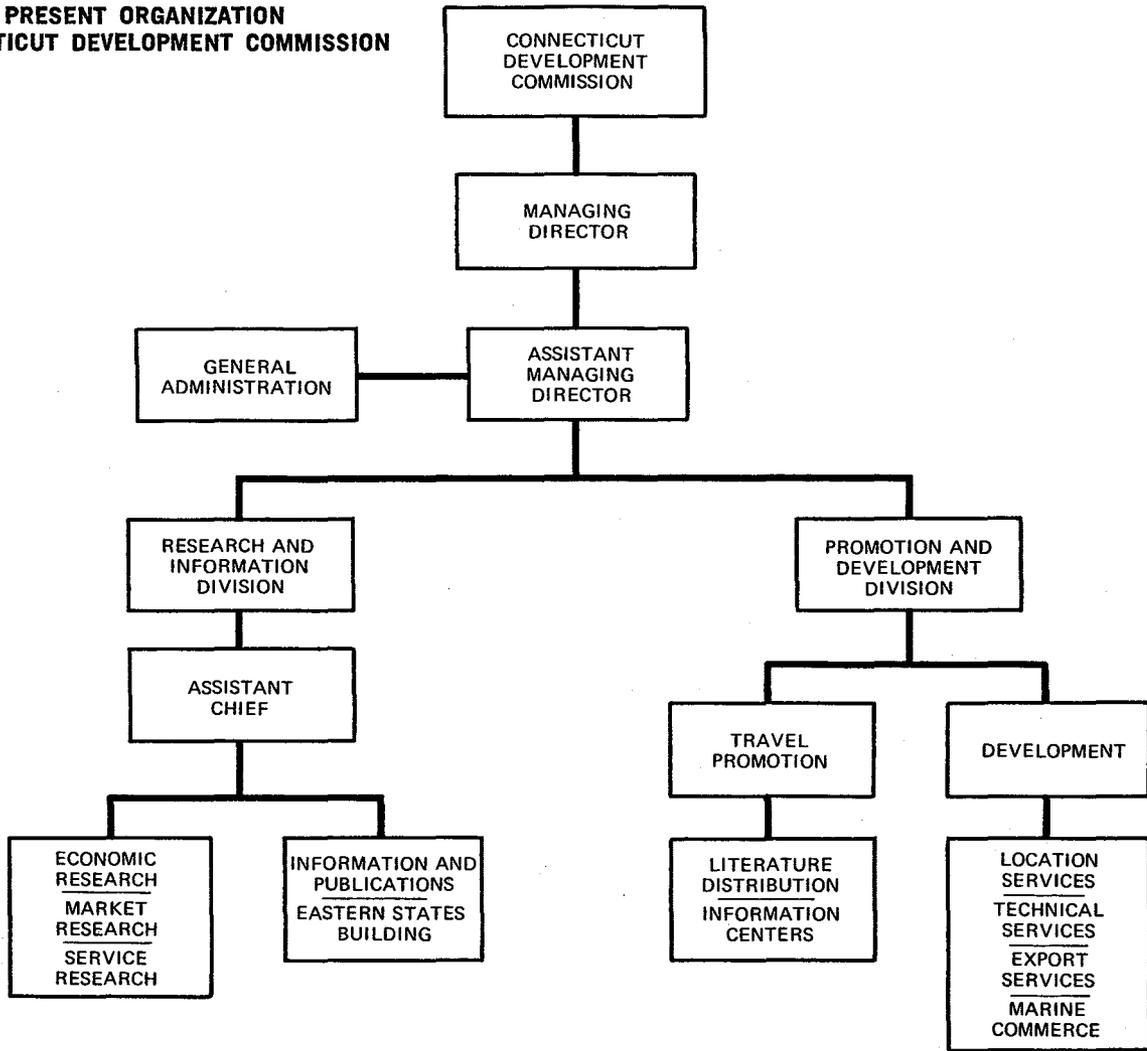
In the Administration Division, an accountant would handle invoices, loan receipts, and payroll, eliminating a clerk. The revised division would have a pool of four stenographers to provide phone answering service for division chiefs and typing as assigned by a secretary. The secretary would also perform typing duties, time permitting.

The Research Division, headed by a division chief, would handle economic and market analysis for the commission, eliminating the economic analyst in Export Services. Because of the stenographic pool, separately assigned typists would no longer be needed. A clerk could be transferred to the division in place of a research analyst.

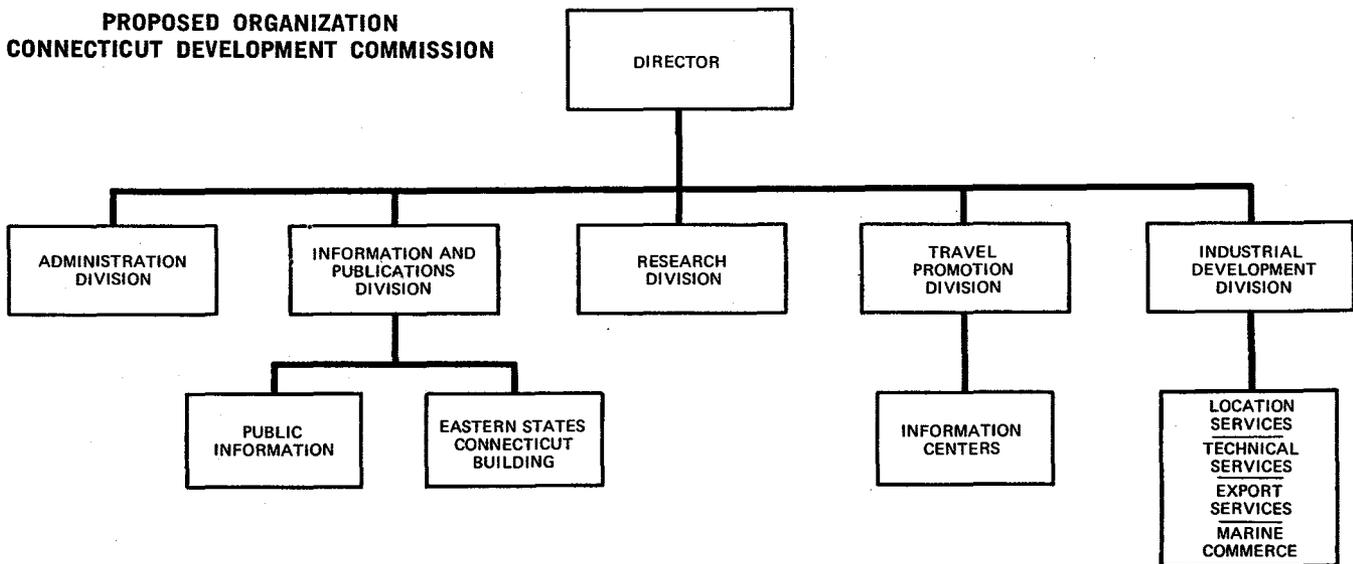
The new Information and Publications Division would be the same except for a transfer of one typist to the Administration Division and elimination of a typist position. The Travel Promotion Division would require an additional division chief. In the Industrial Development Division, three typists, a development agent, and an assistant industrial agent would be eliminated.

A suitable transcribing system can be installed for the proposed stenographic pool at a one-time cost of \$10,000. Annual cost of upgrading two staff positions would be about \$3,700. Annual savings anticipated as a result of the reorganization total \$198,000.

**PRESENT ORGANIZATION
CONNECTICUT DEVELOPMENT COMMISSION**



**PROPOSED ORGANIZATION
CONNECTICUT DEVELOPMENT COMMISSION**



Connecticut Research Commission

This commission was established to foster research relevant to the economic betterment and welfare of Connecticut citizens. Since 1965, it has paid nearly \$5-million to educational institutions, private industry, nonprofit institutions, and public agencies for equipment and research.

ORGANIZATION AND PROCEDURES

The commission has 10 members and an authorized staff of nine. Operating expenses will be approximately \$150,000 for fiscal 1971. Grants from the general fund for 1965 through 1969 totaled \$2.75-million. Approximately \$2.46-million has been allotted from the \$3.05-million authorized for grants since 1969.

The two programs administered by the commission include Research Support and State Technical Services. State Technical Services was federally sponsored until 1970 when it was dropped. The state is now the sole sponsor. Since inception, the commission has received nearly 400 unsolicited proposals for funds. Of these, approximately 130 have resulted in grants.

EVALUATION OF EFFECTIVENESS

The commission provides aid to agencies in direct disregard of the state's system of controlling expenditures. For example, the University of Connecticut has used grants to buy equipment when funds were not approved in its budget. Another example in direct disregard of the system involves a legislative committee. A large sum of money was provided for a system to process information for the General Assembly. The committee had no funds for this project.

Planning future projects and reviewing present research has been nearly nonexistent. The commission's value cannot be denied, provided it reviews the research programs of all state agencies and identifies problem areas to be studied under the direction of the appropriate agency.

RECOMMENDATIONS

1. Eliminate the function of granting funds for research by the Connecticut Research Commission.

This commission has, in some cases, funded equipment purchases which federal agencies would not approve and made grants for proposals that were questionable as to their being research. Although the institutions and individuals benefit from such grants, the value to the state is uncertain. Savings upon implementation will result from not granting the remainder of the money in the Bond Fund. This amounts to approximately \$588,000.

2. Consolidate the Connecticut Research Commission functions into the Connecticut Development Commission.

The members of this commission can better serve the state's industry and the general public by working with the Connecticut Development Commission. Transfer of one of the top officials will result in most of the present knowledge, contacts, and expertise accruing to the commission.

The State Technical Services Program should be continued on its current scale. Consolidation will eliminate the need for the Research Commission staff. Savings will total almost \$152,300 annually. There will be a one-time cost of \$3,000.

Connecticut Mortgage Authority

This agency was created to encourage housing for low and moderate income families. It is an independent institution and the state is not responsible for its actions or financial obligations.

ORGANIZATION AND PROCEDURES

Authority members include the Commissioner of Community Affairs, Commissioner of Finance and Control, Director of Budget, Treasurer, and five persons appointed by the Governor. Meetings are held monthly. With the exception of the Director of Budget, all members as well as the executive director are newly appointed. An accountant and a secretary are also employed. The authority purchases FHA and VA mortgages and insures new mortgages. Operating

funds are derived from return on investment of monies secured from tax-exempt bonds. However, \$50,000 was authorized from the general fund for organizational expenses.

EVALUATION OF EFFECTIVENESS

Interim financing was provided by the issuance of \$3.5-million in bond anticipation notes by the Treasurer with the approval of the Bond Commission. Interest costs in excess of \$100,000 were due July 30, 1971, but had not been accrued and included in the authority's audited statements.

A total of 126 FHA mortgages amounting to \$2.25-million have been purchased to date. These are serv-

iced by the original lenders on a fee basis in excess of that charged private lenders. The original lender retains use of the mortgagor's escrow funds. The authority has made no effective use of its mortgage insurance authority. Its accounting system is not geared to the data processing format of many mortgage servicing agents and data are transcribed manually into ledgers.

RECOMMENDATIONS

1. Charge interim financing cost to the authority.

Statutes require the authority to pay the principal and interest on bonds or bond anticipation notes issued. They further state that the Bond Commission may issue bonds, or temporary notes in anticipation of the sale of bonds, not in excess of \$5-million to fund the authority. However, the authority is not relieved from the interest cost.

Issuance of authority bonds was delayed and the state issued notes to enable the authority to purchase mortgage loans. Board members agreed to pay the interest expense, but state officials volunteered to waive the charge. Interest payable and due on these notes as of July 30, 1971, was about \$104,100.

2. Establish a mortgage service fee schedule consistent with private practice.

Current contracts pay the servicing agency 0.5% of the annual average unpaid balance of the accounts.

The average annual cost to the authority is \$89, or \$7.42 per monthly transaction. Processing costs are under \$1 per transaction. Contracting service agencies act as escrow-collecting agencies and have the use of escrow funds without any interest. Late payment fees are retained by the agency.

Private fee schedules are typically 0.25% of the annual average unpaid balance of the accounts. Based on bonds about to be issued in the amount of \$20-million, such a fee will save \$50,000 yearly for the authority. The cost of servicing a loan with a \$30,000 balance is identical with that of a \$10,000 loan. Accordingly, consideration should be given to the development of a flat-fee system based on agency processing costs. Such a system should take the use of escrow funds by the agency and late-payment fees into account. Additional savings of \$20,000 to \$30,000 annually are possible if such a system can be negotiated with the servicing agencies.

3. Reorganize the bookkeeping system.

Present volume does not justify a data processing system although anticipated growth will. Therefore, the manual systems should be redesigned for adaptation to future automation. The accountant can make the necessary changes with the concurrence of the authority's public accountants at no cost. Ledger systems should be adapted to accommodate data processing reports submitted by service agencies.

Connecticut Safety Commission

This commission was established by statute to study highway safety problems and to act as a coordinating agency for safety activities throughout the state. It examines regulation of highway travel and motor vehicle operations, methods of safety control and engineering, and problems of safety as they affect home, farm, industrial, and school accidents.

ORGANIZATION AND PROCEDURES

The commission consists of 21 members. It employs a staff of seven people. Operating expenditures for fiscal 1970 were \$67,500.

The commission's major traffic safety responsibility is in the area of community participation in the National Highway Safety Program. Technical advice and guidance are provided by the staff to aid in implementation of projects and programs. There is about \$400,000 in federal funds currently available or allocated to local communities on a matching basis.

In addition, the commission conducts community safety programs which include establishment of safety councils and committees. It maintains liaison with state and local official and nonofficial organizations to enlist their support. It also analyzes accident experience to provide constructive public information and educational programs. Another major responsibility is the development of essential highway safety legislation.

EVALUATION OF EFFECTIVENESS

This agency has not reached the desired level of effectiveness. The continuing absence from meetings of approximately one-half of the members has had a detrimental effect on the morale of the entire commission. Additionally, the Governor's Inter-Agency Committee has demonstrated a lack of interest in fulfilling its functions by its failure to meet during the last few years.

RECOMMENDATION

1. Abolish the commission and transfer its activities to the Department of Motor Vehicles.

A lack of member interest, as evidenced by the poor attendance at meetings, indicates the agency should be abolished. Further, the Department of Transportation has been promoting the National Highway Safety Program with considerable success, achieving goals which parallel the commission's work. A recommenda-

tion contained elsewhere suggests that this responsibility be transferred from the Department of Transportation to an appropriate agency in the Department of Motor Vehicles. Therefore, its duties should be transferred to the department also. As a result of implementation, and the transfer of two employees, savings of approximately \$86,000 annually can be achieved. The remaining five positions as well as those of the 21-member commission would be eliminated.

Industrial Building Commission

This commission is responsible for insuring privately placed first mortgages on real estate and equipment in high-risk industrial situations. Responsibilities also include fighting air pollution by insuring first mortgages on machinery, equipment, and facilities designed for reduction of air pollution.

ORGANIZATION AND PROCEDURES

A seven-member commission appointed by the Governor determines major policies for the Industrial Building Commission. It has three employees. During fiscal 1970, about \$1.7-million in loans for six plants were placed bringing the total for the seven years of operation to about \$28.9-million. The commission's program is self-supporting through application fees, commitment fees, and premium payments. A reserve fund of \$505,500 for foreclosure was accumulated in June 1970. However, the reserve fund had dropped to \$247,500 as of December 1970, due to foreclosures.

Loan applications are investigated by a three-man credit committee selected from lists prepared by private state financial associations. Each committee member receives a \$100 honorarium. The bulk of the financial transactions including collection of insurance premiums at 0.75% to 2% of loan value is handled by the private financial institution granting the loan. The commission manages and disposes of properties

obtained through loan defaults, using standard means such as bankruptcy or related sales.

EVALUATION OF EFFECTIVENESS

The staff is professionally qualified to represent the interests of the commission. Use of a credit committee, chosen by industry, is intended to protect the public interest. Unfortunately, financial statements prepared by the commission do not reflect a realistic provision for fringe benefit costs. The sharp drop in the premium reserve indicates the need for close scrutiny of the premium structure necessary to support future foreclosures. The present activity level of loans indicates a decreasing need for this type of governmental service.

RECOMMENDATION

1. Abolish the Industrial Building Commission.

An activity rate of six loans per year using a work force of three people, coupled with a potential loss of up to \$23-million to the state, indicates the commission should be abolished. The fiscal 1970 budget for this department was about \$40,000. This will be the annual savings to Connecticut with its elimination. Further, the Department of Finance and Control can assume those clerical functions pertaining to current loans without increasing its work force.

Planning Committee on Criminal Administration

This committee is charged with developing a state-wide plan for improvement of law enforcement activities. Additionally, it functions as an advisory group to state, regional, and municipal organizations seeking funds and disburses federal grants.

ORGANIZATION AND PROCEDURES

The committee was appointed by the Governor to assist municipal and regional agencies applying for federal grants under the Safe Streets Act of 1968. It is comprised of 30 members who appoint a nine-mem-

ber executive group. Their purpose is to guide overall activities of a director and a 17-member staff.

The state contributes approximately \$34,000 annually for personnel and other services while the federal government contributes about \$275,000. Total operating expenditures approximate \$309,000 annually. Additionally, federal grants of more than \$3.1-million flow through this organization.

Application for federal grants generally revolve around improvement activities for law enforcement, recruitment of personnel, related public education activities, and similar functions. The committee staff is divided into three functional areas of Planning, Grants and Grants Administration, and Field Services.

The committee staff publishes no routine progress reports delineating its activities and goal achievement. However, it does, from time to time, notify the Governor's Office of grants that it is about to authorize. Additionally, the staff publishes operating manuals and summaries on a random basis.

EVALUATION OF EFFECTIVENESS

The committee is staffed with conscientious professional personnel who recognize the need for improved enforcement activities. However, operation and funding of this organization is without a formal plan. Milestones by which major achievements can be measured are lacking. While the people of the state may benefit from the annual addition of approximately \$275,000 in federal funds, the absence of effective measurement for this organization makes its relative usefulness questionable. Further, utilization of space is unnecessarily wasteful.

RECOMMENDATIONS

1. Provide an effective reporting structure for the committee.

Presently, the committee, its appointed staff, and employees report directly to no individual or group

which can exercise guidance and control. Any organization which handles \$3.5-million annually should have an effective measurement and control system. A study should be undertaken to determine where this activity can be assigned to ensure proper administration of its functions.

Additionally, by providing organizational responsiveness to the group and its activities, the state's benefits from the flow-through monies will be greater. Furthermore, there will be less chance of the funds being dissipated through activities or functions of a questionable nature.

In realigning the reporting structure, consideration should be given to eliminating the 30-member guidance and the nine-man executive groups. Removal of superfluous management should improve responsiveness to problems. However, the nine-man executive group should be retained as an advisory board and the committee should be given an organizational home such as the State Police Department to achieve increased control. While no direct savings will be realized, the state will benefit through improved service and more effective use of grant monies.

2. Establish a quarterly reporting cycle.

This activity has no routine reporting cycle. As a result, confusion exists over responsibility and function as well as purpose. The organization should provide regular reports, with performance identified against specific milestones. It will then become possible to measure activity and improve program effectiveness and direction.

3. Reduce the committee's office space.

Presently, eighteen people occupy about 4,800 square feet of floor space. Reducing these quarters to 1,800 square feet will produce \$15,000 in annual savings and provide acceptable use of space in accordance with industrial standards.

State Library

The library provides a reference and research facility for the legislative, executive, and judicial branches of state government as well as the public through interlibrary loans and reference information. It also makes available legislative bills and information, provides advisory, consultation, and training services in all phases of library administration and development, and administers library aid programs.

ORGANIZATION AND PROCEDURES

The State Library is comprised of several units including the Divisions of Library Development and Reader

Services, Department of Archives and Records' Administration, Planning, Evaluation, and Research Department, Service to State Agencies and Institutions' Department, Business Office, and Building Maintenance. The Division of Library Development has responsibility for federal/state/local relations, the Interlibrary Loan Center, and three service centers. Reader Services is responsible for public services such as the museum, reference information, acquisitions, technical processing including cataloging, and services to the blind and handicapped. The library also maintains a records' retention center for government de-

partments. For fiscal 1970, the library operated with a budget of about \$2.7-million. Staff includes 44 employees who hold degrees in library science and 137 clerical or other personnel.

Cataloging is in the second generation of automation, based on the Dewey Decimal System. The Library of Congress System is used for source material.

EVALUATION OF EFFECTIVENESS

The State Library does an effective job of providing services to public libraries and institutions throughout the state. However, the physically separated interloan service and record centers have staff duplications.

Loose administrative practices can be attributed in part to the fact that professional positions draw considerably less pay than comparable positions elsewhere in the state. Additionally, the Legislature has condoned a number of ineffective law libraries without permitting control by the State Library. An inventory has not been made since the 1930's. The computer cataloging system, while adequate, requires evaluation for possible tie-in with the Library of Congress' MARC System.

RECOMMENDATIONS

1. Review present practice of maintaining 19 separate law libraries.

The Legislature approves annual payments which total approximately \$200,000 to 19 law libraries. The State Library acts as disbursing agent. These libraries are duplicated by the University of Connecticut Law School Library and the State Library. In addition to the duplication, all but four of the 19 libraries fail to meet minimum requirements. Therefore, a study should be undertaken to determine the feasibility of consolidating law libraries and providing necessary professional staff service. Since these libraries are essential for use by judges, this study should be coordinated with studies on consolidation of court houses.

2. Upgrade copying services.

There is a vendor-owned photocopier in the history and genealogy room and one in the main reading room. Volume at \$0.10 per copy has been 2,000 and 1,750 respectively. The state derives no income from this arrangement. Two coin-operated photocopiers could be leased at \$150 per month per machine. By increasing the copy price to \$0.25, the library will realize an annual income of about \$4,700.

There are also two machines for office copying. Their speed is six copies per minute. The volume on both is such that machines with speeds of 12 copies per minute can be leased without additional cost. Savings would result from reduced waiting time at the photocopiers.

The photoduplication function copies noncirculating reference material. The service is necessary, but the pricing schedule is out-of-date. Eliminating the state function discount and increasing prices to the public will result in an annual income increase of \$1,800.

3. Initiate a plan to inventory and reduce collection size.

Plans had been developed to use space generated by the 1969 building addition. However, inflation prevented completion of the shelving area. The additional space was to be used for a newspaper collection and reading area, a periodical collection, and historical document reading. These materials contain items which are no longer useful as well as others which have research and historical value. Failure to list this material means essentially it is nonexistent.

The last complete inventory of the entire collection was made in the 1930's. Completion of an inventory will ensure that the library has adequate bibliographic control of its collection. Currently, shelves are at or near maximum capacity. It is difficult to ascertain, without an inventory, how much space could be freed for use. No additional cost is involved since present staff is adequate to conduct the inventory.

4. Reduce number of professionals in the Reader Services Division.

In addition to the department or unit head, each of the general reference, government documents, legislative reference, and history/genealogy functions in this division has two or more professionals as part of the staff. The result is a duplication of skills. Each of these functions should be limited to a department or unit head and one professional in addition to the nonprofessional staff. The resulting annual salary savings will be \$48,000.

5. Install an intercom system in the stacks.

An intercom system would permit direct communication between the librarian and the staff in the stack area. Four stack phones and a master unit would require a one-time cost of \$200. Implementation would allow elimination of one clerical position for an annual saving of \$6,400.

6. Eliminate the sale of U. S. Geological Survey publications.

Approximately 70% of the revenue in the Sales and Publication unit is from quadrangle, geologic, and aeromagnetic maps or miscellaneous investigations and bulletins published by the U. S. Geological Survey. The federal government will supply these maps and publications direct. In addition, there are many private sources for major users. Thus, the library is in competition with private sources who are better known to potential customers. By discontinuing sales of these publications while maintaining the index for general use, the staff can be reduced by one person

for annual savings of \$7,400. The loss of revenue will amount to \$2,500.

7. Eliminate duplicate typing of computer input.

The library produces computer generated catalog cards for itself and outside clients. When Library of Congress data is available, clerks attach a photocopy to a preliminary input form. The document eventually goes to a typist for mark-sensing preparation.

When no Library of Congress data is available, a professional develops, prepares, and rough types the information required and then gives it to a typist for mark-sensing. If the professionals typed the final input form, it would eliminate double typing. Result will be annual savings of \$6,500 by eliminating a typist position. The professional who prepares original catalog data for fiction should be replaced with a trained paraprofessional. Estimated salary saving is \$3,800 annually, for a total of \$10,300.

8. Evaluate the feasibility of improving security within the library.

The open stack policy and many exits make building security difficult. Therefore, the library should inaugurate a study to determine the feasibility of installing a security system at the major reading room exit areas.

9. Evaluate the economic advantages of using the Library of Congress' MARC program tapes for cataloging purposes.

The library's present off-line system, using mark-sensing data input, is adequate and reasonably inexpensive. However, advances made in the MARC program used by the Library of Congress necessitates an examination of the possibility of using this system. The state's Management Analysis group should, in cooperation with the library's planning function, make a system feasibility study. Cost is estimated at \$3,000. If results indicate savings are possible, programming should be approved.

10. Eliminate the practice of compensatory time-off.

The library has permitted accumulation of compensatory time-off for professionals in lieu of overtime pay. Overtime is accumulated on the basis of after-hours travel, consultations, and meetings as well as not taking lunch hours. Such time-off is in direct contradiction to the state's personnel policies. Therefore, the practice should be eliminated. Annual savings are estimated at \$22,000.

11. Combine the interlibrary loan service centers with the records center.

There are three interlibrary loan centers with combined annual rentals of \$82,600. In addition, there is a library-administered records center. All three of these facilities require expansion. An architectural engineering firm should be hired to develop a building which will combine a records center, interlibrary services, services for the blind, and a meeting room. Using an estimate of \$25 per square foot, the 30,000 square foot addition will cost \$750,000.

Placing these services in one location and reorganizing them will eliminate duplicate staffs, resulting in a reduction of 12 full-time and three part-time employees. Avoided costs will be \$82,600 in annual rentals and \$146,700 in annual salaries. In addition, the need for 200 file cabinets per year will be eliminated resulting in purchasing and floor space savings of another \$20,600 for other state agencies. Annual savings will be \$250,000.

12. Study the feasibility of establishing a microfilming center for state agencies now using the records center.

The records center serves as a semiactive file section for user agencies. A state-wide program to microfilm agency records should be carried out and storage provided at the center. This will reduce office files freeing space which costs up to \$5 per square foot.

Connecticut Commission on the Arts

The Connecticut Commission on the Arts is responsible for encouraging and promoting development, acceptance, and appreciation of artistic and cultural activities in the state. It disseminates information on cultural activities and provides programs of assistance to communities, artists, and art organizations for cultural development.

ORGANIZATION AND PROCEDURES

The agency operates under a 25-member, non-paid commission appointed by the Governor and the As-

sembly. It has an executive director hired by the commission. Staff includes six people paid with agency funds, two paid with funds of another agency, and four, including consultants, paid with federal funds. It is organized into three sections: Public Information and Administration, Information Center, and Cultural Development.

The agency carries out its activities through ongoing programs, program development, technical assistance, and grants. Those provided with agency funds must supply feedback information as a contractual condi-

tion. Grants used as guarantees for performances are paid only if a loss is incurred. In fiscal 1971, \$15,000 in state funds was expended through grants. This was, in turn, matched by \$90,000 from other than federal sources.

The agency has requested a 324% increase in state and federal funds for fiscal 1972. Actual expenditures for fiscal 1971 are estimated at \$215,000: \$128,000 in general funds, and \$87,000 in federal. Requests for 1972 total \$913,000: \$763,000 in general, and \$150,000 in federal funds.

EVALUATION OF EFFECTIVENESS

The director is knowledgeable and has information readily available. Within functional areas, duties of personnel are spelled out in detailed job descriptions. Expenditures appear closely controlled.

This agency's Community Action Arts Program and the Assistance to Performing and Visual Arts Program administered by the Department of Community Affairs support cultural activities in urban areas directed to underprivileged or minority groups. This program duplication and the inability of the state to give priority to additional funding are factors which govern our recommendation. It is better to use limited funds now available to gain leverage than to augment those funds only slightly and lose a chance for significant program development.

RECOMMENDATION

- 1. Restructure the agency's personnel, operations, and expenditures to focus on acquisition of private resources for expansion.**

The state cost of operating this agency could be reduced in a way which will expand private support for the arts. State funding should be restricted to salary and associated expenses for a four-person administrative group at an annual cost of \$57,000. The group's function would be to raise money from private sources to replace and augment state funding.

All other agency personnel, grants, and programs would be funded from the money raised. Current expenditures are estimated at \$128,000. There would be an annual general fund saving of \$71,000. In addition, there would be an annual fringe benefit saving of \$3,900. The total annual saving is estimated at almost \$75,000.

It is suggested that the recommendation be given a two-year trial operation. If, at that time, the activity cannot be supported by non-state funds, the agency should be dissolved or, if state resources permit, a return to state funding considered. The program duplication with the Department of Community Affairs would be eliminated during the trial period. If the effort is successful, the D.C.A. program should be administered by the commission.

Historical Commission

The Historical Commission is a permanent government agency responsible for preserving the historical heritage of Connecticut. The agency sets criteria for definition and qualification of historical structures and landmarks as well as making surveys and locating potential items of interest. It also acquires, relocates, restores, and maintains qualified items and financially assists municipalities or private nonprofit organizations to do the same. In addition, it provides identification markers, operates state-acquired facilities, and publicizes state, municipal, or privately-owned items of historical interest.

ORGANIZATION AND PROCEDURES

Established in 1955, the agency operates under the guidance of a 12-member, non-paid commission appointed by the Governor. It is headed by a director appointed by the commission and approved by the Governor. Its staff consists of eight persons, including the director and an associate director engaged in survey and location work. Paid consultants are also utilized.

Originated as a non-funded study and recommendation commission, the Legislature has expanded its activities to the point where fiscal 1971 expenditures are estimated at \$241,800, provided by state, bond, and federal funds. The agency has asked for a 376% increase in state funds for fiscal 1972, to offset exhausted bond funds and expand activities.

The agency is now occupying leased space paid for by the Public Works Department. Small revenues are obtained from admission fees and sales of goods at operated facilities.

EVALUATION OF EFFECTIVENESS

While the director appears knowledgeable, disorganization is evidenced by a lack of written job descriptions and poor office housekeeping. Activities of this agency duplicate those of the larger Park and Forest Commission which also operates and maintains historic facilities and museums.

The full-time use of the associate director for survey and location work cannot be justified since items of

historical value are not created on a recurring basis. Housing the agency in leased space is a waste if space is available in government-owned buildings.

RECOMMENDATION

1. Abolish the Historical Commission as an independent agency.

Because of the state's financial plight and the fact that the Park and Forest Commission performs similar, but larger scale operations, Historical Commission activities should be absorbed into that commission. The director's position can then be eliminated with an annual saving of \$19,800.

The associate director's duties of survey and location cannot be justified on a continuous basis. A one-year period should be allowed to complete a documented listing of known historical items, after which the position should be abolished with an annual saving of \$16,400. Any further survey and location work should be done on a part-time basis.

The remaining personnel should be moved to the building occupied by the Park and Forest Commission where space is currently available. Elimination of lease costs will save \$5,200 per year. Total savings would be \$41,400.

Henry Whitfield State Historical Museum

This museum was built in 1639 and is maintained as originally constructed. The building and relevant artifacts of the period are available to the public for study.

ORGANIZATION AND PROCEDURES

The museum is an independent agency administered by eight trustees appointed by the Governor for indefinite terms. They appoint a curator. He is responsible for operating the museum and must meet Personnel Department standards.

An admission charge of \$0.50 for adults is made. No charge is made for student groups. Postcards and a brochure describing the history, architecture, and furnishings are sold on the premises.

