

**SECOND INTERIM REPORT
OF THE
COMMISSION ON STATE GOVERNMENTAL MANAGEMENT**

**RECOMMENDATIONS ON THE ROLES
OF THE SECRETARIES**

**PRESENTED TO
THE GOVERNOR AND THE GENERAL ASSEMBLY
OF THE COMMONWEALTH OF VIRGINIA**



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INTRODUCTION

The Commission decided in February, 1974, that it would set an early deadline for itself within which to decide upon recommendations to the Governor and the General Assembly on the future role of the Secretaries established in 1972 pursuant to section 2.1-51.7 of the Code of Virginia. The subject is specifically assigned to the Commission for study and recommendations by October 1, 1975; however, Governor Godwin expressed his interest in having the Commission's views as to the Secretaries' roles at the earliest possible date.

Since February the Commission and its staff have worked closely with the Governor's Office and the Secretaries themselves in an effort to identify the deficiencies in the present Secretarial system and to devise remedies for them. The basis for initial discussion was an April 4, 1974, Commission staff memorandum on the role of the Secretaries, which is attached to this report as Appendix A.

On April 17, the Commission heard from Carter O. Lowance, former Commissioner of Administration, and Walter W. Craigie, Jr., former Secretary of Finance, on the subject of the Secretarial system. The Governor's Senior Executive Assistant, Jack F. Davis, and the Secretary of Administration, Maurice B. Rowe, attended, and participated in, that meeting. The Commission's Subcommittee on Executive Management was directed to study and recommend job descriptions for the Secretaries to the full Commission before its May 10-12 meeting. The Subcommittee's report of May 3 consisted of five documents (one for each of five Secretaries) outlining specific powers and duties which the Governor could delegate to the Secretaries.

The Commission met in Fredericksburg on May 10-12 to discuss and refine the Subcommittee's recommendations so that the Commission could make its report to the Governor as soon as possible. The Governor's Senior Executive Assistant met with the Commission throughout its deliberations during that weekend meeting. All of the Secretaries joined the Commission on Saturday, May 11, to offer their comments and to answer questions. Recognizing that the factors peculiar to education necessitated special treatment of the job description for a Secretary of Education and consideration of the need for such a Secretary at all, the Commission invited three experts to study the issues in this area, to confer with individuals involved in the administration of education in Virginia, and to make suggestions to the Commission on May 11 on the proper role, if any, for a Secretary of Education. The three experts were: Dr. Lyman W. Ginger, Superintendent of Public Instruction, Kentucky; David Hornbeck, Executive Deputy Secretary of Education, Pennsylvania; and Dr. Roy Nicks, Chancellor, University of Tennessee.

On Saturday, May 11, 1974, the Commission voted to

recommend five documents listing specific powers and duties for five Secretaries to the Governor for his consideration. They are designed to provide clear job descriptions for the Secretary of Administration the Secretary of Human Affairs, the Secretary of Transportation and Public Safety, the Secretary of Commerce and Resources, and the Secretary of Education. Those recommendations are attached to this report as Appendix B. There follows a brief summary of their content, the reasons for their recommended format, and the justification for suggesting the appointment of a Secretary of Education and the assumption of the responsibilities of a Secretary of Finance by the Secretary of Administration.

SUMMARY: DEFINING THE ROLES OF THE SECRETARIES

In its first interim report in January, 1974, the Commission concluded that the Secretaries had been hampered by the lack of clear definition of their powers and duties. Particularly, the report pointed to the confusion as to the proper role of each Secretary in the budgetary process. The Commission also recommended that those appointed by the Governor to be Secretaries have proven administrative capability and that their powers and duties be clearly delineated by the Governor by executive order.

As a result of its study and deliberations during the months since its first interim report, the Commissions concluded that separate orders should be issued for each Secretary, in recognition of the administrative problems and other factors peculiar to each Secretary. For example, the constitutional status and powers of the Board of Education, the strong tradition of relative independence among institutions of higher education, and the existence of citizen boards for higher education and community colleges are factors that cannot be ignored in devising a role for a Secretary of Education. The large special fund administered by a State Highway Commission with plenary powers in regard to the planning, construction, and maintenance of the highway system leaves the Secretary of Transportation and Public Safety with limited power over this important component of the transportation function, since the power of the Governor himself is limited. Other circumstances also affect the role of the Secretary of Transportation and Public Safety. The Division of Aeronautics, located in the State Corporation Commission (SCC), is effectively beyond the reach of the Governor for most purposes because of the legal status and autonomy of the SCC. Moreover, the 1974 session of the General Assembly gave the responsibility for comprehensive transportation planning to the State Highway Commission, soon to be renamed the "State Highway and Transportation Commission".

Throughout its deliberations, the Commission has recognized the unique role of the Secretary of Administration. The Governor may delegate extensive powers of direction and supervision to the Secretary of Administration with respect to most of the agencies now assigned to that Secretary, which powers the Governor is not able to delegate to the other Secretaries. Unlike the other Secretaries, the Secretary of Administration, with some exceptions,

is not involved in the supervision of line agencies (i.e., those which render services directly to the public). He is responsible for the central staff agencies which render services to, and provide an element of control over, the other agencies. Traditionally, the General Assembly has given the Governor explicit authority to direct and control the central staff agencies, but has not given him such explicit authority with respect to line agencies.

The Commission has concluded that the functions of the Secretary of Administration and those of the Secretary of Finance should be merged. The fiscal responsibilities of the two Secretaries overlap. Better coordination of fiscal and budgetary planning, for example, can be realized by combining the two Offices. At the same time, however, the Commission recognizes the need for an individual within the Office of Administration who has expertise in finance to lend perspective to capital outlay planning, to assist in revenue forecasting and to advise other agencies on alternative funding approaches and other financial matters. Until legislation can be enacted, this merger can be accomplished by allowing the Secretary of Administration to serve as Acting Secretary of Finance and/or by reassigning those agencies formerly reporting to the Secretary of Finance to the Secretary of Administration, leaving the position of Secretary of Finance unfilled.

After careful deliberation the Commission has concluded that it would be desirable to continue the position of Secretary of Education. Education is a continuous process and one of the most significant activities of state government with over 60 percent of the General Fund devoted to it. As appropriations for education have sharply increased in recent years, the General Assembly has shown a growing insistence upon an accounting for their performance by the Commonwealth's educational institutions and agencies. Virginians are recognizing that education is an element in the development of solutions to many of their problems, particularly as technology becomes a more important factor in their lives. Lack of coordination and planning has led to undesirable duplication of services and, in general, to less than satisfactory use of the limited resources available for education. The Commission feels that a focal point is needed for planning, coordinating and evaluating all of the educational activities in the Commonwealth. A Secretary of Education can provide such a focal point, and complement and supplement—not supplant—other agencies such as the Board of Community Colleges, the Department of Education and the State Council of Higher Education.

Legislation may ultimately be needed to specify more precisely and definitely the powers and duties of the Secretaries and to remedy present statutory limitations and ambiguities that preclude effective supervision by either the Governor or the Secretaries. Their performance will be significantly improved when the General Assembly provides such specification and clarification.

The Commission considers the recommendations regarding the Secretaries contained herein as an interim solution. Further study will be given the varying powers of agencies, boards and commissions in order that the Commission might recommend

legislation specifying the powers and duties of the Secretaries in relation to these agencies, boards and commissions in order to clarify their roles and to eliminate or reduce the tension which has hampered them to date. In the meantime, however, the Commission has concluded that the Secretaries should be given the necessary authority and responsibility so that the system recommended in 1970 by the Governor's Management Study and adopted with modifications by the General Assembly in 1972 will have an opportunity to work as well as possible.

PROBLEMS IN MANAGING STATE GOVERNMENT

Every Constitution of Virginia since 1776 has provided:

*That all power is vested in, and consequently derived from, the people, that magistrates are their trustees and servants, and at all times amenable to them.*¹

Those words, written by George Mason, are an important statement of the nature and role of government, and the essential premise upon which all of the Commission's recommendations should be based. In short, state governmental agencies must be made accountable and responsive to the people.

The very creation of the Commission reflects an attitude that state government is not adequately responding to the needs of Virginians. The legislation establishing the Commission declares "that the improvement of the services of state agencies and the need to make such services effective and efficient...is a matter of grave concern to all people in Virginia."² Not only are services often unsatisfactory; they are too costly.

As Virginia state government has responded to public demands in this century for additional services, it has established many new programs and raised the level of state expenditures from approximately \$25 million annually in 1927 to the present annual figure of \$3.1 billion. In the process, there has been a tendency to establish a new and separate division, board, commission, or agency to deal with every new program. Periodically, the Commonwealth has reacted to that tendency by attempting to reorganize the structure of state government and reducing the number of agencies, as illustrated by the figures below:

YEAR	NUMBER OF AGENCIES
1903	48
1910	62
1923	90
1927 (Reorganization)	12
1947	70
1948 (Recommended Reorganization)	(17)
1973	100+

In January, 1974, this Commission strongly urged the Governor and the General Assembly not to create new agencies. Since one of the Commission's statutory responsibilities is "the reduction of the

more than one hundred agencies to a reasonable and practicable number," there appeared then, as there appears now, to be no logic to adding more agencies while the Commission is attempting to consolidate and otherwise reduce the number.

For a variety of reasons, there is extraordinary pressure on the Governor and the General Assembly to meet a governmental, economic, or social problem by creating a separate agency to handle the problem. Interest groups prefer to have a separate governmental body to deal with problems of particular concern to them. To legislators, identification with the creation of a new agency may be more helpful politically than a claim of supporting the mere establishment of a new program that is assigned to an existing agency. Governors may wish to demonstrate their concern for a problem by establishing a new office by executive order or by seeking legislation to create a new agency. Competition among political factions may lead to the creation of several agencies to respond to a headline problem as a means of appeasing those factions. Federal legislation has encouraged the creation of new state agencies. Even those striving to improve management and accountability often assume that a separate agency should be created for a particular problem so that the head of the agency can report directly to the Governor, thereby insuring gubernatorial attention to the problem.

Each of these agencies do not have access to the Governor's Office, as the proponents of separation believe: there are simply too many agencies to give them all access. The Governor cannot supervise them all. As the Virginia Commission on Reorganization of State Government noted in 1947:

No single administrator can conceivably function effectively with the span of control as broad as that now existing in the executive establishment. Many independent agencies perform functions related to those of other agencies. The results are that personnel cannot be utilized most effectively under existing conditions. A high cost of government is inherent in such an organization. ³

A quarter of a century later, the same statement could be made. An example of this was offered in the 1973 report of the Virginia Advisory Legislative Council on problems of environmental management. The report notes "fragmentation of properly unified environmental functions among several different administrative agencies." ⁴ In a similar vein, a recent report of the Richmond Regional Planning District Commission identified some 15 different agencies concerned with the problem of land use at the state level. ⁵ In addition to fragmentation in the environmental and land use areas, there are many other problem areas, such as aging, drug abuse, alcoholism, law enforcement, transportation, juvenile delinquency, adult education and automated data processing, to name a few, where a deplorable lack of coordination and consistency exists at the state level.

At the present time, Virginia state government is so fragmented and complex that it is difficult to fix responsibility and accountability. To remedy this situation, state government must devise ways to provide "leaders who can be held immediately responsible for the action and policy of the government, alike upon

its legislative and upon its executive side.”⁶

SEPARATION OF POWERS

The General Assembly has an important role to play in making the agencies of state government responsive to the electorate and in insuring that state government functions both effectively and efficiently. But the legislative and executive branches must define more carefully their respective responsibilities and the relationship between the two branches to promote the maximum responsiveness, effectiveness and efficiency in the operations of governmental agencies.

