

administration of State affairs. We accordingly recommend that no change be made in the organizations or functions of the Board of Public Works, except that we think the State Auditor, the Bank Commissioner and the Insurance Commissioner should . . . be appointed by the Governor instead of by the board.¹⁴

The governor, who had maintained close contact with the Reorganization Commission, accepted its recommendations and caused a bill to implement them to be introduced into the 1922 session of the legislature. The bill, with some amendments, was enacted, marking the first modern reorganization of the executive branch of the state government. Rather than doing away with the board as recommended by Griffenhagen, the act not only retained it but actually increased its responsibilities in a number of significant ways. Through the act, the General Assembly reorganized the executive branch into nineteen units, one of which was the Finance Department. The Finance Department, in turn, was divided into three divisions. The Board of Public Works, as an entity, was to "constitute the third Division of the Finance Department, and shall have and exercise the rights, powers, duties, obligations and functions now or hereafter conferred by law."¹⁵

Although the placement of the board—a constitutional body—as a subsidiary unit of a statutory agency is of some interest from a purely management or organizational perspective,¹⁶ that placement, per se, was not particularly significant from a functional point of view. Much more important were the duties imposed on the board by part 16 of the act creating the Department of State Employment and Registration, which encompassed the various licensing boards and commissions. The legislature gave the board virtually total budgetary and management control over every one of these constituent boards and commissions.

Section 3 of part 16 of the act required each of these agencies annually to submit to the board an itemized estimate of its expected income and expenses for the ensuing year. It then provided that the board should "approve all or such portion of said estimated expenses and disbursements as it deems proper, and each of said boards and agencies shall make no expenditures except for purposes so approved by the Board of Public Works, which shall in each case determine the time for such annual estimates to be submitted." Section 4 required the agencies to account to the board for their expenditures. At the time there was no separate budget agency, as there is today; the board performed that critical function for these agencies.

Section 4 of part 16 authorized the board to determine where the regulatory agencies were to be physically located. They were, as noted, to be part of the Department of State Employment and Registration, which combined the functions now performed by the Department of Personnel and the Department of Licensing and Regulation and was headed by the state employment commissioner. Section 5 permitted the board to determine whether the agencies should operate from the commissioner's office or from their own separate quarters. If the former, the board was empowered to cancel the leases for their current office space and see to their relocation.

The exercise of these control functions—budget and location—would naturally affect the personnel requirements of the agencies, and that too, was recognized by the legislature. Thus, section 6 of part 16 provided that "the position of any secretary or

14. *Ibid.*, p. 43.

15. Acts of 1922, ch. 29, pt. 2, sec. 5.

16. Also of interest, organizationally, is the fact that the act created a separate Department of Public Works, but the Board of Public Works had little or nothing to do with it. The department was headed by, and seemed to consist entirely of, the *State Roads Commission*, which the act created. The Finance Department was headed by the comptroller and the treasurer and comprised the Treasury Department created by the constitution. The first division was the Division of Financial Review and Control, which consisted essentially of the state auditor and his deputies, appointed by the governor. The second division was the Division of Deposit and Disbursement, which consisted of the bank commissioner, the Insurance Department, the State Tax Commission, and the Central Purchasing Bureau. It was headed by the treasurer. Following the recommendation of the Reorganization Commission, the act removed the appointment of the bank, insurance, and tax commissioners from the board and placed them with the governor.