The operating cost for 1970 was \$16,800. The budget for the current year is \$20,500. The 1972 budget request is \$20,000, which includes \$18,100 for salaries and fees and \$1,300 for utilities and fuel.

Major items of maintenance are paid for through the State's Capital Improvements, Repair, and Demolition Fund.

Proceeds of about \$800 per year from the sale of postcards and brochures are used for restocking and purchasing artifacts. The admissions income in 1970 was \$3,000.

EVALUATION OF EFFECTIVENESS

The current curator is doing an effective job of maintaining the museum and publicizing its existence and facilities. He is accomplishing this because of his unique talents, training, and interest which have resulted in an unusually economical operation.

RECOMMENDATIONS

1. Budget expenditures for major repairs and maintenance in the museum's annual appropriations request.

Within the past two years, over \$9,000 was spent for roof and gutter replacement without being reflected in the museum's cost of operations. Implementation of this recommendation will provide proper fiscal control. However, no savings will result.

2. Consolidate operation of this museum under the Park and Forest Commission.

This museum is not operated as part of a state-wide program of providing and improving historic sites and artifacts in Connecticut. Consolidation into the Park and Forest Commission would provide coordinated planning, implementation, and continuity of the state's museum operations. While no savings are claimed, some economies will be realized through improved operating methods and increased flexibility.

Insurance Purchasing Board

The Insurance Purchasing Board directs negotiations for insurance on state-owned properties, determines if deductibles should be included, and decides when

the state should act as a self-insurer. The board also designates the agent or agents-of-record and selects the insurance carriers.

The board is a statutory organization with seven members appointed by the Governor for four-year terms. It is supplemented by the Comptroller, and by the agent-of-record acting as a professional advisor. It is nonpolitical, unpaid, and elects its own chairman.

The chairman's duties include presiding at meetings, directing activities of members on special assignments, and supervising the board's civil service clerk. He also deals with the agent-of-record and approves expenditures. The board makes all decisions on policy coverages and selection of carriers. It is assisted by an unofficial Insurance Advisory Committee. This group of experienced insurance people provides free valuations, safety inspections, and other consultative activities. A clerk maintains the records.

Budgeted premium expense for fiscal 1972 amounts to \$1.4-million. As of June 30, 1970, value of state-owned buildings and other properties (excluding land and site improvements) was about \$717-million.

EVALUATION OF EFFECTIVENESS

The Insurance Purchasing Board is performing its assigned functions in an efficient and effective manner. The board is experienced and dedicated. The records maintained by the board and agent-of-record are current, well-organized, and readily available.

The board is exposed to inconvenience and inefficiency in its clerical operations. Also, the board relies on the agent-of-record for a high percentage of its professional and technical services. His unavailability would cause significant disruption in activities. Growth of the state and of board responsibilities would overload the members, most particularly, the chairman.

RECOMMENDATIONS

1. Assign responsibility for surety bond purchasing and administration to the board.

This function is the responsibility of the Comptroller, an ex officio board member. The work is performed by the agent-of-record. These coverages should be channeled through the existing purchasing system. Economic benefits of this recommendation are included in Comptroller's insurance activities.

2. Employ an additional clerk in the Insurance Purchasing Board office.

Clerical work has reached the point where additional help is required. Responsibility for surety bond purchasing and administration will produce a small amount of additional work. Cost of added personnel would be \$8,000 annually.

3. Establish clearly defined plans to cover the absence of the chairman or agent-of-record.

The board relies heavily on its chairman and agent-of-record. Should either be unavailable for an extended period, there would be a significant deterioration in the board's work. A plan should be agreed upon to provide for their succession. The board can perform this function at no cost other than time.

4. Review administrative procedures to minimize demands on chairman's time.

The effect of burdening the chairman with perfunctory duties shows up as less coverage per premium dollar spent. It is recommended that the board review all administrative procedures to eliminate or reduce demands on the chairman's time. No cost has been identified.

Office of the Medical Examiner

The chief medical examiner and his assistants investigate all violent, unexplained or unusual deaths, and deaths related to diseases which might constitute a public health threat.

ORGANIZATION AND PROCEDURES

The office is composed of a central staff of six persons as well as part-time medical examiners and pathologists who perform autopsies on a fee basis. The total annual expenditure during fiscal 1971 was \$641,000.

EVALUATION OF EFFECTIVENESS

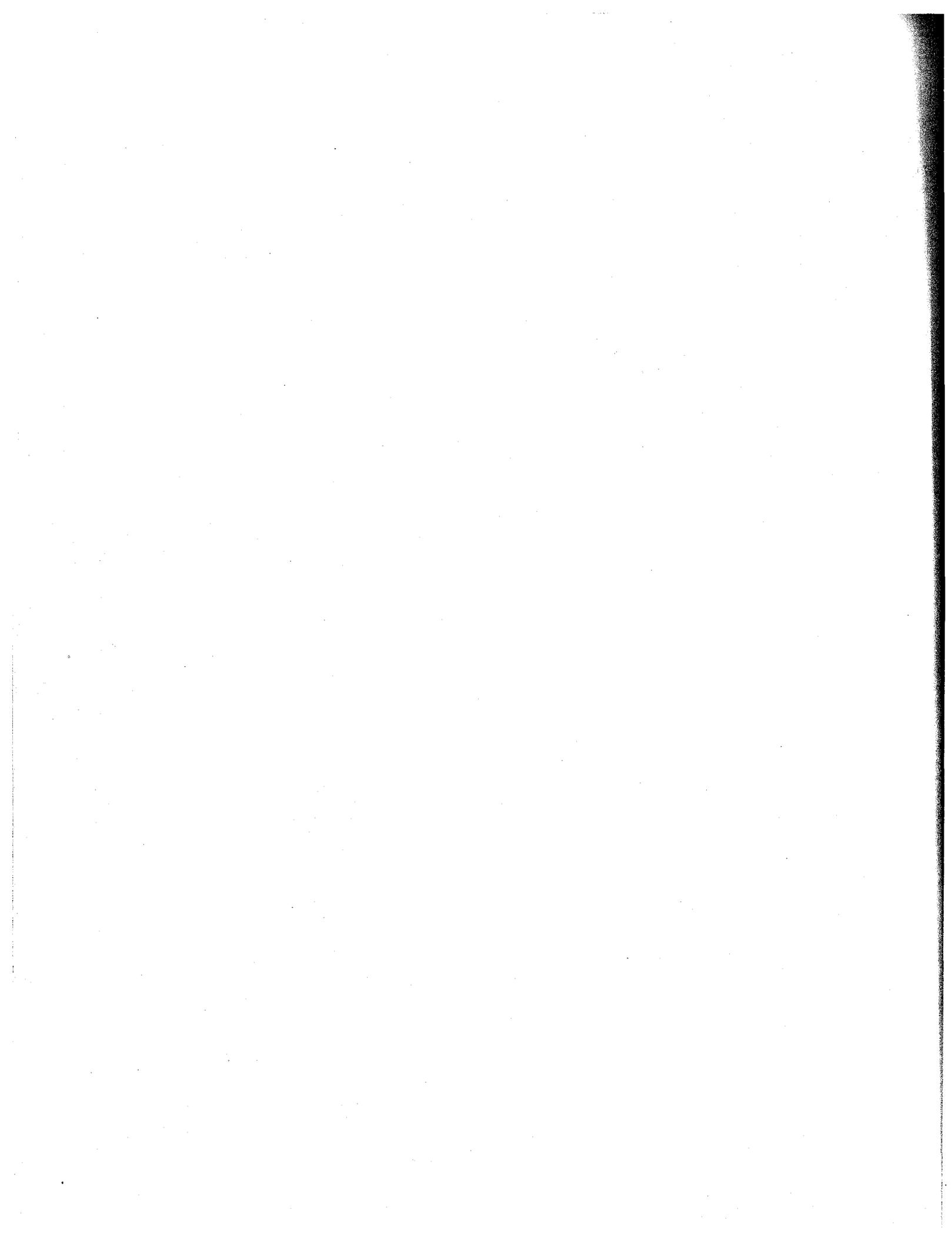
Presently, initial examinations and autopsies are performed by part-time medical examiners and pathologists with final investigation, in many cases, made by post-mortem examiners called coroners. Contracting for services on a fee basis is not economical and does

not provide the function as stipulated and required in the governing statutes.

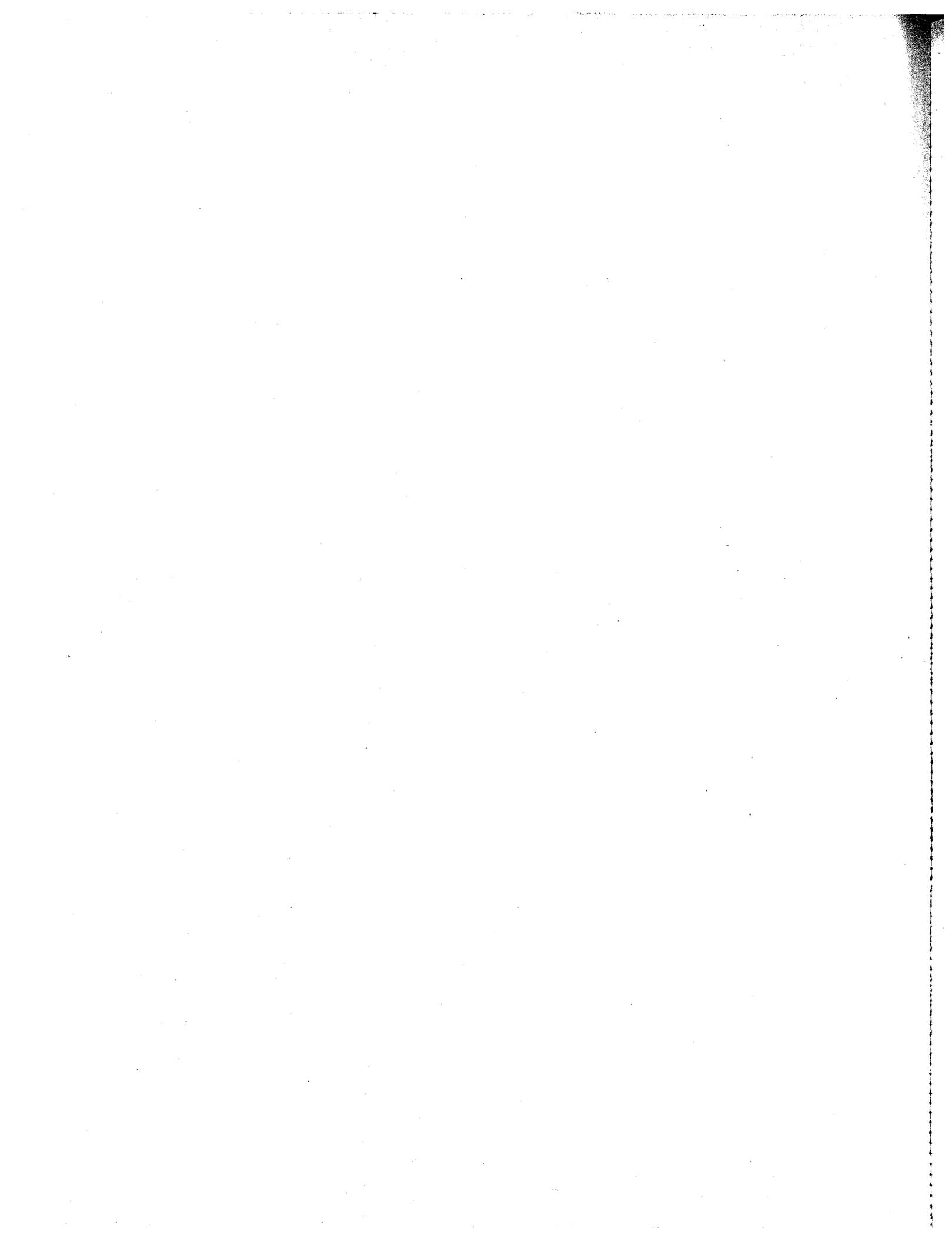
RECOMMENDATION

1. Replace the present system with full-time pathologists and investigators.

The present system should be gradually replaced by a staff of full-time pathologists. They will make initial determinations at the scene of death, perform autopsies, and present expert testimony. Full-time pathological investigators will also eventually replace the coroners. Determination of legal responsibility will be made by state prosecutors. The changeover to the new system must be made geographically and will take several years. Based on current expenditures of about \$500,000, the savings should reach \$150,000 per year.



**The Governor's
Commission
On Services &
Expenditures**



Management of Trust Funds and Bonded Indebtedness

Investment of trust funds and borrowing money through the sale of bonds and notes are responsibilities of the Treasurer. The trust funds total about \$600-million. Bonds and notes amount to approximately \$1.9-billion.

ORGANIZATION AND PROCEDURES

As presently organized, the Office of the Treasurer includes two deputies, one for official functions and one for investments. Investing responsibilities cover management of state trust funds and the state's cash position. A major reorganization has been proposed and is now before the Legislature.

The Investment Department of this office is charged with responsibility for all state trust funds. These total approximately \$600-million. Because of a substantial decline in bond prices, the value was some \$140-million below book value on June 30, 1970. No consistent record is kept of fund performances and the deputy treasurer has no control over income and dividend receipt records.

The Legislature has given the Teachers' Pension Fund a total of \$31-million of state bonds with a yield of 4.5% instead of a cash distribution. If this practice were repeated and expanded to other funds, it would create an almost impossible management job and is very undesirable from the pensioner's point of view.

In making permanent investments for trust funds, the deputy has usually bought new issues from the original underwriter or waited until the price broke. Some 70 to 80 brokerage houses have been used in placing business. Although mortgage investments are permitted, they have been used sparingly. None have been made recently. The office usually arranges bond issues after consultation with major underwriters and buyers including certain banks. Issue totals are about \$100-million per quarter and borrowing is done when the state needs the money. There are no financing gimmicks, coupons are conventional, and bonds are issued in equally spaced maturity amounts.

EVALUATION OF EFFECTIVENESS

Early in 1971, the Treasurer engaged a firm specializing in fund performance evaluation to analyze the state's retirement fund performance. The report concluded that results for the five-year period from July 1, 1965, through June 30, 1970, showed a negative rate of return of 1.97%. During all but nine months of this period, state restrictions prohibited use of comparable investments. While this performance is similar to that

of some other state funds, it is lower than that considered reasonable in private sector funds. Performance was helped by common stock investments, primarily bank and insurance holdings. The negative overall return was the result of the long maturity distribution of the state's bond portfolio. The state's general obligations continue to have a high credit rating. Because of the sharp increase in the volume of its financing, Connecticut's new issues have sold at yields slightly higher than those of states which come to market less frequently.

RECOMMENDATIONS

1. Modify the method of managing state funds.

Management of state funds could be significantly improved by:

- ▶ Expansion of the Investment Committee from three to five members.
- ▶ Organization of a Trust Investment Department under the supervision of a deputy treasurer.
- ▶ Provision for employment of outside investment counseling.
- ▶ Financing the department, where permissible, through charges against the various trust funds to be serviced with an upper limit of 1/10 of 1% of the book value of the fund.
- ▶ Setting an investment objective for the committee to provide the highest possible long-range return on state trust funds. To accomplish this, the group should meet quarterly with investment counselors to review policies and performance in relation to this objective.
- ▶ Establishment of more accurate performance records. This can be done at no expense to the state by using "soft" commission money in the amount of \$25,000. Future records should be kept on a comparable basis.
- ▶ Exclusion of potential advisors who would have conflict-of-interest problems.
- ▶ Elimination of area restrictions on mortgage investments. Brokerage business should be placed on the basis of best net price, leaving enough excess commissions to pay for services required by the state.
- ▶ Development of actuarial standards by the Treasurer and State Auditor for the retirement system. Past and present service costs should be funded.

In today's market, implementation should produce a minimum future return of 5%. At least one point could be attributed to improved fund management for a total annual savings of \$6-million. The annual cost should not exceed \$600,000.

2. Consider a flexible approach to bond financing. There is a danger of jeopardizing the state's present credit rating through bond financing gimmicks. However, under present market conditions, consideration

might be given to other than serial issues, particularly when interest rate curves are seriously out of line. The deputy charged with investment responsibility should advise the Treasurer of these shifts in the yield curve. He could then consult with potential underwriters to see if something other than a serial issue might be appropriate. While no savings are claimed, a small improvement in interest costs could result in substantial savings over a period of time.

Surety Bonds

The Secretary of the State, Comptroller, Attorney General, all sheriffs, deputy sheriffs, and numerous other employees of the state are bonded. The Committee on Bonding, consisting of the Comptroller, Attorney General, and Treasurer, sets penalties on bonds for officials whose limit is not established by the existing statute.

ORGANIZATION AND PROCEDURES

The surety bonds are purchased by the Comptroller. Minor administrative tasks are handled by his secretary or a department clerk.

There are two procedures involved. The majority of state employees are covered by a blanket bond acquired through an agent-of-record at an annual premium of approximately \$50,000. There is an understanding that coverages will be reviewed and the bond rebid every three years. There are also about 250 commissioners, agency heads, sheriffs, and others who, by virtue of their positions, are bonded in specific amounts selected by the Committee on Bonding. These coverages are acquired directly by the Comptroller without competitive bidding. Total annual premiums paid by the state for surety bonds are approximately \$16,500.

EVALUATION OF EFFECTIVENESS

Purchase of surety bonds is one of many miscellaneous appropriations administered by the Comptroller. As such, it gets only cursory treatment from him and the Committee on Bonding.

RECOMMENDATION

- 1. Eliminate the Committee on Bonding and transfer responsibility for surety bond purchasing to the Insurance Purchasing Board.**

Surety bonding is a specialized function unrelated to the other duties of the Comptroller and the Committee on Bonding. Conversely, the Insurance Purchasing Board devotes all its efforts to determining and purchasing coverages. There is no evidence that the Committee on Bonding has made any recent analysis of positions to be bonded. Also, bonds for newly elected and appointed officials may be delayed in execution past the day the individual takes office.

Finally, there is no formal bidding procedure for purchasing bonds for specifically named officials. At the customary rate of 30%, commissions paid on the \$16,500 annual premiums would amount to \$4,950, approximately \$4,000 more than would be paid under the state's blanket bond. Implementation would mean annual savings of \$4,000.

Group Life Insurance

The state provides group life insurance for all employees in active service. Provisions are set out in the State Personnel Act.

ORGANIZATION AND PROCEDURES

The Comptroller, with the approval of the Attorney General and Insurance Commissioner, is responsible

for purchasing coverage and may revise the plan within limits of the governing statute. Total annual premiums currently amount to \$1.8-million.

The Group Insurance Commission acts as an advisory board to the Comptroller. Its seven members include the Comptroller, Commissioners of Finance and Control, Insurance, and Personnel, a state employee, and

two other appointees. Administrative matters are handled within the Special Services Division of the Comptroller's department in cooperation with the lead carrier. An agent-of-record audits company statements and assists the Comptroller.

EVALUATION OF EFFECTIVENESS

Generally speaking, this function is being performed adequately by the Comptroller. However, the structure under which this work is accomplished is cumbersome and does not follow sound business procedure.

Premium costs are reasonable because of strong competition. Administration and service meet acceptable standards although manual clerical operations are considered to be excessive.

RECOMMENDATIONS

- 1. Amend the State Personnel Act to provide a general statement of policy on group life insurance, delegate responsibility for development of specific plans to the Commissioner of Personnel, and delete the existing specific plan.**

The State Personnel Act provides that the Commissioner of Personnel shall submit recommendations to the Personnel Policy Board on compensation. The act also provides a general policy statement governing the level of coverages for employees' health insurance, leaving development of specific plans to another official. It is the intent of this recommendation to establish consistent policies for development of em-

ployee benefit programs and to relieve the Legislature of the burden of dealing with specialized subjects.

- 2. Increase group life coverages to provide insurance equal to twice the employee's annual compensation at all salary levels.**

Review of existing coverages indicates the present program is inadequate at higher salary levels. It is customary in industry to offer proportional benefits at higher salary levels as an inducement to attract and retain qualified management personnel.

- 3. Create an Employee Insurance Purchasing Board and abolish the Group Insurance Commission.**

The basic function of the board would be to assume insurance purchasing responsibilities vested in the Comptroller and the Group Insurance Commission.

The board should be created by and report annually to the Commissioner of Personnel. It would consist of five public members qualified by training and experience for this assignment. In addition, the Personnel Commissioner and the Insurance Commissioner should serve as ex officio members.

- 4. Automate the payroll insurance audit function as part of a new state-wide payroll processing system.**

This function is performed in a unit of three people. Processing requires one full-time clerk and will require additional help as the state payroll grows. Implementation will eliminate one position for a saving of \$8,000 annually.

State Employees' Retirement Plan

The state provides retirement and related disability and death benefits for its employees. In addition, the General Assembly may grant eligibility for these benefits to certain persons.

ORGANIZATION AND PROCEDURES

The plan is statutory with provisions included in the law. It covers most state employees and provides benefits based on years of service, age, and highest three years' earnings. The plan also provides disability and vesting benefits after 10 years. The retirement fund consists of employee and state contributions as well as investment income.

As of June 30, 1970, resources totaled \$44-million. The equity for current and retired employees was \$66-million leaving a deficit of \$24-million. The state's total unfunded liability to current and retired employees exceeded \$700-million.

EVALUATION OF EFFECTIVENESS

Benefits are generous compared to either the federal government or industry. Employee contributions are similar to those of private and federal plans. Only the state's power to tax makes possible the existence of multi-million dollar deficits in participants' equity and an unfunded liability estimated at more than \$700-million.

RECOMMENDATIONS

- 1. Require that every proposal affecting retirement benefits be accompanied by an actuarial estimate of cost and impact on retirement funding.**

Benefit changes can have an unforeseen impact on retirement plan costs. For example, a 3% cost-of-living increase for retirees would require corresponding payment of 30% or more of total annual retirement salaries just to provide funds to cover the increase during their lives.

2. Adopt a program of actuarial funding designed to support current service payments and eliminate the balance of unfunded past service costs.

State auditors and independent actuaries have repeatedly pointed out that the current mode of financing retirement payments by current appropriations obscures the real cost of changes in benefits and the true liability of the state to its present and retired employees. The most recent report states that while the 1969/71 appropriation was about \$27-million for the two years, the required appropriation by 1990 will be at least \$186-million. A change to actuarial funding will provide these benefits:

- ▶ Greater security for employees by leveling costs and accumulating reserves to guarantee payment of benefits for a prolonged period even if contributions are curtailed.
- ▶ Reduction in cost by securing substantial investment income from the reserves.
- ▶ Linkage of benefit changes to long-term costs to show implications of future enactments.

These considerations have generally been persuasive and only one other state has a system similar to Connecticut's. Specific proposals should be left to the actuaries. However, over a 10-year period, normal cost

funding would generate approximately \$5.78-million in annual savings.

3. Conduct a comparative review of all eligibility, benefit, and administrative provisions of the various state retirement plans for the purpose of proposing changes.

There are a number of areas where changes appear to be desirable. These areas include:

- ▶ Provisions for transfer of contributions and benefits among agencies which appear to be inconsistent and work to the employee's detriment.
- ▶ Allowing full retirement at 55, but offering a bonus of 0.5% for each year after age 55 to those remaining until 70.
- ▶ Offering women retirement five years before men at a substantial increase in total cost.
- ▶ Problems concerning physical examinations for options and the like.
- ▶ Disability provisions which leave room for abuse when the employee changes occupations.
- ▶ Methods of allocating funds for administrative costs which do not reflect recent organizational changes.
- ▶ Benefits which appear to be excessive compared to other plans.

Forms and Printing

There are three units that screen and approve printing requests and bids. Responsibility for designing, evaluating, purchasing, and producing printed materials is in a number of locations throughout the state.

ORGANIZATION AND PROCEDURES

Of the printing done within the state, the major portion is handled at the Cheshire and Somers prison installations. Three separate functions in three locations furnish different kinds of approval for state printing requirements. These are Forms Management, Printing Publications, and Printing Purchasing. Forms Management reviews new or reprint forms with changes, and issues an approved specifications form. There are approximately 8,000 forms, about one-third of which are active annually. Printing Publications authorizes, approves, and prepares specifications for publications, manuals, pamphlets, and booklets. Printing Purchasing obtains bids according to requirements that include price, quality, delivery, and the like. Total annual expenditures for printing approximate \$2.8-million of which \$1-million is done by the state. About \$1.25-million is spent for publications.

EVALUATION OF EFFECTIVENESS

It appears that decisions are made to perform certain functions and no one is concerned with overall results. In the printing production units, most press equipment operates satisfactorily although some is in need of repair or replacement. Where production figures are available, indications are that volume is below industry average. Some units are performing other activities such as microfilming, addressograph plates, addressing materials, and general mail. These are not printing functions and reduce efficiency.

In Forms Management, Publications, and Printing Purchasing, the number of requisitions processed seems low compared to the people working in these areas.

RECOMMENDATIONS

1. Centralize Forms Management, Publications, and Printing Purchasing in one service area.

The proposed unit would be responsible for obtaining and controlling all state printing. Responsibility of printing groups now ends with giving approval, obtaining bids, or awarding contracts while the agency

issues purchase orders. Upon implementation, these functions would be performed by the central unit, including responsibility for all agency or institutionally produced printing. It would be able to schedule current state facilities more efficiently. The unit would also negotiate contracts relating to printing and supplies including paper, envelopes, stock tabulating forms, and so on.

There are nine people in the present organization whose salaries total \$112,000. Combination would eliminate two positions for annual savings of \$23,500.

2. Process duplicating and printing requisitions including agency produced materials through a central area.

Each agency processes requisitions through several units for approval or prepares material on its own equipment. This results in printing being produced that is not suited to the equipment. A Central Control Unit could take full advantage of all state facilities. It would have capabilities for each operation and be able to control production. This should result in better service and lower costs.

Currently, each piece of printing must be approved and a copy of the approval attached when the piece is sent to Purchasing or an institution. This would be eliminated by centralization. Agencies request a quotation for every item printed. They should be required to set up a realistic printing budget so most quotations could be eliminated. This would greatly reduce paper work and expense. Consideration should be given to the use of data processing equipment for control of recordkeeping, year to date, current expenditures data, and the like. Agencies should continue to prepare camera ready copy when possible. However, Central Control should process all purchase orders. The savings would be almost all clerical in agencies using printing. Amount is estimated at \$45,000 annually.

3. Consolidate agency printing facilities.

The agency-operated facilities print a great deal of material not suited to their equipment. Production results are below industry averages. Full use of bindery equipment is not made. These operations should be combined into larger, more effective units. In this way, greater efficiency can be achieved in controlling types of work, work load, and production capacities.

Central Control should review existing facilities and recommend the most practical locations for printing equipment. Savings are estimated at \$105,000 annually.

4. Expand use of pricing schedules.

A printing supplier furnishes pricing schedules presently in use. This type of contract should be developed with several printers to cut costs while providing faster service. Use of pricing schedules in a central location would combine orders to take advantage of bulk rates. It would also reduce paper work and eliminate much of the bidding process. One clerk could be eliminated, saving \$10,000 annually.

5. Change publication requirements.

The number of publications being hard bound should be reduced. Most volumes should be bound with a soft cover. More saddle stitch, side wire, and perfect binding should be done. Use of high rag content paper should be discontinued and #4 grade or #1 bond substituted for letterheads. Savings would be \$15,000 annually.

6. Establish copy centers with reporting responsibility in Central Control.

Copy equipment is not being put to maximum use. Establishing equipment centers and installing controls would lower per copy prices. Staffing the centers and using internal mail delivery with a special envelope would eliminate hand carrying. Where it is not practical to staff machines, they could be controlled by use of a control mechanism that has a counting device. A copy maximum should be established for each type of equipment. Anything over the maximum should be produced on offset equipment.

There are approximately 400 copiers throughout the state. The annual cost of supplies and leasing is more than \$802,000 excluding state-owned equipment. Copy centers would reduce the number of machines by approximately 20%. Annual estimated savings total \$111,000.

7. Control use of hot metal typesetting.

Most hot metal typesetting can be eliminated by central control. With analysis of requirements, large quantities of work can be handled on varitype, computer printouts, hard copy, and the like. An annual saving of \$25,000 is estimated.

Property Management

The acquisition and management of real property is a prime responsibility of the Departments of Agriculture and Natural Resources, Transportation, and Public Works as well as the University of Connecticut. Personal property is controlled by the Comptroller. How-

ever, the acquisition of items other than office equipment is the responsibility of each agency. Leasing of real property is under the general control of the Public Works Department while office equipment is handled by the Comptroller.

ORGANIZATION AND PROCEDURES

Approximately 197,000 acres of land with appraised values amounting to about \$206-million are owned by the state. The Department of Agriculture and Natural Resources is responsible for the acquisition and management of some 175,000 acres pertaining to parks and forests as well as the open space, clean water, and wet land preservation programs. Transportation manages about 4,000 acres used for highway purposes. Public Works is accountable for other state-owned land with the exception of some 4,000 acres for which the University of Connecticut is responsible.

The Treasurer is the conveyance officer for the state and maintains an inventory of all deeds. Land records are maintained by the Tax Department based on listings submitted by each agency or department. Additional records are maintained by the Department of Finance and Control for managerial purposes. The state owns about 3,500 buildings and related structures with appraised values amounting to about \$557-million. It leases some 2.2-million square feet with annual rental approximating \$7-million. Around 1.1-million square feet of office space is leased by the state. The acquisition, leasing, and management of buildings is the responsibility of the Public Works Department with the Department of Finance and Control exercising supervision over these activities. The University of Connecticut also has power to acquire and lease. It also maintains inventory records for properties under its jurisdiction. Each agency or department is required to notify the Comptroller annually of the current inventory of buildings.

Approximately \$95-million of office equipment and \$65-million of other personal property items are owned by the state. It leases certain equipment at annual rentals of \$5.2-million. The Comptroller is responsible for acquisition and leasing of office equipment while the agencies are responsible for other personal property items. They prepare an annual inventory of property under their control for the Comptroller's office.

EVALUATION OF EFFECTIVENESS

Existing policies for acquiring, leasing, and managing state-owned and leased land and buildings are inadequate primarily due to the lack of centralized control. There is very little coordination between departments and no effective system of identifying and using idle property.

There is no central record of land and buildings and there have been instances when property was purchased or leased although adequate state-owned property was available. Controls for efficient use of occupied office space are lacking and standard space allowances for office personnel do not exist.

The controls over personal property are equally deficient. Although all office equipment is purchased by the Comptroller, only larger requests are investigated. No control exists over expenditures for other personal property items. There is no effective policy for identifying and using surplus office equipment. Therefore, as with real property, there have been numerous instances in which equipment was purchased or leased unnecessarily.

RECOMMENDATIONS

1. Consolidate real and personal property functions and responsibilities under a Central Property Management Office.

The acquisition, leasing, and management of this property suffer from a lack of centralized control. These functions should be consolidated under a Central Property Management Office, which would be accountable for proper management of state-owned and leased property. The organization chart to the right shows the major functional responsibilities. They include real and personal property as well as construction management. Real and personal property functions are discussed under subsequent recommendations. Construction management, presently performed by the Public Works Department, would include inspection and control of capital projects as well as review of the operation and maintenance of all property.