The Constitution of Virginia explicitly provides for the separation of the legislative, executive and judicial functions of state government. In relevant part, it reads:

*The legislative, executive, and judicial departments shall be separate and distinct, so that none exercise the powers properly belonging to the others, nor any person exercise the power of more than one of them at the same time; provided, however, administrative agencies may be created by the General Assembly with such authority and duties as the General Assembly may prescribe....*⁷

It should be noted that the doctrine of separation of powers “was adopted...not to promote efficiency but to preclude the exercise of arbitrary power.”⁸ This does not mean, however, that efficiency is undesirable or that the doctrine makes efficient government impossible. Working together with the best interests of the Commonwealth in mind, the separate branches can and should promote efficiency in state government.

In simplistic terms, the legislature enacts laws, the executive carries them into effect, and the judiciary construes them. Such a statement, however, is so broad as to be of little practical value. The General Assembly, for example, cannot constitutionally enact laws that would emasculate either the executive or the judicial branch.⁹ By the same logic, the judiciary cannot usurp the functions of the other two branches by making laws or administering them. The executive branch is limited to carrying into effect the laws enacted by the legislature as they may be interpreted by the judiciary.

The provisions of the Constitution relating to separation of powers obviously do not tell the complete story. It is in the application of the doctrine by the three branches and the accommodations they make among themselves that the functioning of state government is actually determined. As the Commission on Intergovernmental Relations observed in 1955:

*The American system of separation of powers works best when all branches of government are strong, energetic and responsible. Men of such diverse points of view as John Adams, Alexander Hamilton and Thomas Jefferson recognized that the successful operation of a government based on the separation of powers depends on provision for adequate executive authority as well as for a representative legislature and independent judiciary....*¹⁰

Constitutionally and practically, the General Assembly cannot administer the laws. Efforts to do so will be counterproductive. The General Assembly meets for relatively short sessions each year. Indeed, there is much sentiment (as expressed during the 1974 Session) that it should return to biennial sessions. The members are normally not selected on the basis of their executive ability or expertise in any particular area of state governmental endeavor. They constitute a body of 140 delegates and senators. Even standing committees cannot manage state government between sessions. One committee does not speak for the entire House, just as one House does not speak for the whole General Assembly.

Legislative oversight is proper and necessary to prevent arbitrariness in the exercise of executive and administrative power to insure that the operation of state government is in accordance with the wishes of the people. However, as one writer has noted:

*If legislative control is extended further than necessary for the accomplishment of these objects, it may exert an injurious influence on both the legislature and upon the administration. Control by the legislature...should not be extended so far as almost completely to destroy the independent action of the administration, so that the latter becomes a mere tool in the legislative hand.*¹¹

One essential feature of sound management—unity of command—is impossible for the General Assembly to provide. The Governor and those responsible to him for the faithful execution of the laws must provide such unity of command. They should be held answerable to the electorate and to the General Assembly for the conduct of the executive branch.

*Because the governorship is held by a single person, the institution need not, like the legislature or a group executive (for example, an executive cabinet), bog down so readily in irresolution, inconsistency of successive decisions, or lack of a strategic plan that distinguishes relative priorities and carries through from proposal to decision to execution.*¹²

In response to what the General Assembly perceived as a need for strengthened capability to conduct post-audit review and evaluation functions, the General Assembly established the Joint Legislative Audit and Review Commission in 1973. This legislative arm should provide the General Assembly with the means by which it can appropriately assess the performance of the executive branch and determine whether programs authorized by the General Assembly are being properly carried into effect. It will undoubtedly strengthen the legislative branch. Under Virginia's constitutional system, however, state government will perform at its best when all three branches are strong. The system will not work as it should if significant imbalance exists.

THE GOVERNOR'S NEED FOR MANAGEMENT ASSISTANCE

If the Governor is to be the chief executive in any real sense, he must have assistance in managing the affairs of the executive branch. As George Washington observed at the conclusion of the

Constitutional Convention, "The impossibility that one man should be able to perform all the great business of the state I take to have been the reason for instituting the great departments, and appointing officers therein to assist the supreme magistrate in discharging the duties of this trust." ¹³ It is essential that such executive assistance be afforded to the Governor of Virginia.

In the context of the existing laws, particularly those permitting the Governor to delegate powers and duties to the Secretaries, the Commission has sought to define the nature of the assistance which the Governor must have to carry out his constitutional responsibilities properly. The General Assembly, in the legislation creating the Commission, recognized that prior to 1972 and the creation of the Secretaries, there were too many agencies reporting to the Governor. As Washington saw, the Governor must be provided administrative officers to whom he can delegate supervisory responsibility to assist him in managing the government.

When the Governor delegates, he cannot ignore his span of effective supervisory control. The number of persons a chief executive can supervise is quite limited. One authority has said that no manager can supervise the work of more than five or six persons. ¹⁴ Although other experts are not so arbitrary, ¹⁵ there is broad agreement that, as the level of management rises, the general tendency is toward progressively diminishing spans of control due primarily to the increasingly diverse and complex nature of the work, particularly where the total enterprise is as scattered and diverse as state government. ¹⁶

If a chief executive must delegate authority out of practical necessity and yet delegate in a way that does not exceed his ability to supervise, he must take care to see that the allotment of powers and duties to his subordinate executives is along the most logical lines. A chief executive must identify the goals and objectives of his enterprise and divide the workload among his subordinates with those goals and objectives as his guide. The predominant view among political scientists and public administrators is that greater emphasis should be placed upon dividing the workload on the basis of its major purposes of government.

In the 1970 Report of the Governor's Management Study, in the 1971 creation by former Governor Linwood Holton of six task forces, and in the 1972 legislation creating the Secretaries, emphasis was in fact placed on dividing the Governor's workload by grouping agencies according to the major purposes of state government. Appointment of a single official with responsibility for such major purpose areas provided a focal point within each area, and permitted the Governor, the General Assembly and the public to look to such official for coordination of the functions assigned to him.

The Governor's Management Study saw the need for top executives to assist the Governor in managing State government. ¹⁷ In giving the Governor six Secretaries, the 1972 General Assembly did not attempt to define their specific powers and duties, but rather empowered the Governor to delegate his "management functions" to the Secretaries

as he saw fit. ¹⁸

DEFICIENCIES IN THE PRESENT SECRETARIAL SYSTEM

In the executive order issued pursuant to the 1972 legislation, former Governor Holton delegated little management authority and responsibility to the Secretaries - an understandable situation in view of the novelty of the Secretarial concept in Virginia. Whatever their accomplishments (and the Commission's first interim report in January, 1974 listed several), the Secretaries have not provided the management and supervisory assistance contemplated by the Governor's Management Study and made possible by the 1972 legislation.

In far too many instances, the Secretaries have viewed themselves as a committee having collective responsibility. These officials should consider themselves a top management team, but not a committee or a cabinet. More attention should be devoted by each Secretary to his own area of responsibility—resolving disputes, coordinating planning and operations, evaluating program performance, setting goals and policies, reviewing budgets, and identifying duplication and ineffectiveness with respect to the agencies assigned to him. Adequate communication among the Secretaries is possible without frequent meetings; moreover, many of the issues on the agenda of the meetings over the past two years were not of sufficient moment for such treatment or should have been the responsibility of an individual Secretary and not all of them as a collective body.

STRENGTHENING THE SECRETARIES

On May 22, 1974, Governor Godwin delegated specific and substantial powers and duties to the Secretaries. In the case of the Secretary of Administration, such delegation will permit him to direct and control the central staff functions. The other Secretaries have been invested with the Governor's authority and responsibility in four principal respects: budget, management, policy and coordination.

Delegation does not mean abdication of responsibility or authority by the Governor: he remains ultimately responsible and retains the same authority that he delegates. Under the Constitution of Virginia the Governor cannot avoid his accountability as Chief Executive. By delegating, however, the Governor can empower another to act in his name with full authority to do the job assigned and the inescapable responsibility to insure that the assignment is carried out.

Budget

In conferring budget authority and responsibility on the Secretaries, the Governor is simply delegating his statutory powers

and duties with respect to the budget. The various Secretaries will not exercise identical authority or have the same responsibilities in the budgetary process. The delegation of authority and responsibility is designed to suit the particular situation confronting each Secretary. The Governor has a number of roles to play in the budgetary process. The role he assigns to the Secretary of Administration to oversee the preparation of the total budget and the subsequent execution of the appropriations act is different from the role assigned to any of the other Secretaries, who are concerned with the preparation of a comprehensive budget for their respective areas. Even among these other Secretaries differences will exist and are reflected in the Governor's executive orders.

Management

Except for the central staff agencies, the Governor's management function is essentially that of holding the head of each agency within the executive branch accountable for the agency's performance. The Governor's constitutional authority and responsibility to "take care that the laws be faithfully executed," to require information from the agencies, and to appoint and remove certain administrative officers are aspects of this management function. The delegation of this authority and responsibility to hold agencies accountable for their performance, which delegation, of course, does not include appointment or removal power, is intended to provide the Governor with the means of supervising the myriad agencies of state government which he cannot supervise alone.

Policy

The policy role of the Governor is also extended by delegation to the Secretaries to allow each to concentrate on developing policy for his own major purpose area. This, in turn, will assist the Governor in his formulation of overall state policy. The authority and responsibility to develop policy for his respective area will enable each Secretary to articulate the common goals and objectives of the agencies assigned to him.

Coordination

The fourth principal responsibility delegated to the Secretaries is that of coordination of the programs and activities of the agencies assigned to them. The proper exercise of this responsibility will reduce or eliminate duplication of effort, program inconsistencies, and administrative bottlenecks. Unlike a staff function of coordination, which suggests mere facilitation and exchange of information, the authority of the Secretaries is that of the Governor himself: in delegating his authority to coordinate, the Governor has given each Secretary the authority to resolve disputes between agencies assigned to him.

AUTOMATED DATA PROCESSING

Since 1963 the Commonwealth of Virginia has been attempting

to bring under control its automated data processing activities. Many previous studies have recognized the need for a comprehensive statewide approach to automated data processing. The Commission believes that this is essential to achieve cost effectiveness and efficiency. Shortly after its creation the Commission recognized that modern, efficient management systems depend upon effective utilization of automated data processing. It has also recognized that the Commonwealth of Virginia has been moving slowly since 1963 in this regard.

The Commission is strongly of the opinion that consolidation of automated data processing should proceed as expeditiously as possible. Responsibility and authority for consolidation under the recommended executive orders is clearly vested in the Secretary of Administration. It should be understood that, while he should confer with the other Secretaries, the user agencies and any consultants or experts he chooses, he and his Director of Automated Data Processing are responsible for producing adequate data processing services.

In recent weeks it has become clear that the Secretary of Administration is meeting the problems involved in consolidation of ADP functions and is making progress in the right direction. The Commission does not intend to make any further in-depth study of the problems involved in this area at this time or to make detailed recommendations in this report. It is the Commission's belief that the administrative officials handling the matter should be given an opportunity to resolve the immediate problems and achieve the results which have been sought since 1963.

CONCLUSION

The Commission emphasizes that the delegation of additional authority to the Secretaries so that they might become truly responsible for their respective major purpose areas is in no way intended to frustrate or limit the ability of any Governor to go directly to a specific problem and deal with the state official most immediately involved. That is the Chief Executive's prerogative no matter how well integrated the agencies or what the formal structure of the executive branch might be. What is intended by the powers and duties recommended by the Commission is that a capable Secretary have sufficient authority to prevent problems from reaching the Governor in the first instance. The Secretary should concentrate on his area, as the Governor cannot, so that he can anticipate such problems in the hope of obviating them.