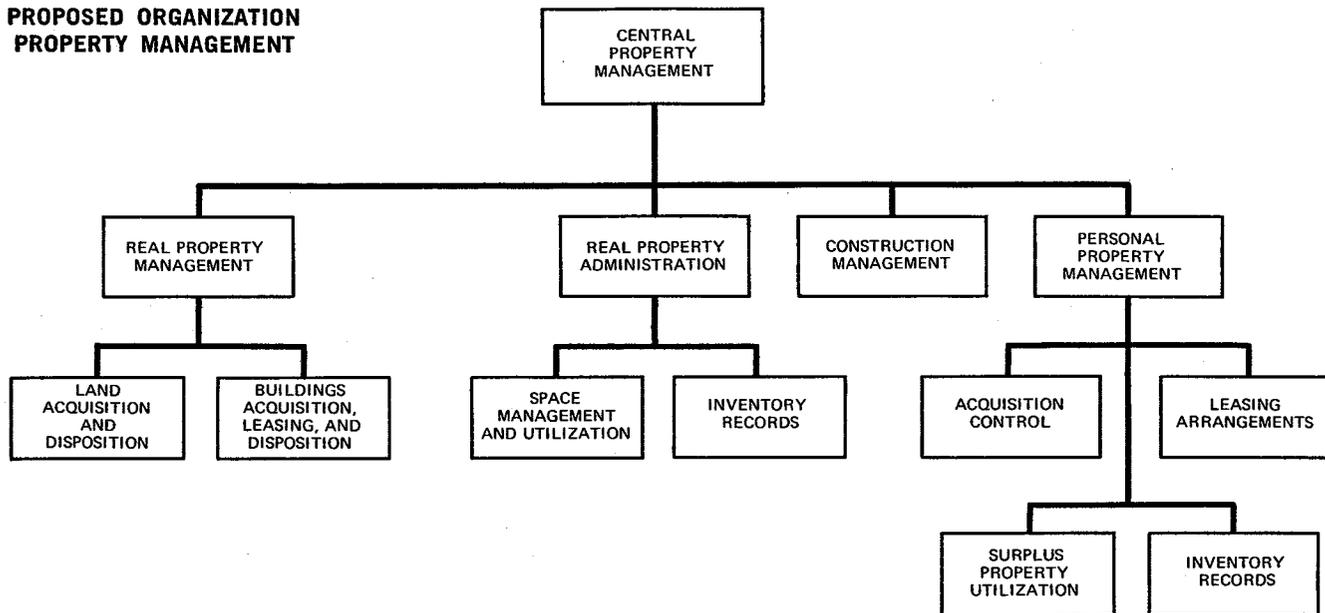
The proposed organization would coordinate property management responsibilities, eliminating similar duties now performed by various agencies and departments. The property functions and responsibilities of the Departments of Agriculture and Natural Resources, Transportation, Public Works, and Finance and Control as well as the Comptroller, Treasurer, and University of Connecticut would be confined to this office. An estimated annual savings of \$100,000 would result from implementation.

2. Establish an effective, centralized real property management system.

Agencies and departments presently maintain detailed inventory records. However, there is little coordination between them and no system exists to identify surplus property which could be used. A complete inventory of state-owned and leased land and buildings should be developed and maintained on a current basis. Deeds, leases, and other legal documents should also be centralized. Furthermore, land and buildings should be valued at market or current replacement, not historical, costs. In addition, a study should be made to determine the feasibility of disposing of or leasing permanently idle or abandoned land and buildings. Also, the use of lease-purchase agreements is strongly encouraged.

An effective system of determining and using idle office space should be established. Investigation re-

**PROPOSED ORGANIZATION
PROPERTY MANAGEMENT**



vealed about 135,000 square feet of state-owned office space, representing an annual cost of \$676,000, was not properly used as well as 280,000 square feet of leased space, with annual rental payments of \$983,000.

Implementation would produce estimated reductions of about \$415,000 in utilities and maintenance costs. Standard space allowances for personnel should be developed and enforced by periodic inspection. A centralized property management system with state-wide jurisdiction and control should result in annual savings of more than \$2-million.

3. Establish an effective, centralized personal property management system.

State-owned and leased office equipment also suffers from the absence of an effective, centralized system. About 18% of current equipment was considered surplus. Disposing of or putting it to work would generate an annual saving of \$1.3-million.

Establishment of a system which would require each agency to promptly disclose surplus items would alleviate most of the inefficiency. Periodic inspections should be made to implement the procedure. The

annual inventory reports submitted to the Comptroller should be limited to personal property and expanded to include more information such as quantities and types of office equipment. Furthermore, the reports should be physically tested periodically. Greater coordination between leasing and purchasing functions should be achieved to make more efficient use of state-owned property.

4. Study the feasibility of air conditioning state buildings based on age and future use.

It has been proven that air conditioning provides more efficient office operations and improves staff productivity. While the state does not have a formal hot weather policy, various agencies close early several times each summer because of excessive heat. Closing the State Office Building for one day costs the state \$63,000. The cost of closing the Department of Motor Vehicles is \$42,000 and the Tax Department expense is \$17,000. Air conditioning these state-owned facilities would amount to approximately \$4 per square foot to \$6. Savings from eliminating early closings would surpass this cost in a relatively short period of time.

Telephone and Telegraph Communications

The Comptroller is responsible for providing telephone and telegraph services for all commissions and agencies in the Executive Branch. Responsibility in-

cludes operation of a centrex system in Hartford and approval of installations at several hundred locations throughout the state.

ORGANIZATION AND PROCEDURES

Telecommunications expense in the Executive Branch approaches \$4-million annually for rentals, message costs, and other charges. It is increasing at a rate of 14.8% per year. Operating labor, management, and other related costs are not included.

There are a small number of intrastate wide area telephone services (WATS) units and a few foreign exchange lines (FX) used at some of the off-site locations. No such facilities are associated with the centrex system. Centrex also provides service to the Judicial and Legislative Branches, but charges are billed to these organizations. Tolls for the Executive Branch are currently \$120,000 per month and increasing at a rate of 14% per year.

There is no centralized teletype service, but there are a number of private teletype networks within agencies. Where no switched network service is available, written wire messages are transmitted via public wire facilities.

Requests for telephone service installation and rearrangements are originated by the agencies, sent to the Communications Office for approval, and forwarded to the phone company. A copy of the monthly toll bill for centrex stations is provided on magnetic tape by the public utility company. A print-out is separated in the Communications Office and sections distributed to the agencies. Bills for other stations, with accompanying toll statements, are sent to the agencies, approved, and forwarded to the Communications Office. The phone company summarizes all bills in a series of three monthly statements. These are received by the Communications Office, processed for payment, and used as a checklist.

EVALUATION OF EFFECTIVENESS

The telecommunications function has no qualified management. Only elementary routines are followed in approvals of facility installations and bill processing. No meaningful studies or analysis are conducted. Decisions about use of leased circuit facilities are made on recommendations of the phone company. The Hartford system employs no leased circuits and has virtually no service restrictions on the stations in use. Records of toll calls are provided to the agencies each month, with negligible effect in controlling charges.

RECOMMENDATIONS

1. Establish a Telecommunications Division.

This division would have responsibility for managing the telecommunications function. Present management is largely ineffective. The proposed organization would consist of a manager, centrex supervisor, and operators, accountant, four analysts, an administrative aide, and a secretary. Cost of implementation will be

\$61,500 per year for qualified and competent personnel. This amount will be offset many times by the savings that should result.

2. Provide for operator control of outgoing long distance telephone traffic over the centrex system for the University of Connecticut at Storrs.

Plans for installation of a 1,600 line centrex in September 1972 at the University of Connecticut at Storrs provide for two operator positions. All long distance traffic is to be dial accessed to Hartford or direct dialed toll. This procedure will provide minimum control of long distance calls. Unauthorized use of leased facilities cannot be detected. Insistence on toll restrictions for all but a few lines will lessen the opportunity to direct dial. Long distance calls and toll bills will be small enough to permit scrutiny for identification of non-business calls.

All station users should be instructed to place long distance calls through a centrex operator. Each call can be ticketed with enough data to identify the calling party. Studies should be made to determine where interstate WATS can be used to advantage. Implementation will require three additional operators at an annual cost of \$28,000. Annual savings are estimated at \$88,400.

3. Provide for operator control of outgoing long distance traffic over the centrex system to be installed at the Farmington Health Center.

The centrex system to be installed at Farmington will be about the size of the one at the University of Connecticut. Full dial access is planned. As a traffic pattern develops, studies should be made to determine efficient use of leased circuits. A toll restriction program should be put into effect when the system is operational. Annual costs should be \$28,000 while savings are estimated at \$88,400 per year.

4. Institute use of WATS under operator control in the Hartford centrex.

If a toll restriction program were applied to centrex stations and operator control established for all centrex originated calls, a 40% reduction in traffic would result. With operator control, it is also economical to use WATS, FX circuits or tie-lines wherever traffic volume is high enough. In addition, unauthorized use of leased facilities can be controlled. Monthly toll charges under the present system amount to about \$56,000. Operator control and WATS would produce an annual savings of \$318,000. There would be a one-time cost of \$21,500 for equipment and an annual cost of \$3,000 for floor space.

5. Install operator-controlled WATS at McCook Hospital in Hartford.

A study of the traffic at this institution shows that three WATS units would handle 90% of the calls. Savings are estimated at \$6,800 per year.

6. Install WATS or FX circuits where appropriate.

Various locations use WATS or FX circuits and toll charges are relatively low. Studies of long distance traffic should be made wherever toll charges are more than \$500 per month. When use of leased facilities is indicated, it is reasonable to anticipate 40% savings, providing the WATS and FX are under operator control. If such facilities are used at only 50% of the locations, annual savings will total \$55,200.

7. Reduce rental cost of telephone equipment used by the state.

Monthly rental of telephone equipment amounted to \$176,600. Communications analysts should examine

the equipment in use to determine what reductions can be made without impairing service. Anticipating a 5% reduction in cost, first-year savings will be approximately \$106,000. Subsequent annual savings should be more.

8. Instruct the telephone company to remit all coin telephone commissions to the Comptroller.

Commissions totaling 15% of coin telephone revenue are paid quarterly to the agency where units are installed. This refund should be applied against service charges. The Comptroller's budget bears the cost for Executive Branch agencies and should have the off-setting income.

Data Processing

Control of data processing systems in the Executive Branch is the responsibility of the Comptroller. The Data Processing Division of the Comptroller's department evaluates and approves authorizations for equipment, services, and personnel as well as assisting agencies to define and implement computer applications. It also provides technical advice and operates a data center.

ORGANIZATION AND PROCEDURES

There are 33 computers in 25 locations, more than 200 teleprocessing terminals, and a considerable amount of unit record equipment. Direct charges are in excess of \$10-million annually and an additional \$5-million is spent in the area of data collection and dissemination. The Data Processing Division oversees the operation of the computer center and provides programming, systems analysis, and technical support for agencies without their own resources. Other data processing activities are widely scattered throughout departments and agencies and vary considerably in size and sophistication.

EVALUATION OF EFFECTIVENESS

The State Data Center and the Engineering Department of the University of Connecticut provide computer services to many agencies which cannot support individual operations. Some of the installations operated independently use two to three shifts, five or more days a week and have qualified staffs and efficient operations. Others require management action to counteract a lack of productivity and uneconomical operations. The inefficiencies result from the inability of the Data Processing Division to establish effective state-wide controls.

There are no coordinated long-range plans for development, implementation, and use of information

systems. This has caused duplications, inefficient equipment installations, lack of staff quality, and poor evaluation of state needs and priorities. Most of the systems were designed for less sophisticated equipment than is now in use. Many installations do not have adequate security arrangements. There are no state-wide standards or procedures for documentation, system design, programming, and operation.

RECOMMENDATIONS

1. Establish a Division of Information Systems.

This division is needed to provide effective management of data processing and information systems activities. It will have a staff of highly qualified technical and management personnel. Responsibilities will include coordination, planning, development, and use of the data processing activities and resources in the state. It will be comprised of four functional entities:

- ▶ Planning and Evaluation — Assumes responsibility for assisting agencies to plan, develop, and implement data processing activities, developing a coordinated state plan, and evaluating agency operations to ensure progress and efficiency.
- ▶ Technical Research and Development — Provides evaluation and selection of equipment and software, participates in agency and state planning, technical design, and implementation of authorized systems.
- ▶ Systems Research and Development — Handles research, design, and development of advanced applications as well as implementation of the data base and facilities for integrated management information systems.
- ▶ Staff Services — Takes responsibility for personnel policies and procedures, intergovernmental coordination, legal contracts, internal reporting

and evaluation, and development of division training programs.

Although personnel and equipment requirements for various agencies will be established by the division, the agency will still have responsibility for its data processing activities. Implementation of application systems will be performed by project task forces. They will be composed of a representative of agency management who will be the project leader, agency analysts and programmers, additional personnel from Central Data Processing Services if needed, agency personnel to define requirements and prepare documentation, and members of the proposed division to provide technical assistance as well as representatives from agencies affected by the proposed system. The annual cost for implementation will be \$955,000. Benefits include:

- ▶ Management information and operational requirements designed to assist in the decision-making process.
- ▶ Coordinated application systems which will eliminate duplicate systems and unnecessary costs.
- ▶ State-wide planning to provide efficient calculation of data processing requirements.

The practice of using outside capabilities at excessive costs will be eliminated. Potential savings are estimated at \$291,000 per year with a one-time saving of \$770,000 by using state personnel to design authorized systems.

2. Reorganize the State Data Center.

The major difficulty in the center is a lack of qualified personnel in managerial, analysis, technical, and programming ranks. This applies to current size as well as educational levels. Part of the problem is the job grades which, at higher positions, are not competitive with local industry. Another area for improvement is the lack of internal training and advancement opportunity for employees.

The new organization requires job grades in line with industrial levels. It recognizes a need for career development and provides a common training pool for programmers, analysts, and systems engineers where particular talents can be identified and developed. There is also a central point for liaison with the user and tighter control of scheduling and library functions. The areas reporting to the director would include Operations, Scheduling and Library, Data Control, and Systems/Programming. An estimated increase of 16 employees will be required. Cost and savings are identified elsewhere.

3. Implement data processing and information systems planning procedures.

The lack of coordinated agency and state planning has caused duplication of systems, inefficient equip-

ment installations, poor staff quality, and a lack of evaluation to set state-wide priorities and requirements for information to assist the management process. Procedures for the development and use of data processing systems should be established to ensure greater operational economy, more efficient resource management, reductions in duplications, and improved service. The Division of Information Systems will be responsible for implementing procedures for agency and state planning.

Agency plans should specify resource requirements and allocations, project schedules and status, funding sources, benefits, and priorities. The state program will integrate the agency plans and set forth state-wide requirements and activities. The Division of Information Systems will also be responsible for preparing a budget to support authorized activities.

4. Develop a standard job accounting and billing system for users of data processing facilities with the cooperation and guidance of the financial organization.

The costs of the data processing function should be allocated to the operations and agencies it assists. In addition, the performance and effectiveness of personnel and equipment resources expended in providing this service should be evaluated. A standard job accounting and billing system will provide equitable distribution of costs to users and supply information to develop and evaluate plans and budgets for future use. It will also assist in reviewing state operations, programs, and functions including data processing resources.

5. Establish an internal education program for data processing and agency user personnel.

Dynamic advancements in technology require continuing education to provide efficient design, programming, operation, and use of computer equipment and systems. A combination of seminars, technical and management bulletins, formal classes, self-study materials, and outside services should be used to educate users in the newest applications and advances in the data processing area. Such a program is necessary to achieve the improvements which were identified in previous recommendations.

6. Develop uniform procedures and documentation standards for systems' design, programming, and operation.

Such standards are needed to achieve effective coordination and integration of application systems as well as increased productivity in the operations, design, programming, and maintenance functions. Implementation will reduce learning time for personnel, improve operation of new systems, and decrease dependence on the originator for program changes and modifications.

7. Coordinate an effective exchange of plans, concepts, systems, and programs with local, state, and federal government bodies.

A prime responsibility of the Division of Information Systems will be liaison with other government bodies. Federal programs influence certain state operations while state activities have an effect on local levels. Many states already have systems in operation which are currently needed by Connecticut. Elimination of duplicated efforts as well as more complete systems will result from implementation.

8. Coordinate the development of information systems with the Legislative and Judicial Branches of the government.

The information and processing requirements for the various branches are interrelated. To eliminate the cost of establishing separate systems and facilities, the Division of Information Systems should be responsible for coordinating development activities within the state government.

9. Conduct regular reviews and evaluations of operational systems.

Reviews of these systems by the Division of Information Systems is necessary to:

- ▶ Provide comprehensive information to coordinate development of new applications.
- ▶ Eliminate redundant design, programming, and operating costs.
- ▶ Reduce operating costs for poorly designed programs as well as those geared to less sophisticated equipment.
- ▶ Increase the effectiveness of systems where requirements have changed.
- ▶ Identify new capabilities required by agency users.

10. Study the value of purchase and third party lease-back arrangements for computer equipment requirements.

A review of alternative rental, lease, and purchase possibilities may provide savings of 10% to 20% through long-term leases or purchase of equipment. The Division of Information Systems should evaluate all agreements on the basis of long-term requirements to arrive at the most advantageous arrangements for the state. A reduction of 5% in costs would save approximately \$234,000 per year.

11. Conduct continuing evaluations of data processing personnel policies and procedures.

The management should study all aspects of job functions to provide capable employees for data processing activities. The Staff Services Section, Division of Information Systems, will review requirements and coordinate activities with the Personnel Department. Salary levels, hiring procedures, job descriptions, and career development are just some of the areas which need attention.

12. Develop performance evaluations for equipment and software acquisition.

Sophisticated equipment and software are becoming increasingly difficult to evaluate properly. Therefore, it is necessary to establish standard procedures and techniques to assist in this important function. The procedures should set defined requirements and capability levels to eliminate reliance on vendor claims.

13. Establish the positions of Director of Information Systems and Director of Central Data Processing Services in the unclassified category.

The nature of these positions is such that incumbents must be qualified both as managers and data processing experts. They should be considered senior deputies required to be responsive to the plans and objectives of the management group.

State-Wide Personnel Policies

The State Personnel Act provides for "a uniform and equitable system of personnel administration for employees in the state service . . . in a manner to secure and retain well-qualified employees to carry out state programs effectively and efficiently and to provide reasonable stability of employment in the state service." It further creates a Personnel Department headed by an appointed commissioner to be responsible for implementation of the act.

ORGANIZATION AND PROCEDURES

The act specifies that personnel administration should include such functions as recruitment, selection, ap-

pointment, development, promotion, transfer, layoff, classification, compensation, discipline, separation, and employee welfare. It also provides that merit principles shall govern appointments and promotions of employees in the service of the state using a system of competitive examinations.

Additionally, it sets out requirements for a variety of basic employment policies. The law is carried out and virtually all employee contact occurs through a system of personnel officers reporting to agency heads. The Personnel Department administers the merit system, maintains a basic roster, and conducts training

programs. In part, these functions include proposal of policy as well as administration.

EVALUATION OF EFFECTIVENESS

An independent study reports that the compensation and benefits of state employees compare favorably with industrial counterparts. Also, the 35-hour work week is shorter than that of Connecticut industry in general. However, the staff works within a system which provides few meaningful measurements or incentives for improving performance. It inhibits development of qualified supervisors, recognizes no distinction between people of average and superior worth, and permits over one-fifth of the employees to operate in positions not covered by the same promotion or salary structures.

There is a need to improve productivity and eliminate the rigid work week formula which does not benefit either the agencies or the employees. Neither the law nor written executive policy attempts to communicate the responsibility, elements, or importance of the management function, to employees and the state's citizens. Finally, there is no identifiable group of people which regards itself as professional management. The reason is not an unavailability of career people; rather, it is the absence of direction, training, development, and motivation for these employees.

RECOMMENDATIONS

1. Develop a program for the selection, training, direction, evaluation, and compensation of key management employees.

Existing legislation and personnel practices have not recognized the need for a professional management group beneath the organization level of elected officials and appointed commissioners. In order to increase the quality of service provided by state government, a management development program is required. In the event that collective bargaining is authorized by the General Assembly, a strong, cohesive management group must exist to assure that agreements are arrived at in a manner fair to both employees and taxpayers. The proposed program should:

- ▶ Identify the level and specific positions to be included in the management organization.
- ▶ Establish a legal definition for those employees who would then be assigned to a modified version of the classified service.
- ▶ Revise legislation and regulations to permit greater flexibility in the personnel policies pertaining to employees in the management group.
- ▶ Provide more meaningful criteria to be used in promoting and hiring individuals in the management group.

- ▶ Establish a training program to prepare potential managers for executive responsibilities and to update the skills of experienced staff.
- ▶ Design a procedures manual describing the responsibilities and authority of supervision.
- ▶ Maintain a policy of effective communication between the administration and management groups.
- ▶ Develop a performance evaluation program to monitor individual managers.
- ▶ Establish a compensation program that will permit the administration to adjust salaries on the basis of individual performance.
- ▶ Develop a program of management succession to provide identification of the candidates for any managerial position should it become vacant.

Responsibility for implementation should rest in the Personnel Department under the overall direction of the Governor and major department commissioners. Some use of consultants may be required at an estimated one-time cost of \$50,000.

2. Implement a comprehensive state-wide program of manpower requirement forecasting.

Manpower forecasting is a planning tool used to predict the various staffing needs of an organization. It includes selecting sources to fill demands, developing recruitment programs, and implementing programs for career planning, training, and associated matters. The need for this type of program in state government is obvious. The recent rate of attrition throughout Connecticut has been approximately 5,000 vacancies per year. In addition, promotions also create new personnel requirements.

Up to now, what forecasting has been done has taken place when department budgets were prepared for the following year. However, anticipated needs have never been formally communicated to the Personnel Department. Responsibility for designing the proposed state-wide program should lie within the state's budget organization.

3. Initiate and conduct a pilot management-by-objective program.

The purpose of this type of program is to establish clear objectives for an organization, provide intra-organization communications, set basic policies and regulations, furnish measurements of accomplishment, and evaluate management against those standards. The premise is that managerial imagination, talents, and motivation should be used to the maximum and the manager should have freedom to act in all but major policy matters. There are a number of organizational units within the state which could benefit from such a program.

The pilot program should be conducted jointly by the Governor's Office, appropriate commissioner, responsible manager, and the head of Finance and Control under whose direction quantitative measures of performance would be maintained. Regular reviews would be conducted and a meritorious service award made based on performance. Eventual expansion of the program would depend on the success of the pilot operation.

4. Provide flexibility in work-week policies to meet the needs of various agencies at minimum cost.

The governing statute provides for a standard 35-hour work week throughout the state with overtime payments for more than 40 hours. The practice in many jobs is to work 40 hours for five days on, with three days off to average 35 hours per week over an eight-week period. This works to the disadvantage of the state in a number of round-the-clock operations. In addition, there are many departments where a standard 40-hour work week is desirable. Implementation of a 40-hour week for these departments would provide savings of \$1.34-million annually in reduced personnel.

5. Prepare a handbook for use in employee orientation/training.

Orientation of an employee on the basic conditions of his employment is vital to the establishment of sound working habits. Such programs do exist in the state. However, there is no assurance that the information given is accurate, consistent, or readily available on the job. A handbook will fill that need at a one-time cost of \$7,900 for a three-year supply.

6. Establish a system of state-wide and agency-level employee newsletters and other communications media.

Large organizations need a variety of media to distribute timely information about the institution, its people, and matters which affect them both. The proposed communications system would have two aspects. First, employee news would present items for and about staff members. Second, matters of policy, procedure, and the like would be covered to supplement management efforts at direct communication. In addition, there should be provision for both state-wide and intraagency coverage. The annual cost is estimated at \$48,300.

7. Amend the policy on employee sick leave accrual and require management enforcement.

The governing statute provides for accumulation of one and one-quarter sick days per month of employment to be granted to the employee upon satisfactory proof of sickness or injury. Upon retirement, the employee can be paid a specified sum for unused sick leave. The intent is to assure the employee that his salary will be continued during times of illness. As a

practical matter, the accrual of sick leave is subject to substantial abuses. The cost of such practices is \$2.8-million. In addition, approximately \$246,000 is paid annually to retirees for accrued sick leave credit, making the total cost \$3.05-million. Therefore, to eliminate these costs the following changes should be made:

- ▶ The concept of accrual should be abandoned since it serves only to create the impression that the state owes something to the employee.
- ▶ The practice of paying retirees for accrued sick leave should be eliminated since it fosters the incorrect idea that sick leave is just another form of vacation.
- ▶ A policy should be implemented for full-time employees providing salary continuation for periods of up to 12 weeks at full pay and 12 added weeks at half pay, depending on length of service with special consideration given to employees of more than 10 years. There will be no added cost.
- ▶ Management at all levels will be expected to require strict conformity with the proposed policy.

8. Eliminate longevity payments to state employees.

The State Personnel Act provides for semiannual lump sum payments based on length of service. Approximately \$5-million is paid annually to more than 13,000 employees. Since retirement and other benefits are based on total wages, there are indirect costs of 8% or \$400,000 per year. These sums bear no relation to performance and should be eliminated. This could be done by freezing payments at the present dollar level for all recipients, increasing their salaries by the same amount and abandoning the policy for employees not receiving them. The net effect would be a first-year economy of \$583,000 and elimination of 90% of the expense in 10 years. The average annual savings over the first five years will be almost \$1.75-million.

9. Require annual recomputation and adjustment of maintenance rates, allowances, charges, and eligibility.

An estimated 9,500 employees receive compensation-in-kind in the form of meals, quarters, laundry, and special commissary privileges. The rates for these allowances were last reviewed in 1964 and some date to 1933. A 1968 study showed that the value of these benefits was understated by \$4.3-million. Extrapolated to 1971, this understatement amounts to \$5.2-million. The following changes are proposed:

- ▶ Annual recomputation and adjustment of all maintenance rates should be instituted.
- ▶ All affected salaries should be adjusted to reflect the changes.

- ▶ Wherever possible, a direct charge should be made to the employee for the cost of the maintenance provided.
- ▶ Eligibility criteria should be scrutinized and enforced with a view to minimization or eventual elimination of this practice.

A three-year period will be required to realize the full benefit, allowing time for normal turnover and salary adjustment to take its effect. The annual cost of increased FICA contributions over this period will be \$46,000. The savings will total \$1.74-million.

10. Establish clear policies regarding consumption of refreshments during working hours and require strict adherence to the time allowed for this activity.

Employees are allowed a 15-minute refreshment break in the morning and in the afternoon. Adherence to the time allowed is abused in most areas. At least 10% of the 45,000 employees take an extra five minutes at each break. This is 187,500 manhours annually, a cost to the state of \$1.13-million. Removing the abuses would reduce the cost of these breaks to approximately \$33.75-million per year.

A refreshment policy should be established which would allow employees to leave their desks twice daily to obtain them. These would be consumed at the desk as they resume work. With proper supervision, an estimated 1.41-million hours of productive time would be reclaimed. Only the saving of \$1.13-million for removing abuses is being claimed.

11. Limit accumulation of vacation days to one year's eligibility plus the current year.

Current statutes place a limit of 120 days on the accumulation of vacation over a period of five years. The Personnel Policy Board has the authority to regulate vacation accrual. Therefore, it should permit accruals of up to 120 days only for exceptional circumstances. Permission should also be required from the Personnel Commission.

12. Include unclassified positions in the established classified layoff procedures.

There are no regulations governing notification of layoff for unclassified employees. Classified staff members must be given two weeks notice. Although special provisions would be required for provisional, temporary, and emergency employees, including unclassified personnel in this policy would appear to be an appropriate employee relations move.

13. Establish a personnel policy prohibiting the employment of relatives within the same reporting unit.

Employing relatives, one of whom has direct or indirect supervisory responsibility for the other, can

have serious disadvantages. As a practical matter, the proposed policy should be implemented only for new employees, transfers, and promotions.

14. Update the contents of the Personnel Policies Procedures Manual.

The manual in use was updated in 1961. Since that time, a number of changes have occurred. In the course of this effort, it is expected that management attention would be directed to the entire subject of personnel administration. The estimated one-time cost would be \$33,900.

15. Authorize direct deposit of employee paychecks to bank accounts.

Currently, authority exists for direct deposit of part of an employee's pay to his account in the CSEA Credit Union. This should be extended to cover other financial institutions as well. No direct savings are claimed because of the time required to implement the project. However, the following benefits should result:

- ▶ Reduced forms cost since no check will be required for the deposit.
- ▶ Lower cost for reconciliation of checking accounts because fewer checks will be issued.
- ▶ Less employee time loss from the practice of allowing staff to make deposits on pay days.
- ▶ Improved employee morale because they will not be restricted to the credit union for such deposits.
- ▶ Quicker deposits to employee accounts.

16. Institute a management incentive program.

To maximize economy efforts and improve services on a continuing basis, the management of executive departments should feel they have the backing of the state's citizens. One method of providing such approval is to offer financial incentives for outstanding performance. A system should be developed to include the following:

- ▶ Only managers and other senior employees ineligible for the suggestion award system would be eligible. Commissioners would not be eligible in order to restrict the program to middle management personnel.
- ▶ Awards would be made annually to individuals producing superior results. Measurements would be 50% on cost improvement and 50% on the effectiveness of the service rendered. However, both factors must be present for an award to be made.
- ▶ Decisions on the recipients and the size of the award would be made by a committee appointed

by the Governor. Members should be private citizens whose business experience qualifies them to judge performance in a large organization and make incentive awards. Their term of office should not exceed four years.

- ▶ Recommendations for awards and necessary background information would be the responsibility of the commissioners.
- ▶ The maximum yearly award to an individual would be \$10,000 and the minimum, \$1,000.
- ▶ Provision for such awards in the amount of \$500,000 annually should be made in the state budget.

Costs and savings are not identified; however, the savings would more than offset the costs.

17. Reduce vacation allowances granted to new employees.

Employees with one or more years of service are given 21 calendar days of vacation. The average practice in

industry is to grant three weeks after 10 years of service. Therefore, the policy should be amended to grant two weeks to employees having more than one and fewer than five years of service. The change should be made effective for new employees only. Implementation should provide annual savings of close to \$2.4-million.

18. Institute clear conflict-of-interest policies to guide state employees.

A potential conflict-of-interest exists when a state employee maintains relationships or engages in activities which might prevent disinterested exercise of his duties. These could include direct employment, consultation, and similar assignments with public and private entities where there is a direct or indirect connection with the employee in his state capacity or his agency. No statement of policy now exists with the result that there are numerous potential sources of criticism. Therefore, it is in the best interest of the state and its employees to provide clarification.

Fleet Operations

The state operates a large number of passenger cars and trucks. This fleet is managed under a variety of laws, regulations, and customs which have accumulated over the years.

ORGANIZATION AND PROCEDURES

The 4,000 passenger car fleet is operated by five major agencies under statutory provisions and regulations dating from 1949 and 1953, respectively. The vehicles travel about 60-million miles per year and have a replacement value of over \$11-million. In addition, there are 2,477 trucks, 65% of which are managed by the Department of Transportation. Limited central authority is vested in the Motor Vehicle Control Unit of the Department of Finance and Control's Purchasing Division. This unit:

- ▶ Receives mileage reports on state-owned cars.
- ▶ Reviews accidents involving state vehicles.
- ▶ Promotes a state-wide vehicle safety campaign.
- ▶ Works with agencies on transportation problems.
- ▶ Processes mileage reimbursement requests of state employees.
- ▶ Collects money due the state for employee home/office travel in state vehicles.
- ▶ Operates the Central Car Pool.

In addition, four smaller fleets are operated by the State Police, Transportation, Agriculture and Natural Resources, and Welfare Departments.

EVALUATION OF EFFECTIVENESS

In theory, present arrangements should function effectively. In practice, there are many areas for improvement. Although the Central Car Pool appears to have adequate general controls, compliance is unsatisfactory. For example, a recent study revealed that 507 vehicles were used solely for home to office travel. Additionally, 1,750 were regularly kept at employees' homes and some 397 were driven less than 750 miles per month. Spare parts, in some instances, are under virtually no control and there are no gas pumps at car pool locations. Mileage, maintenance, and other reports are inadequate management tools. Repair facilities need improvement. All of these problems indicate a lack of executive awareness of the total annual cost of fleet maintenance.