The issuance of these suggested executive orders will accomplish nothing unless they are accompanied by vigorous leadership on the part of the Secretaries themselves. The imposing responsibilities given them by these orders require that they be decisive. Their very considerable authority should be used, but used judiciously, particularly by means of broad policy directives and the evaluation of the overall performance of the agencies assigned to them.

If the Secretaries are to be effective, they must manage by exception. They should deal only with the exceptional matters or they will become mired in detail and lose their effectiveness.

FOOTNOTES

1. Constitution of Virginia, Article I, Section 2, (1971).
2. Acts of Assembly 1973, c. 432.
3. Virginia Commission on Reorganization of State Government, Report (1947), p. 2.
4. VALC, Environmental Management (H. Doc. No. 18, 1974), p. 1.
5. Richmond Regional Planning District Commission, Land Use-Intergovernmental Relations in the Richmond Metropolitan Area (1974), pp. 7-22.
6. Woodrow Wilson, Address to the Virginia State Bar Association, "Leaderless Government," Hot Springs, Virginia, August 5, 1897.
7. Constitution of Virginia, Article III, Section 1 (1971). The language of the original Virginia Bill of Rights regarding separation of powers is also contained in the Constitution adopted in 1971. Article I, Section 5: "That the legislative, executive, and judicial departments of the Commonwealth should be separate and distinct;..."
8. Brandeis, J., dissenting in Myers v. United States , 272 U. S. 52, 293 (1926).
9. See Kemper v. Hawkins , 1 Va. Cas. (3 Va.) 20 (1793).
10. Commission on Intergovernmental Relations, Report to the President for Transmittal to the Congress (1955), p. 42.
11. J. M. Mathews, Principles of American State Administration (N. Y.: D. Appleton, 1917), pp. 12-13.
12. K. A. Bosworth & J. W. Fesler, "Legislators and Governors, " in J. W. Fesler (ed.), The 50 States and Their Local Governments (1967), p. 291.
13. John Fitzpatrick (ed), Writings of George Washington (1940), XXX, p. 334.
14. L. F. Urwick, "The Manager's Span of Control, " Harvard Business Review (May-June, 1956), pp. 39-47.
15. See L. R. Benton, Supervision and Management (1972), pp. 89-93; W. H. Newman, C.E. Summer & E. K. Warren, The Process of Management: Concepts, Behavior, and Practice (2nd ed. 1967), pp. 32-36; G. G. Fisch, "Stretching the Span of Management," Harvard Business Review (September-October 1963), pp. 3-12; H. H. Albers, Principles of Management (1969).

16. See, e.g., Ernest Dale, Planning and Developing the Company Organization Structure (Research Report No. 20; American Management Association, 1952); J. M. Pfiffner & R. Presthus, Public Administration (5th ed. 1967), pp. 188-192.
17. Governor's Management Study, Survey and Recommendations (1970), p. 168.
18. Acts of Assembly 1972, c. 641, as codified in Chapter 5.1, Title 2.1, Code of Virginia.

APPENDIX A

**STAFF MEMORANDUM TO ALL MEMBERS OF THE
COMMISSION**

ON THE ROLE OF THE SECRETARIES

**MEMORANDUM TO ALL MEMBERS FROM THE STAFF ON THE
ROLE OF THE SECRETARIES**

April 4, 1974

(SM 1)

The Commission decided in February that it would set an early deadline for itself within which to decide upon recommendations to the Governor (and ultimately to the General Assembly) on the future role of the Secretaries established in 1972 pursuant to § 2.1-51.7 of the Code of Virginia. The subject is specifically assigned to the Commission for study and recommendations by October 1, 1975; however, Governor Godwin has expressed his interest in having the Commission's views as to the Secretaries' role at the earliest possible date. This staff memorandum is designed primarily to pose alternative approaches, but not incidentally to provide a perspective (from history, political science, management theory, etc.) that will assist the members in analyzing the problem systematically and objectively.

The members and staff have frequently wondered aloud about "what to do with the cabinet." This has served as a useful shorthand way of describing the problem, but is misleading and frustrates systematic analysis. The term "cabinet" does not appear in the Code; lacks precise definition; does not in any of its many connotations accurately reflect the true purpose or actual experience of the Secretaries in Virginia; and, because of its very lack of precision and variety of connotations, makes for confusion and different understandings among the members and staff.

"Cabinet" has a rather clear meaning in countries with a parliamentary form of government, where it acts as a unit and has collective responsibility in defining policy through a consensus. The experiences with cabinet transitions over the last several months in Great Britain, France and Israel dramatically illustrate the difference between the parliamentary form of government and that of our national government. If a cabinet exists at all in the United States, it resembles its parliamentary counterparts in name only, since it is the product of custom, having no official or formal status, and depending entirely upon the use - if any - the President wishes to make of it. A point many Americans fail to note is that a President need have no cabinet at all.

The notion of a "cabinet" suggests a council of advisors - not a group of administrators, executives or managers. Top executives often are, but need not be, advisors to the chief executive. Advisors are selected for reasons quite different from those which lead to the choice of executives, even though there is frequent overlap in roles.

Most colonial governments provided for advisors to the Royal Governor, usually referred to as his Council; but such advisors did not hold administrative posts. The idea of having administrators double as members of a council of advisors did not appear until 1781, when four executive officers (Secretary of Foreign Affairs, Superintendent of Finance, Secretary of War, and Secretary of

Marine) were created. The four served simultaneously as executive advisors. Having had this experience with administrators serving as executive advisors, it is noteworthy that the Constitutional Convention rejected creation of a President's Council or Cabinet in the Constitution. Charles Pinckney argued that any advisory council must be a voluntary one: "Give [the President] an able council and it will thwart him; a weak one, and he will shelter himself under their sanction." Quoted in Max Farrand (ed.), The Records of the Federal Constitution of 1787 (1927), pp. 537-43.

The prompting for creation of the Secretaries under § 2.1-51.7 of the Code came from the 1970 Governor's Management Study, which saw the need for top executives to assist the Governor in managing state government. Indeed, § 2.1-51.8 speaks of each Secretary exercising the "management functions of the Governor" as the latter sees fit to delegate them; and § 2.1-51.9 makes each Secretary "responsible to the Governor" for certain designated agencies. Thus, to the extent that the word "cabinet" connotes collective responsibility with the Governor or suggests a council of advisors it is inappropriately used here. In order that the future deliberations of the Commission might not be subconsciously biased by the use of such a mischievous term, the word "cabinet" should be stricken from the Commission's lexicon. (If there is any doubt as to the potential mischief, see Stuart Chase, "How Language Shapes Our Thoughts," Harper's, April, 1954.)

Suggesting a More Useful Perspective

If the Governor is to be the chief executive in any business sense, he must have assistance in managing the affairs of the executive branch. As George Washington observed at the conclusion of the Constitutional Convention, "The impossibility that one man should be able to perform all the great business of the state I take to have been the reason for instituting the great departments, and appointing officers therein to assist the supreme magistrate in discharging the duties of his trust." John Fitzpatrick (ed.), Writings of George Washington (1940), XXX, p. 334. It is essential that such executive assistance be afforded to the Governor of Virginia, whose administrative responsibilities are even more complex and imposing now than were those of our first President.

The task of the Commission in this regard is to define the nature of the assistance the Governor must have to carry out his constitutional responsibilities properly. Before the Commission can define the solution, it must define the problem. Clearly one aspect of the problem was highlighted by the General Assembly in the legislation creating the Commission: prior to 1972 and the creation of the Secretaries, there were too many agencies reporting to the Governor. What is really meant by that expression is that the Governor, as a single human being, cannot effectively supervise more than 100 agencies. As Washington saw, the Governor must delegate supervisory responsibility to those who can assist him in managing the government.

Having recognized the need for, and the principle of, delegation of authority, another principle comes into play - the span of

effective supervisory control. The number of persons a chief executive can supervise is quite limited. One authority has said that no manager can supervise the work of more than five or six persons. L. F. Urwick, "The Manager's Span of Control," Harvard Business Review (May - June 1956), pp. 39-47. Others are not so arbitrary. See L. R. Benton, Supervision and Management (1972), pp. 89-93; W. H. Newman, C. E. Summer & E. K. Warren, The Process of Management: Concepts, Behavior, and Practice (2nd ed. 1967), pp. 132-136; G. G. Fisch, "Stretching the Span of Management," Harvard Business Review (September-October 1963), pp. 3-12; H. H. Albers, Principles of Management (1969). In the Old Testament, Jethro recommended that Moses create another layer of management (or bureaucracy) because he saw that Moses had exceeded his span of control. But it is a British general, Sir Ian Hamilton, who is credited with the modern theory of span of control. Soul and Body of the Army (1921), p. 221. He recognized that when a noncommissioned officer led only three soldiers, he was not fully occupied, but that a lieutenant-general found it difficult to direct the activities of six subordinate generals, each in turn responsible for a division of soldiers. Hamilton concluded that the number of individuals under the direction of one leader should be greater at lower levels of organization and fewer at higher levels of management. More recent thought in the field of management and public administration shares the same basic assumption: as the level of management rises, the general tendency is toward progressively smaller spans of control, due primarily to the increasingly diverse and complex nature of the work, particularly where the total enterprise is as scattered and diverse as state government. See generally, Ernest Dale, Planning and Developing the Company Organization Structure (Research Report No. 20; American Management Association, 1952); J.M. Pfiffner & R. Presthus, Public Administration (5th ed. 1967), pp. 188-192.

The orthodox view of limited span of control has been challenged by a leading expert, Herbert A. Simon, who insists that the smaller the span of control, the greater the number of vertical echelons (layers of bureaucracy) which are necessary, in turn making vertical communication difficult. H. A. Simon, "The Span of Control: A Reply," 21 Advanced Management (April 1957), p. 14.

Two considerations must be explored in greater depth than is appropriate in this memorandum: (1) The short span of control concept is based in part on the notion that a chief executive must have intimate and frequent personal contact with his immediate subordinates. (2) Recent and dramatic developments in the field of data processing have shown that communication and feedback information about goals and attainment of objectives are as important as intimate personal contact in maintaining control over subordinates. The span of control of the chief executive can be expanded by means of a highly organized staff and greater utilization of data processing capability.

The recent "Watergate" experience, however, demonstrates the danger in a heavy reliance upon the second consideration at the expense of the first. A proper balance must be struck between over-reliance upon staff and too many layers of bureaucracy. Ironically,

the same developments in data processing which may have given impetus to a too-heavy staff orientation also reduce or eliminate many of the difficulties formerly experienced with numerous vertical echelons (layers of bureaucracy): communication between levels can be greatly facilitated by advanced ADP systems.

In any case, however, it is wise (as Pfiffner and Presthus suggest) to substitute the concept of "supervision needed" for the much-abused span of control concept. Likewise, as mentioned above on page three of this memorandum, the references to the number of agencies "reporting to" the Governor are not helpful for analytical purposes and should be avoided in favor of references to "supervision needed."

If the chief executive must delegate authority out of practical necessity and yet delegate in a way that does not exceed his ability to supervise, he must take care to see that the allotment of powers and duties to his subordinate executives is along the most logical lines. The chief executive must identify the goals and objectives of his enterprise and divide the workload among his subordinates with those goals and objectives as his guide. Management experts refer to this as "departmentation" or "departmentalization."