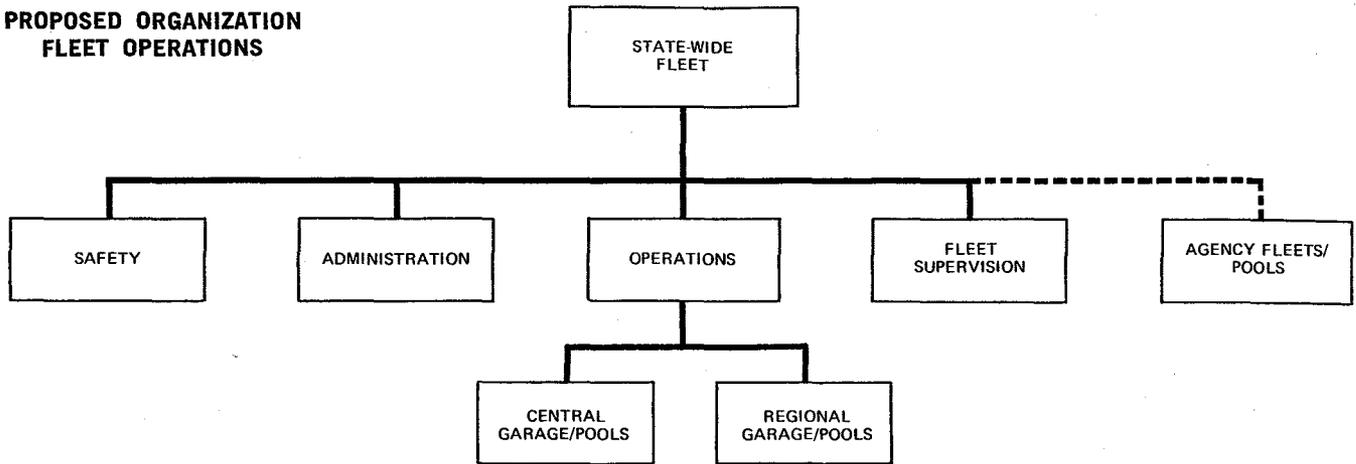
RECOMMENDATIONS

1. Consolidate passenger car and truck supervision under a fleet manager.

The extensive cost and opportunities for abuse make it necessary to consolidate fleet operations so that meaningful policies can be established and enforced. The proposed manager would be responsible for central and branch pool operations and for administration of state-wide policies concerning:

- ▶ Specifications for vehicles, maintenance, tires, overhauls, and the like.
- ▶ Replacement schedules.

**PROPOSED ORGANIZATION
FLEET OPERATIONS**



- ▶ Designation of agency pools.
- ▶ Rules covering vehicle operation, inspection, and responsibility.
- ▶ Facility locations, design, acceptance, and so on.
- ▶ Standardized reporting and accounting systems and procedures.
- ▶ Cost, use, inventory, and reporting data.
- ▶ Cooperative planning with agencies to set policies and make provisions for special situations.
- ▶ Driver testing and safety programs.

A basic structure for the proposed organization is illustrated above. The central fleet should be operated on a subsidized basis with each agency being charged for services received. In addition, the fleet operation should be subject to strict budget controls and review against published cost and use standards. The annual cost of implementation is \$49,000.

2. Reduce the passenger car fleet by 1,085 units.

The present fleet contains 4,135 vehicles including State Police Department units. This total can be reduced to 3,050. Disposal of 42 Central Car Pool vehicles now inactive in New Haven will provide an estimated recovery of \$21,000 and free 42 parking spaces. Replacement of 44 high mileage active pool vehicles with new cars now in storage in New Haven will mean an estimated capital recovery of \$22,000. Elimination of abuses, improvement in use, and lowering the number of permanently assigned vehicles will reduce annual purchases by \$520,000 with an interest saving of \$78,000 and reduced operating expenses of \$475,000. This can be done by:

- ▶ Redefining the executive fleet to include the Governor, other elected officials, executive level commissioners and their appointed deputies. They

should be authorized to use state vehicles for home to office travel without charge since the administrative cost of processing mileage fee payments almost equals the recovered amount of \$12,000.

- ▶ Prohibiting the designation of an employee's home as his official duty station unless the station is a geographical area rather than a fixed location. This exception should only be applied if there is no pool facility in that area.
- ▶ Establishing a use objective of 1,000 miles per month per vehicle.
- ▶ Limiting permanent assignments to individuals in the executive fleet or those whose jobs require more than 1,000 miles of travel per month and whose travel is normally on a daily basis.
- ▶ Specifying that all other travel be by private cars or fleet vehicles assigned on a daily basis.
- ▶ Providing that the driver's safety and use records and reports of abuse will be considered part of his annual performance evaluation.

Implementation will require a loss of income of \$12,000 for executive fleet reimbursement each year. It will provide a one-time income of \$43,000 from vehicle disposal and total annual savings of over \$1.07-million.

3. Improve and extend car pool facilities throughout the state.

Present facilities are inadequate and have resulted in inefficient practices which are costly to the state. To improve the Hartford operation, the following actions are necessary:

- ▶ Discontinue parking Welfare Department and car pool employees' vehicles on premises to eliminate shuttling of cars to another area. This will

enable repair personnel to devote more time to their primary responsibilities.

- ▶ Improve premises by paving the parking area, rewiring for better lighting and power equipment capability, painting the interior, installing a ladies' room, and so on.
- ▶ Install a front-end machine and replace two lifts in the repair area. The one-time cost of minimum equipment in this section is \$35,000.
- ▶ Convert the vacant area to additional repair facilities, if the district office in this building is relocated.
- ▶ Initiate a second shift of repair personnel to improve productivity and cut out-of-service time on vehicles.

The operation at Wethersfield can be improved by taking these actions:

- ▶ Transfer of a storage area used by the Department of Motor Vehicles to the Central Car Pool for use as additional repair bays. Some vehicle activity could then be transferred from Hartford to relieve congestion. Wethersfield could also assume the get-ready operations for new vehicles and accept retired cars for delivery to the Surplus Property Department.
- ▶ Study needs of outlying facilities and make necessary improvements and expansions.
- ▶ Review long-range plans for a new repair facility in Hartford with a goal of early completion.

4. Recycle the preventive maintenance schedule.

At present, cars are brought in every 4,000 miles for lubrication and oil changes. Oil changes should be made every six months or 6,000 miles. Lubrications should be scheduled every 6,000 miles for Chevrolets, 24,000 miles for American Motors cars, and 30,000 miles for Fords and Dodges in accordance with manufacturers' recommendations. Implementation of the revised maintenance schedule will provide annual savings of approximately \$36,000.

5. Standardize and expand the cost and use reports for passenger cars.

The data processing system in the Highway Department should be used to provide state-wide reports on:

- ▶ Accumulated operating, repair, and depreciation costs as well as mileage and cost-per-mile data.
- ▶ Exception listings showing vehicles with unacceptable deviations.
- ▶ Monthly and accumulated useage for agencies, highlighting low useage vehicles for recall to the pool.

Costs should include overhead to facilitate comparison with other fleet operations. There will be a small cost for implementation, but this will be offset by reductions in clerical personnel. The benefit will be establishment of timely information on vehicle cost and use.

6. Establish driver testing and training programs to reduce accidents.

In 1970, a total of 1,455 accidents involved state vehicles. This is an increase of 68% over the previous year with only a 14% increase in miles traveled and 10% more vehicles in use. It has resulted in higher insurance costs of \$44,600. By being alert to safe driving techniques, the operator could have prevented 701 or nearly 50% of the accidents.

An Accident Review Board meets periodically to study all accidents involving state vehicles. This practice should be augmented with the following:

- ▶ Two meetings annually with the Fleet Manager and all agency heads to discuss insurance experience to date and take appropriate action to improve it.
- ▶ A physical examination for all state drivers.
- ▶ Annual driving clinics to review principles of safe driving.
- ▶ Recognition of high mileage, accident-free drivers with some type of award.
- ▶ Demonstrations of proper road and city driving techniques.

7. Abolish the use of gasoline credit cards.

Agencies which do not use the Central Car Pool have issued commercial oil company credit cards to employees for emergency purchases of gas and repair services. Use of such cards should be eliminated since drivers should be using the facilities at designated state garages.

8. Study the feasibility of using mini-bus service between agencies in the Hartford area.

There is a significant volume of travel between agencies which could be eliminated by state-provided bus transportation. Such a service could also transport mail and act as a shuttle to remote fleet and employee parking lots.

9. Institute vehicle inspection, reporting and fueling procedures at Central Car Pool locations.

There is no requirement for inspection of vehicles either upon dispatch or return to pool locations or garages. The result is that vehicles are not usable when assigned, unsafe cars are being dispatched, and tire pilferage control is weak. Therefore, all vehicles should be inspected by the driver upon dispatch and by the attendant upon return. Both will be held ac-

countable for its condition, including spare tires. The driver should tag the car upon return if it needs gas or repairs. Further, shop personnel will be required to make complete entries on repair order forms. Benefits will include improved vehicle safety, reduced costs, and better scheduling of repair work.

Additionally, there is no policy regarding filling gas tanks prior to dispatch. Cars are gassed at a variety of agency pumps which are frequently crowded and usually open only during normal state working hours.

Assuming that each car is filled weekly, putting pumps in pool locations and servicing the car before dispatch will save 11,700 hours of waiting time per year or the equivalent of over \$60,000 in salaries. There will be no added cost for pumps as these will be installed by the bidder for the state-wide gasoline contract. Additional yard attendants will be required at an annual cost of \$13,000. Further, a study should be made to estimate the feasibility of using mobile fuel and lubricating equipment to service vehicles parked in remote locations.

10. Review passenger car replacement policies and disposal techniques.

Upon reaching five years of age or 60,000 miles, state vehicles are retired and sold at auction. The Transportation and State Police Departments retain vehicles on a seven year or 70,000 mile basis. Operating/maintenance costs should be compared against age/mileage and auction prices to establish a state-wide policy. In addition, when vehicles are ready for disposal, the following actions should be taken:

- ▶ Establish a standard color, other than black, to make surplus vehicles more attractive to prospective buyers.
- ▶ Expand auction advertising policies to attract more bidders.
- ▶ Clean engines, interiors, and rear compartments prior to sale.
- ▶ Consider using independent auctions as an alternate approach if the size of the fleet auction declines to the point where it is inefficient.

Records Management

Records management is the responsibility of a subcommittee comprised of the Commissioner of Finance and Control, the Attorney General, and the State Librarian. They are charged with developing and directing the program that is being carried out by the State Library's Department of Archives and Records Administration.

ORGANIZATION AND PROCEDURES

Responsibility for records management is assigned to the Public Records Administrator. Accountability for stored records is maintained by documenting procedures which identify each box by agency, location, destruction date, reference activity, retrieval, and disposition actions. Boxes are packed by the agencies.

Records personnel make daily runs to major users in the Hartford area and infrequent trips to more remote locations. On or before the scheduled destruction date, a copy of the records storage list is returned to the agency for destruction authorization or extension of the date. Tab cards are sold as scrap at \$46 to \$62 per ton, with the revenue returned to the general fund. For the past three years, the center has received records totaling approximately 6,600 cubic feet per year and discharged about 2,500 cubic feet per year. Reference requests are high, averaging 640 per year per thousand cubic feet of stored records.

EVALUATION OF EFFECTIVENESS

The committee and staff carrying out this function are to be commended. Accountability for stored records is of utmost importance. The agencies' confidence in the center is high and the error rate virtually zero.

Documents have been misfiled, but none have been lost. Service to agencies is prompt and only personnel bearing written authorizations are permitted to examine or pick up material. The authorization must clearly identify specific records. The original specification for the shelving has resulted in less than optimum use of floor space. Shelving should be 30 inches in width rather than the existing 24 inches.

RECOMMENDATIONS

- 1. Discontinue purchases of office files and construct 12,000 square feet of module additions to the Records Center at time intervals which will provide adequate storage facilities.**

The Records Center has averaged a net acquisition of about 4,100 cubic feet of records per year for the past three years. The center was completely full as of March 31, 1970. In fact, records are being stored in an area that should be reserved for receiving and processing. Therefore, it is probable that 10,000 cubic feet of records per year will have to be stored in agency offices. Cost of file cabinets and floor space

will be cumulative at the rate of approximately \$85,400 per year for the files and about \$33,100 annually for floor space.

Shelving used in the center is 24 inches wide while openings are 32 inches high. The storage ratio is 3.75 cubic feet per square foot of area. If the shelves were 30 inches wide and openings 38 inches high, the ratio would increase to 4.22 cubic feet per square foot. This is an 11.3% better utilization.

An addition of 12,000 square feet of new space with 30-inch shelving will provide 30,400 cubic feet of storage. This will furnish records retention capacity for three years at 10,000 cubic feet per year. Cost of the addition is estimated at \$300,000 plus \$30,000 for shelving and other equipment. To provide future capacity, a similar module must be provided every three years. The cost of the 1972 module is included in another recommendation. Savings are based on no expenditure for building construction in 1972. The total saving to be realized over the next 12 years is the difference between the cost of storing records in files, over \$3.6-million, and the projected Records Center cost of about \$1.28-million.

The total 12-year saving of over \$2.3-million is equivalent to an average saving of \$193,400. The 1972 building cost is identified elsewhere in the report.

2. Study potential microfilm applications for records retention and, if indicated, initiate and establish a meaningful control facility within Records Management.

At 3,000 documents per cubic foot of filed records, the cost of microfilming a cubic foot will be \$18. The cost per document is estimated at \$0.006. Future cost of records storage in the center is calculated at approximately \$1.80 per cubic foot per year. Thus, the break even retention period is 10 years. Documents with a retention period of 12 years or less should not be considered for microfilming.

Filming records with longer retention periods should be considered, with material to be retained in the agencies involved. The cost of agency readers or reader printers is not included.

3. Study records requiring long retention periods to develop procedures for purging individual records.

Each box of records contains data related to many individuals who are released or die long before the expiration of the retention period. Standards of retention after release should be established and procedures for periodic purging and condensation should be authorized. These records should also be candidates for the microfilming study mentioned in a previous recommendation.

Health Service Cost

State employees are provided with hospitalization, medical, and surgical insurance. The benefits are substantially equal to those which they could secure themselves.

ORGANIZATION AND PROCEDURES

The Comptroller, with the approval of the Attorney General and Insurance Commissioner, selects carriers and purchases coverages in accordance with the concept of "substantial equality" set forth in the statutes.

He uses the Insurance Purchasing Board's agent-of-record for advisory, negotiating, clerical, and other supportive services. Coverages are reviewed and premiums renegotiated periodically. Administrative procedures are managed in the Comptroller's department. Annual premiums amount to approximately \$10.16-million.

EVALUATION OF EFFECTIVENESS

The coverages in effect are substantially equal to those available to individuals and provide the employee

with a tangible benefit. However, the language of the statute is subject to costly misinterpretation. Administrative costs are substantial, but diffused among many agencies. Premiums are reasonable and commission rates consistent with those found in industry.

The present organization provides inadequate assurance that present health service coverages purchased, costs incurred, and administrative controls maintained serve the best interests of state employees as well as the taxpayers.

RECOMMENDATION

1. Consolidate health insurance premium notice audits in a central location performing similar functions for group life and other voluntary payroll deductions and/or paid benefits.

Presently, this function is performed in each agency having a payroll processing function. Costs are buried in total payroll expense. It is clear that centralized administration will result in improved uniformity, effectiveness, and control.

Cash Management

Cash is handled, controlled, invested, and managed by the Treasury Department. The two major classifications are civil list funds, used to finance government operations, and trust funds.

ORGANIZATION AND PROCEDURES

Cash is received by the various agencies and departments responsible for its collection. Receipts are forwarded to the Treasury Department or deposited in a nearby bank. Independent controls over recorded civil list funds exist in the Comptroller's Department. Cash balances, reconciliations, and the like are performed by a section within the Treasury Department. Investing excess cash is also its responsibility. Disbursement requests are initiated by the agency or department, forwarded to the Comptroller for approval and check preparation, and sent to the Treasurer for signature.

EVALUATION OF EFFECTIVENESS

Generally speaking, the state's cash is not properly controlled, managed, or invested. Formal cash forecasts are not used to determine investible monies. Additionally, over 200 bank accounts are used as depositories for civil list and trust funds. Controls over cash receipts vary between agencies and departments. Depositing receipts is somewhat hampered in larger units because of the significant volume of cash handled. This prevents material amounts of money from being promptly invested or otherwise utilized. Although vendors are paid daily, no effective payment schedule exists to aid in the proper use of funds. Agencies and departments are restricted to quarterly allotments and the controls for the signing of trust fund checks are weak.

RECOMMENDATIONS

1. Implement a formal cash forecast system.

An effective forecast, coupled with accurate and reliable revenue and expenditure budgets, would permit maximum use of available cash balances for investment. More timely data could be obtained if the system were automated. Implementation would provide an estimated annual income of \$863,000.

2. Eliminate separate trust funds for employee withholdings.

Employee withholdings are maintained in separate trust funds until deposited with the applicable author-

ity. They include the Income Tax Account, State Employees Social Security, Insurance Contributions, Savings Bond, United Funds. These should be invested as soon as they become available. The annual income would be approximately \$408,000.

3. Invest available excess monies in the Redevelopment Condemnation Awards Fund.

This fund represents monies deposited with the Treasury Department by the Superior Court subject to withdrawal by order of the court. If the money were invested, it would produce an annual income of approximately \$295,000.

4. Consolidate civil list and trust fund bank accounts into the minimum number permitted by law.

The state maintains a total of 230 accounts with more than 100 banks. An effort should be made to reduce this to a workable number to implement establishment of an efficient cash forecast. Greater use should be made of direct credit accounts to hasten deposits of cash.

5. Conduct a study to determine the need for lockbox depositing systems by various agencies and departments.

A lockbox system would improve the timeliness of receipt deposits. The increased security, avoidance of administrative costs caused by handling receipts internally, and earlier availability of money for use would outweigh any charge made by a bank for this service.

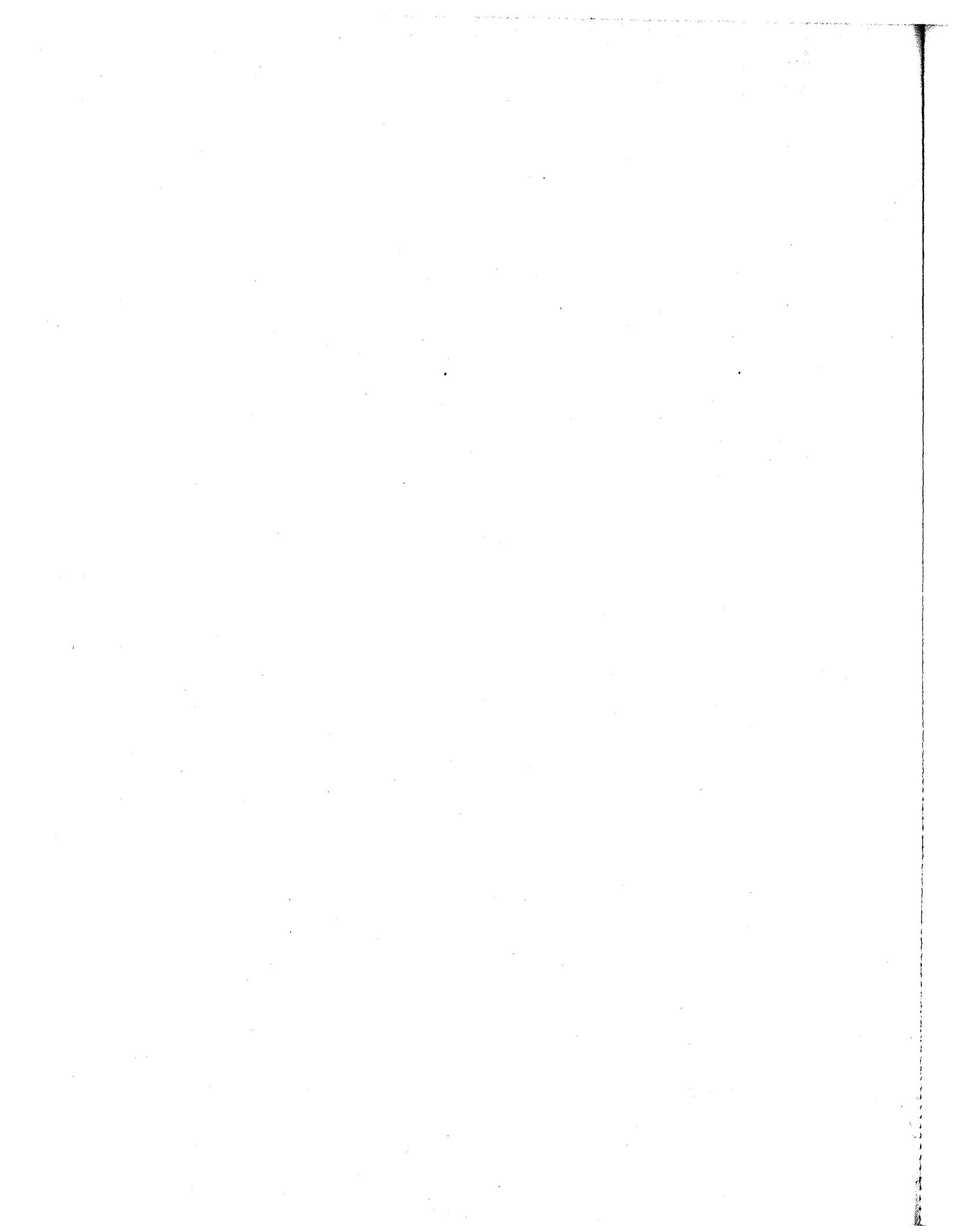
6. Restrict the use of petty cash funds.

There are 121 petty cash funds located in various agencies and departments with balances totaling \$297,000. In numerous instances, they are either excessive or unnecessary. A study should be made to determine the actual need for each fund and to establish proper controls.

7. Improve the internal controls regarding check-signing duties.

Checks are handled and signed by the Bookkeeping and Bank Deposit Control Section of the Treasury Department. Controls over trust fund disbursements are weak and should be strengthened. This could be done through dual participation in the use of the check-signing machine and maintenance of an independent check log.

**The Governor's
Commission
On Services &
Expenditures**



State-Wide Reorganization

The Executive Branch of the government is made up of more than 200 commissions, departments, and boards. Most are only partially controlled by the Governor because of nonconcurrent terms of appointees, required approval by the General Assembly, or ex officio board membership. The Lieutenant Governor, Treasurer, Secretary of the State, Comptroller, Attorney General, and eight county sheriffs are elected. Of these, only the Lieutenant Governor must be of the same party as the Governor.

The majority of the departments and agencies feel responsible only to their own commissions. Even if they could be controlled by having the commissions report to the Governor, the resulting administrative task would be impossible. Good administration is further hampered by legislation which details operating methods instead of setting forth policy. The pres-

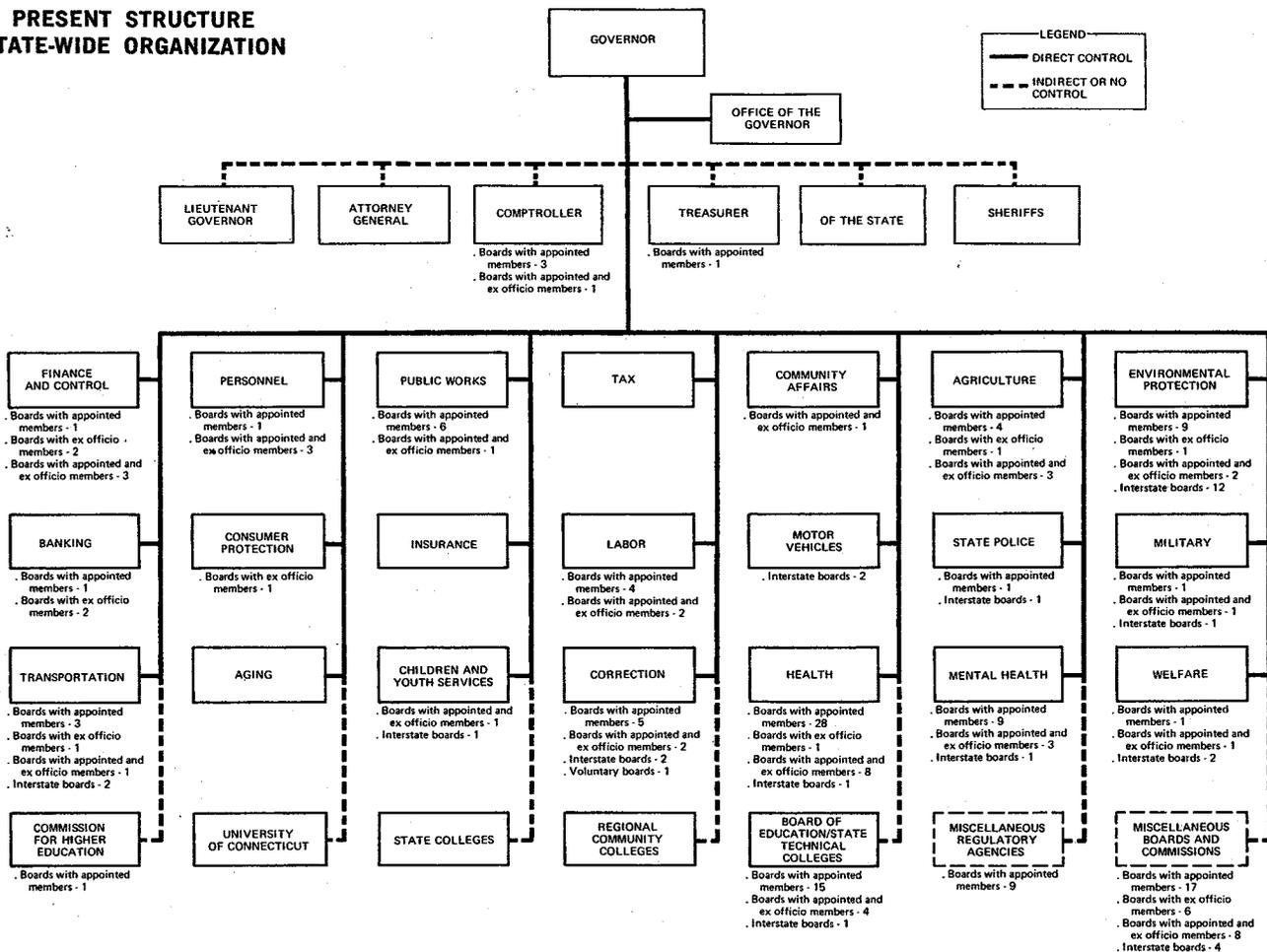
ent structure of the Executive Branch with the constraints built in over the years by statutory action has not permitted the flexibility and authority which Connecticut's chief executives need to fulfill their governing responsibility. The current organization chart is shown below.

RECOMMENDATIONS

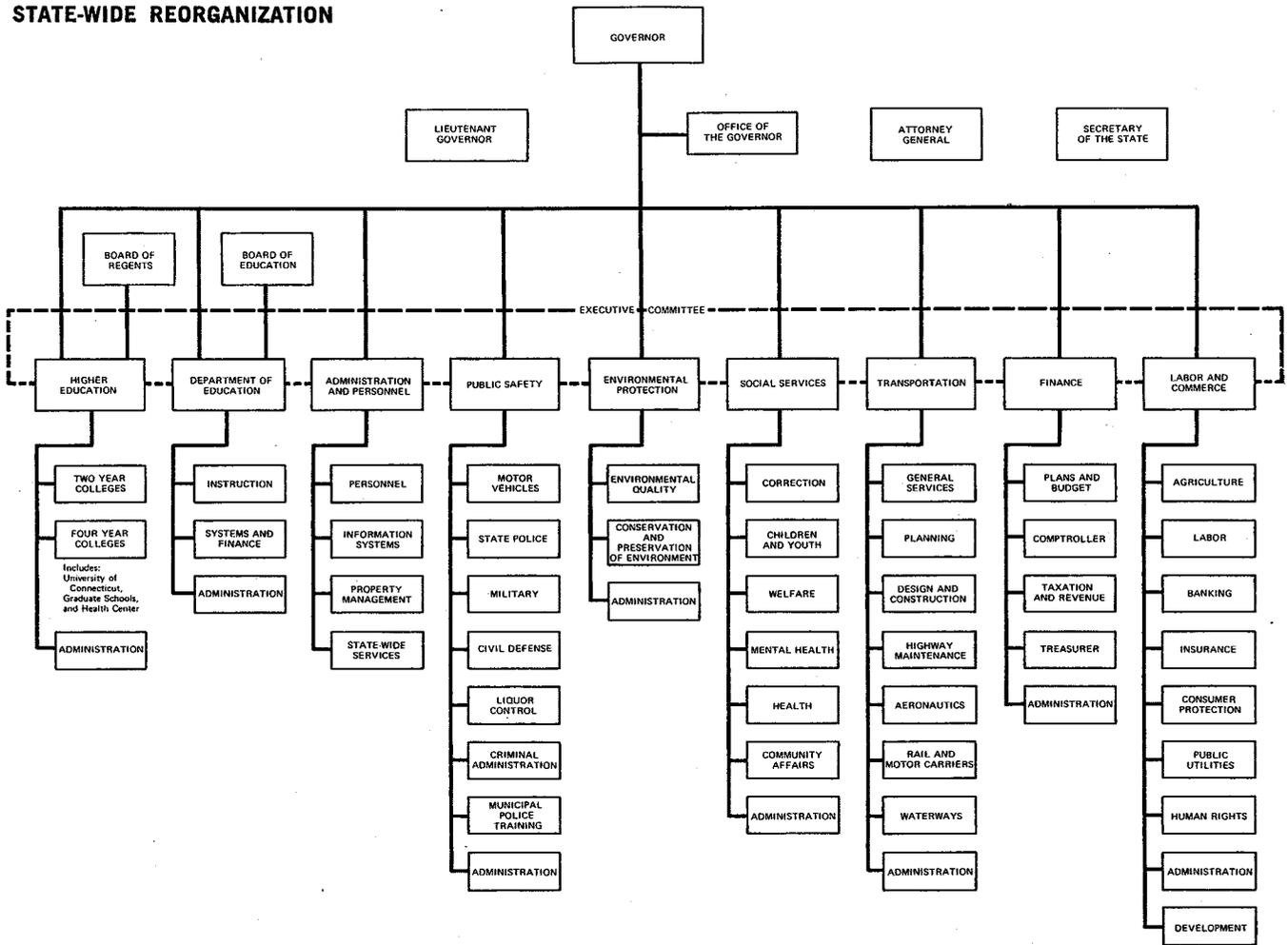
1. Restructure the Executive Branch.

Agencies, commissions, and departments should be consolidated into efficient reporting units headed by officials appointed by the Governor. They, in turn, would appoint division heads with the Governor's approval. There would be no commissions or agencies which did not report inside the proposed structure. Consolidated units would consist of Environmental Protection, Department of Education, Higher Educa-

PRESENT STRUCTURE STATE-WIDE ORGANIZATION



**PROPOSED STRUCTURE
STATE-WIDE REORGANIZATION**



tion, Administration and Personnel, Public Safety, Social Services, Transportation, Finance, and Labor and Commerce. A chart illustrating the proposed organization is shown above.

2. Form an executive committee.

Heads of the major commissions should act as an executive committee to assist the Governor in formulating operating policies for state-wide functions. This would eliminate the necessity for some of the liaison activities in the Governor's Office and should avoid duplication of functions. Communications would be enhanced and the state's resources utilized more efficiently.