A number of factors must be considered in departmentalization (i.e., the process of delegation of specific responsibilities to subordinate executives): (1) the major purposes of the enterprise, (2) the recipients of the services or products of the enterprise, (3) the place where the services are delivered, and (4) the process involved in producing those services and products. Clear examples in Virginia where one factor predominates are the Office of Human Affairs as to the first category, the Commission for the Visually Handicapped as to the second, the establishment of planning districts and local governments as to the third, and the Division of Automated Data Processing as to the fourth.

Due regard should be given all of these factors, but the prevalent view among political scientists, management experts and public administrators is that more emphasis should be given to departmentalization on the basis of the major purposes of government. The expressions "functionalization" and "functional reorganization" are frequently used to describe this view. Because the word "function" has such a broad range of meanings (often confusing "process," "activity" and "purpose"), the staff urges the Commission to consider this approach in terms of "organization on the basis of major purposes" rather than "functional reorganization" or "functionalization."

The subject of departmentalization and the proper breakdown of the state's activities into logical groupings need not be considered in depth in this memorandum in order to decide upon the proper role of the Secretaries. Further study will be given this subject; and a separate memorandum will be prepared thereon.

Distinguishing the Powers and Duties of the Secretaries from the Derivation of Such Powers and Duties

For analytical purposes, the powers and duties of the Secretaries (the potential range of which are set forth in the checklist below) must be distinguished from the source of those powers and duties. There are two separable issues: (1) How strong should the Secretaries be and what specific powers and duties should they be given? (2) Should those powers and duties be derived from an executive order, a statute, a constitutional provisions, or a combination thereof? The first issue should be considered as if the second had no impact on it, although, of course, it may have considerable impact. In short, the Commission must first decide what it thinks the Secretaries should do and prepare a job description. Thereafter, the impact of the involvement of the General Assembly or the need for constitutional, legislative or executive support can be considered.

Checklist of Powers and Responsibilities for the Secretaries

1. General authority for supervision and direction of all programs, functions and administrative units assigned to such Secretary, with direct responsibility to the Governor for their administration.
2. Responsibility to advise the Governor on matters within the Secretary's purview in such a way as to insure that the Governor has current and reliable information to carry out the Governor's constitutional responsibility as Chief Executive.
3. Assistance to the Governor in formulating comprehensive policies and programs.
4. Responsibility to implement the Governor's policies and programs.
5. Authority and responsibility to serve as the principal liaison between the Governor and each administrative unit assigned to such Secretary.
6. Power to exercise the authority of the Governor which may be delegated to such Secretary by the Governor with respect to the functions, programs and administrative units assigned to such Secretary, including:
 - a. resolution of conflicts between and among the administrative units assigned to such Secretary;
 - b. coordination of the activities and planning of the administrative units assigned to such Secretary with those of other governmental agencies - federal, state and local - and private organizations; and
 - c. coordination of all legislative matters relating to the functions, programs and administrative units assigned to such Secretary, with the General Assembly or the appropriate committee, commission or other agency thereof.
7. Authority and responsibility to appear before regulatory bodies -

federal, state and local - with respect to matters pertaining to the functions, programs and administrative units assigned to such Secretary.

8. General responsibility for the sound fiscal management of all functions, programs and administrative units assigned to such Secretary, including review and approval of the proposed budget of each administrative unit assigned to such Secretary.
9. Authority and responsibility to hold the head of each administrative unit assigned to such Secretary accountable for the administrative, fiscal and program performance of that administrative unit, with concomitant authority and responsibility for review and evaluation of all functions, programs and administrative units assigned to such Secretary.
10. Authority to appoint and remove subordinate officials to administer the programs, functions and administrative units assigned to such Secretary.
11. Authority and responsibility to develop, and report to the Governor on, legislative, budgetary and administrative policies and programs to effect comprehensive, long-range and coordinated planning and policy formulation.
12. Authority and responsibility to report to the Governor on needed organizational reforms.
13. Authority to hold public hearings; consult with, and utilize the services of, other governmental agencies - federal, state and local; employ consultants whenever funds shall have been made available for such purpose by the General Assembly; and appoint advisory and technical personnel to assist such Secretary in his duties.
14. Authority to accept grants, loans, gifts, bequests and endowments for purposes consistent with the functions and programs assigned to such Secretary.
15. Authority to make and enter into all necessary contracts and agreements with the proper governmental agencies - federal, state and local - and with private organizations, and to do all other things necessary and proper to obtain benefits afforded under the provisions of any Act of the Congress of the United States or available from other governmental agencies or private organizations.
16. Authority to delegate those powers, duties or functions which need not be executed by, or reposed in, such Secretary personally to employees within his immediate office or within the administrative units assigned to him.
17. Authority to issue orders and to promulgate rules and regulations not inconsistent with the laws of the Commonwealth to discharge the foregoing responsibilities and to carry out the purpose of functions and programs assigned to

such Secretary.

18. Responsibility to present an annual report to the Governor and the General Assembly, and to render such other reports as the Governor shall from time to time request pursuant to the provisions of Article V, Section 8, of the Constitution of Virginia.
19. In carrying out the foregoing responsibilities, the Secretary shall be governed by all applicable statutes of the General Assembly and by any policy established by the Governor consistent with those statutes.

The foregoing list represents the powers and duties that the strongest top executive might possess. It is designed to provide a starting point for consideration of the role of the Secretaries and for the drafting of a job description, which for public officials ordinarily takes the form of a constitutional provision, a statute or an executive order setting out specific powers and duties. The Commission can eliminate or modify specific items in the foregoing list in an effort to define the role of the Secretaries.

General Considerations

The approach to defining the role of the Secretaries suggested herein is an effort at avoiding subjective impressions and the dangers inherent in discussions as to whether the Secretaries should be staff, line, operational, facilitating or coordinating -words that have provided no answers and have simply added to the confusion. Rather it is an attempt to visualize the Secretaries as persons with a specific set of powers and duties.

That is not to say that subjective impressions and the public perception of the Secretaries are unimportant. Indeed, as the recent corrections problem illustrated, the public perceived the Secretaries as actual administrative heads, when in fact they had not been delegated powers by the Governor to make them such. For the future, the Secretaries should not have to depend upon vagueness of the term "coordination." It means one thing to the public and an entirely different thing to agency heads.

Members of the Commission have voiced some concern that the Secretaries avoid involvement in the day-to-day operational functions of the various agencies under them. Yet it is impossible to make the Secretaries effective top managers without granting them considerably more authority over agency heads. How are these competing notions to be reconciled?

Public administration is just beginning to understand and to embrace a practice and a concept that has been used successfully in private industry. It may provide the way to reconcile those competing notions. The industrial model distinguishes between management functions at the corporate level and the operating level.

At the corporate level, the functions of executives are to plan,

formulate policy, conduct public relations, raise money, and evaluate operations, all the while staying out of daily operations. At the operating level, their task is to carry on manufacturing, procurement, sales, and transportation. The corporate level can probably supervise a relatively large number of operating units if adequately provided with staff services. But this supervision will not be of an order-giving nature.... P9 [One] should not rush to the conclusion that the distinction between the corporate and operating levels is primarily based on a line-and-staff dichotomy. The true distinction is that the corporate level does have authority to issue orders, but it refrains from doing so on a day-to-day basis. Its very real authority is exercised by broad policy directives and by evaluations of the over-all accomplishments of operating units. The meaningful distinction is in the behavior of the men at the various levels. J. M. Pfiffner & R. Presthus, supra, at 191.

In his recently published book Management: Tasks, Responsibilities, Practices (1973), Peter F. Drucker concludes that top management must be multidimensional. "There is no top-management task; there are only top-management tasks ." (p. 611) He admits that the "management texts agree that top management should not 'operate'" but argues that top managers cannot and should not avoid certain "operating" work. Drucker recognizes that certain decisions, which are traditionally considered "operational," properly were the concern of top managers. Pointing to the experience of General Wood of Sears, Roebuck as an example, Drucker shows how Wood (who firmly insisted that top management stay out of operations as a general proposition) wisely assigned top management the responsibility of selecting sites for new major retail stores. "[Such decisions] had long-range and irreversible impact on the company's ability to see and to make money. Once the site has been selected and a store has been built, there is a twenty-year commitment. A decision like this, though clearly an operating decision, has to be made by top management." (p. 615)

When top managers involve themselves in operational matters, tension may well occur. But such tension may be healthy. As Drucker remarked in a recent interview: "Your salesmen and your engineers fight? That is what they should do. God help you if they are in agreement." "Inside Peter Drucker," Nation's Business (March 1974), p. 61. It is entirely possible that too much concern has been paid to avoiding such tension in state government; consequently, we have come to call the Secretaries "facilitators" and "coordinators." If the Commonwealth's appropriations have been accelerating at a rate that is undesirable, hard decisions must be made to bring them in line. Tension is almost inevitable. As the belt tightens, the various segments of state government will resist - each fighting to maintain what it has or to acquire more. That is not necessarily an unhealthy condition. Agency heads should have a single-mindedness that the Governor cannot afford. When revenues are not available to do all that each agency would like (as is always the case), the Governor and ultimately the General Assembly must set priorities and choose which programs are to be funded and which projects built. That is not the province of agency heads: they

do not set the state's priorities or reconcile what state government would like to accomplish with what it can afford. They present the strongest argument on behalf of their agencies that can be made. They should resist encroachment and advocate maximum support for their programs.

The public, however, having set a rough limit on what it is willing to spend for state government (either at the polls or by some other means of determining public opinion), expects the General Assembly and the Governor to hold down spending by making hard choices. Neither the legislature nor the Governor acting alone can do the job adequately. It is in this area particularly where both the legislature and the Governor need assistance. The Commission has already indicated that it considers the secretaries as a source of such assistance to the Governor in the budgetary process.

If the Secretaries are to be top managers, they will need to "manage by exception" - a phrase of art in private industry and exceptional matters or they will become mired in detail and lose their effectiveness. The measure of their success is in their ability to choose properly what is exceptional and when to become involved in "operational" matters.

Alternative Approaches

There appear to be six alternative roles for the Secretaries (one alternative being no role at all):

1. Deputy Governors
2. Strong heads of superagencies
3. Heads of grouping of compatible agencies with limited budgetary and other authority
4. Personal representatives of the Governor
5. A staff secretariat
6. Elimination of the positions.

A full discussion of each alternative with a listing of their advantages and disadvantages follows. Suggesting six alternatives does not mean that others are not possible by combining features of more than one to create a new role.

DEPUTY GOVERNORS

This concept is borrowed from the experience in private industry with "group vice-presidents." Its principal attraction is that such officials would clearly be the Governor's own men and neither spokesmen for entrenched bureaucracies nor representatives of special interests. Deputy governors would not assume the functions now performed by heads of agencies and

departments, particularly as to the direction of day-to-day operations. Ideally, these officials would be given broad responsibility (presumably by the Governor) for overseeing the programs of agencies assigned to them, possessing a strong analytic and evaluative capability closely tied to program planning and budgeting.

As the reference to group vice-presidents suggests, deputy governors under this concept would be strong executives and not mere "facilitators" or "coordinators." Their role would be similar to that of the executive head of a large division of a major corporation. Although they would be managers in the true sense (rather than staff assistants), they would and should be freed from day-to-day operational responsibility. The scope of their responsibilities would be so large, and the activities assigned to them so diverse that they would be incapable of "running" or "operating" the agencies under them. They would, however, be expected to provide general supervision over those agencies and would have a prominent role in the budgetary, planning and policy-making processes.

Under this approach, the Governor would look to the deputy governors rather than to agency heads as having ultimate responsibility for the performance of the governmental functions assigned to the deputy governors and for the implementation of his policies and those of the General Assembly. The test of this concept is whether deputy governors will have the requisite power to deal with their respective major purpose areas and agencies assigned to them in a way that corresponds to their responsibility. Because the Governor himself may lack the authority to match his responsibility (as some political scientists claim), he cannot delegate sufficient authority to the deputy governors. Assuming the Governor does have the authority, there may be some doubt as to his legal ability to delegate such authority.

If the doubts about the Governor's authority and his ability to delegate are insubstantial or can be obviated, the deputy governor approach would give the Governor the means to make agencies more responsive while simultaneously allowing them to retain their individual identities. Without some assistance from high-level executives such as the deputy governors, the Governor would be unable to supervise the many agencies reporting to him. This would be so even if his personal staff were greatly expanded. The practical effect of this lack of effective supervision is undesirable agency autonomy.

The deputy governor approach has not been adopted by any other state; and there is no indication that another state has seriously considered this concept. It has, however, been advanced frequently at the federal level as an improvement in executive branch management. For many years, there have been proposals for "assistant presidents," "associate presidents," "executive vice-presidents," and "administrative vice-presidents." The most prominent proposal was that of former President Herbert Hoover for an "administrative vice-president." (See Hearings on proposal to create position of administrative vice-president before the Senate Government Operations Subcommittee on Reorganization, 84th

Congress, 2nd Session, 1956.) More recently, William M. Capron of Harvard (an official in the Kennedy and Johnson Administrations and currently Associate Dean of the John F. Kennedy School of Government at Harvard University) suggested a concept similar to the deputy governor concept in his article, "The Executive branch in the Year 2000," in H. S. Perloff (ed.), The Future of the United States Government: Toward the Year 2000 (1971).

President Nixon's Advisory Council on Executive Organization (commonly known as the "Ash Council") rejected this approach and recommended a major reorganization of the executive branch to transform it from a client-oriented bureaucracy to a mechanism organized around the major purposes of government. It was an attempt to break up what has been called the "unholy trinity" or alliance among (1) special interest groups, (2) the bureaucracy regularly dealing with such groups, and (3) the congressional committees that relate to both the special interest groups and that special segment of the bureaucracy. The Ash Council hoped that in organizing on the basis of the major purposes of government, the heads of the new superagencies would be more responsive to the President and to the public as a whole. The new departments would be (1) the Department of Community Development, (2) the Department of Natural Resources, (3) the Department of Human Resources, and (4) the Department of Economic Affairs.

When Congress failed to enact these proposals during the 92nd Congress, President Nixon decided to seek the objectives of the Ash Council without legislation by creating Presidential Counsellors for Community Development, Human Resources, and Natural Resources. A fourth position was created for Economic Affairs: Treasury Secretary George Shultz was given the additional position of Assistant to the President for Economic Affairs. Thus, by executive action the President hoped to achieve some of the same benefits of goal-oriented policy formation and advice to the President which would have resulted from the creation of the four super-departments. Heads of the cabinet departments (except Justice, State and Defense) were to report to the President through their respective Counsellor. (See the Statement by the President, "Redirecting Executive Branch Management," January 5, 1973.)

In their syndicated column, Rowland Evans and Robert Novak characterized this as an attempt "to create four...new Kissinger-type master-bureaucrats working directly under the President. They would exercise fully as much control over their old-line departments as Kissinger now exercises over the State Department...." The attempt failed and was formally abandoned only months later. To what extent "Watergate" problems and opposition to a Republican President's proposal by a Democratic Congress contributed to the demise of the Presidential Counsellor approach is impossible to determine; nevertheless, the strong reaction to the attempt from many quarters, particularly from the political and career executives of the executive branch itself suggests an inherent weakness in the concept.

A New York Times editorial of January 14, 1973, suggested:

It is difficult to believe that positive results in terms of more effective programs and better delivery of Government services to the people can be achieved by superimposing this new layer of bureaucracy between the President and the top level of the executive branch. These supercabinet members, operating like group vice presidents in a huge corporation, can readily serve as the "abominable nomen," vetoing new programs and killing or reducing old ones. But, as successive generations of businessmen have discovered after taking top jobs in Washington, the Government simply cannot be run the way a corporation is.

In business, profits and losses provide a clear, objective measure of success or failure. But when the issue is educating children on an Indian reservation or training potentially delinquent youths for a useful job or cleaning a city's polluted air, it is not so easy to measure the costs, invisible as well as visible, long run as well as immediate. In Government, cost accounting and operations analysis can help a decision-maker only so far, then, judgment becomes a matter of values.

The name "deputy governor" is used here only because it is descriptive of the concept outlined. Its use in the report of the Governor's Management Study led to much emotional reaction. In a march 5, 1972, editorial the Richmond TimesDispatch suggested that:

House Bill 817 would be faring more easily in the General Assembly if the Governor's management Study hadn't thought up the title "deputy governor."

That title doesn't appear in HB 817; instead, the proposed new top-level state administrative officials would be called "secretaries." The point is, though, that the whole concept as advanced more than a year ago got a bad initial reception because not many people liked the idea of this state's having several appointed "governors," even if they were only deputies.

If the name "deputy governor" offends, "secretary" can be retained; however, the term "secretary" was not used here to emphasize that this alternaive would constitute a different role than that which the Secretaries are now performing.

Advantages

1. Deputy governors would feel less pressure to serve as advocates for the bureaucracy than would officials who are responsible by statute for agency operations. They should also tend to be more responsive to the interests of the public at large rather than to special interest groups.
2. They would be goal-oriented and inclined to view problems with a broader perspective than would an agency head who often has responsibility for only part of the problem. They would be able to deal with problems that cross existing agency lines.

3. They need not be encumbered with large support staffs, but would have maximum time and attention for solving and anticipating problems.
4. They would provide a needed focal point within a broad functional area so that the Governor, the public, those within state government, local governments, other states and the federal government could look to such deputy governors as experts in their particular functional area and as the individuals to whom the public can look for answers within their respective areas.
5. If deputy governors are subject to confirmation by the General Assembly and must also operate in full view of the public, the occasion for abuse of executive power and covert operations would be greatly reduced. Contrast the recent experience with "faceless" White House staff personnel.
6. Deputy governors would conserve the Governor's time by providing highly visible and prestigious officials who could respond to, and interact with, the public and others in the Governor's stead, and handle a limited number of issues and disputes that would otherwise reach the Governor.
7. Assuming their number is restricted to a few (as should be the case), deputy governors would provide a flexible planning and coordinating mechanism along lines of major government purposes and functions. This would not be true with a larger number of officials, each having a narrower perspective due to their more restricted areas of concern. The smaller number also makes for ease of coordination.

Disadvantages

1. Due to the very nature of their highly personalized relationship to the Governor and without specific statutory powers, deputy governors must depend too heavily on their relationship to the Governor and vigorous support the Governor must give them to make them truly effective. Consequently, agency heads would be inclined to test deputy governors all too frequently to determine the degree of personal support the Governor actually lends to his deputies. This would especially be the case in the absence of a clear job description. Constant tension with agency heads would inevitably result.
2. Even if the Governor were to provide a precisely drawn job description, the absence of a clear statutory grant of power by the General Assembly to the deputy governors would cause frequent doubt as to the powers that the Governor may delegate to them. There may be many things a Governor can accomplish by reason of his unique position, the prestige of his office, the fact that he (and not the deputy governors) is elected, and numerous informal means of persuasion other than the Governor's formal management or executive powers. Since there is a lack of common agreement as to the constitutional role and powers of the Governor as Chief Executive, any official

who is dependent entirely upon the delegation of powers by the Governor based upon a broad statute such as section 2.1-51.8 of the Code of Virginia will be operating under a cloud that will hamper his effectiveness.

3. The Governor's time and attention would not be conserved to the greatest extent possible unless deputy governors were given clear and formal powers to resolve their own disputes with agency heads and disputes between agency heads under them. This may be impossible without legislation.
4. The General Assembly would likely resist the arrogation of power by deputy governors who are the Governor's men at the expense of agency heads who operate with statutory powers and duties. This situation allows agency heads to play off the legislature against the Governor and deputy governors - an undesirable situation. If the General Assembly supports or at least is not opposed to the strong role of deputy governors, then it would seem that such an attitude should be embodied in a statute listing with some specificity the powers the General Assembly intends for the deputy governors to exercise. In doing so, however, the General Assembly will subtly be transforming them from deputy governors to superagency heads.
5. If deputy governors are to exercise any significant power, they must be able to respond to problems along functional lines, ignoring the organizational maze below them that is the product of existing statutes. Either the General Assembly will acquiesce in an approach leaving deputy governors free to decide policy disputes between agency heads within a functional area or it will resist such an exercise of power. In either instance, the better course would seem to be a direct request to the General Assembly for a definitive legislative statement of the role of such key executive officials, specifying powers and duties. If the General Assembly agrees, their effectiveness will be heightened. If the General Assembly is opposed, deputy governors would never perform satisfactorily whether the issue were squarely presented or not; agency heads would constantly play them off against the General Assembly.

STRONG HEADS OF SUPERAGENCIES

This approach presupposes a significant degree of integration within superagencies. Otherwise, the head of such a superagency will not likely be a strong one. The old-line agencies would tend to retain their autonomy.

A secretary under this approach must possess most of the powers and duties in the checklist which appears above. Depending upon a number of factors, this type of secretary could be either of two divergent persons. If the secretary oversees a grouping as large as those currently existing under § 2.1-51.9, if the Governor retains the power to appoint and remove the principal officials serving under the secretary, and if the Governor takes care to select

secretaries who will resist pressures to become persistent advocates for the bureaucracies beneath them, the secretary will be a potent arm of the other hand, if the number of groupings is increased (making the superagencies smaller), if the secretary (rather than the Governor) has ultimate authority to hire and fire all officials under him, if the old-line agencies are permitted to retain any substantial degree of autonomy, if the superagency is organized to serve a particular clientele or interest group (e.g., farmers, welfare recipients, organized labor, etc.), and if the secretary is selected as a result of pressure from the interest group affected or with a view to appeasing the bureaucracy the secretary is supposed to head, the secretary will be relatively independent of the Governor.

It should be emphasized that the concept of a strong head of a superagency and that of a group vice-president in private industry are not incompatible. This is particularly so if the grouping is large and organized on the basis of a major purpose of state government. A secretary in this case need not be "line" or "operational" in the commonly-understood sense. Even though he would be given most of the powers and duties in the checklist, he could remain free to function as a group vice-president by coupling his delegation of specific powers and duties to subordinates with a clearly-defined policy and goals statement. In fact, if the superagency is as large as the current groupings, he would be a poor executive were he to do otherwise.

Since integration within these groupings is an element of this concept, the political obstacles which confront any attempt to eliminate old-line agency autonomy will be particularly imposing here. The interest groups, the bureaucracy, and powerful factions within the General Assembly will resist integration. The extent and scope of the consolidation (e.g., putting all social services under one umbrella) together with the degree of integration (i.e., each component would lose its independent staffing, budgeting and other functions) suggested here would present the most significant threat to these three groups; consequently, the political resistance would be at its highest.

To emphasize the point again, a strong head of a superagency can fall into one of two categories: (1) He can be a group vice-president of sorts, which will make him more the Governor's man and leave him with limited day-to-day involvement in operations. (2) He can be an agency head, as one currently understands that role, but with a broader perspective and more programs assigned to him than agency heads have at present, and with greater involvement in operations than the group vice-president type.