3. Establish a Department of Administration and Personnel.

This department would be made up of the Division of Personnel, Information Systems, Property Management, and State-Wide Services. It would have responsibility for providing services essential to the accom-

plishment of other agencies' objectives. Each of the major commissions would have a functional counterpart of this department to carry out state-wide policies within the framework of its own objectives. The Personnel Department would be moved into this organization.

4. Establish a State-Wide Services Division in the Department of Administration and Personnel.

This division would control purchasing including printing and forms, telecommunications, the State Data Center, methods and procedures, and state-furnished transportation.

5. Establish a Methods and Procedures Section in the Department of Administration and Personnel.

There is a definite need for a section to study and develop methods and procedures. The section should be staffed with currently available professional personnel and would have the following responsibilities:

- ▶ Analyze work flow and layout.

- ▶ Establish standards for evaluation of employee productivity.
- ▶ Study the application of office machines to specific operations.
- ▶ Evaluate existing and proposed administrative policies, practices, and techniques.
- ▶ Administer a comprehensive program of forms design procedures.
- ▶ Counsel and assist agencies and departments in implementing recommendations.
- ▶ Provide advisory services on management procedures and problems.
- ▶ Interface with data processing systems analysts.

6. Establish a Department of Labor and Commerce.

Several existing agencies would be brought together to form this department. Its responsibilities would cover agriculture, banking, insurance, labor, consumer protection, public utilities, human rights, development, and administration. It would provide necessary protection, controls, and advisory services for the people and businesses of Connecticut.

7. Establish the Department of Public Safety to provide effective coordination of protection and safety activities in the state.

Existing organizations are too widespread to coordinate enforcement, protective, and safety activities effectively. The span of control should be reduced to a workable level. The following departments and commissions should be placed under one executive to form the proposed department:

- ▶ State Police Department.
- ▶ Department of Motor Vehicles.
- ▶ Military Department.
- ▶ Office of Civil Defense.
- ▶ Liquor Control Commission.
- ▶ Planning Committee on Criminal Administration.
- ▶ Municipal Police Training Council.

Although each proposed division would remain autonomous, the chief executive would provide broad policy, planning, and project coordination as well as administrative services.

8. Reduce the number of remaining boards and commissions.

While the major boards, commissions, and councils related to the Executive Branch have already been discussed, there are others which have not been mentioned. They, too, should be examined in order to:

- ▶ Determine their major purpose.

- ▶ Decide if the functions could be eliminated or performed by combining activities with other groups.
- ▶ Place them within the authority of the appropriate major governmental unit.

Organizations without an obviously useful purpose should be abolished. While no savings are claimed, implementation will result in more efficient use of government time and resources.

Financial Functions

The state's financial functions are currently divided among the Treasurer, Comptroller, Commissioner of Finance and Control, and Tax Commissioner. The first two officials are elected and relatively independent. The result of this fragmentation is widespread duplication and inefficiency. Effective financial control is impossible. Although improved budget and accounting systems are recommended elsewhere, implementation requires close coordination among the departments. This is practical only if they report to a single executive. Multiple supervisory and support structures are currently needed although the organizations served are relatively small.

RECOMMENDATION

9. Combine the Treasurer's, Comptroller's, Finance and Control, and Tax Departments into one agency headed by an appointed Commissioner of Finance.

The proposed organization would reduce the number of officials reporting to the Governor, provide significant cost reductions, and permit professional standards to be used in selecting officials. More importantly, it would establish a strong financial arm capable of implementing effective financial planning and control techniques. Sections reporting to the proposed commissioner and his deputy would include Business and Fiscal, Plans and Budget, Comptroller, Taxation and Revenue, and Treasurer. The Central Collections Division of the Department of Finance and Control would be combined with Taxation. Data Processing and Purchasing would be deleted from this organization.

Social Services

Programs include health, mental health, welfare, correction, community affairs, and children and youth services. All are provided by separate departments with the chief executive reporting to the Governor. Funding is supplied by the state and federal government. Each department operates autonomously with little apparent interchange with allied functions. While Connecticut is a leader in the area of social services, they are provided at too high a cost and

with less than optimum effectiveness. This is due to inefficient resource allocation and duplication of effort among departments.

RECOMMENDATIONS

10. Establish a Department of Social Services.

The existing organization does not foster management of required social services in a coordinated and economical manner. Therefore, the Departments of Health, Mental Health, Welfare, Correction, Community Affairs, and Children and Youth Services should be consolidated into a Department of Social Services. The manager would report to the Governor. His prime responsibility would be to merge duplicate functions and eliminate overlapping programs.

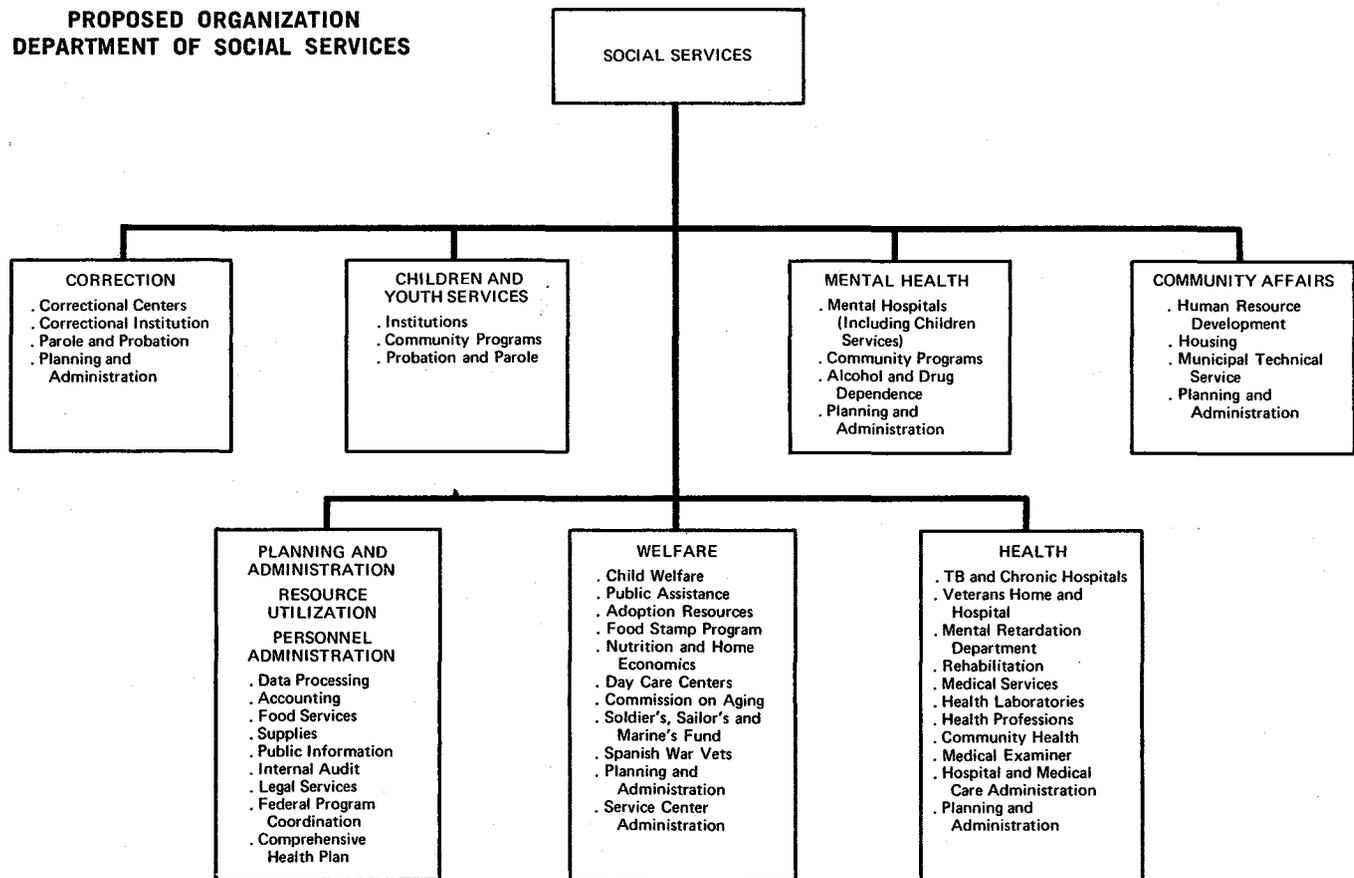
Because of differences in treatment methods and specific requirements imposed by the federal government, programs in the various service organizations should be directed by a specialist in that particular field. Each program manager, however, would report to the social service organization head on an equal basis with the leader of the planning and administration organization. Specific improvement should be provided the taxpayer in the area of diagnosis and

treatment. As an individual's experience and/or treatment may relate to more than one social service, a consolidated record reflecting individual histories must be maintained. Additionally, service centers should be established throughout the state to provide centralized records, facilities for diagnosis, day care, and outpatient treatment as well as volunteer participation by the private sector. A chart of the proposed organization is shown below. A functional chart of the social services centers is illustrated to the right.

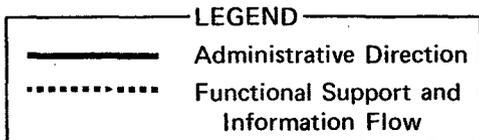
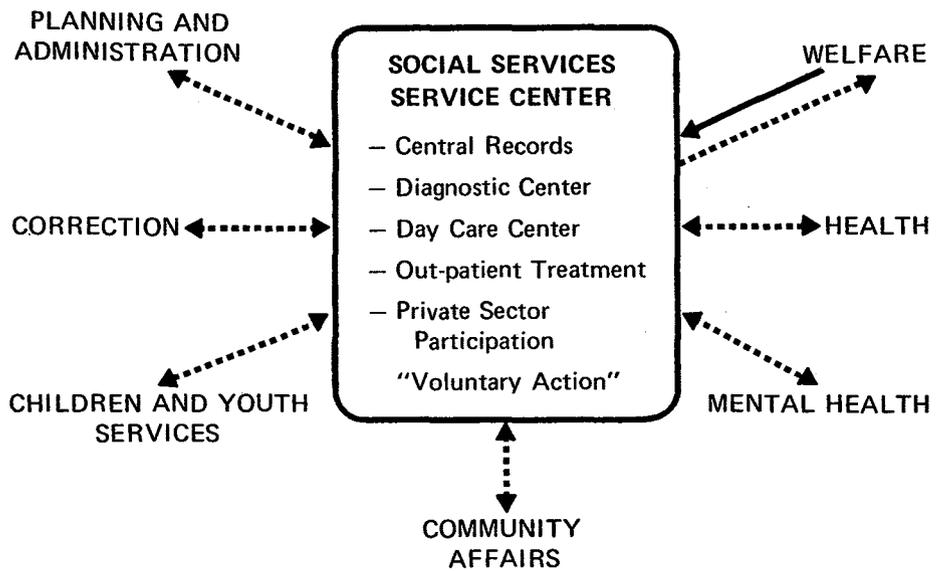
11. Establish the position of Director of Food Services with responsibility for all food service operations in state institutions.

The present approach provides a variety of staffing patterns, food selections, and per-meal costs. There is little attempt at standardization or cost control. Establishment of the proposed position would consolidate menu planning, requisitioning, preparation, staffing, and cost control. The director would have line authority over institutional food managers. He would prepare budgets, institute cost accounting procedures, establish goals and responsibilities, and implement evaluation procedures.

**PROPOSED ORGANIZATION
DEPARTMENT OF SOCIAL SERVICES**



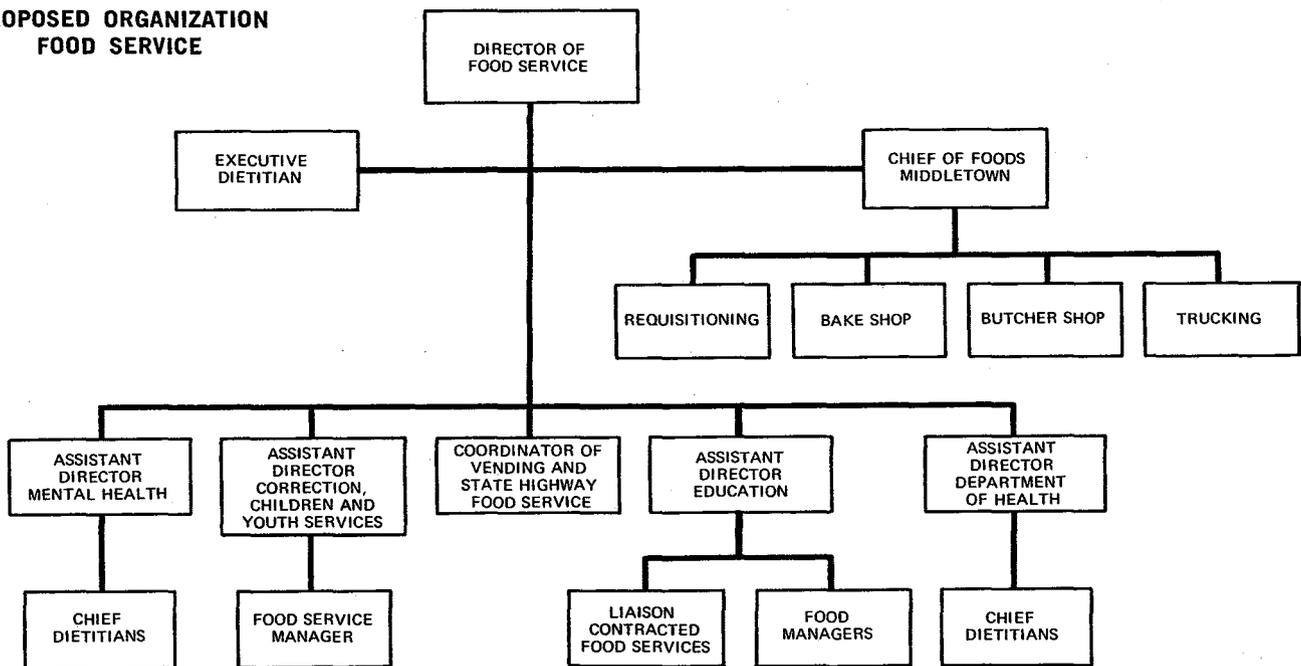
**SOCIAL SERVICES
FUNCTIONAL CHART**



Using data processing systems to select the least expensive menus would achieve a 10% reduction in the cost of food purchased. This would be an annual saving of \$750,000. The director would report to the

Social Services Department until the State-wide Services Section of the Department of Administration and Personnel was established. The proposed organization is shown in the chart below.

**PROPOSED ORGANIZATION
FOOD SERVICE**



Federal Aid

State participation in federally funded programs is greatly decentralized and ungoverned by specific policies. Although procedures exist regarding financial agreements, in-kind sharing, and other matters, there is a lack of control which must be remedied. Despite the fact that more than 1,200 grant programs are available, the state only participates in 82. Over 50% are mandatory sharing programs with state allocations set at the federal level. On projects where initiation at the state or local level is needed, participation is very low. In a few cases, the General Assembly has created programs without requiring the administering agency to seek federal aid. Obviously, there is a need for comprehensive knowledge and information on federal grants.

RECOMMENDATIONS

12. Review the need for federally funded positions when the subsidy is eliminated.

A substantial number of state positions are financed by federal funds. There is evidence that a number may be duplications and should be eliminated. A review should be conducted to determine which positions are unnecessary, particularly when federal funds are no longer available to finance them.

13. Expand the office which handles federal/state fund coordination to offer consulting assistance to state agencies.

Although such an office exists in the Department of Finance and Control, its present function is limited. Expansion should include experts who can expedite federal applications and review state budget items for possible reimbursement. Consultants for various

agencies should also be added to the staff. The expansion could be financed under indirect costs of grant administration which is a responsibility of the Office of Management and Budget. The amount of new revenue cannot be estimated at this point.

14. Review new or expanded state programs for availability of federal funds.

New budget items in operating programs and capital projects as well as new positions should be reviewed with regard to eligibility for federal aid. This should be done first in the budget control office of the operating department. Final examination should take place in the Department of Finance and Control where a federal review officer can make the determination of availability.

15. Develop procedures for automatic distribution of federal bloc grants to the state as well as local governments.

Certain bloc grants from the federal government have resulted in the creation of agencies to disperse the funds. Establishment of a realistic per capita or other apportioning plan would eliminate this procedure, resulting in more available funds for specific programs.

16. Establish an employer/employee agreement that job longevity is limited to the life of federal project funds.

In situations where state positions are federally financed, employees should understand that state funding is not guaranteed to continue the position. An agreement at the outset of employment would eliminate later problems if federal financing is stopped and the state does not wish to continue the position.

**The Governor's
Commission
On Services &
Expenditures**



Digest of Recommendations

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
Governor's Office			
1. Provide adequate offices for the Governor and his staff.	Executive	One-Time Cost	\$ 2,000
2. Provide the Governor's Office with adequate equipment.	Executive	One-Time Cost	\$ 22,600
3. Improve procedures in the Governor's Office.	Executive		
Attorney General			
1. Improve secretarial work flow and procedures.	Executive		
2. Modify experience and training specifications for attorneys general III and IV to permit more rapid progression of qualified personnel.	Executive		
3. Revise state property condemnation procedures to insure uniformity.	Legislative		
4. Develop a file retention program.	Executive		
5. Redesign clerical procedures to eliminate unnecessary steps and reorganize the clerical staff.	Executive		
6. Require documentation of reason for waiving penalties on late filing of annual reports by corporations.	Executive		
Secretary of the State			
1. Assign public relations and liaison activities with respect to town clerks and registrars to the Elections Division and eliminate excess staff.	Executive	Annual Saving	\$ 20,600
2. Assign responsibility for filing voting machine examination statements and administering the Corrupt Practices Act to the Elections Division.	Executive	Annual Saving	\$ 9,400
3. Transfer responsibility for the official tabulation of votes to the Elections Division.	Executive	Annual Saving	\$ 7,700
4. Transfer the functions of the Corporations Division to the Tax Department.	Legislative	Annual Saving	\$ 133,500
5. Implement recommendations made in 1967 to streamline paperwork and filing procedures in the Elections Division.	Executive	Annual Saving	\$ 23,900
6. Charge a nominal fee for copies of party rules distributed by the Elections Division.	Legislative		
7. Combine the functions of the Rules and Regulations Section with Notary Public and Justice of the Peace processing and recordkeeping in the Administrative and Legislative Division, and simplify the procedure.	Executive	Annual Saving	\$ 19,200
8. Appoint an administrator to handle personnel activities in the Elections Division.	Executive	Annual Cost	\$ 13,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
9. Employ a clerk to be shared by the Administrative and Legislative, Elections, and Publications Divisions during their respective peak work load periods.	Executive	Annual Saving	\$ 2,200
10. Dispose of unnecessary typewriters.	Executive	One-Time Income	\$ 5,000
11. Establish a reasonable records retention schedule for all documents filed and dispose of unnecessary ones.	Executive	Annual Saving	\$ 4,000
		One-Time Saving	\$ 1,200

Treasurer

1. Redesign procedures and reorganize the staff of the Treasury Department.	Executive	Annual Saving	\$ 112,000
		Annual Cost	\$ 2,400
		One-Time Cost	\$ 1,000
2. Permit consolidation of Town Deposit and Andrew Clark Funds into the School Fund.	Legislative		
3. Print recurring checks from the Second-Injury Fund and "registered interest" checks for bonds on data processing equipment.	Executive		
4. Provide adequate fire and theft protection for vital records.	Executive		
5. Add pertinent information including acreage to the data processing records regarding deeds.	Executive	One-Time Cost	\$ 1,000
6. Streamline the Vietnam Bonus Division.	Executive	Annual Saving	\$ 242,000
7. Improve security of Vietnam bonus payments.	Executive	Annual Cost	\$ 700
		One-Time Cost	\$ 3,200
8. Obtain a legal opinion of the conditions of discharge authorized for Vietnam bonus payments.	Executive		
9. Permit escheats under \$5 to be reported as lump-sums by property holders.	Executive	Annual Saving	\$ 3,000
10. Permit holders of abandoned property to report unclaimed property on data processing cards in a format which has been approved by the state's Treasurer.	Executive		
11. Improve the present method of handling daily deposits.	Executive		
12. Make the position of Treasurer appointive and have it report to the new Office of Commissioner of Finance.	Constitutional		

Comptroller

1. Install a comprehensive computer-based accounts payable system.	Executive	Annual Saving	\$ 130,000
		One-Time Cost	\$ 106,000
2. Reorganize the Administration, Business Management, and Staff Services Sections.	Executive/ Legislative	Annual Saving	\$ 100,000
		Annual Cost	\$ 20,000
3. Eliminate audit performed by the Claims and Checkwriting Division of invoices from agencies with their own audit procedures.	Executive	Annual Saving	\$ 88,000
4. Limit math checks to invoices over a given dollar value.	Executive	Annual Cost	\$ 16,300

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
5. Eliminate verification of vendor check totals by the Treasurer and eliminate difference between Comptroller's and Treasurer's cash.	Executive		
6. Implement a state-wide, computer-based accounting system.	Executive	Annual Saving Annual Cost One-Time Cost	\$ 850,000 \$ 300,000 \$ 500,000
7. Eliminate the computer used in Central Payroll.	Executive	Annual Saving One-Time Cost	\$ 121,000 \$ 5,000
8. Implement a comprehensive payroll system for state employees, jurors, and retirees.	Executive	Annual Saving Annual Cost One-Time Cost	\$ 438,500 \$ 50,000 \$ 100,000
9. Reorganize the Retirement Division and automate its procedures.	Executive	Annual Saving Annual Cost One-Time Cost	\$ 184,000 \$ 5,000 \$ 50,000
10. Eliminate the Special Services Division of the Comptroller's department and assign its responsibilities elsewhere.	Executive	Annual Saving	\$ 55,000
11. Make the position of Comptroller appointive and have it report to the new Office of Commissioner of Finance.	Constitutional		

State Employees' Retirement Commission

12. Expand the jurisdiction of the State Employees' Retirement Commission to cover all state retirement and pension administration.	Legislative		
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County Sheriffs

1. Reassign the responsibilities of the sheriffs and their deputies.	Legislative	Annual Cost	\$ 98,000
2. Abolish the Office of County Sheriffs.	Constitutional	Annual Saving	\$ 196,000

Tax Department

1. Eliminate the Tabulating Section and replace it with a teleprocessing system tied into the State Data Center.	Executive	Annual Saving Annual Cost One-Time Saving One-Time Cost	\$ 227,100 \$ 42,000 \$ 2,000 \$ 50,000
2. Deposit cash receipts in the bank every day and eliminate two security guards.	Executive	Annual Saving	\$ 18,800
3. Reduce the audits done on payment requests for grants-in-lieu of taxes on elderly housing.	Executive	Annual Saving	\$ 61,000
4. Reduce the clerical force within the Municipal Division.	Executive	Annual Saving	\$ 29,600
5. Change the property tax relief law.	Legislative	Annual Saving	\$ 300,000
6. Discontinue the practice of approving independent public accountants every year.	Legislative		
7. Transfer the responsibility of working with local tax assessors to the Department of Community Affairs.	Legislative	Annual Saving	\$ 16,700

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
8. Reduce the Municipal Division to the status of a section.	Executive		
9. Install self-service elevators instead of making major repairs.	Executive	One-Time Cost	\$ 100,000
10. Eliminate one executive assistant.	Executive	Annual Saving	\$ 15,900
11. Strengthen the Stenographic Section.	Executive	Annual Saving	\$ 139,400
12. Establish a Central Records Section under the Administration Division.	Executive	Annual Saving	\$ 13,400
13. Institute packet billing and cycle filing for sales taxpayers.	Executive	Annual Saving	\$ 7,700
14. Implement an audit program based on sampling techniques.	Executive	Annual Saving	\$ 87,800
15. Eliminate three positions in the Admissions Tax Section.	Executive	Annual Saving	\$ 41,000
16. Increase the Special Investigations staff by three positions.	Executive	Annual Income Annual Cost	\$ 1,200,000 \$ 40,900
17. Develop an improved system for selection of sales tax audits.	Executive	Annual Income One-Time Cost	\$ 248,700 \$ 30,000
18. Increase the number of sales tax audits.	Executive	Annual Income	\$ 387,000
19. Combine the Deficiency and the Adjustment and Delinquency Sections and eliminate unnecessary supervisors in the Collections and Accounting Division.	Executive	Annual Cost	\$ 128,200
20. Improve compliance with the Capital Gains Tax.	Executive	One-Time Income One-Time Cost	\$ 4,500,000 \$ 450,000
21. Reduce the inventory of supplies and forms.	Executive	Annual Saving One-Time Saving	\$ 22,550 \$ 15,000
22. Develop a plan for replacement of personnel nearing retirement age.	Executive		
23. Eliminate seven assistant supervisor positions from the Tax Unit of the Audit Division.	Executive	Annual Saving	\$ 117,000
24. Centralize the responsibility for waiving time penalties.	Executive		
25. Reduce the number of temporary employees.	Executive	Annual Saving	\$ 92,800
26. Use excess equipment and space for other state agencies.	Executive	Annual Saving	\$ 135,000
27. Change the title of the department to the Department of Taxation and Revenue, include it within a new Department of Finance, and change the commissioner's title to Director of Taxation and Revenue.	Executive/ Legislative		

Personnel Department

- | | | | |
|--|-----------|--|--|
| 1. Establish a functional relationship from the various agency personnel officers to the Personnel Commissioner. | Executive | | |
|--|-----------|--|--|

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
2. Add an individual with full-range industrial relations experience to the staff.	Executive	Annual Cost	\$ 27,000
3. Eliminate the practice of giving employees who have resigned preferred reemployment status.	Executive	Annual Saving	\$ 7,500
4. Evaluate the economics of requiring preemployment physical examinations.	Executive		
5. Reorganize the Administrative Services Division and automate its procedures.	Executive	Annual Saving Annual Cost One-Time Cost	\$ 305,000 \$ 100,000 \$ 130,000
6. Redefine the functions of the Equal Employment Opportunity Division and the Training Section.	Executive		
7. Evaluate the effectiveness of the programs offered to state employees by the Training Section.	Executive		
8. Include fringe benefits, work-week, and longevity payments in all wage surveys conducted.	Executive		
9. Establish a more effective system of reference checking.	Executive		
10. Validate the Personnel Services Division's selection techniques.	Executive		
11. Increase degree of correlation between salary increases and job performance.	Legislative	Annual Saving	\$ 900,000
12. Reorganize the Municipal Services Section and Personnel Services Divisions.	Executive	Annual Saving	\$ 318,000
13. Evaluate establishing a centralized Safety Department to report to the commissioner.	Executive		
14. Transfer responsibility for salary administration of all Executive Branch positions to the Personnel Department.	Legislative	Annual Saving	\$ 1,500,000

Personnel Policy Board

15. Abolish the Personnel Policy Board.	Legislative	Annual Saving	\$ 3,000
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Personnel Appeal Board

16. Modify legislation to limit grievances which may be carried to the Personnel Appeal Board.	Legislative	Annual Saving	\$ 30,000
17. Institute a financial commitment by unions pressing grievances to the Personnel Appeal Board.	Legislative	Annual Saving	\$ 4,000
18. Do not pay for employee time required for appeals before the Personnel Appeal Board if the appeal is not upheld.	Executive		

State Employees' Suggestion Award Board

19. Replace the State Employees' Suggestion Award Board with a full-time suggestion system manager and staff.	Executive/ Legislative	Annual Saving Annual Cost	\$ 1,344,000 \$ 217,000
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RECOMMENDATIONS

ACTION
REQUIRED

SAVINGS,
INCOME OR COST

ESTIMATED
AMOUNT

Public Works Department

- 1. Maintain a complete and current inventory of the real assets of the state. Executive
- 2. Eliminate the Citizens Advisory Council on Public Works. Legislative

*done
but
SUD pending
again*

Business Administration and Accounting Section

- 3. Provide data processing services to reduce the clerical staff. Executive

Annual Saving	\$	40,000
Annual Cost	\$	14,400

Real Assets Division

- 4. Replace the existing system for establishing and satisfying agency space needs. Executive

Annual Saving	\$10,000,000
Annual Cost	\$ 50,000
One-Time Cost	\$ 100,000
- 5. Provide a professional staff to aid in refining agency space requirements. Executive
- 6. Exclude any person having responsibility for construction activities from decisions concerning new construction vs. use of existing facilities. Executive
- 7. Require the Public Works Department to seek three alternatives in satisfying specific agency space requirements. Executive
- 8. Abolish the State Building Program Commission. Legislative
- 9. Modify the process of selecting architects. Executive
- 10. Modify Special Acts to include a clause providing for an automatic decrease of funds from the originally authorized amounts by the amount of difference between the contract total and the comparable estimate incorporated in the final appropriation. Executive
- 11. Decrease the agency fund authorizations by the difference between the contract total and the comparable estimate incorporated in the authorization through executive action in the Bond Commission. Executive
- 12. Reduce the personnel in the Design and Review and Construction Sections. Executive

Annual Saving	\$ 1,800,000
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- 13. Replace the Hartford leaseholds with a state-owned office building. Executive

Annual Saving	\$ 750,000
One-Time Cost	\$ 900,000
- 14. Modify construction plans for Western Connecticut State College to make costs similar to those for Eastern Connecticut State College. Executive
- 15. Restrict development of the State Building Code to matters which directly pertain to public safety so as not to inhibit introduction of new construction techniques. Executive

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
Buildings and Grounds Division			
16. Replace state employees with contracted cleaning services.	Executive	Annual Saving Annual Cost	\$ 760,400 \$ 45,500
17. Reorganize the system of providing day maintenance, replacing these employees with a combination of contracted security forces and a smaller number of day maintainers.	Executive	Annual Saving Annual Cost One-Time Cost	\$ 972,000 \$ 329,000 \$ 30,000
18. Examine the benefits to be gained by coordinating state-wide subcontracting of cleaning and security services.	Executive	One-Time Cost	\$ 50,000
19. Revise the employee parking system to eliminate abuses and reduce the number of attendants.	Executive	Annual Saving	\$ 65,800
20. Establish a job control system for state-employed tradesmen.	Executive	Annual Saving One-Time Cost	\$ 71,000 \$ 30,000
21. Establish a job control system for the ground maintenance crew.	Executive		

Department of Finance and Control

1. Combine the functions of the Comptroller, Treasurer, Commissioner of Finance and Control, and Tax Commissioner into an expanded department headed by an appointed Commissioner of Finance and make all positions reporting to him appointive rather than elective.	Executive/ Legislative/ Constitutional	Annual Saving	\$ 508,000
2. Rearrange office assignments.	Executive		
3. Evaluate the side effects of tax alternatives on the state's economy.	Executive		
4. Update the state travel regulations.	Executive		
5. Investigate the feasibility of using travel agents.	Executive		
6. Eliminate the Office of State Publications.	Legislative	Annual Saving	\$ 26,000

Budget Division

7. Develop a new state planning, budgeting, and control system.	Executive/ Legislative		
8. Reorganize the Budget Division and change its name to the Plans and Budget Division.	Executive/ Legislative	Annual Saving	\$ 272,000
9. Organize and schedule functions of the Institution Fire Coordinator.	Executive		
10. Eliminate the form and procedures for requests for payment of prior-year obligations and related procedures.	Legislative	Annual Saving	\$ 10,000
11. Generate the personnel list required by the Budget Division from Personnel Department records.	Executive	Annual Saving	\$ 22,000
12. Obtain a professional evaluation of the necessity for capital repairs.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
13. Discontinue functions not required for the Hospital Cost Commission.	Executive	Annual Saving	\$ 80,000
14. Fully use the expertise and data of the state's land inventory agent and transfer him to the Property Management Division.	Executive		
15. Apply a management-by-exception policy to requests for approval of personnel positions and agency out-of-state travel.	Executive	Annual Saving	\$ 15,000

Purchasing Division

16. Establish a commodity usage reporting system as a guide to pooled purchasing.	Executive	Annual Saving	\$ 110,000
		Annual Cost	\$ 20,000
		One-Time Cost	\$ 15,000
17. Establish inventory controls and reorder points for the central warehouse.	Executive	Annual Saving	\$ 146,000
		Annual Cost	\$ 10,000
		One-Time Saving	\$ 191,000
		One-Time Cost	\$ 10,000
18. Institute inventory controls at the agency level.	Executive		
19. Encumber agency funds on intrastate transactions at the time a requisition is submitted to the central warehouse.	Executive	Annual Saving	\$ 6,300
20. Request vendors to bid on contracts by steps and guarantee minimum purchases for the contract period.	Executive	Annual Saving	\$ 550,000
21. Eliminate excess costs in connection with duplicating copies of contract awards.	Executive	Annual Saving	\$ 11,200
22. Centralize the procurement function and institute controls over all state purchasing.	Executive	Annual Saving	\$ 310,000
23. Eliminate the position of assistant throughout the Purchasing Division.	Executive	One-Time Cost	\$ 25,000
24. Raise the dollar limitation of items requiring competitive bidding from \$25 to \$100.	Executive	Annual Saving	\$ 80,000
		Annual Saving	\$ 2,500
25. Restaff the Purchasing Division with qualified personnel.	Executive		

Division of Central Collections

26. Reorganize the Central Office.	Legislative	Annual Saving	\$ 71,000
27. Investigate other areas into which Central Collections could expand its activities.	Executive		
28. Reduce the ratio of supervisory staff in Field Operations.	Executive	Annual Saving	\$ 88,600
29. Eliminate two senior investigators in each Field Operations district.	Executive	Annual Saving	\$ 77,700
30. Move one of the clerical staff in each district office into the admissions office of the state institutions.	Executive	Annual Saving	\$ 133,500
		Annual Income	\$ 500,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
31. Make a more intensive effort to collect past due accounts.	Executive	Annual Income Annual Cost	\$ 835,000 \$ 83,500

Office of State Planning

32. Relocate functions and reduce staff in the Office of State Planning.	Executive/ Legislative	Annual Saving Annual Saving	\$ 129,000 \$ 258,000 (Federal)
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Department of Community Affairs

1. Reorganize the present structure of the Department of Community Affairs.	Executive		
2. Develop a simplified review procedure for applications and contracts.	Executive		
3. Establish a central stenographic and typing pool.	Executive	Annual Saving Annual Saving	\$ 199,000 \$ 49,700 (Federal)
4. Develop a Public Information Center.	Executive	Annual Saving Annual Saving	\$ 33,200 \$ 47,000 (Federal)
5. Establish an effective Research, Monitoring, and Evaluation Section under the proposed Bureau of Administration.	Executive	Annual Saving Annual Saving	\$ 100,000 \$ 15,000 (Federal)
6. Establish a specialized Technical Services Section within the existing Bureau of Municipal Technical Service.	Executive	Annual Saving Annual Saving	\$ 944,000 \$ 53,000 (Federal)
7. Reduce the Administrative Services staff.	Executive	Annual Saving Annual Saving	\$ 137,000 \$ 11,000 (Federal)
8. Abolish the Office of Executive Coordination.	Executive	Annual Saving Annual Saving	\$ 73,000 \$ 11,000 (Federal)
9. Reduce emphasis on Model Cities Programs.			
10. Establish a Fiscal Auditing Section under the proposed Bureau of Administration.	Executive	One-Time Saving	\$ 41,000 (Federal)
11. Obtain mortgage impairment insurance to eliminate existing retention systems.	Executive	Annual Saving	\$ 207,000
12. Eliminate the Policies and Procedures Unit.	Executive	Annual Saving Annual Cost	\$ 11,700 \$ 1,000
13. Eliminate unnecessary staff positions in the Training Center.	Executive	Annual Saving	\$ 23,400
14. Develop a more effective management information system under the proposed Bureau of Administration.	Executive	Annual Saving Annual Saving	\$ 11,300 \$ 9,700 (Federal)
15. Phase out the Community Development Action Plan Program at the completion of plans now under way.	Executive/ Legislative	Annual Cost Annual Saving	\$ 25,000 \$ 1,500,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
16. Dispose of unneeded equipment and space.	Executive	Annual Saving One-Time Saving	\$ 55,000 \$ 116,300
17. Develop and implement a simplified format for payment requests.	Executive		
18. Develop a reporting system for the housing authority which anticipates financial problems.	Executive		
19. Rearrange office layout along functional lines.	Executive		
20. Establish operating guidelines and performance standards in housing, human resource development, and community assistance programs funded by the department and improve evaluation of these programs.	Executive		

State Police Department

1. Appoint only men with appropriate professional qualifications to command assignments in the Research and Planning and Training Divisions.	Executive		
2. Cease the practice of allowing officers to maintain their buildings by soliciting contributions from suppliers.	Executive	Annual Cost	\$ 50,000
3. Charge the towns which contract for a resident state trooper a fee adequate to cover the cost.	Executive	Annual Income Annual Cost	\$ 135,000 \$ 135,000 (Municipal)
4. Replace present communications, records management, and information systems.	Executive		
5. Discontinue assignment of motor vehicles to nonpolice personnel unless there is a proven benefit to the department.	Executive	Annual Saving	\$ 18,000
6. Discontinue the practice of providing meals for civilian personnel.	Executive		

Department of Motor Vehicles

1. Revise the system for ordering replacement and initial plates.	Executive	Annual Saving Annual Income	\$ 1,900 \$ 54,000
2. Reduce the number of branch offices and man the remainder to a uniform standard of revenue per nonsupervisory employee.	Executive	Annual Saving	\$ 514,300
3. Reduce the number of vehicles making daily trips between Wethersfield and the branch offices.	Executive	Annual Saving	\$ 8,300
4. Require renewals for licenses and registrations to be mailed to the department.	Executive	Annual Saving	\$ 212,200
5. Discontinue checking for errors on the Driver's Examination Record Personal Data Forms.	Executive	Annual Saving	\$ 15,500
6. Destroy Examination Record Personal Data Forms after three years.	Executive	Annual Saving	\$ 4,900
7. Collect the \$5 examination fee at the same time the motorcycle learner's permit is issued.	Executive	Annual Income	\$ 27,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
8. File inspection reports by location and inspection date instead of identification number and make of vehicle.	Executive	Annual Saving	\$ 15,300
9. Increase the fee charged for a title search to \$25.	Legislative	Annual Income	\$ 7,500
10. Eliminate the filing of canceled Certificates of Title separately from the supporting documents.	Executive	Annual Saving	\$ 7,300
11. Reprogram the department's data processing systems.	Executive	Annual Saving One-Time Cost	\$ 260,700 \$ 475,000
12. Provide additional title examination capabilities at the branches and Wethersfield.	Executive	Annual Saving	\$ 53,000
13. Destroy all documents pertaining to titles after retaining them for the current and one additional year.	Legislative	Annual Saving	\$ 6,100
14. Reduce the number of school bus inspectors by six.	Executive	Annual Saving	\$ 71,700
15. Change the method of handling accident cases in the Operator Control Division and discontinue receiving and filing of invoice copies from the Copy Record Section.	Executive	Annual Saving	\$ 50,700
16. Computerize the cash receipts and issues analysis function in the Auditing and Accounting Section.	Executive	Annual Saving Annual Cost One-Time Cost	\$ 43,500 \$ 4,900 \$ 2,000
17. Replace keypunch and key verifier units with combination card punch and verifier units.	Executive	Annual Saving Annual Cost	\$ 68,800 \$ 28,500
18. Consolidate the department's computer operations by transferring all work to the State Data Center.	Executive	Annual Saving Annual Cost	\$ 305,600 \$ 93,600
19. Reorganize the Department of Motor Vehicles to provide a more efficient and effective operating unit.	Executive	Annual Saving	\$ 73,100
20. Include all staff functions in the proposed Management Services Division.	Executive		
21. Consolidate the Data Processing Division and incorporate it into Management Services.	Executive		
22. Reorganize the Dealers and Repairers Division.	Executive	Annual Saving Annual Cost	\$ 19,500 \$ 11,200
23. Reorganize the present Inspection and Investigation Division to parallel the proposed Registry Division.	Executive	Annual Saving	\$ 253,200
24. Reorganize the Operator Control Division.	Executive	Annual Saving	\$ 28,500
25. Combine Registry and Title and Anti-Theft into a Registry Division.	Executive	Annual Saving Annual Cost	\$ 84,100 \$ 17,300

Military Department

1. Update the schedule of fees for use of armory facilities by private noncharity organizations.	Executive	Annual Income	\$ 15,000
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RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
2. Increase the yearly rental charge to the Officers' Club of Connecticut to \$20,000 for space occupied at the Hartford Armory.	Executive	Annual Income	\$ 19,700
3. Institute a planned program of preventive maintenance for facilities.	Executive		

Office of Civil Defense

1. Make no changes in budget, organization, or structure of this office until its role is clarified.	Executive		
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Labor Department

1. Contract for a stenographic service to transcribe labor relations hearings for the State Board of Labor Relations.	Executive	Annual Saving	\$ 800
2. Purchase dictating equipment for use by labor relations agent of the State Board of Labor Relations.	Executive	One-Time Cost	\$ 300
3. Transfer the regulation of bedding and upholstered furniture to the Department of Consumer Protection.	Legislative		
4. Combine the five inspector classifications in the Factory Inspection Division into a single one of industrial inspector and establish a computerized system for scheduling inspections.	Executive	Annual Saving Annual Cost One-Time Cost	\$ 46,200 \$ 3,000 \$ 10,000
5. Combine the Minimum Wage and Factory Inspection Divisions into a Wage and Safety Division.	Legislative	Annual Saving	\$ 30,000
6. Eliminate duplicate management organizations within the Employment Security Division's field offices.	Executive	Annual Saving Annual Cost	\$ 90,000 (Federal) \$ 24,000 (Federal)
7. Computerize the comparison of employer/employee social security quarterly records to detect overpayment of unemployment compensation benefits.	Executive	Annual Income Annual Cost One-Time Cost	\$ 600,000 \$ 63,000 \$ 16,500
8. Permit a bank to reconcile the Unemployment Compensation Benefit Fund account.	Executive	Annual Saving Annual Cost	\$ 200,000 (Federal) \$ 80,000 (Federal)
9. Consolidate and upgrade the three management analysis groups in the Employment Security Division and develop systems management plans for manpower service.	Executive		
10. Transfer public relations responsibilities to the Office of the Labor Commissioner.	Executive		
11. Replace keypunch machines with key data recording equipment.	Executive	Annual Saving Annual Cost	\$ 80,000 (Federal) \$ 18,000 (Federal)

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
12. Establish productivity standards for measuring the performance of inspectors in the Minimum Wage and Factory Inspection Divisions.	Executive	Annual Savings	\$ 72,000
13. Increase fees for elevator and boiler operating certificates to cover the cost of inspection.	Legislative	Annual Income	\$ 83,000
14. Eliminate the Bureau of Labor Statistics.	Legislative	Annual Saving	\$ 60,000
15. Pay biweekly unemployment claims with one check instead of two.	Executive	Annual Saving	\$ 294,000 (Federal)
16. Establish a wage incentive plan for keypunch operators which bases salary on card output.	Executive	Annual Saving	\$ 100,000 (Federal)
		Annual Cost	\$ 24,000 (Federal)
17. Eliminate the monthly bulletin and consolidate remaining manpower service publications.	Executive	Annual Saving	\$ 600
		Annual Saving	\$ 57,400 (Federal)

Workmen's Compensation Commission

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| 1. Continue to appoint members of the bar as compensation commissioners, and reappoint commissioners to succeeding terms on merit, without regard to political affiliations. | Executive |
| 2. Restructure the seven compensation districts to equalize work load. | Legislative |

Unemployment Commission

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| 1. Appoint four temporary commissioners to adjudicate appeals. | Executive | Annual Income | \$ 24,000 |
| | | Annual Cost | \$ 24,000
(Federal) |

Department of Consumer Protection

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| 1. Reorganize the department. | Executive | | |
| 2. Centralize the licensing function under the Administration Division and mechanize the operations through use of the data center. | Executive | Annual Saving | \$ 35,700 |
| | | Annual Cost | \$ 500 |
| | | One-Time Cost | \$ 3,000 |
| 3. Combine the Narcotics Control Section, Department of Health, the Drugs, Devices, and Cosmetics Division, and the Pharmacy Division of the Department of Consumer Protection into a Drugs Division within the Department of Consumer protection. | Legislative | Annual Saving | \$ 156,300 |
| 4. Combine retail milk licensing with sanitation, packaging, and related inspection functions. | Legislative | Annual Income | \$ 81,500 |
| 5. Establish a fee schedule for weight and volume calibration performed for private industry. | Executive | Annual Income | \$ 10,000 |
| 6. Change the statutory requirements that bakeries be inspected prior to license renewals. | Legislative | | |
| 7. Stagger expiration dates for licenses. | Legislative | | |

RECOMMENDATIONS

ACTION
REQUIREDSAVINGS,
INCOME OR COSTESTIMATED
AMOUNT

State Banking Department

1. Restructure the Bank Examination Division.	Legislative		
2. Assess state-chartered banks on a current basis for services rendered.	Legislative	Annual Saving	\$ 20,000
3. Eliminate the Research and Statistics Section.	Executive	Annual Saving	\$ 50,000
4. Increase prices of printed publications.	Executive	Annual Income	\$ 10,000
5. Revise examination billing rates for the Credit Union and Consumer Credit Divisions to cover all applicable expenditures.	Legislative	Annual Income	\$ 30,000
6. Establish an improved system of internal and administrative controls.	Executive		

Insurance Department

1. Change the procedure to require expense accounts for out-of-state travel by examiners to be submitted to the department for approval and payment.	Executive		
2. Charge a uniform annual fee of \$5 for licenses to agents doing business in Connecticut regardless of where the company is domiciled.	Legislative	Annual Income	\$ 129,000
3. Recruit technically qualified personnel to bring the Rating Division to full strength.	Executive		

Department of Agriculture and Natural Resources

1. Reorganize the Department of Agriculture and Natural Resources.	Legislative		
2. Combine the State Board of Fisheries and Game and the Park and Forest Commission into a Division of Recreational Resources.	Legislative	Annual Saving	\$ 125,000
3. Review necessity for continued existence of 12 boards and commissions related to the Department of Agriculture and Natural Resources.	Executive/ Legislative		
4. Develop a Connecticut Comprehensive State-wide Outdoor Recreation Plan.	Executive		

Division of Agriculture

5. Reorganize the Board of Agriculture.	Executive	Annual Saving	\$ 257,000
6. Abolish the Dairy Division.	Executive	Annual Saving	\$ 43,600
7. Discontinue flavor testing of milk and transfer licensing of milk retail stores to the Department of Consumer Protection.	Legislative	Annual Saving	\$ 18,000
8. Increase efficiency of inspection procedures.	Executive/ Legislative	Annual Saving	\$ 86,700

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
9. Eliminate duplicate testing of unprocessed milk for bacteria and adulteration and consider transferring the function to the Department of Consumer Protection.	Executive	Annual Saving	\$ 26,000
10. Eliminate state expenditures for soil survey maps.	Legislative	Annual Saving	\$ 25,000
11. Eliminate the use of private veterinarians for livestock testing.	Executive	Annual Saving Annual Cost	\$ 80,000 \$ 72,400

State Park and Forest Commission

12. Increase parking and camping fees at parks to cover operating costs.	Executive	Annual Income	\$ 1,150,000
13. Establish a controlled inventory management system and eliminate duplicate inventory records at supply depot and nursery.	Executive	Annual Saving One-Time Saving	\$ 22,800 \$ 75,000
14. Increase and periodically review the price of seedlings to cover cost of operating state nursery.	Executive	Annual Income	\$ 40,500
15. Purchase seven refuse packers for rubbish removal to reduce labor needs.	Executive	Annual Saving One-Time Cost	\$ 66,300 \$ 56,000
16. Reduce off-season work programs and replace one-third of permanent park and forest maintenance employees with seasonal employees as needed.	Executive	Annual Saving	\$ 317,500
17. Discontinue the lumber production operation.	Executive	Annual Saving	\$ 25,000

State Board of Fisheries and Game

18. Establish a procedure for periodic review of license fees.	Executive/ Legislative	Annual Income	\$ 500,000
19. Transfer the responsibility for repair and maintenance of state-owned dams and access and boat launching sites to agencies such as the Water Resources Commission and the Bureau of Highways.	Legislative		

Water Resources Commission

20. Devise a specific inspection program and eliminate two staff positions.	Executive	Annual Saving	\$ 23,000
21. Use the services of the Department of Health for testing water samples.	Executive	Annual Saving	\$ 37,600
22. Revise legislation concerning dams that are a hazard to life and property.	Legislative		
23. Reduce expenditures for the U. S. Geologic Survey Inventory of Water Resources.	Executive	Annual Saving	\$ 127,500
24. Increase the fee for transfer of oil and chemicals from waterborne vessels.	Legislative	Annual Income	\$ 11,200

State Geological and Natural History Survey

25. Eliminate expenditures for geological mapping.	Legislative	Annual Saving	\$ 125,000
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RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
26. Move responsibility for the education program at Dinosaur State Park to the Park and Forest Commission.	Executive		
Shellfish Commission			
27. Modify existing fee structures and accounting procedures.	Executive	Annual Income	\$ 35,000
Connecticut Boating Commission			
28. Transfer functions of Boating Commission to the Department of Motor Vehicles and enact appropriate legislation to provide a staggered system of renewals.	Legislative	Annual Saving One-Time Cost	\$ 36,700 \$ 10,000
29. Increase boat registration fees and establish periodic review of fee structure and accounting procedures to ensure a self-supporting program.	Executive/ Legislative	Annual Income	\$ 145,000
Connecticut Agricultural Experiment Station			
30. Rename the Connecticut Agricultural Experiment Station as the Connecticut Biological Science Center, change the membership and title of its board, and designate the center as a component of the Department of Agriculture and Natural Resources.	Legislative		
31. Identify cost of service performed by the Agricultural Experiment Station.	Executive		
Connecticut Marketing Authority			
32. Increase rents to pay back obligations to the state.	Executive	Annual Income	\$ 39,000
Public Utilities Commission			
1. Eliminate the commission's annual report to the Governor.	Legislative	Annual Saving	\$ 16,000
2. Computerize routine audit and analysis of utility company annual reports.	Executive	Annual Saving Annual Cost One-Time Cost	\$ 24,000 \$ 5,000 \$ 15,000
3. Employ a financial analyst to serve on the commission's staff.	Executive	Annual Cost	\$ 22,000
4. Transfer the Public Utilities Commission's railroad engineering responsibilities to the Department of Transportation.	Legislative		
5. Augment the Engineering Division clerical staff and define objectives for utility engineers.	Executive	Annual Cost	\$ 15,000
Liquor Control Commission			
1. Fine violators of the Liquor Control Act instead of issuing suspensions.	Legislative	Annual Income	\$ 50,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
2. Charge a fee for permit holder substitutions.	Legislative	Annual Income	\$ 22,000
3. Charge a fee for filing a new permit application.	Legislative	Annual Income	\$ 96,000
4. Charge an annual fee for registration of brands.	Legislative	Annual Income	\$ 215,000
5. Charge a fee for cancellation of permits.	Legislative	Annual Cost	\$ 15,000
		Annual Income	\$ 15,000
6. License employees of permit holders on a three-year basis.	Legislative	Annual Income	\$ 40,000
7. Use standardized inspection report forms.	Executive		
8. Authorize night inspections within the confines of a 35-hour week.	Executive		
9. Review fee schedule for all permits issued.	Legislative		
10. Establish a program for measuring productivity of inspectors.	Executive		
11. Purchase dictating equipment for field inspectors and hire a typist to prepare inspection reports.	Executive	Annual Saving	\$ 56,000
		Annual Cost	\$ 7,000
		One-Time Cost	\$ 2,200
12. Charge a fee to suppliers for the posting of their delinquencies.	Legislative	Annual Income	\$ 235,000

Commission on Human Rights and Opportunities

1. Form an Administrative Services Division, combining the Business Office, Public Information and Publications, Central Records, and the Research Division.	Executive	Annual Saving	\$ 39,500
2. Increase the number of examiners appointed by the Governor to 25 and raise the examiner's fee to \$75 per day.	Legislative	Annual Cost	\$ 10,200

Real Estate Commission

1. Revise complaint investigation procedures in the Real Estate Commission to protect both parties.	Executive		
2. Study possibility of incorporating the Real Estate Commission into the Department of Consumer Protection.	Executive		

State Ambulance Commission

1. Transfer the licensing and enforcement function to the Department of Consumer Protection.	Legislative	Annual Saving	\$ 6,500
2. Regulate and license all ambulance services, public and private, as well as all drivers and technicians.	Legislative	Annual Cost	\$ 3,000
		Annual Cost	\$ 17,000
3. Use motor vehicle personnel to inspect ambulance equipment and have the State Ambulance Commission set the standards.	Executive		

RECOMMENDATIONS

ACTION
REQUIREDSAVINGS,
INCOME OR COSTESTIMATED
AMOUNT

Miscellaneous Regulatory Commissions

1. Create a Professional and Occupational Licensing Division in the Department of Consumer Protection.	Legislative	Annual Saving Annual Cost One-Time Cost	\$ 243,100 \$ 18,000 \$ 3,000
2. Abolish the State Board of Healing Arts and transfer its exam function to the Connecticut Medical Examining Board.	Legislative	Annual Saving	\$ 450
3. Establish a yearly fee of \$25 for issuance of demolition licenses.	Legislative	Annual Income	\$ 4,000
4. Charge a renewal fee for registering medical and dental practitioners with inactive or out-of-state status.	Legislative	Annual Income	\$ 99,800

State Department of Education

1. Restructure the organization of the department.	Legislative		
2. Remove those functions and personnel primarily concerned with social rehabilitation.	Legislative		
3. Refer Division of Vocational Rehabilitation clients requiring physical and psychological examination to doctors employed by the Department of Health and limit the use of medical and psychological consultants paid on an hourly fee basis.	Executive	Annual Saving	\$ 98,000
4. Eliminate the Bureau of Field Services by the end of the 1972/73 school year.	Executive/ Legislative	Annual Saving	\$ 500,000
5. Revise personnel policies concerning the unclassified staff.	Legislative		
6. Take immediate steps to improve management control, service, and cost effectiveness in the Department of Education.	Executive	Annual Saving Annual Cost	\$ 600,000 \$ 110,000
7. Establish an effective property control procedure.	Executive		
8. Request bids from private food management services for student meals in schools operated by the Department of Education.	Executive	Annual Saving	\$ 100,000
9. Revise the procedure for paying school building grants.	Legislative	Annual Saving Annual Cost	\$ 5,000,000 \$ 5,000,000 (Municipal)
10. Provide additional leadership and assistance to local school building committees.	Executive	Annual Saving Annual Cost	\$ 3,000,000 \$ 50,000
11. Revise the school construction grant formula and establish guidelines for functional cost allocation.	Legislative	Annual Saving Annual Saving	\$ 1,000,000 \$ 1,000,000 (Municipal)
12. Initiate a pilot program to study 12-month use of vocational-technical schools.	Executive	Annual Saving One-Time Saving	\$ 350,000 \$13,700,000
13. Charge fees for teaching certificates and maintenance of pertinent records.	Legislative	Annual Income	\$ 280,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
14. Provide a computerized information storage and retrieval system for certificated teachers.	Executive	Annual Cost One-Time Cost	\$ 25,000 \$ 330,000
15. Install a system for evaluating, projecting, and monitoring financial aspects of federal and state grant programs for education, and publish a summary report to inform taxpayers of projected obligations.	Executive		
16. Request bids from commercial custodial firms for cleaning services in state-operated schools.	Executive		
17. Consider charging parents for room and board of children at the Mystic Oral School.	Executive		
18. Develop personnel policy guidelines at the state level for use by local systems in negotiations with teachers.	Executive		
19. Require the State Board of Education to take greater initiative in exploring educational improvement opportunities and to submit periodic progress reports.	Executive		
20. Assign responsibility to the Deputy Commissioner, Systems and Finance, for expanding the department's service and improving internal operations through greater use of data processing.	Executive		

Commission for Higher Education

1. Restructure the existing Commission for Higher Education.	Executive/ Legislative	Annual Cost	\$ 500,000
2. Abolish existing governing boards for state, community, and technical colleges and the University of Connecticut.	Legislative	Annual Saving	\$ 705,000
3. Separate the Farmington Health Center from the University of Connecticut.	Legislative		
4. Establish an internal performance and fiscal audit staff reporting to the chancellor.	Executive	Annual Cost	\$ 123,000
5. Develop a state-wide master plan to guide the growth of public higher education.	Executive		
6. Establish a single two-year college system.	Executive		
7. Review faculty tenure practices and establish state-wide policy guidelines for public higher education.	Executive		
8. Institute a 12-month school year in a two-year college on a trial basis.	Executive		
9. Reduce the typing and secretarial staff to five.	Executive	Annual Saving	\$ 39,800
10. Study the feasibility of using automatic typewriters to prepare statistical tables for reproduction purposes.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
11. Make use of direct computer/printing of reproduction mats for repetitive statistical reports.	Executive	Annual Saving	\$ 4,000
		Annual Cost	\$ 1,000
		One-Time Cost	\$ 3,000
12. Reduce the number of issues of the newsletter.	Executive	Annual Saving	\$ 5,200

Data Processing Activities

13. Institute quarterly meetings of data processing managers.	Executive		
14. End the use of on-site computers at institutions other than the University of Connecticut.	Executive		
15. Institute an internship approach to computer operator training.	Executive		

University of Connecticut

1. Redefine the role of the Board of Trustees.	Executive		
2. Restructure the organization to bring about more effective management of university affairs.	Executive/ Legislative		
3. Institute measures to reduce the per-student cost of instruction at the university.	Executive		
4. Revise the graduate school admission policy for out-of-state residents.	Executive/ Legislative	Annual Saving	\$ 3,750,000
5. Remove class scheduling from faculty control, establish a 60% utilization goal for classroom space, and set a suitable target for instructional laboratories.	Executive	Annual Saving	\$ 2,100,000
6. Establish a system for assessing actual allocation of time by faculty and other professional and technical personnel.	Executive		
7. Publish terms of agreements with university and health center faculty.	Executive		
8. Defer building dormitories at Storrs until cost reducing alternatives are studied and the results are published.	Executive		
9. Charge the bookstore for space occupied.	Executive		
10. Solicit bids from private operators for the bookstore concession.	Executive		

Computer Facilities, Storrs

11. Use computer components furnished by manufacturers other than the one supplying central equipment after studying what is available.	Executive	Annual Saving	\$ 35,400
12. Institute data processing service cost charge-out system.	Executive		
13. Strengthen security of computer installations.	Executive	One-Time Cost	\$ 10,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
<u>Physical Plant Department</u>			
14. Obtain contract bids for building service and landscape work to compare with department cost.	Executive		
15. Create the position of assistant director in the Administration Division if custodial and landscaping operations remain a function of the Physical Plant Department.	Executive		
<u>Security Department</u>			
16. Provide improved consolidated quarters for the department.	Executive		
17. Implement a master plan for dealing with a major campus catastrophe.	Executive		
18. Implement a coordinated program for control of pedestrian and vehicular traffic.	Executive		
<u>Purchasing and Warehousing Department</u>			
19. Investigate the feasibility of installing a computerized inventory control and purchase order preparation system to replace current manual operations.	Executive		
20. Provide a relocation allowance policy authorizing travel expenditures at a fixed level and budget accordingly.	Executive		
21. Revise the system for assigning pool vehicles to provide detailed information on need and use for control and to estimate future requirements for vehicles.	Executive		
<u>University Library</u>			
22. Hire a methods-systems expert.	Executive	Annual Cost	\$ 23,000
23. Install an automated library system using NE-LINET computer facilities.	Executive	Annual Saving	\$ 57,000
		Annual Cost	\$ 15,000
		One-Time Cost	\$ 35,000
24. Install book theft detection equipment at the Wilbur Cross Library.	Executive	Annual Saving	\$ 187,000
		Annual Cost	\$ 10,000
		One-Time Cost	\$ 167,000
25. Arrange for an exchange of services with the New England Research Application Center.	Executive		
26. Improve use of existing library facilities and establish priorities for building additions.	Executive		
27. Make the Wilbur Cross Library the central clearinghouse for the college system.	Executive	Annual Saving	\$ 235,000
		Annual Cost	\$ 22,000
		One-Time Cost	\$ 25,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
Health Center Library			
28. Install a security system in the new building at Farmington.	Executive	Annual Saving One-Time Cost	\$ 22,500 \$ 20,500
29. Use standard furniture, stacks, and fixtures in the new facility.	Executive	One-Time Saving	\$ 100,000

Division of Housing and Food Services

30. Solicit bids from commercial catering services for the purpose of reducing costs of food service and associated support functions.	Executive		
31. Strengthen the management of the food service operation if catering services are not contracted.	Executive	Annual Saving Annual Cost	\$ 416,000 \$ 25,000
32. Adjust residence hall room fees to cover all costs.	Executive	Annual Income	\$ 1,070,000
33. Adjust charges for food services to cover all operating expenses.	Executive	Annual Income	\$ 24,000
34. Increase rental rates of residential properties to cover all operating expenses.	Executive	Annual Income	\$ 48,000
35. Remove residential housing from prime central campus locations to provide more space for educational purposes.	Executive		

College of Agriculture and Natural Resources

36. Establish specific objectives for the College of Agriculture and Natural Resources and eliminate nonessential activities.	Executive	Annual Saving	\$ 210,000
37. Require that any requests for additional land sent to the Governor or General Assembly be accompanied by an inventory of land owned by the university including present usage and future plans.	Executive/ Legislative		

The E. O. Smith School

38. Review the objectives and restructure the organization which governs the school.	Legislative		
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State Colleges

1. Provide adequate protection for Financial Division records.	Executive		
2. Consolidate the National Defense Education Act loan repayment functions of all public colleges.	Executive		
3. Adjust financial incentives to provide funds only for those teaching areas where a shortage exists.	Executive/ Legislative		
4. Do not fill vacant staff positions and transfer the Director of Planning to the Division of Research and Publications in the Commission for Higher Education.	Executive	Annual Saving	\$ 121,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
5. Improve control over bookstore cash receipts at Western Connecticut State College.	Executive		
6. Install anti-pilferage devices in the Western Connecticut State College Bookstore.	Executive		
7. Offer textbook discounts at the end rather than the beginning of the semester at Western Connecticut State College.	Executive		
8. Circulate a dead-text list at the end of each semester.	Executive		
9. Study the feasibility of leasing college bookstores to private operators.	Executive		
10. Use computers to accomplish recasting of the state colleges' budget preparation.	Executive		
11. Transfer the payment preparation procedure at Western Connecticut State College to the Accounting Department.	Executive		
12. Do appropriation accounting mechanically at Central Connecticut State College and give greater protection to cash.	Executive	Annual Saving One-Time Cost	\$ 13,000 \$ 18,000
13. Institute and implement a receivables ledger by mechanizing the function at Western Connecticut State College.	Executive	Annual Saving One-Time Cost	\$ 3,400 \$ 3,000
14. Strengthen the security of college data processing installations.	Executive	One-Time Cost	\$ 25,000
15. Purchase catalog, and book pocket cards from the central State Library instead of outside vendors.	Executive	Annual Saving	\$ 19,000
16. Institute an inventory system in the library of Central Connecticut State College.	Executive		
17. Institute financial controls over the laundry operations at Central Connecticut State College dormitories.	Executive		
18. Use the computer to provide complete student transcripts.	Executive	Annual Saving One-Time Cost	\$ 21,200 \$ 6,000
19. Centralize the basic functions of the admissions procedure.	Executive		
20. Increase the intensity of classroom use.	Executive	One-Time Saving	\$ 2,440,000
21. Review applicability of preceding recommendations to Eastern and Southern Connecticut State Colleges.	Executive		
22. Determine and implement a specific discard policy for state college libraries.	Executive		