Whether the secretary falls into the first category or the second depends largely upon the decision the Commission makes with respect to consolidation of agencies. If the Commission recommends consolidation of all state agencies into fifteen or fewer departments, a secretary in the first category (group vice-president) would probably be unnecessary and possibly even a detriment to executive branch management. He would be expected to "supervise" no more than three or four heads of major departments, who would not tolerate the interposition of such an executive

between themselves and the Governor. It would be difficult to attract or retain the heads of such consolidated agencies under such a group vice-president arrangement. Moreover, the potential contributions of the group vice-president in an executive branch of only fifteen agencies would be sharply reduced, because the consolidation of agencies would accomplish much that group vice-presidents would be expected to contribute. As a consequence, secretaries of the group vice-president type would probably be little more than "an additional layer of bureaucracy" under those circumstances.

Should the Commission recommend establishment of four to seven superagencies on the basis of the major purposes of state government? Or should it recommend consolidation of smaller agencies into larger ones (or the combination of agencies of approximately similar size) so that there would be fifteen or fewer departments within the executive branch? Those issues deserve separate treatment to analyze the likely advantages and disadvantages of each approach. For discussion purposes (and rather arbitrarily), the staff is treating "superagency" as an executive branch department which is organized on the basis of a major purpose of state government and clearly broad enough in scope so that it does not represent the limited interests and have the restricted perspective of a particular interest group. Since the assumption is that either four to seven major purposes of state government will be identified and defined and superagencies established along the lines of such major purposes, or all existing agencies will be combined and consolidated into approximately fifteen or fewer, the creation of superagencies obviates the second approach, which will be treated under the sixth alternative below.

Advantages

1. If the secretary can retain his orientation as the Governor's man while serving as the administrative head of a superagency, many of the same benefits that are seen with the use of deputy governors can be realized under this strong secretary approach.
2. This approach provides the Governor, the General Assembly and the public with a highly visible individual who can be held accountable for the performance of the programs, functions and administrative units assigned to him.
3. Like a deputy governor, a secretary responsible for all activities within a major purpose area of state government will be goal-oriented and inclined to view problems with a broader perspective than would old-line agency heads. Such a secretary would be able to deal with problems that cross existing agency lines.
4. Involvement of the General Assembly in the establishment of these positions (with whatever consolidation of agencies it decides should accompany the enactment of a statute specifically setting out the powers and duties of the secretaries) provides for strongest support possible for such top-management officials. The combination of support from the

Governor and the General Assembly will greatly diminish the resistance of the bureaucracy to the secretaries' efforts to play a strong management role. It would reduce the tendency of the old-line agency heads to circumvent the secretaries by going directly to the Governor or to the General Assembly.

5. Strong heads of superagencies should be able to conserve the Governor's time to the greatest extent possible, particularly since the secretaries in that kind of role could resolve disputes that would otherwise reach the Governor.
6. This approach would provide a consistency and stability in state government that the deputy governor approach would not, since the latter depends so much on the nature and attitudes of each Governor and might lead to difficult adjustments during transition periods between administrations.
7. Because the secretary is dependent upon the bureaucracy for the information he needs to make decisions properly, he is in the best position to elicit full and accurate information under this approach.

Disadvantages

1. Because strong heads of integrated superagencies would owe their power and effectiveness more to their statutory base and to their support from the bureaucracy they lead than would deputy governors, there is an unavoidable tendency for these secretaries to be independent of the Governor and less responsive to him. It does not mean that they will be more responsive to the General Assembly since they will have available the means to exercise much autonomy. They will have prestige that does not depend upon the Governor's indulgence, but yet are removable by the Governor. This puts them in an ideal position to play off the General Assembly (which presumably would not have removal power) against the Governor (whose only practical means of controlling the secretary may be the politically dangerous choice of removing him).
2. Specificity in a statute establishing these positions would tend to restrict the Governor and reduce his flexibility.
3. There would be a greater tendency for strong heads of superagencies to become involved in operational or day-to-day matters, thus robbing them of their effectiveness.
4. Strong heads of superagencies would also have a greater tendency than deputy governors to resist coordination with other agencies. There would be greater pressure on the strong heads of superagencies from their bureaucracies to preserve their autonomy and prerogatives. In short, as the true administrative head of a superagency, the secretary would be inclined to speak for the interests of his employees rather than press the interests of the Governor.

5. Integration of activities within a major purpose area of state government is exceedingly difficult. The General Assembly, because of political pressures alluded to above, would find it difficult to enact the needed legislation without having it resemble a patchwork quilt. Assuming the General Assembly can enact legislation that will meet the objectives, the implementation of such legislation is also difficult. There are practical problems posed by such centralization and integration: resistance from the interest groups and old-line agencies, and possible disruptions of agencies in a transitional stage, whose program effectiveness would be impaired by drastic organizational change.

HEADS OF GROUPINGS OF COMPATIBLE AGENCIES WITH LIMITED BUDGETARY AND OTHER AUTHORITY

Assuming groupings similar to those in § 2.1-51.9 of the Code of Virginia, the secretaries could function with clearly-defined - but perhaps somewhat limited - budgetary responsibility for the agencies assigned to them. Other powers from the checklist above could also be selected: there are a variety of combinations.

One of the principal issues here is the extent of the secretaries' involvement in the budgetary process. He could serve as little more than a staff assistant, reviewing the budgets of his agencies and noting his comments in the margins or under separate memoranda, all of which would go on to the Division of Budget. Alternatively, he could have the power to revise the budget submissions of his agencies, with the original submissions going on to the Division of the Budget with the secretary's submission if the agencies insist; however, a heavier burden would be imposed on the agencies to have their original requests accepted and reinstated.

The secretaries under this approach might also be given clear power to resolve certain disputes (other than budgetary ones) between agencies or between a secretary and an agency head. If the secretaries are granted authority to issue broad policy directives on behalf of the Governor for their respective areas, they should possess the concomitant power to resolve disputes that arise under such directives. Otherwise, such policy directives would be of little or no value and the secretaries little more than staff assistants to the Governor. At the same time, however, the Governor should specifically define (to the extent he possibly can) the scope of the policy directives the secretaries may issue in his name.

From the variety of combinations of powers and duties possible under this approach, the combination that would give the secretaries the greatest strength would be one that resembles the "holding company" concept. Old-line agencies would retain their individual identities and a substantial degree of autonomy. The Council of State Governments suggested this possible course in § 4 of its draft of an executive branch structure bill in 1969 Suggested State Legislation. That section would limit the powers and duties of

the secretaries to “budgeting, program coordination and related management functions.”

Some have described the Secretary of Health, Education and Welfare at the national level as the head of a holding company, with the various agencies within HEW (e.g., the Social Security Administration, the Public Health Service, the Social and Rehabilitation Service, and the Office of Education) going their own way.

The Secretaries who have headed the department [HEW] have had to define their role largely in terms of assisting the expansion of programs, or of encouraging administrative improvement in their operation. The Department of Health, Education, and Welfare is an illustration of a complex type of organizational structure which has had considerable difficulty in finding a rationale for its departmental existence, other than simply reducing the number of officials who nominally report to the President.

J. D. Millett, Organization for the Public Service (1966), p. 48.

Since 1966 when Millett made that comment, however, the Department of HEW has been through a significant reorganization in 1971-72 under then Secretary Elliot Richardson, which prompts another look at Millett's conclusions. Richardson not only devised a rationale for the existence of HEW, but also insisted that a failure to recognize the interrelationship of the various components of HEW would lead to poor management, a waste of resources and a failure to adjust to changing conditions. So long as the components were allowed to go their own way without concern for their impact on each other, an undesirable tunnel vision and duplication of effort would result.

Viewing HEW from the perspective of the consumer, Richardson discovered that the consumer or his family had to deal with a number of components at HEW to find a solution to a single problem or a single set of problems that could not be broken down into discrete parts that matched the artificial boundaries of the components of HEW. He saw the need for an integration of the services rendered to the consumer by HEW. Yet, from a condition of fragmentation, Richardson did not push HEW toward complete integration (which he did not consider wise), but chose a middle ground which allowed for coordinated management and programmatic consolidation wherever feasible. He saw his approach as a close confederation of HEW components rather than a full integration of those components into a unitary organization, and yet a significant advancement over the balkanization which existed before he came to HEW. Nevertheless, the Richardson model does not rob the components of their individual identities (which was often a factor in building and maintaining morale) and did not render them subservient to the Secretary of HEW or submerge them in a larger mass.

Although it might appear to the public that the Secretary of Defense is the strong head of an integrated superagency, he is in

fact the head of a rational grouping of components involved in national defense, having only limited authority. Saying that his authority is "limited" (in the sense that he possesses but a few of the powers in the checklist above - and these in modified form) does not mean that he is a weak executive. Depending upon his own abilities and inclinations, the Secretary of Defense can exercise considerable leverage. But he lacks the authority to issue direct orders as a group vice-president in a private corporation might to all component units reporting to him. The Secretary of Housing and Urban Development and the Secretary of Transportation operate in much the same way that the Secretaries of HEW and Defense do - with limited authority, but with considerable potential impact on the management and direction of their departments.

Much the same thing could be accomplished by the secretaries created under § 2.1-51.7 of the Code of Virginia if the Governor chose to delegate specific powers to them in such a way and on such an order (e.g., allowing them to resolve disputes and giving them a stronger role in the budgetary process) that he would be communicating unequivocally to the agency heads his intention that the secretaries are to be responsible for the agencies assigned to them. If that is the Governor's intention, he might make doubly certain that the agency heads understand his meaning by sending a simultaneous message to them that they are to report to the secretaries except in the truly extraordinary circumstance where a personal conference with the Governor is the only thing that will suffice.

Agency heads are not naive. While the public might believe otherwise, agency heads know that the secretaries are not truly responsible for the agencies assigned to them and, therefore, can be ignored, resisted or circumvented unless the Governor treats the secretaries as being responsible in fact by giving them powers to match their stated responsibility. Simply giving them lofty titles suggesting responsibility and saying they are "responsible for" certain agencies (as § 2.1-51.9 proclaims) does not make them so.

If the Governor chooses not to give more substantive authority to the secretaries and a clear message to agency heads along with it, the secretaries will remain administrative eunuchs. So long as agency heads sense a lack of support or even lukewarm support by the Governor for the secretaries, the secretaries will not only be crippled and frustrated themselves, but also a source of confusion and frustration to those who deal with state government and who look to the secretaries as responsible officials because of their titles and some misleading statutory language.

Advantages

1. The secretary under this approach can be the Governor's man at least as readily as under alternative two (strong head).
2. As with alternatives one and two, this approach provides a focal point of accountability within a major purpose area. The secretary should have broad perspective as a result of the board scope of his responsibility, and will be able to address problems

that cross existing agency lines.

3. Again, the involvement of the General Assembly in the setting of the secretaries' powers and duties by statute would provide needed support for the secretaries in their dealings with agency heads; hence, the same advantage exists here as with the second alternative.
4. This approach would go about as far in conserving the Governor's time as the Governor is willing to delegate decision-making authority or to the extent the General Assembly gives them such authority. It is potentially quite helpful in this respect.
5. With a statutory base, the positions would enjoy a greater stability than the current situation.
6. Agencies would retain their individual identities; moreover, the political resistance to complete integration would not exist.
7. A statute contemplated here would not impede the Governor or restrict his flexibility as Chief Executive.

Disadvantages

1. There is a greater tendency to be independent of the Governor than with the deputy governor approach, but less than with the strong secretary approach.
2. There would be less tendency than with the strong secretary approach to become too involved in day-to-day operations, but a greater tendency than with the deputy governor approach.
3. Political obstacles exist to granting more power to the secretaries either by statute or executive order; however, because integration will not be a major factor, the political pressure would be less than with the strong secretary approach.

PERSONAL REPRESENTATIVES

If the secretaries are to be personal representatives of the Governor and nothing more, they should move their offices to Washington where they can do the most good representing the Governor and pressing the Commonwealth's interests in the Capitol and in the agencies of the federal government rather than trying to work within state government. As the preliminary discussion illustrated, however, the secretaries were envisaged by the Governor's Management Study and the General Assembly as persons who could provide the Governor with management assistance. Making them personal representatives would be a departure from the original plan.

Highly visible persons serving as spokesmen for the Governor could serve a useful purpose in seeking the state's share of the federal tax dollar, in promoting Virginia and in serving as a buffer

for the Governor in the face of ever increasing demands upon the Governor from the public for personal conferences to discuss problems or for appearances at official ceremonies, meetings of private groups, etc. Their value to the Governor in managing the executive branch is negligible.

It is fair to argue that the secretaries now are not much more than personal representatives of the Governor (except to the extent they operate as a staff secretariat as discussed in the following section), since the executive order signed by former Governor Holton does not delegate substantial authority to the secretaries, but rather speaks in terms of "program coordination" and "liaison on administrative functions." Those expressions are so loose as to be meaningless when serious conflicts arise between the secretaries and agency heads. In fact, lobbyists and members of the General Assembly were recently heard by the staff referring derisively to the secretaries as "glorified messenger boys." Such attitudes are not lost on the agency heads the secretaries might be expected to supervise in some manner. It clearly undermines the secretaries' ability to function in any management capacity.

Advantages

1. They can spend their efforts promoting Virginia and seeking federal grants as the Governor's representatives, thereby conserving his time and energy in this area.
2. They could relieve the Governor of many ceremonial and speaking obligations.
3. They might develop expertise within their substantive area and serve as the Governor's advisor and spokesmen in their respective areas of concern.

Disadvantages

1. Any advice they can provide might be better provided by personal staff assistants not encumbered with public obligations and other distractions the secretaries face because of their high public profile.
2. They would give the Governor limited, if any, management assistance.

STAFF SECRETARIAT

To make sense of the growing complexity of government, the Governor must have a mechanism to analyze the information which reaches his office for ultimate decision, referral to an agency of state government or other disposition. The secretaries could serve as a high-level staff secretariat for the Governor, processing information from their major purpose area perspectives and developing expertise in those areas.

Former Governor Holton's Executive Order 21 (July 28, 1972), in fact, did little more than empower and direct the secretaries to provide "program coordination" and "liaison on administrative functions" (as discussed in the foregoing section), which puts the secretaries in a "Governor's personal representative" posture, except to make them a secretariat. Part C, paragraph 3 of that order calls upon the secretaries to undertake "inter-Office exchange of information and action to assure consistent and effective overall State action"; paragraph 4 directs them to "prepare and recommend, for joint Secretary review and for submission to the Governor, program proposals for legislative action... ." Those are the functions of a staff secretariat. The order did, however, delegate authority to each of the secretaries to "establish a procedure for the Office which will provide for direct and expeditious decisions on behalf of the Governor by the Secretary..." but ironically gave the secretaries no real authority to make more than routine decisions on his behalf.

Former Governor Holton saw the secretaries in a dual role of personal representatives and staff secretariat. The two roles are not necessarily incompatible, but a certain degree of tension does exist between them. The roles can be split, as suggested by the separate treatment they are given in this memorandum. Even if the secretaries serve in both capacities now and in the future, it is useful for analytic purposes to consider those roles as discrete and different functions.

Although the grant of formal powers apparently leaves the secretaries as personal representatives and staff secretariat, they have been able to accomplish a great deal more than might be thought possible in reading the executive orders issued during the Holton Administration. In addition to those formal orders, the former Governor reached an agreement with the secretaries that they would have additional responsibilities, including that of "[promoting] efficiency, effectiveness, and economy in state operations through the improvement of agency procedures and practices." See T. E. Temple, "The Virginia Cabinet: A Preliminary Assessment," 50 University of Virginia Newsletter 9, 10, (1973). This agreement gave the secretaries the leeway to exercise some substantive power in the development of the state's policy with respect to centralized data processing, and in the formulation of other policies involving support services.

It also appears that the former Governor looked to individual secretaries to exercise line responsibility on an ad hoc basis as problems arose in their respective areas. Nowhere, however, are the secretaries clearly given formal power to make policy decisions on behalf of the Governor. Recently, the energy crisis necessitated the delegation by Governor Godwin of considerable authority and responsibility to individual secretaries, particularly the Secretary of Administration, in order to provide him with desperately needed assistance to cope with that crisis and all its related problems. Nevertheless, the secretaries possess no greater formal authority in this Administration and, except for ad hoc delegations of authority in emergencies such as the energy crisis, continue to serve in a liaison capacity between the Governor and agency heads and as a

staff secretariat to insure coordination within state government.

Advantages

1. The secretariat would provide the Governor with a high degree of policy coordination.
2. They could develop expertise in major purpose areas and serve as advisors to the Governor on policy.

Disadvantages

1. They would be giving the Governor even less management support than the secretaries are now under existing arrangement.
2. Their titles and positions would leave the unhealthy impression with the public that the secretaries are more than a staff secretariat. Public attention should be focused on the individuals actually responsible for the management of state government.
3. The problem of overstepping by staff, as recently stated in a report prepared by a panel of the National Academy of Public Administration to the Senate Select Committee on Presidential Campaign Activities entitled Watergate: Its Implications for Responsible Government (March 1974, p. 17, is potentially present.

ELIMINATION OF THE POSITIONS

Rather than retain the secretaries in their current or a modified role, their positions could be eliminated by repealing the legislation creating them. That would not eliminate the need for improvement in the executive branch hierarchy. Several dozen or more agencies cannot properly be managed by the Governor. A structure must be devised which interposes another level of management between the Governor and many old-line agencies or merges them into major departments.

Elimination of the secretaries must be accompanied by a "consolidation" of agencies into less than fifteen departments. "Consolidation" can mean the creation of a completely integrated department out of several previously autonomous agencies, or it can mean nothing more than the loose grouping of several agencies under an umbrella with a nominal head at the top. Within the range of options from one extreme of consolidation to the other, there is not a great deal of difference from the standpoint of organization theory between this approach and alternatives one, two and three above.

Assuming for purposes of this discussion that the Commission will not recommend elimination of programs, what would happen if the dozens of agencies were consolidated into fifteen? If the

experience of some states is followed, a shuffling and rearrangement of boxes on an organization chart is all that is likely to result. That leaves consolidation subject to the very criticism directed at the recommendations of the Governor's Management Study: this is nothing but another layer of bureaucracy.

If the heads of the consolidated departments were to possess most of the powers in the checklist above, they could integrate their departments to a considerable degree even if the legislation creating the consolidated departments did not do so. In this case, the heads of such departments would resemble alternative two above.

If the heads of the consolidated departments had limited powers and if substantial integration was not accomplished by legislation, would they not resemble secretaries under alternative three?

The point is that confusion exists between two concepts: (1) the formal structure of the executive branch and (2) the administrative power of the various officials within the executive branch. Because the Commission is faced with the immediate problem of recommending what role the secretaries should play, its focus has been on the second concept. What powers and duties from the checklist should the secretaries have? Although there is a clear impact of the first concept (formal structure) upon the second (powers and duties of officials), the two are fundamentally different.

Whether the Commission begins at the top as the Management Study did in 1970 or at the bottom as the Management Study's critics suggested, the "building blocks" for an organizational structure and a management hierarchy concerned with the management of these programs and with provision for the shortest linkage between the Governor and the delivery of services that sound management will allow. As government grows and becomes more complex, there is unfortunately a need to add new layers of bureaucracy unless the principle of span of supervisory control is ignored.

Two issues affect any decisions as to the powers and duties of those top officials who report to the Governor after consolidation. First, how many consolidated agencies will report to the Governor? Second, to what extent will those agencies be integrated? If there are approximately fifteen consolidated agencies, the heads of those agencies will probably be operational in the traditional sense. If the agencies are substantially integrated, their heads will certainly be operational.

Advantages

1. Consolidation of existing agencies can bring economies of scale if substantial integration occurs. It should also eliminate much overlap and duplication.
2. If the resultant consolidated agencies are approximately fifteen in number, it will provide a focal point of accountability, but on a lower scale than under the existing grouping (§ 2.1-51.9).

3. It will reduce the number of agencies which the Governor must supervise, thereby making his span of control somewhat more manageable.
4. There would be a clarity of organization and a streamlining of the structure.
5. It would concentrate within a single agency the capability of dealing with problems on a broader scale than is now possible, although not as broad as would be possible with the existing groups. The smaller number of agencies would leave fewer instances where interagency coordination is required.

Disadvantages

1. Although the number of agencies will be reduced, it will not be small enough to organize the agencies on the basis of major purposes of state government. Some fragmentation will still exist.
2. Although there will be fewer agencies, coordination among them will not necessarily be easier. Particularly if the agency missions are not broad enough to obviate close identity with special interest groups, the strengthening of the positions of the heads of agencies may make them even more autonomous than is likely now. Bureaucracies have a tendency to be responsive neither to the Chief Executive nor to the Legislature. They have a virtual monopoly on information and ordinarily develop an expertise. They mobilize power from a number of sources both inside and outside of government. Because their support is based on multiple factors, they can play any one of those off against the others. That ability to manipulate is reduced by broadening their missions, thereby making them accountable to the public at large through elected officials (Governor and General Assembly) rather than resistant to such control by reliance upon special interest groups.
3. Heads of consolidated, integrated agencies will tend to be advocates for their agencies rather than management arms of the Governor.
4. If agencies are not organized on the basis of major purposes of state government, there will be considerably more pressure on the General Assembly thereafter to add new agencies as new problems arise. Once the major purpose approach is breached, the same forces that caused the executive branch to expand from twelve agencies after the 1927-28 reorganization to more than seventy by 1947 when the Burch Commission made it study and recommended consolidation into fourteen agencies, will be at work. Remarking on this condition, one writer has said: "Either the state government defies reorganization, or it just won't stay reorganized." James Latimer, "History Haunts Virginia's Reorganization Study," Richmond Times-Dispatch, November 29, 1970, at cl.

Summary and Conclusion

The Commission need not decide now what the organizational structure of the executive branch should be. Deciding what programs can best be brought together into administrative units, how those administrative units are best grouped together, and how the "line" agencies should interact with "staff" agencies will require a considerable amount of study. The immediate task of the Commission is to decide upon the proper role for the six secretaries - administrative officials now on the job who are hampered by lack of role definition and specificity in job description.

As originally envisaged, they were to be a top management team. Top management, as Peter Drucker argues, must be a team but it is not and should not be a committee. They have never been delegated the power to act as managers. The issues in reaching a commission decision are: (1) whether the secretaries should be retained, (2) what specific powers and duties the Commission feels the secretaries should have, (3) the desirability of the ultimate involvement and the degree of involvement of the General Assembly in specifying the powers and duties of the secretaries, and (4) whether and to what extent agencies within the various groupings should be integrated.

In considering the role of the secretaries, it may be helpful and perhaps even essential that the Commission consider the conditions peculiar to each grouping. The problems facing each are different. It may be that in order to provide effective management assistance to the Governor each secretary must assume a slightly different role. The Governor's Management Study recognized the problems peculiar to the area of transportation and public safety. This Commission has already noted special consideration affecting education.