State Technical Colleges

1. Increase intensity of classroom use.	Executive	One-Time Saving	\$ 879,500
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RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
2. Defer further expansion of technical colleges until the higher education master plan can be defined and implemented.	Executive		

Regional Community Colleges

1. Discontinue using capital funds derived from issuance of state bonds for payment of annual lease expenses.	Executive	Annual Saving	\$ 250,000
2. Defer establishment of additional colleges pending the development of a master plan.	Legislative		

State Teachers' Retirement Board

1. Institute an actuarial study of the present method of terminal funding.	Executive	One-Time Cost	\$ 25,000
2. Provide money for retirement funding through current appropriations.	Legislative	Annual Saving	\$ 1,200,000
3. Prohibit the State Teachers' Retirement Board from holding state bonds as part of its portfolio.	Legislative	Annual Saving	\$ 6,000,000
4. Reject proposal to fund teachers' retirement in year subsequent to retirement rather than in year of actual retirement.	Executive	Annual Saving	\$ 2,100,000
5. Discontinue longevity pay.	Legislative		
6. Assign a board employee as full-time liaison with employers and members of the retirement system.	Executive	Annual Saving	\$ 13,000
7. Restructure the data processing system to handle major functions done manually and provide rapid-inquiry facilities.	Executive	Annual Saving One-Time Cost	\$ 27,600 \$ 31,200

Board of Education and Services for the Blind

1. Modify legislation so parents and guardians able to pay are not compensated for school transportation costs of blind children.	Legislative	Annual Saving	\$ 21,000
2. Combine storekeeper duties and reduce number of jobs.	Executive	Annual Saving	\$ 12,800

Connecticut Student Loan Foundation

1. Consolidate multiyear loan approvals into a single process.	Legislative	Annual Saving	\$ 60,000
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Commission on Aid to Higher Education

1. Abolish the Commission on Aid to Higher Education and reassign its staff.	Legislative	Annual Saving	\$ 500
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Department of Transportation

1. Modify the department's organization.	Executive/ Legislative		
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RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
Bureau of Administration			
2. Create an Office of Management Services in the Bureau of Administration.	Executive	Annual Cost	\$ 285,000
3. Establish the Office of Revenue Collections.	Executive		
4. Eliminate the position of Transportation Chief Administrative Officer.	Executive	Annual Saving	\$ 28,500
Office of Personnel			
5. Reduce the Operations Section staff.	Executive	Annual Saving	\$ 23,000
6. Abolish the Night Typing Unit in the Division of Personnel.	Executive	Annual Saving	\$ 20,000
7. Abolish the Organization Unit.	Executive	Annual Saving	\$ 16,000
8. Combine the Training and Safety Divisions.	Executive	Annual Saving	\$ 70,000
9. Reduce the number of intern program positions.	Executive	Annual Saving	\$ 301,000
Office of Fiscal Services			
10. Combine four salary payrolls.	Executive	Annual Saving	\$ 13,000
11. Consolidate the purchasing functions.	Executive	Annual Saving	\$ 97,500
12. Reduce the Division of Accounts staff by two.	Executive	Annual Saving	\$ 15,000
13. Assign responsibility for mailing vendors' copies of invoices to the Comptroller's staff.	Executive	Annual Saving	\$ 6,800
14. Revise systems, procedures, and clerical methods in the Division of Accounts.	Executive	Annual Saving	\$ 117,000
Office of Staff Services			
15. Eliminate the office of the Transportation Director of Staff Services.	Executive	Annual Saving	\$ 55,000
16. Abolish the Division of Programming and Scheduling and transfer the three sections.	Executive	Annual Saving	\$ 44,000
17. Transfer the Division of Business Services and the Division of Technical Library to the Bureau of General Services.	Executive		
18. Transfer the Division of Contracts to the Bureau of Design and Construction.	Executive		
Office of Rights of Way			
19. Transfer the Office of Rights of Way to the Bureau of Design and Construction.	Executive		
20. Eliminate the assistant director and assistant division chief positions within the Office of Rights of Way.	Executive	Annual Saving	\$ 132,000
21. Improve productivity of the Division of Appraisals' staff.	Executive	Annual Saving	\$ 285,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
22. Increase efforts to achieve equitable out-of-court settlements.	Executive		
23. Transfer the Relocation Assistance Unit to the Division of Acquisition.	Executive	Annual Saving	\$ 91,000
24. Use portable copiers to gather title information from local town offices.	Executive	Annual Saving One-Time Cost	\$ 38,000 \$ 280
25. Eliminate authorized positions that are now vacant.	Executive	Annual Saving	\$ 195,000
26. Transfer the Security and Excess Property Units to the new Office of Property Management and Maintenance.	Executive		

Division of Data Processing

27. Establish an automation committee.	Executive		
28. Develop a project control system.	Executive	Annual Saving	\$ 48,400
29. Allocate data processing costs to users.	Executive		
30. Cancel four remote printers.	Executive	Annual Saving	\$ 55,000
31. Provide systems analysis for the division.	Executive	Annual Cost One-Time Cost	\$ 84,000 \$ 150,000

Bureau of Highways

32. Divide the Bureau of Highways into two new bureaus.	Legislative	Annual Saving	\$ 256,900
33. Abolish the position of liaison officer for conservation and preservation.	Executive	Annual Saving	\$ 28,000
34. Eliminate the Office of State Beautification.	Executive/ Legislative	Annual Saving	\$ 69,200

Office of Construction and Maintenance

35. Reassign the responsibilities of the Office of Construction and Maintenance.	Executive	Annual Saving	\$ 397,000
36. Reduce personnel costs associated with snow removal.	Executive	Annual Saving Annual Cost One-Time Cost	\$ 1,250,000 \$ 50,000 \$ 350,000
37. Conduct a study to determine the optimum usage level of salt.	Executive	Annual Saving	\$ 50,000
38. Revise the emergency storm period meal allowance policy.	Executive	Annual Saving	\$ 12,500
39. Revise the governing statute to relieve the Commissioner of Transportation of the responsibility of providing supervisory and engineering services to towns under the Town Aid Program.	Legislative	Annual Saving	\$ 993,000
40. Discontinue the practice of employing summer helpers.	Executive	Annual Saving	\$ 316,000
41. Abolish the field position of Highway Civil Defense Coordinator.	Executive	Annual Saving	\$ 57,400

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
42. Reduce the manning level of district highway and roadside maintenance forces.	Executive	Annual Saving Annual Cost	\$ 2,200,000 \$ 125,000
43. Consolidate the Division of Special Services with the Bureaus of Maintenance and Design and Construction.	Executive	Annual Saving	\$ 234,000
44. Establish a four-day, 36-hour week on a rotating five-day schedule for field personnel and permit greater flexibility.	Executive/ Legislative	Annual Saving	\$ 3,290,000
45. Reorganize the district engineer's office and staff.	Executive	Annual Saving	\$ 495,500
46. Eliminate the use of contracted snow plowing.	Executive	Annual Saving	\$ 123,200
47. Reduce the manning level of the hourly field forces in the Divisions of Special Services.	Executive	Annual Saving	\$ 594,300
48. Require suppliers to provide automatic print-out of net weights of truckload materials.	Executive	Annual Saving	\$ 399,000
49. Improve the District I and IV office facilities.	Executive		
50. Improve field force safety and effectiveness through the use of modern equipment.	Executive	Annual Saving One-Time Cost	\$ 85,900 \$ 56,500

Office of Design

51. Reduce design management by two positions.	Executive	Annual Saving	\$ 46,800
52. Establish and use automated techniques and computer aids for highway design.	Executive	Annual Saving Annual Cost	\$ 378,000 \$ 40,000

Office of Traffic

53. Abolish the position of Executive Aide to the Director of Traffic.	Executive	Annual Saving	\$ 20,400
54. Combine the Traffic Devices and Operational Surveys Sections of the Traffic Operations Division into a Devices and Survey Section.	Executive	Annual Saving	\$ 117,000
55. Transfer the Transportation Permits Unit to the State Police Department.	Executive	Annual Saving	\$ 52,500
56. Eliminate one stenographer position in the Traffic Control Division.	Executive	Annual Saving	\$ 10,000
57. Abolish the Railroad Study Unit within the Traffic Control Division.	Executive	Annual Saving	\$ 40,000
58. Abolish the State Traffic Commission Investigations and Reports Section of the Regulatory Unit, Office of Traffic.	Executive	Annual Saving	\$ 17,800
59. Consolidate the Division of Traffic Signals and the Traffic Electrical Division into an Electrical Division.	Executive	Annual Saving	\$ 172,100

Division of Town and Federal Aid

60. Eliminate the Division of Town and Federal Aid.	Executive	Annual Saving	\$ 49,900
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RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
Office of Engineering Services			
61. Reorganize the Division of Materials Testing.	Executive	Annual Saving One-Time Saving One-Time Cost	\$ 646,000 \$ 120,000 \$ 48,000
62. Restructure the relationship between the Division of Roadside Development and the district landscape personnel.	Executive	Annual Saving	\$ 28,000
63. Develop a system of fees based on a daily rate of \$100 per man-day to be charged for reviewing site plans of major land development projects.	Executive	Annual Income	\$ 15,000
64. Reduce the authorized manning of the division by one engineer.	Executive	Annual Saving	\$ 18,200
65. Review the technical objectives and policies of the Division of Research and Development.	Executive		
Division of Concessions			
66. Eliminate five positions.	Executive	Annual Saving	\$ 57,200
Division of Stores			
67. Reduce the number of field store locations.	Executive	Annual Saving	\$ 170,400
68. Reduce the stores inventory and establish a control system.	Executive	Annual Saving One-Time Saving	\$ 175,000 \$ 2,500,000
69. Transfer the audit function to the Bureau of Administration's Division of Audit.	Executive	Annual Saving	\$ 43,000
70. Reduce the staff in the Stores Record Section.	Executive	Annual Saving	\$ 17,000
71. Reorganize the Division of Stores.	Executive	Annual Saving	\$ 27,000
Division of Revenues, Accounting			
72. Transfer the Division of Revenues, Accounting to the Bureau of Administration.	Executive		
73. Reduce the staff by four positions.	Executive	Annual Saving	\$ 34,000
74. Dispose of division land and buildings at the Glastonbury facility.	Executive	One-Time Income	\$ 55,000
Division of Tolls Operations			
75. Eliminate the operating losses for the Rocky Hill/Glastonbury and for the Chester/Hadlyme ferries.	Executive	Annual Saving	\$ 90,000
Office of Property Control			
76. Abolish the Office of Property Control and reassign its responsibilities.	Executive	Annual Saving	\$ 77,500
77. Transfer building design and construction functions to the Public Works Department.	Executive	Annual Saving	\$ 120,000
78. Modify the motor pool organization and its scope of operations.	Executive	Annual Saving	\$ 100,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
79. Transfer care of buildings to the Public Works Department.	Executive	Annual Saving	\$ 567,500
80. Transfer the Portland plant and machine shop operations.	Executive	Annual Saving One-Time Income One-Time Cost	\$ 120,000 \$ 250,000 \$ 10,000
81. Establish a second shift and develop a more realistic staffing guide in the equipment repair garages.	Executive	Annual Saving One-Time Saving Annual Cost	\$ 292,450 \$ 421,000 \$ 50,000
82. Establish a policy to encourage use of recaps.	Executive	Annual Saving	\$ 40,000
83. Revise the policies related to summer employees.	Executive	Annual Saving	\$ 30,000
84. Reduce the inventory of spare tires kept at maintenance and repair garages.	Executive	One-Time Saving	\$ 29,000
85. Assign responsibility for care and custody of the the new interstate highway rest areas to the highway maintenance crews.	Executive	Annual Saving One-Time Saving	\$ 33,250 \$ 105,000
86. Revise policies and procedures regarding security coverage in Bureau of Highways' buildings.	Executive	Annual Saving Annual Cost One-Time Cost	\$ 110,000 \$ 37,000 \$ 21,000

Bureau of Planning and Research

87. Make the Bureau of Planning responsible for the development of a comprehensive transportation plan.	Executive		
88. Modify the Bureau of Planning organization.	Executive		
89. Consolidate functional groups that contribute to the determination of transportation needs into the Office of Transportation Research.	Executive	Annual Saving	\$ 331,000
90. Abolish the Division of Airport Planning.	Executive	Annual Saving	\$ 32,000
91. Establish an Office of Transportation Programming to prepare an integrated transportation program for departmental and legislative action.	Executive	Annual Cost	\$ 121,000
92. Upgrade the Division of Route Planning to office status and perform more planning internally.	Executive	Annual Saving	\$ 245,000
93. Reduce the staff of the Administrative Section.	Executive	Annual Saving	\$ 8,000
94. Eliminate the Assistant Director of Planning.	Executive	Annual Saving	\$ 22,000

Bureau of Waterways

95. Dispose of the state dock at Guilford.	Executive		
96. Reduce the staff by one position.	Executive	Annual Saving	\$ 16,000
97. Determine the advisability of selling the state pier at New London.	Legislative		

Bureau of Aeronautics

98. Restructure the Bureau of Aeronautics.	Executive		
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RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
99. Abolish licensing of airmen and registration of aircraft by the bureau.	Legislative	Annual Saving	\$ 35,200
		Annual Cost	\$ 33,000
100. Transfer responsibility for negotiation of leases and contracts to the Office of the Administrative and Legislative Advisor within the Bureau of Administration.	Executive	Annual Saving	\$ 29,000
101. Reduce the Division of Engineering staff by three positions.	Executive	Annual Saving	\$ 33,100
102. Abolish the position and functions of Executive Aide to the Transportation Chief Executive Officer of Aeronautics.	Executive	Annual Saving	\$ 15,000

Connecticut Aeronautics Commission

103. Abolish the commission.	Legislative		
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Steamship Terminals Commission

104. Abolish the Steamship Terminals Commission.	Legislative		
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Department of Health

Office of Public Health

1. Institute a fee for licensing general hospitals, nursing homes, homes for the aged, rest homes, and chronic disease hospitals.	Legislative	Annual Income	\$ 32,000
2. Eliminate the Department of Health weekly bulletin.	Executive	Annual Saving	\$ 11,700
3. Adjust charges for copies of professional medical directories.	Executive	Annual Income	\$ 3,500
4. Review periodically professional license fees in the Department of Health.	Executive/ Legislative		
5. Transfer the quadriplegia program to the Welfare Department.	Legislative	Annual Income	\$ 25,000
		Annual Cost	\$ 25,000 (Federal)
6. Require all state agencies and departments to use state auditorium and cafeteria facilities for official meetings.	Executive		
7. Charge private individuals and profit-oriented corporations for copies of the Connecticut Registration Report.	Executive	Annual Income	\$ 2,500
8. Eliminate the standards grant to Newington Children's Hospital and provide state representation on the Board of Directors.	Legislative	Annual Saving	\$ 629,000
		Annual Cost	\$ 629,000 (Federal)
9. Transfer the Disaster Health Section to the Office of Civil Defense.	Executive		
10. Require all divisions to review the Public Health Code semiannually.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
11. Create a Bureau of Health Professionals to replace the present independent boards and the commissions.	Legislative		
12. Relocate the Connecticut Medical Examining Board and the State Board of Healing Arts to office space in Hartford.	Executive	Annual Saving	\$ 5,000
13. Eliminate special compensation to board and commission members serving as the secretary or chairman of the operation.	Executive	Annual Saving	\$ 8,000
14. Transfer the federally funded draft rejection referral operation at New Haven to the Selective Service System.	Executive		
15. Transfer the inspector in the Commission of Opticians operation to the Department of Consumer Protection.	Executive	Annual Saving	\$ 5,000
16. Include an inventory of state and private health services in the Health Facilities Planning Book.	Executive		
17. Conduct a study of the salary schedule for division directors.	Legislative		
18. Eliminate registration information on donated bodies in the Department of Health.	Legislative		
19. Transfer the eye registry to the Eye Bank at New Britain General Hospital.	<i>Legislative</i>		
20. Eliminate the position of public information referral specialist at regional offices.	Legislative	Annual Saving	\$ 15,000
21. Reassign the Poison Information Center as a section within the Toxicology Laboratory under the Laboratory Division.	Executive		
22. Eliminate the Social Work Section in the central office of the Office of Public Health.	Executive	Annual Saving	\$ 29,000
23. Remove the northeastern regional office from rented quarters.	Executive	Annual Saving	\$ 3,000
24. Eliminate the requirement that local directors of health for communities and combinations of communities with a population of 40,000 or more hold a medical degree.	Legislative		
25. Establish a Sanitation Complaint Unit in the Environmental Section.	Executive		
26. Transfer responsibility for approvals for Medicare home treatment from the Public Health Nursing Division to Hospital and Medical Care Administration.	Executive		
27. Replace the part-time system of barber inspections with one full-time civil service position and transfer regular sanitary inspections to local health departments.	Legislative	Annual Saving Annual Cost	\$ 26,000 \$ 10,000
28. Require registration and licensing of all medical technologists.	Legislative	Annual Income One-Time Income	\$ 17,500 \$ 67,500

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
29. Institute a fee for shellfish processors, shippers, reshippers, seeders, and transplanterers.	Legislative	Annual Income	\$ 2,000
30. Include indirect costs of reviewing waste water treatment facility plans when seeking federal reimbursement.	Executive	Annual Income Annual Cost	\$ 5,000 \$ 5,000 (Federal)
31. Charge \$25 for approving public pool plans if a review is necessary.	Executive/ Legislative		
32. Transfer the function of testing clinical thermometers to the Department of Consumer Protection.	Legislative		
33. Obtain federal funds for the Lead Paint Program.	Executive	Annual Income Annual Cost	\$ 75,000 \$ 75,000 (Federal)
34. Reorganize the Public Health Statistics Section and locate all statistics in this section.	Executive	Annual Saving	\$ 61,000
35. Transfer the Occupational Health Section to the Factory Inspection Section of the Department of Labor.	Legislative		
36. Assign the writing responsibility for federal grant applications to one of the people in the Business Office.	Executive		
37. Evaluate the present clinic program for crippled children.	Executive		
38. Develop a plan for use of additional space in the department's cafeteria.	Executive	Annual Saving	\$ 7,500
39. Establish minimum health standards and responsibility for inspecting family recreation trailer camps.	Executive/ Legislative		
40. Assign speech, hearing, physical, and occupational therapists to full-time activity in regional retarded centers.	Executive	Annual Saving	\$ 56,000
41. Consolidate the Community Health Services and Preventable Disease Divisions in a new Local Health Administration Division.	Executive	Annual Saving	\$ 39,000
42. Increase citizen representation on all Bureau of Health Professionals hearing committees.	Executive		
43. Transfer computer operations to the State Data Center.	Executive	Annual Saving Annual Saving	\$ 38,500 \$ 38,500 (Federal)
<u>Office of Mental Retardation</u>			
44. Eliminate the maintenance/warehouse facility capital project at Southbury Training School.	Legislative	One-Time Saving	\$ 300,000
45. Decrease the scope of current plans to change the hospital building at Southbury.	Executive	One-Time Saving	\$ 285,000
46. Develop a pilot volunteer program between the Waterbury Regional Center and the Town of Cheshire service organizations.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
47. Eliminate the administrative building project planned for the Hartford Regional Center.	Executive	One-Time Saving One-Time Cost	\$ 245,000 \$ 2,000
48. Eliminate the proposed purchase of an activity building for the New Haven Regional Center and substitute two permanent portable classrooms.	Executive	One-Time Saving One-Time Cost	\$ 1,200,000 \$ 40,000
49. Transfer administration of grants for vocational and day care programs from the main office to the regional centers.	Executive	Annual Saving	\$ 50,000
50. Study possible revision of the rate structure of charges made to legally liable relatives of mentally retarded patients.	Executive		
51. Defer regional building expansions until a re-evaluation can be made of services offered by the centers.	Executive		
52. Study the advantages of purchasing houses for decentralized residential homes vs. construction of an institutional type building at the Seaside Regional Center.	Executive		
53. Eliminate the research analyst from the central office.	Executive	Annual Saving	\$ 9,000
54. Eliminate the hospital kitchen at Southbury and use the nearest cottage facilities to prepare meals.	Executive	Annual Saving	\$ 22,700
55. Initiate a cooperative job training service program between the Cheshire Reformatory and the Waterbury Regional Retarded Center and between the Meriden School for Boys and the Long Lane School for Girls and the Central Connecticut Regional Center.	Executive	Annual Saving	\$ 53,000
56. Increase availability of information relative to open beds existing in extended care facilities in regional areas.	Executive		
57. Upgrade nursing services in state institutions for mentally retarded patients, thereby qualifying them for federal funds.	Executive	Annual Income Annual Cost One-Time Cost Annual Cost	\$ 7,000,000 \$ 750,000 \$ 100,000 \$ 7,000,000 (Federal)
58. Use Crawford Hall at Southbury and Dimmock House at Mansfield for the retarded.	Executive		
59. Change the requirement that the Council on Mental Retardation must recommend a person for the post of deputy commissioner of the Office of Mental Retardation.	Legislative		
60. Initiate an independent review of cost and quality of services resulting from placing mentally retarded in private facilities vs. treatment in state institutions.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
61. Apply for federal funds to develop an accounting system for the Office of Mental Retardation which will determine the cost per patient of various categories of services.	Executive		
62. Qualify the facilities used for care of moderate and mildly retarded patients for federal funds as intermediate care facilities.		Annual Income Annual Cost	\$ 1,500,000 \$ 1,500,000 (Federal)
63. Identify relatives of mentally retarded day care patients eligible for welfare payments and apply for federal grants to pay for their care.	Executive		

Office of Tuberculosis Control, Hospital Care, and Rehabilitation

64. Secure funds for cancer research.	Executive		
65. Initiate an immediate recruitment effort to replace the university teams now operating the Phelps Radiation Therapy Clinic.	Executive	Annual Saving Annual Cost	\$ 353,000 \$ 241,000
66. Eliminate seven regional tuberculosis control clinics and the three radiological stations.	Executive	Annual Saving	\$ 235,000
67. Phase out the Cedarcrest Hospital.	Executive	Annual Saving One-Time Income	\$ 588,000 \$ 4,000,000
68. Eliminate the position of deputy commissioner in the Office of Tuberculosis Control.	Legislative	Annual Saving	\$ 40,000
69. Eliminate future pathology service contracts for the Uncas-on-Thames, Laurel Heights, Connecticut Valley, and the Norwich Mental Health Hospitals.	Executive	Annual Saving Annual Cost	\$ 63,000 \$ 35,000

Department of Mental Health

1. Establish a fee structure for nursing education.	Executive	Annual Income	\$ 79,500
2. Fill the position of director in the Security Treatment Center.	Executive		
3. Improve use of Ribicoff Research Center at Norwich.	Executive		
4. Dispose of state-owned land.	Executive	One-Time Income	\$ 1,640,000
5. Treat geriatric patients in Medicare-approved facilities.	Executive	One-Time Saving	\$ 3,300
6. Develop an accurate daily treatment cost per patient and raise the maximum rate charged patients and legal relatives to the actual per capita cost including all indirect charges, using a schedule based on ability to pay.	Executive/ Legislative	Annual Income	\$ 700,000
7. Forego construction of the school activity and recreational facility proposed as an addition to the Children's Center at the Connecticut Valley Hospital.	Executive	Annual Saving Annual Cost One-Time Saving One-Time Cost	\$ 91,500 \$ 10,000 \$ 2,700,000 \$ 25,000
8. Separate projects and preventive maintenance in preparation of annual maintenance budgets.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
9. Improve building heat control in the Norwich Hospital.	Executive	Annual Saving One-Time Cost	\$ 12,500 \$ 10,000
10. Revise drug inventory procedures at mental hospitals.	Executive	Annual Saving	\$ 58,000
11. Staff hospitals to comply with the Public Health Code.	Executive	Annual Saving Annual Income Annual Cost Annual Cost	\$ 1,250,000 \$ 546,000 \$ 4,000,000 \$ 546,000 (Federal)
12. Discontinue manual inventory records of furniture and equipment at mental health facilities.	Executive	Annual Saving	\$ 13,500
13. Run the Security Treatment Center and Children's Services as programs of the Connecticut Valley Hospital.	Executive	Annual Saving	\$ 84,800
14. Close the Lippitt Building at Norwich Hospital, transfer medical operations to Uncas-on-Thames, and patients to the Kettle Building.	Executive	Annual Saving One-Time Cost	\$ 116,700 \$ 35,000
15. Sell the superintendent's residence at Norwich.	Executive	Annual Saving One-Time Income	\$ 4,000 \$ 75,000
16. Consolidate Program Planning, Statistics, Mental Health Education, Community Relations, and the Division of Community Service into one group.	Executive	Annual Saving	\$ 24,000
17. Eliminate duplicate perpetual inventory records for stock control at Norwich Hospital and Fairfield Hills Hospital.	Executive	Annual Saving	\$ 16,800
18. Develop a long-range mental health plan as well as an effective coordinated performance control system.	Executive		
19. Redefine the function of the regional mental health planning councils and their relationship with the Department of Mental Health.	Legislative		
20. Implement additional programs in Undercliff Mental Health Center without additional cost to the taxpayer or close the facility and redistribute the services.	Executive		
21. Review state laboratory requirements to eliminate or reduce unnecessary private fees.	Executive		
22. Cancel funds for planning a residential treatment facility for children at Norwich Hospital and use the vacant Bryan Building.	Legislative	One-Time Saving	\$ 50,000
23. Consolidate state laundry facilities and modernize the laundries in the three large state mental hospitals.	Executive	Annual Saving One-Time Cost	\$ 752,000 \$ 1,450,000
24. Establish security deposits for employees occupying state-owned residences.	Executive	Annual Saving	\$ 12,500
25. Establish a policy for reporting surplus items.	Executive		

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
26. Use the Medicare cost per patient day rate for Medicaid reimbursement.	Executive	Annual Income Annual Cost	\$ 584,000 \$ 584,000 (Federal)
27. Change method of calculating depreciation in developing charges for Medicare and Medicaid.	Executive	Annual Income Annual Cost One-Time Cost	\$ 210,400 \$ 210,400 (Federal) \$ 180,000
28. Establish a state-wide plan for treatment of alcohol and drug users.	Executive		
29. Consolidate the Alcohol and Drug Dependence Division outpatient clinics with similar hospital facilities.	Executive		
30. Identify responsible relatives of mentally disturbed day care children who are welfare recipients and have the Welfare Department apply for federal funds to pay for these patients.	Executive	Annual Income Annual Cost	\$ 58,500 \$ 58,500 (Federal)
31. Increase control and performance measurement of food services, reduce personnel and inventory levels, and increase nutritional values in the state hospitals.	Executive	Annual Saving Annual Cost	\$ 330,000 \$ 12,000
32. Determine cost effectiveness of community mental health centers with the aid of simulation models.	Executive	One-Time Cost	\$ 25,000
33. Reorganize the Department of Mental Health.	Executive		

Welfare Department

1. Provide more efficient quarters for the Welfare Department.	Executive	Annual Saving One-Time Cost	\$ 56,000 \$ 25,000
2. Improve office layout to increase efficiency.	Executive	Annual Saving Annual Saving	\$ 677,900 \$ 554,600 (Federal)
3. Revise the method of controlling overtime.	Executive	Annual Saving Annual Saving	\$ 12,000 \$ 10,000 (Federal)
4. Eliminate typed case narratives.	Executive	Annual Saving Annual Saving	\$ 554,500 \$ 445,000 (Federal)
5. Revise operating policy manual distribution and maintenance.	Executive	Annual Saving Annual Saving	\$ 9,000 \$ 7,500 (Federal)
6. Eliminate the message switching system.	Executive	Annual Saving Annual Saving Annual Cost	\$ 113,800 \$ 93,100 (Federal) \$ 33,500
7. Reduce the number of welfare recipients in convalescent homes.	Executive	Annual Saving Annual Saving	\$ 1,900,000 \$ 1,900,000 (Federal)

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
8. Correct excessive ineligibility levels for welfare recipients.	Executive	Annual Saving Annual Saving	\$ 5,347,000 \$ 4,375,000 (Federal)
9. Seek retroactive and current federal reimbursement for child welfare services.	Executive	Annual Income Annual Cost One-Time Income One-Time Cost	\$ 56,350 \$ 56,350 (Federal) \$ 52,000 \$ 52,000 (Federal)
10. Install a productivity measurement system.	Executive	Annual Saving Annual Saving	\$ 1,500,000 \$ 1,200,000 (Federal)
11. Eliminate duplicate attendance records maintained by the Personnel Department.	Executive	Annual Saving Annual Saving	\$ 3,900 \$ 3,300 (Federal)
12. Reduce the Personnel Division staff.	Executive	Annual Saving Annual Saving	\$ 63,200 \$ 51,800 (Federal)
13. Develop a system to expedite self-sufficiency of welfare recipients.	Executive		
14. Negotiate for bank reconciliation of department checking accounts.	Executive	Annual Saving Annual Saving	\$ 7,200 \$ 6,000 (Federal)
15. Eliminate direct payment to vendors.	Legislative	Annual Saving Annual Saving Annual Income Annual Cost	\$ 8,200 \$ 6,800 (Federal) \$ 6,250,000 \$ 6,250,000 (Federal)
16. Transfer responsibility for day care centers to the Welfare Department.	Legislative	Annual Income Annual Cost	\$ 4,500,000 \$ 4,500,000 (Federal)
17. Substitute continuous-form paper checks for punched card type.	Executive	Annual Saving Annual Saving	\$ 11,900 \$ 4,000 (Federal)
18. Revise the organization structure.	Executive	Annual Saving Annual Saving	\$ 60,000 \$ 47,000 (Federal)
19. Combine the Mailroom and Duplicating Departments.	Executive		
20. Use a two-shift operation in the Disbursement Section.	Executive	Annual Saving Annual Saving	\$ 20,000 \$ 13,600 (Federal)
21. Expand the manual preedit in the Physicians' Unit of Medical Payment.	Executive	Annual Saving Annual Saving	\$ 47,400 \$ 38,800 (Federal)

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
22. Assume responsibility for assistance to families with unemployed fathers.	Legislative	Annual Saving	\$ 1,810,000
		Annual Saving	\$ 2,160,000 (Municipal)
		Annual Cost	\$ 3,970,000 (Federal)
23. Separate functions of district office and social services policy personnel.	Executive	Annual Income	\$ 3,580,000
		Annual Cost	\$ 3,580,000 (Federal)
24. Seek federal reimbursement for health services provided at the Warehouse Point Receiving Home.	Executive	Annual Income	\$ 23,000
		Annual Cost	\$ 23,000 (Federal)
25. Make retroactive claim for federal reimbursement for foster care.	Executive	One-Time Income	\$ 1,970,000
		One-Time Cost	\$ 1,970,000 (Federal)
26. Use social security number for welfare case numbering system.	Executive		
27. Have welfare recipients pick up their checks at state employment offices.	Executive	Annual Saving	\$ 135,000
28. Seek cash discounts from medical vendors.	Executive	Annual Saving	\$ 1,200,000
		Annual Saving	\$ 1,000,000 (Federal)

Department on Aging

1. Move the department to available space in the Welfare Department.	Executive	Annual Saving	\$ 3,500
		Annual Saving	\$ 10,700 (Federal)
		One-Time Cost	\$ 4,000
		One-Time Cost	\$ 4,000 (Federal)
2. Reduce the size of the advisory council.	Legislative		
3. Reduce the department's office staff.	Executive	Annual Saving	\$ 17,000
		Annual Saving	\$ 17,000 (Federal)

Department of Correction

1. Remove the computer from Somers prison and use the proposed terminal for inmate training purposes.	Executive	Annual Saving	\$ 33,300
2. Modernize the external security system at Somers prison.	Executive	Annual Saving	\$ 455,000
		Annual Cost	\$ 195,000
		One-Time Cost	\$ 55,500
3. Negotiate a long-term agreement for transfer of 40 sentenced inmates from Niantic to the women's prison at Framingham, Massachusetts.	Executive	Annual Saving	\$ 291,000
		Annual Cost	\$ 175,000
		One-Time Saving	\$ 500,000
4. Require a 5% improvement in operating costs for the three projected community correctional centers.	Executive	Annual Saving	\$ 110,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
5. Phase out the dairy business at Osborn.	Executive	Annual Saving One-Time Income	\$ 138,000 \$ 75,000
6. Appoint a commission to study the bail bond system.	Executive/ Legislative		
7. Implement staffing recommendations of U. S. Bureau of Prisons survey team at Somers.	Executive	Annual Saving	\$ 143,000
8. Improve operations at the furniture shop at Somers and the sign shop at Osborn.	Executive	Annual Income	\$ 200,000
9. Provide a centralized dining facility at Niantic.	Executive	Annual Saving	\$ 42,500
10. Negotiate with other departments so that prisoner hospitalization can be handled at other state hospitals.	Executive	Annual Saving	\$ 270,000
11. Schedule court appearances to reduce time spent by custodial officers and inmates.	Executive	Annual Saving	\$ 55,800
12. Phase out the manufacture of clothing at Somers.	Executive	Annual Saving	\$ 31,000
13. Establish a policy to provide protection for volunteer personnel at state facilities.	Executive		
14. Modify printing operations at Cheshire and Somers to provide increased output.	Executive	Annual Income	\$ 35,000
15. Integrate male and female adult parole services under one administrator who would report directly to the commissioner.	Executive	Annual Saving	\$ 20,000
16. Institute a meaningful Work Release Program at Cheshire Correctional Institution with responsibility for program assigned to a specific member of the institutional staff and an objective of a minimum of 5% participation by inmates.	Executive	Annual Income	\$ 28,000
17. Reduce the secretarial/typing staff in the central office of the Department of Correction by 25%.	Executive	Annual Saving	\$ 53,900
18. Reevaluate the adequacy of the psychological and counseling program at Cheshire Correctional Institution.	Executive	Annual Saving Annual Cost	\$ 250,000 \$ 132,000
19. Transfer x-ray equipment not presently in use at the Department of Health to Cheshire Correctional Institution.	Executive	Annual Cost	\$ 7,500
20. Determine the feasibility of relocating the central bakery and meat cutting facilities at a state correctional institution.	Executive		
21. Provide new detention facilities for accused and short-term female inmates and establish community-based rehabilitation centers.	Legislative	Annual Saving Annual Cost One-Time Cost	\$ 739,000 \$ 550,000 \$ 1,000,000
22. Cancel construction plans for women's facilities at Cheshire and close Niantic.	Legislative	One-Time Saving One-Time Income	\$ 2,500,000 \$ 5,000,000
23. Eliminate regional maintenance centers by combining them with Somers and Cheshire.	Executive	Annual Saving	\$ 40,800

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
24. Institute a centralized data system for criminal justice information.	Executive		
25. Reorganize the department.	Executive		

Department of Children and Youth Services

1. Combine the Connecticut School for Boys with the Long Lane School for Girls.	Executive/ Legislative	Annual Saving One-Time Income One-Time Cost	\$ 940,000 \$ 4,000,000 \$ 850,000
2. Reorganize the department's central office.	Executive	Annual Saving	\$ 120,000
3. Institute procedures to appraise and sell real estate and stocks presently held in various Long Lane School agency accounts.	Executive	Annual Saving Annual Income	\$ 6,000 \$ 9,700
4. Move Long Lane counseling offices from the large school classroom to individual rooms now unused in the Chapel Sunday School unit.	Executive		
5. Review staff housing to improve facility use.	Executive		
6. Install a sprinkler system at Long Lane.	Executive	One-Time Cost	\$ 200,000
7. Investigate alternatives to state-owned and operated community-based multiservice centers.	Executive		
8. Establish as policy that there will be one training facility, jointly planned, staffed, and operated by and for employees of the Correction, Children and Youth Services, and Youth and Adult Probation Departments.	Executive	Annual Saving	\$ 105,000
9. Reduce the number of cars and trucks.	Executive	Annual Saving	\$ 19,300
10. Study the feasibility of assessing parents, based on ability to pay, for juvenile custody provided by the Children and Youth Services Department either in state-owned or private institutions.	Executive/ Legislative	Annual Income Annual Cost	\$ 60,000 \$ 15,000
11. Replace the heating system at Long Lane.	Executive	Annual Saving One-Time Cost	\$ 45,000 \$ 250,000
12. Restudy the benefits of establishing Children and Youth Services as the department responsible for all institutional and community-based services to this group of recipients.	Executive		
13. Apply through the Welfare Department for federal reimbursement of costs for eligible children assigned to the Department of Children and Youth Services.	Executive		

Department of Adult Probation

1. Incorporate a single unified service of probation and parole within the Department of Correction.	Legislative		
2. Institute work measurements and performance evaluation for the combined Parole and Probation Services.	Executive	Annual Saving Annual Cost	\$ 76,000 \$ 51,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
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Board of Pardons

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| 1. Increase the budget to cover the actual cost of preparing case information for the board. | Executive | Annual Cost | \$ 1,200 |
|--|-----------|-------------|----------|

Veterans' Home and Hospital Commission

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|--|---------------------------|-----------------|-------------------------|
| 1. Substitute use of the existing 36-bed hospital ward for the planned nursing home. | Executive | Annual Saving | \$ 43,000 |
| | | Annual Saving | \$ 43,000
(Federal) |
| | | Annual Income | \$ 33,000 |
| | | One-Time Saving | \$ 300,000
(Federal) |
| 2. Initiate a study on continued necessity for the state-operated veterans' hospital. | Executive | | |
| 3. Cooperate with other state hospitals to trade surplus time of medical specialists. | Executive | Annual Saving | \$ 22,000 |
| 4. Lease the nursing residence to the federal government for a Veterans Drug Dependency Treatment Center. | Executive | Annual Income | \$ 79,000 |
| | | Annual Cost | \$ 79,000
(Federal) |
| 5. Place the management of the Veterans' Home and Hospital under the supervision of the Commissioner of Public Health. | Executive/
Legislative | | |

Soldier's, Sailor's and Marine's Fund

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|--|-------------|---------------|------------------------|
| 1. Establish a retention schedule and microfilm the records. | Executive | Annual Saving | \$ 3,000 |
| | | Annual Cost | \$ 500 |
| | | One-Time Cost | \$ 8,000 |
| 2. Eliminate the separate status of the Soldier's, Sailor's and Marine's Fund. | Legislative | Annual Saving | \$ 122,600 |
| | | Annual Income | \$ 28,000 |
| | | Annual Cost | \$ 28,000
(Federal) |
| | | | |

Governor's Committee on Employment of the Handicapped

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|--|---------------------------|---------------|----------|
| 1. Incorporate functions of the committee into the Labor Department. | Executive/
Legislative | Annual Saving | \$ 2,500 |
|--|---------------------------|---------------|----------|

Connecticut Development Commission

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|---|-----------|---------------|------------|
| 1. Reorganize the commission to provide greater efficiency. | Executive | Annual Saving | \$ 198,000 |
| | | Annual Cost | \$ 3,700 |
| | | One-Time Cost | \$ 10,000 |

Connecticut Research Commission

- | | | | |
|---|-------------|-----------------|------------|
| 1. Eliminate the function of granting funds for research by the Connecticut Research Commission. | Legislative | One-Time Saving | \$ 588,000 |
| 2. Consolidate the Connecticut Research Commission functions into the Connecticut Development Commission. | Legislative | Annual Saving | \$ 152,300 |
| | | One-Time Cost | \$ 3,000 |

RECOMMENDATIONS

ACTION
REQUIREDSAVINGS,
INCOME OR COSTESTIMATED
AMOUNT**Connecticut Mortgage Authority**

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|--|-----------|-----------------|------------|
| 1. Charge interim financing cost to the authority. | Executive | One-Time Saving | \$ 104,100 |
| 2. Establish a mortgage service fee schedule consistent with private practice. | Executive | Annual Saving | \$ 50,000 |
| 3. Reorganize the bookkeeping system. | Executive | | |

Connecticut Safety Commission

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|--|-----------|---------------|-----------|
| 1. Abolish the commission and transfer its activities to the Department of Motor Vehicles. | Executive | Annual Saving | \$ 86,000 |
|--|-----------|---------------|-----------|

Industrial Building Commission

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|--|-------------|---------------|-----------|
| 1. Abolish the Industrial Building Commission. | Legislative | Annual Saving | \$ 40,000 |
|--|-------------|---------------|-----------|

Planning Committee on Criminal Administration

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|--|-----------|---------------|-----------|
| 1. Provide an effective reporting structure for the committee. | Executive | | |
| 2. Establish a quarterly reporting cycle. | Executive | | |
| 3. Reduce the committee's office space. | Executive | Annual Saving | \$ 15,000 |

State Library

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|---|-----------|---------------|------------|
| 1. Review present practice of maintaining 19 separate law libraries. | Executive | | |
| 2. Upgrade copying services. | Executive | Annual Income | \$ 6,500 |
| 3. Initiate a plan to inventory and reduce collection size. | Executive | | |
| 4. Reduce number of professionals in the Reader Services Division. | Executive | Annual Saving | \$ 48,000 |
| 5. Install an intercom system in the stacks. | | Annual Saving | \$ 6,400 |
| | | One-Time Cost | \$ 200 |
| 6. Eliminate the sale of U. S. Geological Survey publications. | Executive | Annual Saving | \$ 7,400 |
| | | Annual Cost | \$ 2,500 |
| 7. Eliminate duplicate typing of computer input. | Executive | Annual Saving | \$ 10,300 |
| 8. Evaluate the feasibility of improving security within the library. | Executive | | |
| 9. Evaluate the economic advantages of using the Library of Congress' MARC program tapes for cataloging purposes. | Executive | One-Time Cost | \$ 3,000 |
| 10. Eliminate the practice of compensatory time-off. | Executive | Annual Saving | \$ 22,000 |
| 11. Combine the interlibrary loan service centers with the records center. | Executive | Annual Saving | \$ 250,000 |
| | | One-Time Cost | \$ 750,000 |
| 12. Study the feasibility of establishing a microfilming center for state agencies now using the records center. | Executive | | |

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
Connecticut Commission on the Arts			
1. Restructure the agency's personnel, operations, and expenditures to focus on acquisition of private resources for expansion.	Executive	Annual Saving	\$ 75,000

Historical Commission

1. Abolish the Historical Commission as an independent agency.	Legislative	Annual Saving	\$ 41,400
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Henry Whitfield State Historical Museum

1. Budget expenditures for major repairs and maintenance in the museum's annual appropriations request.	Executive		
2. Consolidate operation of this museum under the Park and Forest Commission.	Executive		

Insurance Purchasing Board

1. Assign responsibility for surety bond purchasing and administration to the board.	Legislative		
2. Employ an additional clerk in the Insurance Purchasing Board office.	Executive	Annual Cost	\$ 8,000
3. Establish clearly defined plans to cover the absence of the chairman or agent-of-record.	Executive		
4. Review administrative procedures to minimize demands on chairman's time.	Executive		

Office of the Medical Examiner

1. Replace the present system with full-time pathologists and investigators.	Executive	Annual Saving	\$ 150,000
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Management of Trust Funds and Bonded Indebtedness

1. Modify the method of managing state funds.	Executive	Annual Saving	\$ 6,000,000
		Annual Cost	\$ 600,000
2. Consider a flexible approach to bond financing.	Executive		

Surety Bonds

1. Eliminate the Committee on Bonding and transfer responsibility for surety bond purchasing to the Insurance Purchasing Board.	Legislative	Annual Saving	\$ 4,000
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Group Life Insurance

1. Amend the State Personnel Act to provide a general statement of policy on group life insurance, delegate responsibility for development of specific plans to the Commissioner of Personnel, and delete the existing specific plan.	Legislative		
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RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
2. Increase group life coverages to provide insurance equal to twice the employee's annual compensation at all salary levels.	Executive		
3. Create an Employee Insurance Purchasing Board and abolish the Group Insurance Commission.	Legislative		
4. Automate the payroll insurance audit function as part of a new state-wide payroll processing system.	Executive	Annual Saving	\$ 8,000

State Employees' Retirement Plan

1. Require that every proposal affecting retirement benefits be accompanied by an actuarial estimate of cost and impact on retirement funding.	Legislative		
2. Adopt a program of actuarial funding designed to support current service payments and eliminate the balance of unfunded past service costs.	Legislative	Annual Saving	\$ 5,780,000
3. Conduct a comparative review of all eligibility, benefit, and administrative provisions of the various state retirement plans for the purpose of proposing changes.	Executive		

Forms and Printing

1. Centralize Forms Management, Publications, and Printing Purchasing in one service area.	Executive	Annual Saving	\$ 23,500
2. Process duplicating and printing requisitions including agency produced materials through a central area.	Executive	Annual Saving	\$ 45,000
3. Consolidate agency printing facilities.	Executive	Annual Saving	\$ 105,000
4. Expand use of pricing schedules.	Executive	Annual Saving	\$ 10,000
5. Change publication requirements.	Executive	Annual Saving	\$ 15,000
6. Establish copy centers with reporting responsibility in Central Control.	Executive	Annual Saving	\$ 111,000
7. Control use of hot metal typesetting.	Executive	Annual Saving	\$ 25,000

Property Management

1. Consolidate real and personal property functions and responsibilities under a Central Property Management Office.	Legislative	Annual Saving	\$ 100,000
2. Establish an effective, centralized real property management system.	Legislative	Annual Saving	\$ 2,000,000
3. Establish an effective, centralized personal property management system.	Legislative	Annual Saving	\$ 1,300,000
4. Study the feasibility of air conditioning state buildings based on age and future use.	Executive		

RECOMMENDATIONS

ACTION
REQUIREDSAVINGS,
INCOME OR COSTESTIMATED
AMOUNT

Telephone and Telegraph Communications

1. Establish a Telecommunications Division.	Executive	Annual Cost	\$ 61,500
2. Provide for operator control of outgoing long distance telephone traffic over the centrex system for the University of Connecticut at Storrs.	Executive	Annual Saving	\$ 88,400
		Annual Cost	\$ 28,000
3. Provide for operator control of outgoing long distance traffic over the centrex system to be installed at the Farmington Health Center.	Executive	Annual Saving	\$ 88,400
		Annual Cost	\$ 28,000
4. Institute use of WATS under operator control in the Hartford centrex.	Executive	Annual Saving	\$ 318,000
		Annual Cost	\$ 3,000
		One-Time Cost	\$ 21,500
5. Install operator-controlled WATS at McCook Hospital in Hartford.	Executive	Annual Saving	\$ 6,800
6. Install WATS or FX circuits where appropriate.	Executive	Annual Saving	\$ 55,200
7. Reduce rental cost of telephone equipment used by the state.	Executive	Annual Saving	\$ 106,000
8. Instruct the telephone company to remit all coin telephone commissions to the Comptroller.	Executive		

Data Processing

1. Establish a Division of Information Systems.	Executive	Annual Saving	\$ 291,000
		Annual Cost	\$ 995,000
		One-Time Saving	\$ 770,000
2. Reorganize the State Data Center.	Executive		
3. Implement data processing and information systems planning procedures.	Executive		
4. Develop a standard job accounting and billing system for users of data processing facilities with the cooperation and guidance of the financial organization.	Executive		
5. Establish an internal education program for data processing and agency user personnel.	Executive		
6. Develop uniform procedures and documentation standards for systems' design, programming, and operation.	Executive		
7. Coordinate an effective exchange of plans, concepts, systems, and programs with local, state, and federal government bodies.	Executive		
8. Coordinate the development of information systems with the Legislative and Judicial Branches of the government.	Executive		
9. Conduct regular reviews and evaluations of operational systems.	Executive		
10. Study the value of purchase and third party lease-back arrangements for computer equipment requirements.	Executive	Annual Saving	\$ 234,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
11. Conduct continuing evaluations of data processing personnel policies and procedures.	Executive		
12. Develop performance evaluations for equipment and software acquisition.	Executive		
13. Establish the positions of Director of Information Systems and Director of Central Data Processing Services in the unclassified category.	Executive		

State-Wide Personnel Policies

1. Develop a program for the selection, training, direction, evaluation, and compensation of key management employees.	Executive	One-Time Cost	\$ 50,000
2. Implement a comprehensive state-wide program of manpower requirement forecasting.	Executive		
3. Initiate and conduct a pilot management-by-objective program.	Executive		
4. Provide flexibility in work-week policies to meet the needs of various agencies at minimum cost.	Executive	Annual Saving	\$ 1,340,000
5. Prepare a handbook for use in employee orientation/training.	Executive	One-Time Cost	\$ 7,900
6. Establish a system of state-wide and agency-level employee newsletters and other communications media.	Executive	Annual Cost	\$ 48,300
7. Amend the policy on employee sick leave accrual and require management enforcement.	Executive/ Legislative		
8. Eliminate longevity payments to state employees.	Legislative	Annual Saving	\$ 1,750,000
9. Require annual recomputation and adjustment of maintenance rates, allowances, charges, and eligibility.	Executive	Annual Saving Annual Cost	\$ 1,740,000 \$ 46,000
10. Establish clear policies regarding consumption of refreshments during working hours and require strict adherence to the time allowed for this activity.	Executive	Annual Saving	\$ 1,130,000
11. Limit accumulation of vacation days to one year's eligibility plus the current year.	Executive		
12. Include unclassified positions in the established classified layoff procedures.	Executive		
13. Establish a personnel policy prohibiting the employment of relatives within the same reporting unit.	Executive		
14. Update the contents of the Personnel Policies Procedures Manual.	Executive	One-Time Cost	\$ 33,900
15. Authorize direct deposit of employee paychecks to bank accounts.	Executive		
16. Institute a management incentive program.	Executive/ Legislative		
17. Reduce vacation allowance granted to new employees.	Legislative	Annual Saving	\$ 2,400,000

RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
18. Institute clear conflict-of-interest policies to guide state employees.	Executive/ Legislative		

Fleet Operations

1. Consolidate passenger car and truck supervision under a fleet manager.	Executive	Annual Cost	\$ 49,000
2. Reduce the passenger car fleet by 1,085 units.	Executive	Annual Saving Annual Cost One-Time Income	\$ 1,073,000 \$ 12,000 \$ 43,000
3. Improve and extend car pool facilities throughout the state.	Executive	One-Time Cost	\$ 35,000
4. Recycle the preventive maintenance schedule.	Executive	Annual Saving	\$ 36,000
5. Standardize and expand the cost and use reports for passenger cars.	Executive		
6. Establish driver testing and training programs to reduce accidents.	Executive		
7. Abolish the use of gasoline credit cards.	Executive		
8. Study the feasibility of using mini-bus service between agencies in the Hartford area.	Executive		
9. Institute vehicle inspection, reporting and fueling procedures at Central Car Pool locations.	Executive	Annual Saving Annual Cost	\$ 60,000 \$ 13,000
10. Review passenger car replacement policies and disposal techniques.	Executive		

Records Management

1. Discontinue purchases of office files and construct 12,000 square feet of module additions to the Records Center at time intervals which will provide adequate storage facilities.	Executive/ Legislative	Annual Saving Annual Cost	\$ 300,500 \$ 107,000
2. Study potential microfilm applications for records retention and, if indicated, initiate and establish a meaningful control facility within Records Management.	Executive		
3. Study records requiring long retention periods to develop procedures for purging individual records.	Executive		

Health Service Cost

1. Consolidate health insurance premium notice audits in a central location performing similar functions for group life and other voluntary payroll deductions and/or paid benefits.	Executive		
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Cash Management

1. Implement a formal cash forecast system.	Executive	Annual Income	\$ 863,000
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RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
2. Eliminate separate trust funds for employee withholdings.	Executive	Annual Income	\$ 408,000
3. Invest available excess monies in the Redevelopment Condemnation Awards Fund.	Executive	Annual Income	\$ 295,000
4. Consolidate civil list and trust fund bank accounts into the minimum number permitted by law.	Executive		
5. Conduct a study to determine the need for lockbox depositing systems by various agencies and departments.	Executive		
6. Restrict the use of petty cash funds.	Executive		
7. Improve the internal controls regarding check-signing duties.	Executive		

State-Wide Reorganization

1. Restructure the Executive Branch.	Legislative		
2. Form an executive committee.	Executive		
3. Establish a Department of Administration and Personnel.	Legislative		
4. Establish a State-Wide Services Division in the Department of Administration and Personnel.	Legislative		
5. Establish a Methods and Procedures Section in the Department of Administration and Personnel.	Legislative		
6. Establish a Department of Labor and Commerce.	Legislative		
7. Establish the Department of Public Safety to provide effective coordination of protection and safety activities in the state.	Legislative		
8. Reduce the number of remaining boards and commissions.	Legislative		

Financial Functions

9. Combine the Treasurer's, Comptroller's, Finance and Control, and Tax Departments into one agency headed by an appointed Commissioner of Finance.	Legislative		
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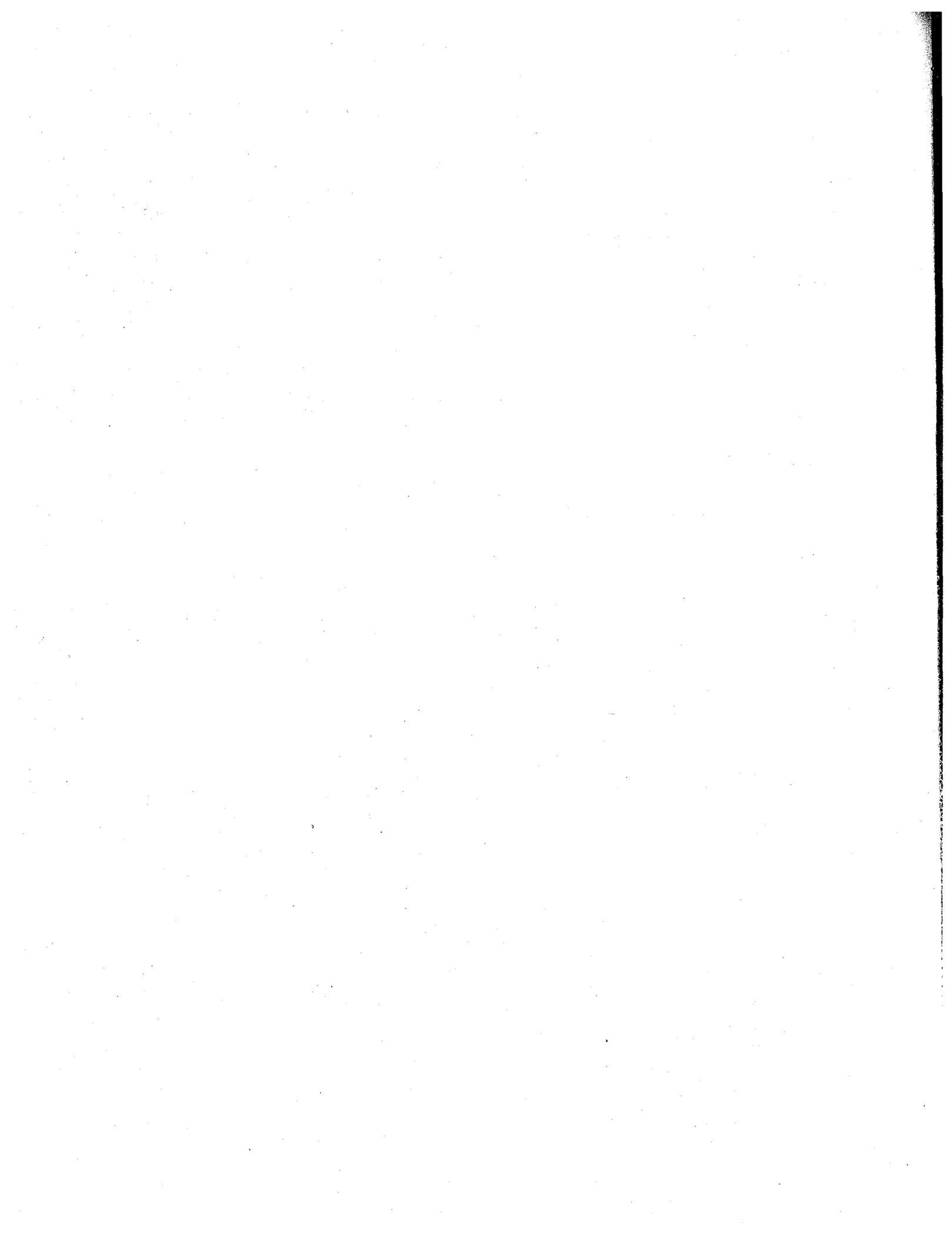
Social Services

10. Establish a Department of Social Services.	Legislative		
11. Establish the position of Director of Food Services with responsibility for all food service operations in state institutions.	Legislative	Annual Saving	\$ 750,000

Federal Aid

12. Review the need for federally funded positions when the subsidy is eliminated.	Executive		
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RECOMMENDATIONS	ACTION REQUIRED	SAVINGS, INCOME OR COST	ESTIMATED AMOUNT
13. Expand the office which handles federal/state fund coordination to offer consulting assistance to state agencies.	Executive		
14. Review new or expanded state programs for availability of federal funds.	Executive		
15. Develop procedures for automatic distribution of federal bloc grants to the state as well as local governments.	Executive		
16. Establish an employer/employee agreement that job longevity is limited to the life of federal project funds.	Executive		



**The Governor's
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Sponsoring Organizations

Acme Shear Company
Aerosol Techniques, Inc.
Aetna Life & Casualty
American Can Company
American-Standard
American Thread
Anaconda American Brass Co.
Arthur Anderson Company
Arrow Hart, Inc.
Arthur Young & Company
Associated Spring Corporation
Atlantic Carton Corporation
Avco Corporation
Barden Corporation
Becton, Dickinson & Company
C. W. Blakeslee & Sons, Inc.
Bridgeport Brass Co.
Bristol Brass Corporation
Bristol Savings Bank
Homer D. Bronson Company
Bunker Ramo Corporation
Burndy Corporation
Burritt Mutual Savings Bank
CBS Laboratories
Carpenter Technology Corp.
Chase Brass & Copper Co. Inc.
Chesebrough-Pond's Inc.
Chester Trust Company
Citizens Bank and Trust Company
Citizens National Bank of Putnam
City National Bank of Connecticut
City Savings Bank
Clairol, Inc.
Clinton National Bank
Colonial Bank and Trust Company
Colt's Inc.
Colt Industries
Combustion Engineering, Inc.
Community Banking Company
Connecticut Bank and Trust Company
Connecticut General Life Insurance Company
Connecticut Medical Service, Inc.
Connecticut Mutual Life Insurance Company
Connecticut National Bank
Connecticut Natural Gas Corp.
Connecticut Printers, Inc.
Connecticut Savings Bank
Connecticut Water Company
Consolidated Diesel Electric Co.
Consolidated Foods Corp.
Cottreli Company
Cory Coffee Service Plan, Inc.
Covenant Group
Deep River National Bank
Dorr-Oliver, Inc.
Dunham-Bush, Inc.
Durham Manufacturing Company
Eastern Company
Echlin Manufacturing Company
Edwards Company, Inc.
Electro Motive Manufacturing Co.
Emhart Corporation
Ensign-Bickford Company
Ernst & Ernst
Fafnir Bearing Co.
Fawcett Publications Incorporated
Fenn Manufacturing Company
F. D. Grave and Son, Inc.
Fidelity Trust Company
First Federal Savings & Loan Association of Waterbury
First National Bank of Suffield
First National Bank of Litchfield
First National Stores, Inc.
First New Haven National Bank
Fitzgerald Manufacturing Company
General Electric Company
General Motors Corporation
G. Fox & Company
General Dynamics Corporation
Glastonbury Bank and Trust Company
C. R. Gibson Company
Greater Hartford Corporation
Hale Manufacturing Company
Hamden National Bank
Handy & Harman
Hartford Courant
Hartford Insurance Group
Hartford Hilton Hotel
Hartford National Bank and Trust Company
Hartford Steam Boiler Inspection & Insurance Company
Harvey Hubbell, Inc.
Haskins & Sells
Heublein, Inc.
ICI America, Inc.
Insilco Corp.
International Business Machines Corporation
Jacobs Manufacturing
Jenkins Brothers, Inc.
Kimberly-Clark Corporation
King-Seeley Thermos Co.
Knights of Columbus
Lafayette Bank and Trust Company
Lone Star Cement Corporation
Lux Time
Lybrand Ross Bros. & Montgomery
MacDermid, Inc.

Manchester State Bank
Marlin Firearms Co.
McGraw-Edison Company
Mechanics and Farmers Savings Bank
Mechanics Savings Bank
Middlesex Mutual Assurance Company
Middletown Savings Bank
Nash Engineering Company
Naugatuck Valley Industrial Council Inc.
New Britain Bank and Trust Company
New Britain National Bank
New Haven Savings Bank
New Haven Water Co.
North & Judd Manufacturing Co.
Northeast Utilities Service Co.
Northern Connecticut National Bank
The North Side Bank and Trust Company
Olin Corporation
Peat, Marwick, Mitchell & Co.
Peoples Savings Bank
Pepperidge Farm, Inc.
Perkin-Elmer Corporation
Pervel Industries, Inc.
Peter Paul, Inc.
Pfizer, Inc.
Phoenix Mutual Life Insurance Company
Pitney-Bowes, Inc.
Plainville Trust Company
Plasticrete Corporation
Post Publishing Company
Pratt & Read Corporation
Price Waterhouse & Co.
Producto Machine Company
Putnam Trust Company
Raybestos-Manhattan Inc.
Raymond Precision Industries, Inc.
Remington Arms Company, Inc.
Risdon Manufacturing Company
Rogers Corporation
Royal Typewriter Co.
Salisbury Bank and Trust Company
Sargent & Company
Savings Bank of Ansonia
Savings Bank of Manchester
Savings Bank of New Britain
Scovill Manufacturing Co.
Second National Bank of New Haven
Security Insurance Group

Sheffield Tube Corporation
Shell Chemical Co.
Simsbury Bank and Trust Company
Singer
Society for Savings
Smith-Corona Marchant
Southern Connecticut Gas Company
Southern New England Telephone Company
Stanley Works
Stanadyne, Inc.
Standish, Ayer & Wood, Inc.
State-Dime Savings Bank
State National Bank of Connecticut
J. P. Stevens & Co. Inc.
Suisman & Blumenthal, Inc.
Superior Electric Company
Texaco, Inc.
Textron, Inc.
Henry C. Thompson Company
Timex Corporation
Torrin Corporation
The Torrington Company of Connecticut
Touche Ross & Company
Travelers Insurance Companies
Truelove & Maclean, Inc.
TRW Foundation
U.S.M. Corporation
Union Carbide Corporation
Union Trust Company
Uniroyal, Inc.
United Aircraft Corporation
United Bank & Trust Company
United Illuminating Company
Van Leeuwen Advertising, Inc.
Veeder Industries, Inc.
Wallace Silversmiths, Inc.
The Wallingford Steel Company
Warnaco, Inc.
Stewart Warner Corporation
Waterbury Buckle Company
Waterbury Companies, Inc.
Waterbury Savings Bank
Westport Bank & Trust Company
Westport National Bank
Wilmot Wheeler Foundation, Inc.
Wiremold, Inc.
Xerox Corporation
Yale University

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