It should be strongly emphasized that the delegation of more authority to the secretaries so that they might become truly responsible for their major purpose area should in no way hinder the ability of any Governor to go directly to a specific problem area in the executive branch and deal with the individual most immediately involved. That is always the Chief Executive's prerogative, no matter how well integrated the agencies or what the formal structure might be. But the question whether the Governor is encumbered rather than helped by a secretary when a problem arises (if the Governor, for example, feels he must go through the secretary to reach the individual below the secretary who knows the problem) is only one side of the matter. It is likely that a capable secretary given sufficient authority and responsibility can prevent many such problems from reaching the Governor in the first place. The secretary should devote all his time, as the Governor cannot, to spotting potential trouble-spots and anticipating problems in the hope of preventing them.

APPENDIX B
RECOMMENDATIONS OF THE COMMISSION REGARDING
THE ROLE OF THE SECRETARIES

SECRETARY OF ADMINISTRATION

The Commission on State Governmental Management recommends that the Governor delegate specific powers and duties set forth below to the various Secretaries established in accordance with the provisions of Chapter 641, 1972 Acts of Assembly. Authority to delegate such powers and duties exists by virtue of that Act and Subsection b, Section 206, Chapter 681, 1974 Acts of Assembly (Appropriations Act).

1. **Budget** - General responsibility and authority to direct and control the budget procedure, as codified in Chapter 6, Title 2.1, Code of Virginia; and to submit to the Governor, in consultation with the other Secretaries, a recommended Executive Budget; provided, however, that the responsibilities enumerated below are retained by the Governor:
 - a. Submission of the budget and accompanying documents required to be submitted to the General Assembly by the Governor;
 - b. Final determination of all proposed expenditures and of estimated revenues and borrowings to be included in the Governor's budget for each state department, bureau, division, office, board, commission, institution, or other agency or undertaking; and
 - c. Appointment of the Director of the Budget.
2. **Personnel** - General responsibility and authority to direct the administration of the personnel system as codified in Chapter 10, Title 2.1, Code of Virginia, except as to the responsibilities enumerated below, which are retained by the Governor:
 - a. Final determinations with respect to employee compensation plans;
 - b. Submission of reports to the General Assembly by the Governor as required by law;
 - c. Amendment or suspension of the Rules for the Administration of the Virginia Personnel Act of 1942 as promulgated on July 1, 1973;
 - d. Final action on appeals from appointing authorities to the Governor; and
 - e. Appointment of the Director of Personnel.
3. **Other staff agencies** - General responsibility and authority to direct and control the Division of Engineering and Buildings, the Division of State Planning and Community Affairs, the Division of Automated Data Processing, the Office of Special Programs,

and the Division of Records, except as to the appointment of the directors of such administrative units.

4. Support services - General responsibility and authority for the effective and efficient management of the Department of Purchases and Supply and the Department of Property Records and Insurance.

5. Finance - General responsibility and authority for:

a. The development of revenue forecasts;

b. The provision of advice on matters of finance to the Governor and other Secretaries, including advice as to alternative funding mechanisms;

c. The sound management of the administrative units set forth below, which responsibility and authority shall include the review and approval by the Secretary of Administration of the proposed budget of each administrative unit and the accountability of the head or heads of such units to the Secretary of Administration for the administrative, fiscal and program performance of their respective units. Such administrative units are:

- i. Department of Taxation
- ii. Department of the Treasury
- iii. Department of Accounts
- iv. Supplemental Retirement System
- v. Alcoholic Beverage Control Board
- vi. Compensation Board

6. Authority and responsibility for approving the solicitation or acceptance by or on behalf of any administrative unit assigned to him, of any donation, gift or grant, whether or not entailing commitments as to the expenditure or subsequent requests for appropriation or expenditure from the General Fund of the State Treasurer, such responsibility to include the approval of such state plans as are required by federal legislation and regulations.

7. Responsibility to employ such personnel and contract for such consulting services as may be required to perform the duties assigned to him, limited only by the funds available for the operation of his office and by the Virginia Personnel Act. Further, he is authorized to require temporary assistance from any administrative unit assigned to him and to provide such assistance to any Secretary upon his request.

8. Authority to sign documents subject to his action in the form:

....., Governor
by
Secretary of Administration

In carrying out the foregoing powers and duties the Secretary of administration is hereby empowered to coordinate the activities of the various Secretaries, including policy and program proposals,

and to convene meetings of any or all of them as the occasion warrants.

SECRETARY OF COMMERCE AND RESOURCES

The Commission on State Governmental Management recommends that the Governor delegate specific powers and duties set forth below to the various Secretaries established in accordance with the provisions of Chapter 641, 1972 Acts of Assembly. Authority to delegate such powers and duties exists by virtue of that Act and Subsection, Section 206, Chapter 681, 1974 Acts of Assembly (Appropriations Act).

1. General authority and responsibility for the sound fiscal management of the administrative units assigned to him, including review and approval of the proposed budget of each and responsibility to recommend to the Governor a comprehensive budget for the Commonwealth for commerce and resource.
2. Authority and responsibility to hold the head of each administrative unit assigned to him accountable for the administrative, fiscal, and program performance of such administrative unit.
3. Authority and responsibility to develop major state policies and programs to effect comprehensive, long-range and coordinated planning and policy formulation for commerce and resources.
4. Authority and responsibility to coordinate the policies, programs, and activities of the administrative units assigned to him.
5. Authority and responsibility for approving the solicitation or acceptance by or on behalf of any administrative unit assigned to him, of any donation, gift or grant, whether or not entailing commitments as to the expenditure or subsequent requests for appropriation of expenditure from the General Fund, such responsibility to include the approval of such state plans as are required by federal legislation and regulations, after consideration by the Office of Administration for fiscal and planning concurrences.
6. Responsibility to employ such personnel and contract for such consulting services as may be required to perform the duties assigned to him limited only by the funds available for the operation of his office and by the Virginia Personnel Act. Further, he is authorized to require temporary assistance from any administrative unit assigned to him or to request such assistance from the Office of Administration.
7. Authority to sign documents subject to this action in the form:

....., Governor
by
Secretary of Commerce and Resources

The Secretary shall be responsible for carrying out the foregoing powers and duties with respect to the following administrative units:

SECRETARY OF HUMAN AFFAIRS

The Commission on State Governmental Management recommends that the Governor delegate specific powers and duties set forth below to the various Secretaries established in accordance with the provisions of Chapter 641, 1972 Acts of Assembly. Authority to delegate such powers and duties exists by virtue of that Act and Subsection b, Section 206, Chapter 681, 1974 Acts of Assembly (Appropriations Act).

1. General authority and responsibility for the sound fiscal management of the administrative units assigned to him, including review and approval of the proposed budget of each and the responsibility to recommend to the Governor a comprehensive budget for the Commonwealth for human affairs.
2. Authority and responsibility to hold the head of each administrative unit assigned to him accountable for the administrative, fiscal, and program performance of such administrative unit.
3. Authority and responsibility to develop major state policies and programs to effect comprehensive, long-range and coordinated planning and policy formulation for human affairs.
4. Authority and responsibility to coordinate the policies, programs, and activities of the administration units assigned to him.
5. Authority and responsibility for approving the solicitation or acceptance by or on behalf of any administrative unit assigned to him, of any donation, gift or grant, whether or not entailing commitments as to the expenditure from the General Fund, such responsibility to include the approval of such state plans as are required by federal legislation and regulations, after consideration by the Office of Administrative for fiscal and planning concurrence.
6. Responsibility to employ such personnel and contract for such consulting services as may be required to perform the duties assigned to him, limited only by the funds available for the operation of his office and by the Virginia Personnel Act. Further, he is authorized to require temporary assistance from any administrative unit assigned to him or request such assistance from the Office of Administration.
7. Authority to sign documents subject to his action in the form:

....., Governor
by
Secretary of Human Affairs

The Secretary shall be responsible for carrying out the foregoing powers and duties with respect to the following administrative units:

SECRETARY OF EDUCATION

The Commission on State Governmental Management recommends that the Governor delegate specific powers and duties set forth below to the various Secretaries established in accordance with the provisions of Chapter 641, 1972 Acts of Assembly. Authority to delegate such powers and duties exists by virtue of that Act and Subsection b, Section 206, Chapter 681, 1974 Acts of Assembly (Appropriations Act). units:

1. General authority and responsibility for the review of the proposed budgets of the administrative units assigned to him, and the responsibility to recommend to the Governor a comprehensive budget for the Commonwealth for education.
2. Authority and responsibility to hold the head of each administrative unit assigned to him accountable for the administrative, fiscal, and program performance of such administrative unit.
3. Authority and responsibility to develop major state policies and programs to effect comprehensive, long-range and coordinated planning and policy formulation for education.
4. Authority and responsibility to coordinate the policies, programs, and activities of the administration units assigned to him.
5. Authority and responsibility for approving the solicitation or acceptance by or on behalf of any administrative unit assigned to him, of any donation, gift or grant, whether or not entailing commitments as to the expenditure or subsequent requests for appropriation or expenditure from the General Fund, such responsibility to include the approval of such state plans as are required by federal legislation and regulations, after consideration by the Office of Administration for fiscal and planning concurrence.
6. Responsibility to employ such personnel and contract for such consulting services as may be required to perform the duties assigned to him, limited only by the funds available for the operation of his office and by the Virginia Personnel Act. Further, he is authorized to require temporary assistance from any administrative unit assigned to him or request such assistance from the Office of Administration.
7. Authority to sign documents subject to his action in the form:

....., Governor
by
Secretary of Education

The Secretary shall be responsible for carrying out the foregoing powers and duties with respect to the following administrative units:

SECRETARY OF TRANSPORTATION AND PUBLIC SAFETY

The Commission on State Governmental Management recommends that the Governor delegate specific powers and duties set forth below to the various Secretaries established in accordance with the provisions of Chapter 641, 1972 Acts of Assembly. Authority to delegate such powers and duties exists by virtue of that Act and Subsection b, Section 206, Chapter 681, 1974 Acts of Assembly (Appropriations Act).

1. General authority and responsibility for the sound fiscal management of the administrative units assigned to him, including review and approval of the proposed budget of each, except for the State Highway and Transportation Commission, in which case the Secretary shall have general authority to review its proposed budget. The Secretary shall have the responsibility to recommend to the Governor a comprehensive budget for the Commonwealth for all administrative units assigned to him.
2. Authority and responsibility to hold the head of each administrative unit assigned to him accountable for the administrative, fiscal, and program performance of such administrative unit.
3. Authority and responsibility to develop major state policies and programs to effect comprehensive, long-range and coordinated planning and policy formulation for education.
4. Authority and responsibility to coordinate the policies, programs, and activities of the administrative units assigned to him.
5. Authority and responsibility for approving the solicitation or acceptance by or on behalf of any administrative unit assigned to him, of any donation, gift or grant, whether or not entailing commitments as to the expenditure or subsequent requests for appropriation or expenditure from the General Fund, such responsibility to include the approval of such state plans as are required by federal legislation and regulations, after consideration by the Office of Administration for fiscal and planning concurrence.
6. Responsibility to employ such personnel and contract for such consulting services as may be required to perform the duties assigned to him, limited only by the funds available for the operation of his office and by the Virginia Personnel Act. Further, he is authorized to require temporary assistance from

any administrative unit assigned to him or request such assistance from the Office of Administration.

7. Authority to sign documents subject to his action in the form:

....., Governor
by
Secretary of Transportation and Public Safety

The Secretary shall be responsible for carrying out the foregoing powers and duties with respect to the following administrative units:

