

~~RECEIVED~~

Trenton, New Jersey.
~~Do Not Remove~~ Department of Institutions and Agencies. RECEIVED

PROPERTY OF
APR 19 1960
Div. of State Library,
Archives and History
TRENTON

Statement for Committee on Administrative
Reorganization.

The welfare organization of the State comprising the Department of Institutions and Agencies, which has become known throughout the world as the New Jersey Plan, was conceived and established by some of the most courageous and intelligent men and women of the State. It has survived for thirty years, during which time it has rendered economical, efficient and progressive service to the people of New Jersey and to the unfortunate human beings for whom it operates.

Time marches on and, with the passage of time, demands are made for changes in administrative structure of government departments. But before such changes receive approval, certain questions should be answered:

I. What was the genesis of the Department of Institutions and Agencies? How did the welfare work of the State of New Jersey come to be so organized?

II. How is this form of departmental organization regarded by those who have studied problems of governmental organization?

III. What are its distinctive administrative characteristics?

IV. Has the Department functioned satisfactorily?

974.90
5678
1948 copy 3

V. As the department has increased in size, as have most governmental responsibilities, has it lost any of its efficiency?

VI. Would a severance of the extramural functions from those in the institutions result in more or less economy or efficiency of operation?

VII. Would there not be inevitably certain duplications of effort if there was a severance of the two aspects of welfare work?

VIII. Is not the present tendency throughout the United States and the world in favor of integration rather than otherwise?

IX. Is it not important, in view of the recent history in the assistance field, to keep the grants of public money under control and in proper proportion to other welfare expenditures? Can this be done more effectively with a separate department or less so?

In an attempt to assist the Commission on State Administrative Reorganization and the committees of the Legislature in finding the correct answers for the above questions, the State Board of Control submits the following statement:

I.

The present form of organization of the Department of Institutions and Agencies was not fortuitous or accidental but was born out of the long and disastrous experience with other forms of less integrated organization.

Two distinguished committees gave intelligent and painstaking attention to the problem. The one headed by the late Senator Dwight W. Morrow and the other by the late Ellis P. Earle came to the reasoned conclusion that the 1918 plan of organization, which has subsisted without change ever since, had superlative values. One of these commissions which studied the hospital, charitable, relief and training problems of the State reported:

"We are unanimously and firmly of opinion that the best interests of the State require that the responsibility for the management of all of these institutions and agencies should be vested in a central commission whose duty it also shall be to arrange for their proper development as a whole and for the largest practicable measure of coordination of their several activities."

The statutes which they recommended were adopted during the first administration of former Governor Edge. They followed

this general plan and provided that a single State Board of Control -

"***shall determine all matters of policy and have power to regulate the administration of any of the institutions and the non-institutional agencies within its jurisdiction, correct and adjust the same so that each institution and agency shall perform its proper function as an integral part of the general system." New Jersey Statutes Annotated, Title 30:1-1 to 14.

The institutions referred to in the above statute, and which were included in the department at that time, were all mental, welfare and correctional institutions, maintained by the State. This included all institutions except those assigned to the State Department of Education. The non-institutional agencies included the Commission for the Blind, the State Board of Children's Guardians, both of which were under the control of separate boards of managers, and, in addition, the unassorted welfare functions which would go with any State department of welfare.

It was 1931 when the Division of Old Age Assistance was established by the Legislature and placed among the non-institutional agencies operating in the Department of Institutions and Agencies. It was at the same time that the county welfare boards were established on recommendation of the Pension Survey Commission under a joint resolution of the Legislature. This is an interesting report and discusses the reasons why they advocated a county welfare set-up for the administration of old age assistance rather than the theretofore existing

municipal set-up.

When the Social Security legislation was passed by the Federal government in 1936, New Jersey found itself already well organized to carry on the three forms of categorical assistance contemplated by the Federal legislation, namely, aid to the blind, aid to dependent children and old age assistance. The administration of these three categorical agencies fitted quite naturally into the already existing agencies and divisions of this department. No new agencies had to be established to meet this Federal development. There was no Federal participation prior to 1936 and since that time there has been no Federal matching for any relief except the three categories of relief administered by the Department of Institutions and Agencies.

It will be noted at this point that the recommendations of this 1931 Commission, authorized by the Legislature, have never been entirely carried out, as, since that time, general assistance, which is not participated in by the Federal government, has been administered under a separate State department by the municipalities; whereas it was the recommendation of this Commission that the counties were the logical administering unit for relief.

The type of organization envisaged by this far-seeing mandate to carry on a unified welfare administration in New

Jersey involves a judicious combination of the services of both professional and citizen participants. A State Board of Control, made up of nine people appointed for eight-year terms by the Governor, and twenty boards of managers, all without salary, made up of prominent citizens in the community, representative of all cross sections of our public life, who determine the policies of the institutions and agencies, have given this form of organization a flavor of democratic permanence and acceptability which is the envy of many other states, and the professional personnel have been encouraged and protected not only through the application of the Civil Service but the insulation from undue pressure or interference, due to the fact that the executives were selected by the citizen boards of managers.

The control by the Governor and the Legislature over legislation and appropriations has provided the necessary check upon any irresponsible or extravagant development of the institutions and agencies, and, with the lay boards, there has been provided a convenient policy-making group which has served as a sort of umbrella and enabled the department to perform its functions in the public interest.

II.

This type of departmental organization for welfare services has had the approval of practically every group that has

studied it and of many other states and foreign countries.

A. The Princeton University Survey reported in 1931:

"The ehds of efficient administration have been fully attained in the Department of Institutions and Agencies through the establishment of the state board of control and the local boards of managers. We are not prepared at the present time to recommend any change in the organization of the system of control within the department."

B. In 1935 the Brookings Institution in a publication entitled "Public Welfare Organization" reported:

"The public welfare law of New Jersey, the basic portions of which were enacted in 1918, present an integrating effort which is practical rather than theoretical, constructive rather than destructive, conservative rather than abolitionary, and natural rather than forced. Specific verbiage was employed repeatedly in the law for the purpose of locating responsibility and defining authority."

C. A group of certified accountants, who examined the department some years ago, came to the conclusion that:

"The internal organization and administration of the department as devised by the State Board and administered by the Commissioner are remarkably efficient. Its form of organization is in accordance with the modern principles of effective organization. ***the commissioner (Commissioner Ellis) has set a high standard of work and aim for all in the department, which compares most favorably in organization, efficiency and standards to the most efficient type of commercial organization."

D. A commission known as the Abell Commission in 1930 studied the accounting system of the Department of

Institutions and Agencies and found it to be:

"not a mere theory or visionary; it has been tried, tested and rung true for more than a decade."

- E. From a book by Fred E. Haynes entitled "The American Prison System" in 1939 we quote:

"The New Jersey system provides an organization that is as nearly non-political as is possible within the framework of popular or representative government."

- F. And again, by R. Clyde White, the noted authority on the Civil Service from the University of Chicago, appears the following:

"The New Jersey Plan furnishes an example of complete eliminations of political interference."

- G. As recently as 1945 a special commission called the Governmental Research Institute, with headquarters in St. Louis, issued a report entitled "The New Jersey Welfare Department - A Guide for Missouri." Extracts from that report are:

"In New Jersey substantially all these functions, except public health and unemployment compensation, are concentrated in a State Department of Institutions and Agencies. Furthermore, this Department has achieved wide acclaim as an outstanding example of efficient administration ***. This issue *** describes the New Jersey Department of Institutions and Agencies with the thought that such description will be of assistance to Missourians in reaching

conclusions relative to the proper organization of the new Department of Health and Public Welfare."

H. Perhaps more eloquent than any other testimony is that given by the number of foreign visitors who have come to New Jersey since the close of the war. These are referred to us by the U. S. Children's Bureau, the United Nations, the Department of Justice and by their governments. The Commissioner is a National and International figure himself, being now President of the International Penal and Penitentiary Commission. These folks certainly have not been sent here to see the worst that the country affords but rather those that are among the best.

The following is a list of the countries and provinces from which some of our distinguished visitors have come:

- England (4)
- France (3)
- Austria (2)
- Denmark
- Sweden
- Belgium
- China
- Australia
- Chile
- Peru
- Uruguay
- Saskatchewan
- Ontario
- Poland
- Puerto Rico
- Cuba
- Turkey
- Holland

Official delegations have visited us from:

Connecticut
Massachusetts
Rhode Island
Missouri
California

Invariably these visitors have written us heart-warming and congratulatory letters as to what they have seen and learned in New Jersey. We sometimes ask ourselves whether these discerning visitors of ours do not appreciate the "New Jersey Plan" even more than do our own citizens.

III.

The form of organization described above has certain outstanding advantages, among them the following:

- A. A definite philosophy and policy of achieving the utmost integration in welfare services run through all divisions of the welfare work by reason of the over-all supervision of the State Board of Control of the Department of Institutions and Agencies, of which the Governor is an ex-officio member.
- B. Under such general State-wide policy, no one department of welfare can out-strip or out-bid the others.

A separate department of public assistance, for example, might easily acquire an empire complex, the results of which have been clearly seen recently in other states, and unless they are kept in proper perspective, they might easily get out of hand.

The splendid record of New Jersey in the welfare field, and which will be adverted to later on, may well be the result of this type of over-all control.

- C. The resources of all institutions and agencies are at the command of each.

For example, psychiatrists and psychologists in our institutions become available to our agencies.

The functional division of authority in the central office places at the disposal of all institutions and agencies such central services as:

Research and Statistics
Legal advice
Public relations service
Psychiatric service, etc.

- D. Economies will inevitably result under an integrated form of service available to all welfare activities.
- E. The transfer of personnel is made more easy and convenient from one agency or institution to another.
- F. Freedom of transfer of inmates and beneficiaries and consequent facilitation of service is possible between institutions and agencies.

For example, a child may be one day under the care of the State Board of Child Welfare and the next day in our homes for boys and girls, or in the Child Treatment Center at Allaire, without loss of time due to interdepartmental correspondence.

- G. The modern notion of welfare makes less and less important the distinction between institutional care and extramural care, emphasizing the close interrelation between the two. This coordinated activity would be impeded by a severance of the two types of service.

There results from this union, therefore, a coordination of activity between:

1. Our nursing homes and our old age relief activities.
2. Our homes for children and the home life department and the adoption service of our child welfare bureau.
3. The administration of our institutions culminating in parole and the operation of such case working agencies as our child welfare service and our board of child welfare. Under our existing organization parole can be extended or withdrawn or substituted for child welfare services easily.
4. There is a definite relationship between the administration of our boys' and girls' training schools and our reformatories and the effort at the prevention of juvenile delinquency which has been carried on under the supervision of our Division of Community Services for Delinquency Prevention.

The program of our training schools should be such as to prepare these children for return to life in the community, and our communities should be aware of the existence of conditions in the communities

which result in the commitment of children to the institutions. The whole program for delinquency prevention is one in which the best work can be done only where there is thorough understanding and cooperation between those in charge of our institutions and those working with children through the child welfare division in our communities.

5. At the last session of the Legislature the duty of licensing all hospitals, proprietary and charitable, was entrusted to the Department of Institutions and Agencies. Also the task of allotting Federal money for hospital and mental hygiene expansion was conferred upon us. These new responsibilities make it even more advisable that the assistance for the aged and infirm should continue under our supervision in order that it may be integrated with our hospital service.

IV.

The best answer to the question of the correctness of the departmental form of organization is to be found in the record that it has compiled for progress, efficiency and economy. This reputation has been reflected in some of the statements quoted under Section II, but the following is submitted, all of which can be verified from facts published outside the department.

We shall not spend time in this brief in reviewing the institutional record of New Jersey, inasmuch as there is no project suggested to separate the institutions among themselves. It suffices to say that the institutions of New Jersey have for many years been regarded as models for the country. With the operation of State Use industries, with a trained personnel protected by Civil Service working reasonable hours at fair pay, with a centrally supervised parole system, with systems of classification and education and the merit system from top to bottom, these

institutions have been in high favor with penologists and institution people generally. Certainly, their prestige has not suffered from being placed in the same department as the agencies.

The comparatively low crime rates and the unique success achieved through modern therapeutic methods in our mental hospitals, in speeding up the discharge rate and keeping down the annual increase of admissions to our mental hospitals, which are graphically portrayed in the report attached to this brief, testify to these facts.

But this brief survey of the character of our administration will not dwell upon the institutions but upon those extramural or agency activities as to which the proposal is made to separate from our other welfare activities.

Referring, then, to the non-institutional welfare or assistance activities, the following can be said:

A. There has been no major scandal in connection with the administration of that form of public welfare assistance known as categorical relief that has been administered by the welfare agencies of this department in cooperation with county welfare government.

B. While we have attempted to administer these agencies in the best interest of the citizens of the State of New Jersey, we have been obliged, especially

in connection with those activities to which the Federal government contributes, to carry them on in harmony with the best standards of the Federal Security Agency. This has been done and our State plans for welfare activity have uniformly met with the approval of the Federal government. At no time have Federal matchings been withheld or threatened to be withheld for lack of conformity.

C. An outstanding contribution of the State welfare activity in New Jersey has been our insistence, almost alone of all the states, that the mother, permanently or temporarily widowed, should be considered in the dispensation of aid to dependent children, and we have, after a long struggle, induced the Federal government to permit us to include payments to the mother within our children's budget in order that the home may be maintained.

D. The comparison of the number of fair hearings, which is the technical name for appeals from assistance grants, among all the states, will indicate gratifying success on the part of the counties and the State government of New Jersey in administering categorical assistance to the general satisfaction of the communities. Many states have been obliged to conduct

hundreds of appeals yearly, whereas the number in New Jersey has rarely run more than eight or ten formal appeals. Notwithstanding which the complete absence of complaints from individuals or localities is not without significance.

E. This generally satisfactory administration of categorical relief has been accomplished with a degree of economy which again is almost unequalled among the forty-eight states.

See
Exhibit B

1. The average cost of the forty-eight states for old age assistance, per inhabitant of the State, is \$6.57. In New Jersey the average cost per inhabitant is \$2.46. Of the forty-nine jurisdictions, New Jersey ranks sixth from the bottom in its per capita cost of old age.

See
Exhibit A

2. The average number of elderly persons over sixty-five on relief throughout the forty-eight states is 205 per thousand, whereas the rate in New Jersey is 69 per thousands, among the three or four lowest states in the Union.

See
Exhibit A

3. The average number of children under the age of eighteen on the relief rolls to which the Federal government contributes is 15 per thousand, whereas the number in New Jersey, second lowest in the whole country, is slightly over 8 per thousand.

See
Exhibit C

4. Although Federal statistics do not publish comparative figures, the amount of reimbursement received on account of old age assistance granted has trebled in the last nine years in New Jersey.

The chart attached and marked "B" indicates in graphic form the extremely favorable position which New Jersey occupies in respect to the unified administration of its various relief and welfare functions.

See
Exhibit D

Attached hereto is a recent letter from the New Jersey Chamber of Commerce from which the following is quoted:

"The material is very enlightening and you are entirely right when you say that the statistics on New Jersey reflect sound State management of these activities."

Can it be demonstrated that if these welfare services were detached from the present department, this excellent showing could be bettered?

F. The maintenance of certain field functions has gone hand in hand with successful administration of institutions.

1. For example, while we have maintained the Sanatorium for tuberculous patients at Glen Gardner, we have also in operation several tuberculosis clinics in our neighborhoods and have undoubtedly prevented the development of many such cases.

2. The same can be said of the mental hygiene clinics that have been operating for a score of years and have assisted in the early recognition of incipient mental disease. And while this comes under the heading of extramural service, it is definitely related to the depopulation of our mental hospitals. Both State and county operated and county welfare boards benefit from this service also.

3. Repeated efforts have been made to solicit the understanding and cooperation of the private social agency, through joint committees, through joint conferences and other activities, whereby the interest of the State in its wards can receive the united and cooperative effort of both private and public agencies.

4. The recent passage of a modern adoption law has done much to stem the black market in babies and represents one of the forward-looking accomplishments in recent years.

See Exhibits E and EE In order not to prolong this brief recital, there are attached hereto brief statements of some of the achievements of the department for the last two years from which it will be seen that not only have previous existing high standards been maintained but new and helpful undertakings begun, such as, to mention only a few specifically, the Diagnostic Center, the Child Treatment Center, development of new surgical and remedial treatments for mental disease, the integration of the parole system and the single head for mental hospitals.

V.

The mere size of the department is not necessarily an indication of inefficiency.

There is no gainsaying the fact that Institutions and Agencies is a large department and requires a substantial appropriation of government money for its support. The greatest accretion to its responsibility of course came during the depression when welfare activities took a much more important aspect. It is to be said to the credit of New Jersey that both old age assistance, aid to the blind and aid to dependent children were established practices here many years before the

Social Security Act of 1936. Instead of increasing the total appropriations for welfare, compared to depression days, have substantially decreased. And while the adoption of the 8-hour day and 5-day week have largely increased the number of employees, there has been no tremendous expansion in the department during the last few years.

On the other hand, there is no evidence that can be adverted to that the comprehensiveness of the department has interfered with its progress and development. As a matter of fact, the contrary could be established.

It seems to be the trend nowadays to integrate rather than separate activities. We are at a loss to know why our department is the only one at the present juncture as to which this process is suggested in reverse! The Federal government, only a year ago, united in one department such large and important activities as the Children's Bureau, the U. S. Public Health Service, the Office of Education, and the whole Social Security Administration with its ramified departments. If such a move did not sacrifice efficiency, it is hard to see how efficiency is being sacrificed here. The crowning recent demonstration of integration came when the three largest departments in the Federal government, namely: the Army, the Navy and the Air Force merged in the Department of Defense.

It is not therefore the inclusiveness of an organization that determines its efficiency.

If during the last five or six years we have had any departure from efficiency in this department, it has been due to easily recognized causes: the depression, the war, the terrible housing scarcity and the extremely serious shortage in ward and professional personnel. That the department was able to survive these severe handicaps is in itself testimony to its efficiency.

VI.

We now have to ask ourselves the question as to whether the severance of the agency functions from the institution functions would result in more economy or efficiency of operation, or less.

See The attached chart of the department shows how the
Exhibit F various divisional activities serve both the institu-
 tional group and the agency group. Perhaps a more
attractive chart or blue-print could be devised which would
show a more noticeable line of relationship between the so-called
welfare services outside of the institutions and the welfare
services within the institutions. .

It may be that the suggestion for a severance of functions in the department arises from a desire to achieve a

more distinctive administrative set-up. As a matter of fact, it cannot be denied that there are certain inherent and historical differences among the administration of our categorical relief functions. For example, our old age assistance is dispensed through the county welfare boards, with strong State supervision; whereas our aid to dependent children, which is involved with our foster home placement and court and adoption service for children, is administered under the State Board of Child Welfare, which has operated for forty-nine years as the State Board of Children's Guardians, with county approval, but with the investigation and supervision by State employees.

There may be those who think this difference in administration is unsymmetrical and inefficient. The contention is made that if the children's work were completely decentralized and the investigation and supervision of children's cases, as well as the determination of the grants of aid, were placed under county supervision, this would result in an integration. As a matter of fact, it might have the contrary effect.

If the assistance or relief features of child welfare work were separated from the courts and guardianship aspects, there would be a disintegration which would not be either economical or efficient or in the interest of our children. There are strong and appealing reasons why the welfare of children should receive the most skillful and humanitarian

attention that the State can afford.* This is of even greater importance than the care of our aged adults. For a year or more this department has been giving consideration to methods whereby the cooperation with the county welfare boards can be increased. But none of us are prepared to admit that the complete turnover of the children's guardian work to the counties would be a step forward. It is our earnest desire to make more efficient our work, but we cannot do so at the risk of in any way diminishing the professional character of the services which we render to the more than 20,000 children of New Jersey.

Likewise the formulas of county, State and Federal financial participation under which we operate in old age assistance differ from those in aid to dependent children. These differences result from historical reasons, are not difficult to comprehend, and do not militate against successful administration.

This department would have small difficulty in further simplifying and systematizing our assistance work, if certain fundamental political questions could be definitely answered, such as: Shall the county or the city administer general assistance or relief locally? Do not the same arguments apply in answering this question as seemed convincing to the Pension Survey Commission, above referred to, which recommended that old

* A brief statement of the work of our State Board of Child Welfare is annexed and marked Exhibit G.

age assistance be taken over by the county welfare boards? And shall the percentage of county contribution to old age and children's cases be changed? Neither of these questions can be determined by this department and any streamlining or further integration of our welfare activities must await the answer to these questions. While waiting for the answers to be given for

the last six years, we have constantly improved our

See service. A brief statement as to these efforts is
Exhibit attached.
H

We have had legislation prepared for some months to accomplish the placing of all the financial features of the categorical assistance under one control, but it goes without saying that we cannot concentrate all the financial activities in one sub-department of this department and all the children's work in another sub-department, without immediately setting up a conflict.

It is a mistake to suppose that there has been any disintegration in welfare work. The Department of Institutions and Agencies is the Welfare Department and all of this work has been done under the egis of the department, and a proper supervision and checking up of the work has been carried on by the Board of Control, the Commissioner who has had 30 years of experience in public and private welfare work, the various Boards of Managers and the Deputy Commissioner in Charge of Welfare activities.

No more could be attained by the separation of these activities into another department with a separate competent commissioner than would result if that same competent person were placed in charge of the welfare activities within the department and given the answers to the questions referred to above. Much harm could be done if persons not so competent and experienced were intrusted with these responsibilities.

Whether this work of welfare service is carried on under a separate department or under a deputy commissioner in this department, it would require long and careful study of the statutes. The law under which the Department of Institutions and Agencies is operated is contained mostly in Titles 30 and 44. Title 30 contains 262 pages of statutes, and Title 44, with many duplications, comprises 195 pages. The compilation and recodification of all these statutes is a formidable task and will probably require the work of a special commission.

There would be undoubted advantage in having municipal aid, now administered under the State supervision of the Bureau of Municipal Aid in the Department of Economic Development, and the categorical assistance, now administered in our department, both administered under one State agency.

It must be candidly admitted that to do this a very difficult political question must be resolved, inasmuch as the

municipalities now administer the general assistance and the counties administer categorical assistance. The difficult questions involved in combining these two, at the local level, has been the reason for postponing this phase of welfare integration.

In fact, some seven or eight years ago this department when approached declined to undertake the supervision of general assistance because it was administered locally by such an expensive and cumbersome system as is necessary when 560 odd municipalities handle relief funds. At this time* the total amount of municipal aid adds up to something less than 20 per cent of the total of categorical assistance and municipal aid, and the expensive character of this form of relief is indicated by the fact that the administrative costs for municipal aid amount to 48 per cent of the money distributed, whereas the administrative costs in the field of categorical relief, supervised by this department are respectively: 11.8% for the blind 7.5% for the dependent children, and 9.8% for old age See
Exhibit assistance.
J

This is merely to say that while there needs to be an answer given to certain fundamental questions as to the administration of relief at the local level, it is not necessary in order to accomplish this (to properly place the function of

*Fiscal year ending June 30, 1947 from figures released by Federal Security Agency.

municipal aid, which is 20 per cent of the total) to displace the activity which represents 80 per cent of the total and which has been administered in this department on a humanitarian and economical basis. If there needs to be integration at this point, let the 80 per cent take over the 20 per cent.

If on the other hand a severance of categorical assistance functions from the Department of Institutions and Agencies and joining it with municipal aid in some new department means, as well it may mean, that all relief is to be administered at the municipal level, then the answer can be emphatically that the severance of extramural functions would result in greater costs and less efficiency of operation at the local level.

To sum up the answer to question VI:

Will the severance of the agency functions from the institution functions result in more economy or less?

1. There would be created practical difficulties in the administration of our institutions and agencies;
2. There rather would be less integration and mutual understanding;
3. There would be more delay and difficulty in transferring from an institutional status to a non-

institutional status of individuals;

4. There would be the prodigious task of re-writing the mass of statutory provisions affecting both types of welfare work and;

5. There would be a lack of mutual understanding between institutional work and the extramural work which has not been noticeable under the existing set-up.

6. There would be an increase in expenditure.

VII.

Certainly there would be duplications necessary if there is a severance of the two aspects of welfare work.

A. Take for example the division of Research and Statistics, which has been of great service to the whole department. There would have to be a separate bureau set up in each department for this important branch of the work, with added expense. The cost of the research and statistics work of the Department of Institutions and Agencies, based on requests for 1948-49 is \$21,110.

B. The very necessary public relations work which has been so effectively carried on will have to be

split into two. Certainly the public is entitled to know what goes on in the institutions and also to have frequent reports as to fluctuations in our welfare expenditures. This work has always been carried on by one bureau.

C. Our legal representative has been familiar with all of the activities of the bureaus, has the questions and practices in his mind and would have to be divided between the two departments.

D. There would need to be two departments of Civil Service and Personnel.

E. One outstanding example of coordinated activity of which we are very proud is the Welfare Reporter and which is now finishing its second year of service as an interpretive bit of publicity, with over 6,000 subscribers. This covers the whole welfare field, both institutional and non-institutional, and its cost is greatly reduced by the fact that while it is compiled by workers, one from the division of old age assistance and one from this office, it is printed at the State Prison plant without cost to the department.

F. We maintain a transportation pool which serves all central office activities, institutional oversight, field service and agency work, with resulting economy.

G. While it is not to be supposed that there would be such a strict cleavage between the Department of Institutions and Agencies and a new department of agencies, as that e.g., medical and psychiatric services in the institutions would be withheld from the extramural activities, nevertheless there would be more red tape attached to such services. A mere recital of the number of common services which have been rendered to both groups emphasizes the close tie-up between the two.

See
Exhibit
K

There is a statement attached showing the cost of certain of these services that have been available to both institutions and agencies in the department and which would have to be duplicated in the event of a severance. This amounts in the aggregate to \$77,020.00.

VIII.

The present tendency throughout the states, the Federal government and the world, and New Jersey is no exception, is towards integration rather than severance of kindred activities. As adverted to above, this has been carried even farther in the Federal government and they would seem to require the presence of strong reasons of economy and efficiency and a definite showing that a severance of activities in a department which has been administered together for thirty years would result in greater value to the public.

IX.

It seems proper to call attention here to the importance of keeping the assistance aspects of welfare in proper perspective, as mentioned above.

We have noticed in many states the tendency to magnify the importance and permanance of the relief activities and assistance out of all proportion to remedial, custodial and preventive welfare activities. Most Americans hope that public assistance is a temporary phenomenon rather than a permanent part of government.

Findings have just been made public of the survey of relief in Baltimore, and quoting from the New York Herald Tribune's review of this report:

"A nation-wide network of local welfare systems has been built up during the last twelve years through Federal participation under the social security act. It has grown expensive, and budgets remain high in good times and bad, a situation that threatens to get completely out of hand and defeat the very purpose for which the program won public acceptance at its inception."

In other words, once relief is established, it is difficult to control it. The lengths to which states like Colorado, California, and many of the southern states have gone in building up a "relief empire" are evidence of this fact.

We might very properly raise the question as to whether the administration of public assistance can best be held within reasonable limits in a separate department or in a department that keeps all of the welfare activities in their proper perspective and administered within certain over-all policies.

Cannot all the purposes of a severance be attained by the necessary coordination of effort within the department which was begun some time ago and needs only the answer to two key questions to reach complete fruition and still not lose what we have gained? Does not the final determination of this question rest upon the character of service which has been given and can be given to the wards of the State and the cost thereof, rather than any specific form of organization? We think the answer to this question is, Yes.

The burden of proof rests with those who advocate a change in this Department to establish the fact that such a change would give better service at less cost.

XI.

However, if that burden of proof is maintained and if severance proves to be advisable, it is essential that all existing safeguards and incentives to efficient and economical administration be preserved.

If after careful consideration of the above and other germane considerations, it is still felt advisable to set up two welfare departments: one for the conduct of institutions and one for the conduct of non-institutional agency activities, the experience of the Department of Institutions and Agencies should be used as a guide in determining the structure of the new department, and certain essentials of administration should be preserved.

These indispensable elements will include the following:

I. That the new department be headed by a Board of Citizens members serving without salaries for overlapping terms, preferably at least eight years. There should be a high degree of coordination between the new Board and the Board of Control for Institutions which might be enhanced by a partially interlocking membership of the two boards.

II. That the chief executive officer be a career person appointed by the board without term, in order to set the standard of career service throughout the department.

The Constitutional Convention specifically provided for the retention of the Board appointment system in departments "when authorized by law."
(Constitution of 1947, Article V, Section 4).

To change this method of appointment would seem to be an attempt to accomplish indirectly what the Constitutional Convention indicated as inadvisable and would seem to be in contravention of the policy therein established.

See
Exhibit
L

(For further discussion of this feature see Exhibit L annexed hereto).

III. That existing personnel be protected in so far as possible in grade of position and compensation, and that all personnel involved in the administration of the programs, on State, county and municipal level, be subject to Civil Service.

IV. That the new department replace the Division of Old Age Assistance, the Commission for the Blind, the Board of Child Welfare, the Crippled Children's Commission, the Rehabilitation Commission, the Division of Municipal Aid, and include all of their functions.

V. That the principal local agency be the county welfare board.

VI. That the county welfare board establish outpost agencies in principal population centers.

VII. That if municipalities are to have option to become local agencies the option shall be extended only to those of 100,000 or more except on adoption

of a special bill by the Legislature, after certification of the Board of Control that such exception is in the public interest.

VIII. That the formula for financial participation as between programs be equalized.

IX. That settlement, citizenship and residence requirements be abolished.

XII.

If the severance of departments is determined to be in the public interest, it becomes necessary to bring out certain points at which, if the advertised apportionment of activities in agencies between the two departments is to be followed, difficulties will arise.

See
Exhibit
M

A. The division of architecture in this department exists almost exclusively for the benefit of this department. A statement is annexed hereto showing the amount of work performed by this division for this department and for outside agencies. Connected with the division of architecture are certain departmental officials, such as the boiler house inspector, his assistant, the electrical consultant, the specification and contract clerks, all of whom are indispensable to the routine work of this department. The very presence

of these men on our central office staff illustrates the great value of our present organization instead of paying for such service at or for each institution or agency we provide it for all at a minimum of cost.

It seems incredible that on the threshold of a very large building program to be authorized under the recommended bond issue, the members of the staff and officials who have long been familiar with our institution building and architectural problems should be taken away from us and placed in some other department. This we must emphatically protest.

B. The division of community services for delinquency prevention is an integral part of our correctional institution system and should remain with the institutional group.

C. Other problems arise in connection with the inspection of welfare institutions. Is a private child-caring institution to be under the supervision of the institution department or that having to do with child welfare?

D. Many of the State Board children who would be under the care of the Board of Child Welfare alternate

as parole wards and as child care wards. Is the parole activity of these children to be in the department of welfare or the department of Institutions?

E. The same may be said of many of our mental hygiene activities which partake both of the activities of the institutions and of the extramural welfare activity.

This is an enumeration of just a few of the difficulties inherent in the change and confusion and expense and duplication that are likely to result therefrom.

In conclusion we desire to state that we have enumerated the above considerations not solely to preserve the status quo on behalf of any person, institution, practice or system, but in order that the committees and commissions passing upon this gravely important matter may be thoroughly advised as to the difficulties and intricacies of the problem.

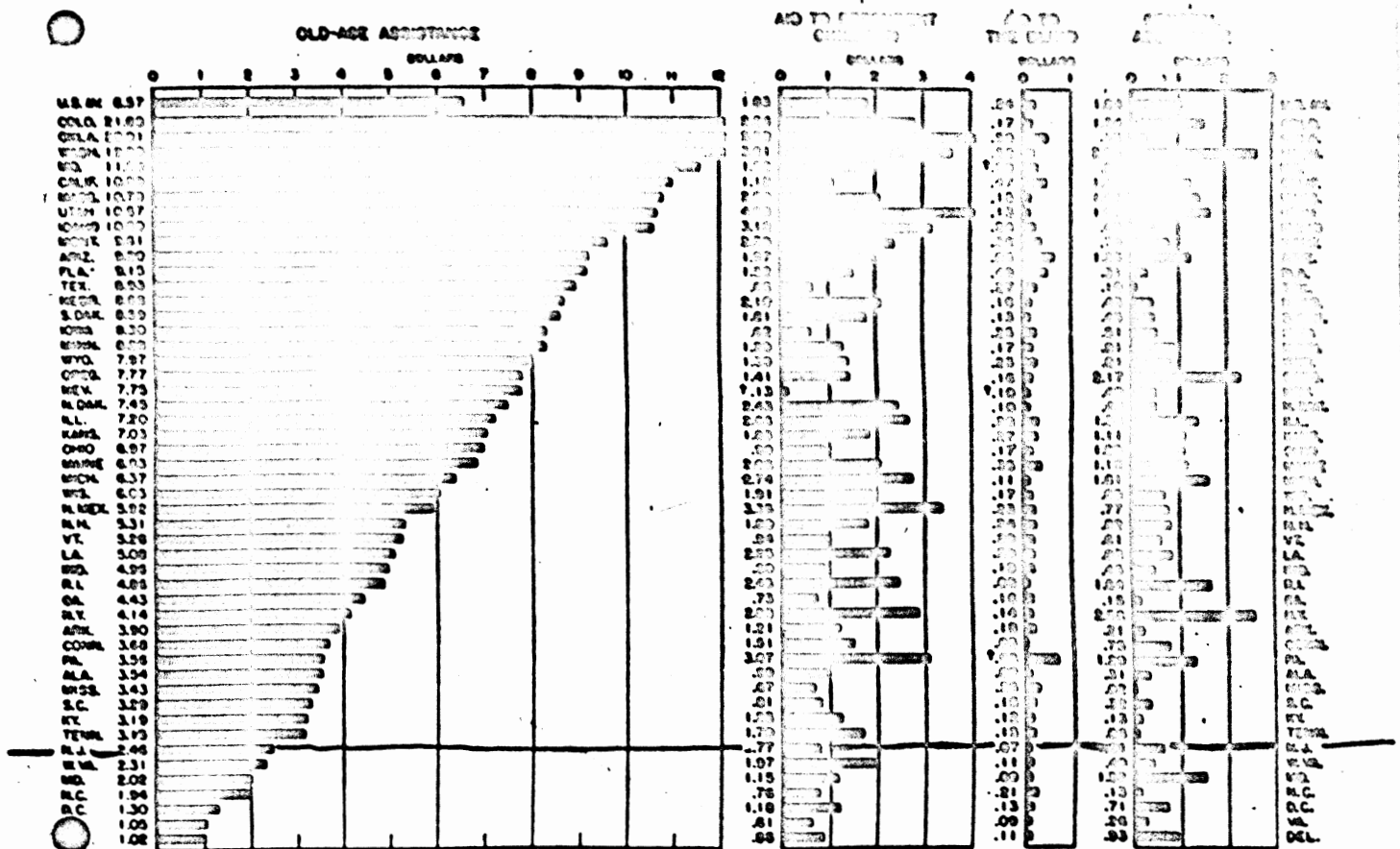
Our desire is to give the best and most humanitarian service to the people of New Jersey at the lowest possible cost and to assure progressive and economical planning for the future.

We stand ready, even to reversing the precedents of these many years, to do this, if in the considered judgment of the Executive and the Legislature this has become necessary and advisable in the public interest.

Respectfully submitted,

February, 1948

Chart 1.—Amount expended for impositions* for public assistance payments, by program, fiscal year 1945-47



*Based on civilian population as of July 1946, estimated by the Bureau of the Census.

†Program administered under State law without Federal participation.

spent 10 cents or less per inhabitant for general assistance; Mississippi spent only 2 cents. On the other hand, only 8 States spent more than \$1.50 per inhabitant:

Per inhabitant cost	Number of States
Less than \$0.11.....	3
.11-.49	16
.50-.99	14
1.00-1.49	8
1.50 or more.....	8

Civilian War Assistance

The New York State Department of Social Welfare withdrew, effective September 30, 1947, from its agreement to act as the agent of the Social Security Administration in the civilian war assistance program in New York. Pier and reception service for repatriates under the program is being continued, however, by the Travelers Aid Society of New York City, under an

agreement with the Administration.

In assisting repatriates to reach their destination and to establish themselves in a community, the New York City office of the society will doubtless utilize units in other cities. The number of such agencies is limited, however, and the society may have to request some of the State public assistance agencies to provide services to repatriates whose destinations are within the State.

(C)

NEW JERSEY OLD AGE ASSISTANCE
NET REIMBURSEMENTS COMPARED WITH COST OF ADMINISTRATION
FISCAL YEARS 1939 - 1947

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Reimbursements</u>	<u>Percent of</u> <u>Admin. Cost</u>
1939	\$224,410.45	35.56%
1940	267,516.30	34.59%
1941	337,122.39	40.40%
1942	389,921.22	45.45%
1943	454,315.78	53.11%
1944	580,643.09	63.75%
1945	671,110.45	70.31%
1946	731,917.93	73.43%
1947	773,779.12	67.55%

EXHIBIT D

New Jersey State Chamber of Commerce

605 BROAD STREET, NEWARK 2, NEW JERSEY • PHONE: MARKET 2-0107



Glenn Gardiner, President
Charles A. Eaton, Jr., Executive Vice-President
W. Paul Stillman, Treasurer
Irving T. Gumb, Secretary

October 30, 1947

Honorable Sanford Bates
Commissioner
Department of Institutions and Agencies
Trenton 7, New Jersey

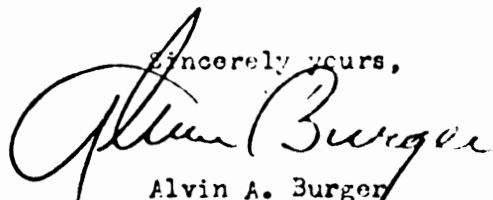
My dear Commissioner:

Thank you for sending me the two exceedingly interesting pamphlets prepared by the Federal Security Agency, dealing with the Federal-State social security programs. The material is very enlightening and you are entirely right when you say that the statistics on New Jersey reflect sound State management of these activities.

Incidentally, do you have two more spare copies of the article you sent me awhile back which had been rejected by Public Welfare Magazine? I have read it over several times and have discussed it privately with others who agree that your statements are very significant. If you do have two additional copies to spare, may I have them?

Thanking you, and looking forward to seeing you soon, I remain

Sincerely yours,


Alvin A. Burger
Director of Research

P. S. While we have not yet gotten around to arranging for that tour of inspection of institution buildings, it is still very much in our minds.

Department Institutions & Agencies
Trenton, New Jersey

TO MEMBERS OF THE STATE BOARD OF CONTROL

Inasmuch as the first year of our service together is drawing to a close, I thought it might be appropriate for me to give you a brief resume of some of the activities of the Department during the first twelve months. I shall not attempt to review the matters in chronological order, nor in the order of their importance, but to merely hit some of the high spots.

I.

STIMULATION OF FIELD CONTACTS

During the year five meetings, attended by all institution heads and business managers, have been held; three in this office, one at Marlboro in the fall, and one at Skillman Village in the spring.

Much appreciation has been expressed by the institutions of these periodical opportunities to exchange experience and develop policies and standards.

In addition, other institutional groups, such as the farmers, the fire-room and boiler-house superintendents, the educational leaders, the psychologists, the psychiatric group, the nursing service, and the occupational therapists, have also met at central points under the auspices of the Department; employees themselves on one occasion.

II.

EMPLOYEE CONTACTS ESTABLISHED

Grievance machinery has been set up in each institution, and the State Board has annunciated a policy under which any employee may have prompt attention to his complaint.

Representatives of the Central Office have visited all of the institutions and, where necessary, special local employees have been added to the rolls for the purpose of planning out the personnel difficulties of the staff and the employee body.

III.

HOURS AND WAGES APPROVED

Substantial increases have been achieved in the salaries of most employees, and as of January 1 the lower grades, including attendants, nurses, ward service employees, received increases, in some cases as high as 35 percent. One of the last groups to receive recognition have been the food handlers, kitchen and dining room helpers, and before the year closes this class will receive attention.

Although at one time, owing to shortage of help, it seemed utterly impossible as the employee recruitment was so dubious, nevertheless we are now able to announce that the eight-hour day and the forty-eight-hour week is a reality throughout the system. In seven of our institutions the hours of labor are even less, and in the remaining ones only those who have peculiarly custodial or family types of employment now work more than forty-eight hours a week.

Great credit is due to Mr. Raymond F. Male, Civil Service Officer in the Department, and to the institutions themselves for this outstanding accomplishment.

IV.

THE 1947 BUDGET WAS SUCCESSFULLY
CARRIED THROUGH THE LEGISLATURE

Although many items of importance had to be eliminated, at the same time the budget was granted substantially as requested by the Department and no cuts whatever were made either by the Appropriations Committee or the Legislature itself.

V.

APPOINTMENT OF DEPUTY COMMISSIONERS

The Central Office of the Department has been greatly strengthened by the appointment of Lt. Colonel F. Lovell Bixby, who succeeds to the place left vacant by the death of John Colt, and who also becomes Deputy Commissioner in charge of the correctional group, and of Lt. Colonel Henry A. Cotton, returned from four and one-half years of service with the Medical branch of the Army, who, as of July 1, we hope will take over the position of Deputy Commissioner in charge of hospitals and hygiene. The work of the Department will be made more efficient by the designation of Dr. Ellen C. Potter as Deputy Commissioner in charge of welfare and assistance.

A DEPARTMENTAL PERIODICAL ENTITLED
"THE WELFARE REPORTER" HAS BEEN
INAUGURATED

This will fill a long-felt want and enable us not only to maintain a greater morale and solidarity among ourselves but will be the means of disseminating much needed information as to the activities of the Department.

VII.

DIAGNOSTIC CENTER AUTHORIZED

With the approval of the Governor, the Legislature passed a bill authorizing the establishment of a diagnostic center for the use of courts and other public agencies. This will mark an epoch in the administration of our institutions and should help us to more properly screen applicants for admission to our institutions and should result in the diversion of certain cases from the institutions which can be better treated on an extramural basis.

VIII.

DIVISION OF COMMUNITY SERVICES FOR DELINQUENCY
PREVENTION ESTABLISHED

The Division of Child Care of the Office of Civilian Defense, when the latter organization was discontinued in October, was transferred on our application to this Department, and under the leadership of Mr. Douglas H. MacNeil, became the nucleus for the new Division of Community Services for Delinquency Prevention.

This is an highly important undertaking, one in which the Department has long been interested, and since its famous Juvenile Delinquency Report of 1939 have been anxiously awaiting to see realized.

IX.

PAROLE SYSTEM INTEGRATED

Under the leadership of Colonel Bixby, the State of New Jersey has been divided into parole districts, new parole officers recruited, and brief training courses installed for their benefit.

There is every prospect that within the next few days supervision over State Prison parolees, which has been an issue in the Department ever since its formation, will be turned over to the Central Office. The majority of the Board of Managers and the Warden have requested this service, and as soon as a few formalities can be arranged, this further integration of the parole service is expected.

X.

NEW FEEBLE-MINDED BUILDINGS AUTHORIZED

The 1947 budget carries an appropriation for \$1,010,000 for the construction of six new feeble-minded buildings to be located at the four existing schools. This should do much to reduce to a minimum the present waiting list which has been such an anxiety to us for so many years.

XI.

NEW FIRE-PROOFING CONSTRUCTION AUTHORIZED

Although a much larger sum was asked for, \$300,000. has been placed at our disposal to remove fire hazards at the mental hospitals.

XII.

MENTAL HYGIENE COMMITTEE REVIVED

Dr. S. Emlen Stokes has accepted the Chairmanship of the newly constituted Mental Hygiene Committee which has held several meetings, and with the guidance of Dr. Henry A. Cotton, important progress has already been made towards the development of mental hygiene service throughout the State.

In this connection two meetings have also been had with representatives of other State departments, looking towards a greater cooperative movement in the direction of better mental hygiene services.

XIII.

JUVENILE COURT LAW AMENDED

With the assistance of the Department of Institutions and Agencies and the Juvenile Court Judges, legislation extending the jurisdiction of the Juvenile Court Judges was filed and passed by the Legislature and has become part of the law.

XIV.

CAMPAIGN TO ELIMINATE FIRE HAZARDS

A determined campaign has been undertaken to eliminate fire hazards in the institutions. Meetings have been held on this subject and the co-operation of the fire insurance rating board has been had. Two surveys have already been completed and it is the intention to include all of our institutions in this campaign.

XV.

PRISON OFFICERS' LECTURE COURSE RESUMED

After a lapse of several years, the evening lecture courses for the officers from the Prison and the reformatories was resumed and was well attended with an average number of people present of 225.

XVI.

SURPLUS PROPERTY MACHINERY SET UP

The Department has appointed Mr. Charles E. Kulp as surplus property representative and, with the assistance of the Purchasing Agent, considerable savings have already been achieved in the purchase of surplus Army and Navy supplies and materials for the use of our institutions.

XVII.

POLICY ADOPTED FOR MEDICAL CARE FOR STAFF

After a great deal of preliminary discussion the State Board of Control adopted a uniform policy governing the medical services to employees.

XVIII.

NEW RULES AND REGULATIONS FOR THE CORRECTIONAL GROUP

As the year closes, a set of basic rules has been agreed on for the use of those institutions in the penal and correctional group. It will be necessary not only to announce a basic philosophy for the institutions but also for the proper supervision of the staff and employees and the necessary instruction of the inmates.

XVIV.

HOSPITAL SURVEY UNDERTAKEN BY THE DEPARTMENT

The Department of Institutions and Agencies has been designated as the Department to undertake the official survey of the hospital situation in the State, preparatory to making an application for Federal grant for the construction of new hospitals.

XX.

THE MERCER AIRPORT TRANSFER TO DEPARTMENT

The Navy Department has authorized the use by the Department of the buildings at the Mercer Airport at West Trenton, for the use of veterans, both patients and staff members. This furnishes us with a potential 400-bed base and may postpone the necessity for the erection of a fourth State hospital.

XXI.

EXPANSION OF WORK AT GLEN GARDNER SANATORIUM

Legislation was passed broadening the specifications of the type of patient which might be received for treatment at the Sanatorium.

During the year the Department also signed a contract with the Veterans' Administration for the care of veterans up to the number of one hundred as vacancies exist at this Institution.

XXII.

RECRUITMENT OF PERSONNEL HAS AT LAST BEEN
SUCCESSFUL

After a great deal of advertising, including the printing and circulation of thousands of leaflets, with the assistance of the United States Employment Service, and the employment of a special recruitment officer, we have at last begun to see results and employees, even in the lower brackets, are beginning to come into the service.

XXIII.

PLANS FOR IN-SERVICE TRAINING FOR SOCIAL WORKERS

Conference has been held with officials of Rutgers University and plans are being effected for the establishment of special courses for different categories of social workers in the Department, and for in-service training of those who have been employed during the war years.

XXIV.

INSTITUTION EQUIPPED FOR VETERAN SERVICE

The Arthur Brisbane Memorial Home for Veterans at Allaire has been remodeled and equipped and is prepared to receive veterans for convalescent care.

XXV.

EMERGENCY VETERANS' HOUSING SECURED

At the most crowded institutions, the Federal Public Housing Authority has signed contracts with us for the immediate installation of both group housing and single-room provisions at Marlboro, Greystone Park and the Skillman Village.

XXVI

NEW SOCIAL WORKERS FOR THE FEEBLE-MINDED

The budget authorized the appointment of eight new social workers whose duty it will be to attempt to orient back into the community those of the feeble-minded who have had a sufficient amount of institutional training.

XXVII

SALES TO INMATES BY EMPLOYEES PROHIBITED

The Board of Control passed a resolution doing away with the custom in the institutions of having employees make an extra profit out of transactions in which the inmates were involved.

XXVIII.

CONCERTED EFFORT TO IMPROVE FOOD SERVICE

This office has cooperated with the institutions and their boards of managers to improve the quality of food and the service thereof. Substantial increases will be granted in the food service personnel and recommendation will be made for a special officer in the larger institutions in whom to concentrate responsibility for food service.

The costs of food service to personnel and to inmates will be carried separately and every attempt made to give to our patients and inmates the best food that the appropriations will provide, and if the appropriation appears to be insufficient, to take means to augment it.

XXIX.

UNIFORM TRAINING FOR WARD PERSONNEL

Measures have been taken to insure uniform methods and training courses for attendant and ward personnel.

Commissioner

May 17, 1946

Trenton, New Jersey
Department Institutions and Agencies

To the Members of the
State Board of Control:

A little over a year ago I filed with you a statement of some of the major items of progress that we were fortunate to have achieved during my first year with you.

I am submitting here a brief reference to some of the more important steps forward that have been taken during the year which has intervened since June 1, 1946.

I

ESTABLISHMENT OF CHILD TREATMENT CENTER
AT ALLAIRE

Legislation has been passed and a suitable appropriation has been granted us to change the purpose of the Brisbane property from a veterans' rest home to a child treatment center. We were thus enabled to accomplish the very satisfactory transfer of children who were quartered at the Marlboro mental hospital and relieve them from the stigma of an insane commitment. We also hope by recruiting a high-class staff at Allaire to make some real progress in the further understanding and treatment of seriously mal-adjusted children, which has been recognized as one of the great needs of the State

The importance of this project is well emphasized by a statement from the Children's Bureau Representative who visited us during May.

"The Children's Bureau Consultant believes that the State of New Jersey has a unique opportunity to demonstrate to the State and the Nation the need and value of the services it is establishing at the Brisbane Child Study Center. Although other States are at present planning to develop such services on a state-wide basis, so far as the Consultant knows, New Jersey is the first State to actually initiate this program."

II

HOSPITAL LICENSING BILL

The Hospital Licensing Bill passed both branches of the Legislature after a stubborn battle and has become law through the Governor's signature.

This is a long delayed forward step and will give to the Department, with the assistance of a newly appointed State Licensing Board, the supervision of all hospitals through the licensing power. Hitherto we could only inspect and license nursing homes and hospitals that were being conducted for profit.

III

THE GOVERNOR'S YOUTH CONFERENCE

This Department inspired and conducted the Governor's Youth Conference, which took place on May 19 and 20 and which was attended by over a thousand delegates from two hundred and thirty-eight separate municipalities.

The program, agenda and resolutions of this Conference will testify to its importance in the continuing struggle to reduce juvenile delinquency in the State.

IV

LEGISLATIVE COMMISSION ON DELINQUENCY

Mr. Douglas H. MacNeil of this Department was made Secretary of the Legislative Committee to inquire into the causes of juvenile delinquency, which is chaired by Senator Van Alstyne.

I was in constant consultation with the members of the Committee and they were good enough to accept, in the main, the suggestions which we made for the improvement of the situation with reference to the treatment of delinquent young people in the State.

All of the legislation sponsored by the Van Alstyne Commission was adopted, with the exception of a bill recommending a State Probation Commission. One of the bills which came from this Committee to modify somewhat the jurisdiction of a Juvenile Court was very kindly withheld by Senator Van Alstyne at the request of this Department.

IV A.

The Bill authorizing establishment of Municipal Youth Guidance Centers under direction of our Department should be a great help towards delinquency prevention.

CHANGE OF NAME OF STATE BOARD OF CHILDREN'S GUARDIANS

Legislation was enacted, changing the name of the State Board of Children's Guardians to the "Board of Child Welfare." This is a significant change and will enable the State Board to expand and intensify its work on behalf of children throughout the State.

VI

FEDERAL HOSPITAL CONSTRUCTION ACT

Under Chapter 725 of the Federal Acts of 1946, this Department was designated by the Governor to be the Single State Agency in the development of the Hospital Construction Project in the State.

An Advisory Council of twenty-five, with an Executive Committee of seven has been appointed and has held many meetings.

This extremely important development, carrying as it does a Federal appropriation of six and one-half million dollars for Federal hospital construction in this State during the next five years, has been entrusted to this Department as the Administrative Agency for New Jersey.

VII

COORDINATION OF PRIVATE CASEWORKING AGENCIES

Several meetings have been held between staff members of this Department and those of private family and children's social casework agencies in order that greater coverage can be secured through the private agencies and more effective work done within the family towards the prevention of delinquency and individual and family disintegration throughout the State.

A permanent joint committee is at work making further surveys and recommendations to accomplish this important object.

VIII

PAROLE COUNCIL FORMED

A Parole Council, under the leadership of Deputy Commissioner Bixby, with representatives from each of our correctional institutions, has been formed and is functioning effectively.

IX

ENLISTMENT OF PSYCHIATRIC TECHNICIANS

The very serious shortage of attendants in our mental hospitals has been recognized over several years and desperate efforts have been made to recruit new employees. However, it was not until we evolved the idea of changing the name of these important elements in our hospital administration staff

to "Psychiatric Technicians" that we met any reasonable degree of success.

We have now succeeded in enlisting the interest of young college graduates and returning G.I.s. by holding out promise of a more dignified career position in our mental hospitals and the opportunity to take a year's training course to be qualified to serve as such. This new psychology seems to have been successful; the training course for Psychiatric Technicians has received notice from many places outside the State and a new group of interested and ambitious young employees has been recruited.

I regard this as one of the most important accomplishments of the year and credit for it must go largely to the ingenuity and persistence of Mr. Raymond F. Male, assisted by Mrs. Trainor and John Barbadore.

X

EIGHT-HOUR DAY PRACTICALLY ACCOMPLISHED

Further important progress has been made towards the realization of the eight-hour day and we can say at this time that the forty-eight hour week is a reality everywhere where it is applicable, that is, except in the case of house mothers and others whose job is a permanent all day long paternal watch care job.

In Marlboro and Trenton, and to some extent in Greystone, the eight-hour day, six day week plan is a reality.

And in all other institutions we can say that the eight-hour day has been achieved.

XI

NATIONAL MENTAL HEALTH ACT DESIGNATION

This Department has been designated as the Single State Agency to receive money from the Federal Government under the National Mental Health Act. These contributions will be limited to research and education, but we have already, through the interest of Deputy Commissioner Cotton, been able to receive assurances that some money will be forthcoming to aid us in the above purposes.

XII

COMMITTEE ON WELFARE INTEGRATION

This Department has served upon Governor Edge's informal committee to investigate the plight of the chronic sick and the general integration of welfare services throughout the State. It is doubtful if this committee will carry over into Governor Driscoll's administration, but a good start has been made towards preparing a plan, and some interest has been developed on behalf of the organizations who were represented on this Commission.

XIII

NEW JERSEY WELFARE COUNCIL RECOMMENDS INTEGRATION

The New Jersey Welfare Council Committee on Streamlining Welfare Integration has filed their preliminary report and it recommends a single State agency and a single local

agency to be represented by county government to handle all phases of welfare and assistance activity in the State.

XIV

PRISON OFFICERS' TRAINING COURSE RE-ESTABLISHED

The new Prison Officers coming into the service and those who have been provisionally appointed during the war have been mustered in to a complete in-service training course, which has been made possible by the cooperation of the Veterans Administration and our own headquarters correctional staff.

XV

RESPONSIBILITY FOR INSTITUTION MANAGEMENT

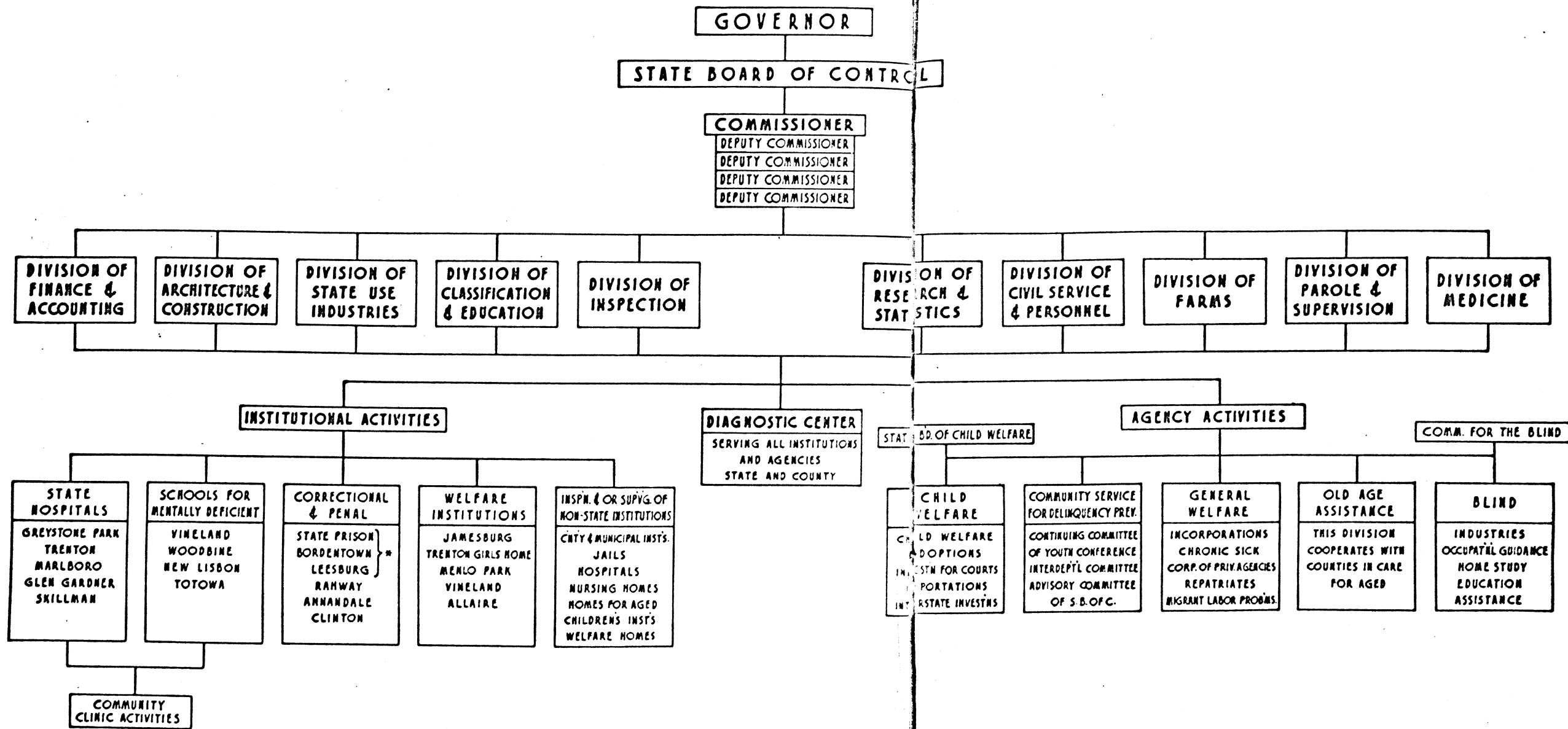
Responsibility for the management of each Institution was concentrated in one Executive Head.

#

June 24, 1947

DEPARTMENT OF INSTITUTIONS AND AGENCIES

EXHIBIT F



Foot Note:
Each of these Institutions has a separate Board of Managers.
Except 2, which has one Board of Managers for these Institutions

(Exhibit G)

The State Board of Child Welfare was created in 1899 to provide state care for children who were being prejudiced by the inability and unwillingness of local governmental units to make facilities available for their special needs. The state program has been developed through the experience of caring for 160,000 children over a 49-year period.

The result of this experience is a comprehensive program adapted to the many children's problems with a minimum of administrative action required to provide care in natural or foster homes, as the needs may require. By inclusion of the mother's needs in Home Life assistance, the family may be treated as a unit so that during November 1947 of 4463 families under care only 9.1% were receiving some other type of assistance. Such duplication as does exist is represented by the presence in the family of the incapacitated father or a relative eligible for assistance for the blind or the aged. Operation as a state program permits placement of children where local facilities will best meet their need, and during the last fiscal year a minimum of 28% of children were placed out of the county of origin. Development of interlocutory orders of guardianship and emergency grants in Home Life assistance means that either type of care is almost immediately available, with reduction of need for interim care by other agencies. For the first six months of the present fiscal year 71% of new cases received emergency grants, and need for other temporary assistance within 30 days of Home Life grants has been reduced from 68% of cases in 1941-42 to 45% in 1946-47. Cognizance of local needs has been achieved through decentralization of field services in 12 district offices without reducing the size of such offices below the point where adequate supervisory staff could not be economically maintained.

Care and assistance through the State Board of Child Welfare is available to all children who need the eligibility requirements, which have been broadened through the years. There have never been any waiting lists, but case loads under supervision have been kept within reasonable limits through balancing intake with reasonable discharge activity. In New Jersey only 8 of each 1000 children are receiving help as compared with the United States rate of 19 per 1000. Assurance that care and assistance is being given only to those who actually need it is gained by complete initial investigations and re-investigations four times a year. The average length of

time for a Home Life family to be under supervision has been reduced from $4\frac{1}{2}$ years in 1944 to 1 year in 1947.

Services have been provided with low maintenance costs. For the past fiscal year the average cost per child given Home Life assistance was \$27.85 per month and for foster home care \$24.31 per month. This has been accomplished by a full development of other resources available to children and case work services in the foster home program which have resulted in 40% of cases not requiring board payments during the last four years. During the last fiscal year reimbursements for maintenance costs were obtained in the amount of \$157,374.00. In Home Life assistance, although the average family monthly grant in New Jersey is \$73.46 as compared with the United States average of \$62.06, the annual cost per inhabitant in New Jersey is only \$.61 as compared with the United States figure of \$1.35.

Strict regard to the validity of case loads has been accomplished with proportionately few complaints from the large number of clients receiving service. Of such complaints as received, all but 5 have been adjusted without necessity for formal administrative action.

The high character and efficiency of service has been achieved through staff development. Opening of examinations to residents of the United States, and initial and promotional appointments to offices throughout the state, permit the securing of the most qualified staff available. Recruitment has been maintained at an educational level necessary to permit advanced study and training. An orientation program for all new workers, and in-service training program for the entire staff, and the availability of scholarships for advanced study have assisted in the general program of staff development.

Operation of a statewide program has permitted establishment of special services. There is a comprehensive health program adapted to the needs of children from the standpoint of both prevention and cure. Providing of necessary medical facilities is assured by direct payment to doctors, dentists and hospitals, with the health cost per child under guardianship of only \$11.47 annually and per Home Life family of only \$26.67 annually. Qualified psychologists are maintained on the staff for direct services to the children. Property rights of wards are investigated and protected, with \$67,600.00 being maintained in trust accounts to meet present maintenance costs and provide some

future security. An average clothing inventory of \$400,000.00 is maintained so that wards may be provided with garments of high quality and of current and varied style at an annual cost per child of only \$50.46. Adoption services have been developed with placement anywhere in the state being available to meet the specific needs of the individual children. It has been possible to make all of these specialized services available through the nature of state operation, with an administrative cost of only 9.2% of the total maintenance funds administered.

Because of services available through the State Board of Child Welfare, the agency is utilized for special activities. Present provisions of the Adoption Law are implemented by investigations for the courts, with 2347 such investigations being made during the past five years. During the last six years 353 delinquent children were committed by juvenile courts directly to the agency for adjustment in lieu of institutional placement. Supervision of parolees from juvenile institutions is being afforded with specialized service for children resulting in 11% of parole violators as compared with 18%, the experience of general parole supervision.

(Exhibit H)

Under the provisions of 44:7 R. S. old age assistance is administered by welfare boards established in each county. The Division of Old Age Assistance of the Department of Institutions and Agencies is authorized and directed to prescribe rules and regulations and to supervise administration of the act to the end that general policies and procedures equitable to individual applicants and recipients shall be in effect throughout the State.

In approaching this joint responsibility of State and Counties the effort has been directed;

1. To establish practical working procedures and policies after full consultation between County and State representatives, and

2. To protect the interests of the eligible individuals and at the same time conserve the public funds.

To this end a manual of procedures and policies has been developed and put in effect;

A standard accounting system has been required;

Two types of field audit are in use, i.e.,:

- (a) Fiscal audit of books and records performed in accordance with definite and written standards.

- (b) Review of case records on a sample basis to make certain that policies and procedures directed are actually practiced;

Field representatives of the division meet regularly with county directors and supervisors to discuss findings of field audits, to help plan staff training, and to report needs for development or change in policies and procedures;

From time to time market basket surveys are conducted in every county to price commodities in amounts and varieties according to recommendations of the National Research Council for low cost but adequate diets, fuel requirements, and clothing needs in order that standards of assistance may be re-evaluated and revised;

County Welfare Board budgets for assistance and administration are reviewed each year and appropriate recommendations transmitted;

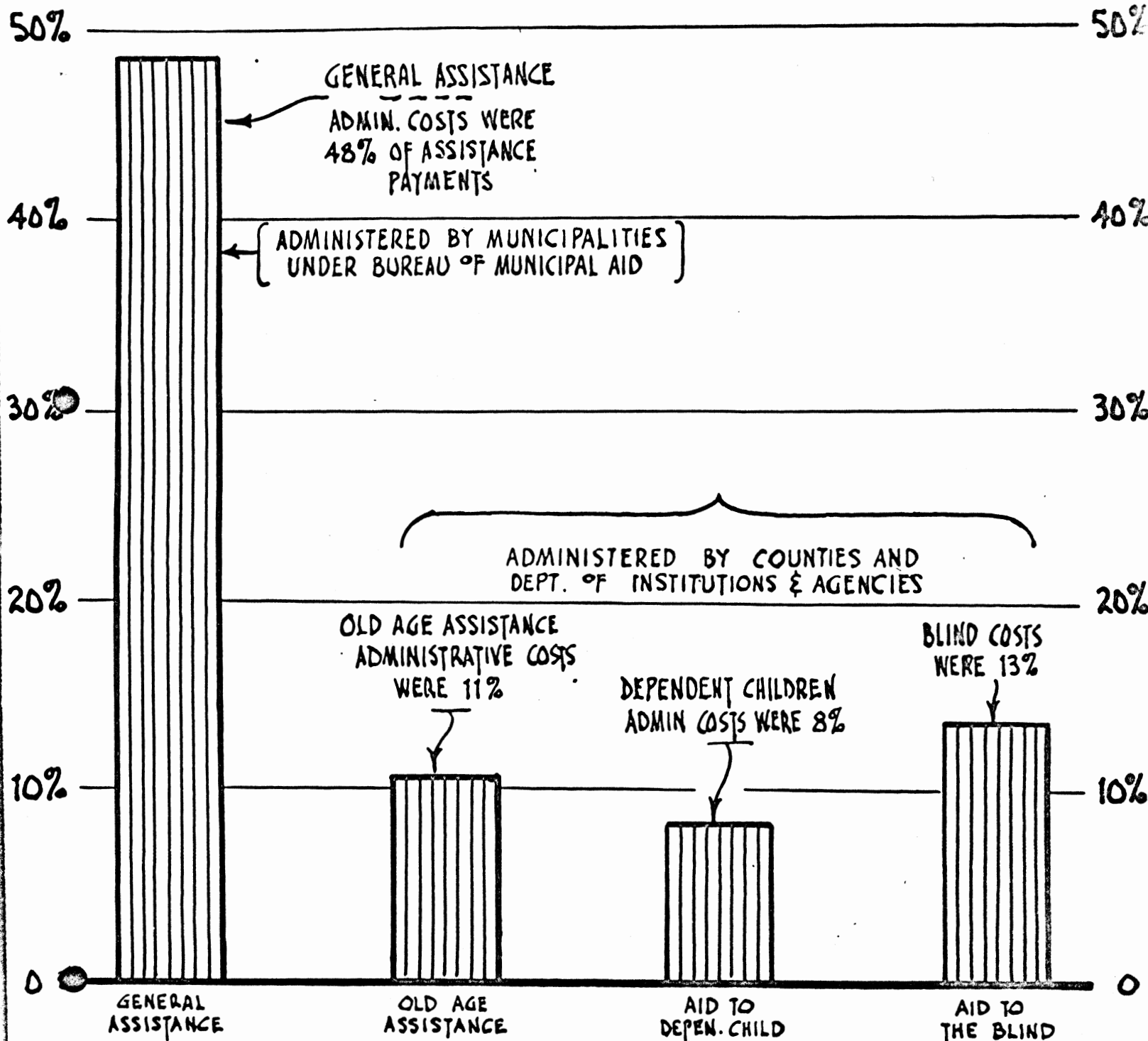
Personnel standards are developed and revised from time to time in consultation with the counties and the Civil Service Commission. All matters affecting personnel are routinely reviewed by the division and appropriate recommendations made to the Civil Service Commission.

An agreement to reimburse becomes a lien, in the amount of assistance an individual may receive, against his real property. Life insurance and other non-liquid assets are assigned. The division carefully reviews the disposition of all such assets and approves settlements only when they provide equitable consideration of the public as well as the individual interests.

The aims of those charged with responsibility for the program may be summarized as focussing upon good administrative practice and sensible approach to the needs of applicants and recipients.

PERCENT OF ADMINISTRATIVE COSTS RELATED TO ASSISTANCE PAYMENTS

PUBLIC ASSISTANCE IN NEW JERSEY: 1946-1947
(DATA FROM FEDERAL SECURITY AGENCY)



(Exhibit K)

Cost of specialized agencies which would have to be duplicated in the event of severance of the welfare and institutional functions of the Department of Institutions and Agencies.

Based upon budget requests for 1948-49:

Division of Research and Statistics	\$ 21,110.00
Division of Civil Service and Personnel	21,960.00
Division of Legal Affairs	9,770.00
Public Relations Director	5,400.00
Transportation Division	9,780.00
Accounting Division	<u>9,000.00</u>
Total	\$ 77,020.00

(Exhibit L)

The State Board is not unmindful of the argument in favor of close rapport between the Governor and the department heads, but it has believed that the Constitutional Convention was correct in making an exception in the case of one or two departments, particularly this one, which is a professional rather than a policy-making department.

The experience of the adjoining commonwealth, Pennsylvania, where there were 12 secretaries of welfare in 26 years, indicates the hazards incident to the cabinet type of appointment in welfare departments. A recent letter from the Secretary of the Public Charities Association of Pennsylvania contains the following quotation:

"The Department of Public Assistance, which is under civil service, has not suffered as badly as has the Department of Welfare, where it has proved more and more difficult for the secretary to persuade any good person to accept appointment on the staff, with political sponsorship required, and with the knowledge that his job may be over in less than four years."

For the further information of the committee I append a recent statement from the Secretary of the American Public Welfare Association discussing the subject of board appointments vs. gubernatorial appointments.

AMERICAN PUBLIC WELFARE ASSOCIATION

1313 EAST SIXTIETH STREET - FAIRFAX 3400 - CHICAGO 37 - ILLINOIS

Executive Committee

HARRY O. PAGE, President

W. S. TERRY, JR., Vice-President

JOSEPH L. MOSS, Treasurer

RICHARD T. GILMARTIN

LOULA DUNN

J. MILTON PATTERSON

FEDELE F. FAURI

S. H. THOMPSON

HOWARD L. RUSSELL, Director

June 30, 1947

Mr. Sanford Bates, Commissioner
State Department of Institutions and Agencies
Trenton 7, New Jersey

Dear Sanford:

In response to your inquiry for information about the practice of various states in appointing the executive heads of state welfare agencies, I found the attached table of information in our files. This table was prepared in 1942 and I think there have been a few changes since that time. You will note that in some twenty-nine state welfare agencies the executive is appointed by the board, whereas thirty-two such executives are appointed by the Governor, and in nine other agencies the board itself carries the executive function. The table further gives some information as to the nature of state welfare boards in respect to method of appointment and overlapping terms of office.

The above table illustrates the wide variation between states as to the appointment of the chief welfare executive. Where the state department is organized on an entirely departmental basis and the Governor uses the department heads as a cabinet or executive committee, it apparently is considered quite logical and sound for the Governor to make the appointment directly. I believe in this situation there might be considerable advantage, and particularly where all other employes of a welfare department are under civil service, to have the top administrator identified with the Governor's Office. Since the Governor as executive officer of the commonwealth is ordinarily held responsible for his departmental programs, he is expected to have a close working relationship with the administrator. On the other hand, you are quite apt to achieve this even when the administrator is appointed by the Board, and especially when this appointment requires the approval of the Governor.

I believe you would be interested in referring to an article by Marietta Stevenson in the April 1945 issue of PUBLIC WELFARE under the title of "The Development of Basic Principles of Public Welfare Organization," and particularly to the following quotation from page 79:

"The arguments for having the director of a department appointed by the Governor and directly responsible to him are wellknown. Direct lines of authority and the clear

During the fiscal years 1946 and 1947 the division of architecture and construction prepared plans, drew contracts and supervised the work on 86 separate contracts, all connected with the work of this department, for a total amount of money involved of \$2,809,102.50. During that same period they gave advice and did a certain amount of work on projects directly related to the work of this department but paid for out of other funds, such as the rental account of the division of administration and finance. There were 14 of these projects as to which we did not draw contracts or supervise the work, but we merely gave advice and we are not aware of the amount of money eventually disbursed.

In addition to this, for these two years the division of architecture gave advice on 17 projects for the State Police, for the Motor Vehicle Department, the Department of Education and others. In none of these cases did we draw plans, supervise the granting of contracts or prosecution of the work. We do not know the amount of money involved.

The estimated number of total hours put in our division of architecture and construction on purely Institutions and Agencies projects during the last two years is: 65,000
As compared to this, there was spent on work involving no expenditure of money by us (even though in some cases the work done involved the projects of this department) not over 1,500 hours.

and undivided responsibility for the efficiency of the department have been the unusual advantages set forth for this form of organization. Also it has usually been taken for-granted as part of the cabinet system.

"However, there are some definite advantages in having a board consisting of at least five and not more than nine outstanding citizens appointed by the Governor for overlapping terms on a nonpartisan basis without compensation, except for expenses incurred in the course of their official duties. This board is made responsible for the determination of policies and for the selection of the director, who would effectuate the decisions on policy made by the board and be responsible for the administration of the programs.

"One reason for thinking in terms of a board with overlapping terms for its members as being desirable to head the welfare department is because it may help in providing a long-term appointment for the director. In addition to offering a sufficiently high salary to attract a director with requisite capacity, it is necessary to give some degree of tenure. If this tenure is made conditional on the successful performance of his duties rather than for the term of a Governor's appointment, the theory is that it will serve to attract the individual who has had wide experience, is of proven ability, is interested in a career in the public service, and who thinks in terms of long-term planning and accomplishment. We need not only to attract the leader with outstanding ability, but to make it possible for him to make real contributions to the developing field of public welfare administration."

I believe the above quotation makes it clear that the question of the appointment of a state welfare administration by a Governor or by a board rests on certain factors such as the existence or use of the cabinet form of government, the frequency with which governors may change in a state, and the tradition or disposition of a state to uphold high standards or qualifications in administrative positions. There is every reason to believe that a lay board operating with long and overlapping terms of office would be disposed to give considerable weight to necessary qualifications of its executive officer. Such a board would also be disposed to be deeply interested in the long-term implications of its program responsibilities.

Where appointment of a state welfare director is made by the Governor and the term of office for the Governor is a short period, there is a strong tendency to change department heads with each Governor and because of such changes to risk the appointment of persons whose qualifications are more political than professional.

Mr. Sanford Bates - Page 3

The desirable goal in establishing a method of appointment of a state welfare administrator would seem to be that device which would best insure the securing of a qualified person whose tenure would be guaranteed if successful in the performance of his duties and yet at the same time would allow for a reasonably close working relationship with the Governor and with the current political administration.

I will be glad to search further in our records for additional information which might have a bearing on this particular question.

Sincerely yours,

(Signed) Russ

Howard L. Russell
Director

STATE AGENCIES CLASSIFIED

Form of Major State Welfare Agencies

State	Agency or Agencies	Executive		Basis of Board Member tenure						Method of Appointment to Board			Salary Status of Board Members		
		Appointed by Board	Appointed by Governor	Board itself acts as Exec.	Overlapping terms 5 yrs or over	4 yrs or less	Concurrent terms 5 yrs or over	4 yrs or less	Board serves at pleasure of Gov'r	By governor Only	With Legislative consent	By Legislature	Other (Describe)	Salaried	Non-Salaried
Ala.	State Dept. of Public Welfare	x			x					x					x
Ariz.	State Bd. of Social Security and Welfare	x				x				x					x
	Bd. of Directors of State Institutions	x													
Ark.	State Dept. of Public Welfare		x	x						x					x
Calif.	State Dept. of Social Welfare	x				x				x					x
	State Dept. of Institutions		x	No.Bd.											
Colo.	State Dept. of Public Welfare	x				x				x					x
Conn.	Office of Commr. of Welfare		x			x					x				x
Del.	Old Age Welfare Commission	x				x							By Chief Expenses + Justice \$5. P.D.		
	Mothers' Pension Commission	x				x				x					x
	Commission for the Blind	x													
	State Board of Charities	x				x				x					x
	Delaware Commission for the Feebleminded	x													
Fla.	State Welfare Board		x			x				x					x
Ga.	State Dept. of Public Welfare		x			x				x					x
Idaho	State Dept. of Public Assist.		x	No.Bd.											
	Department of Charitable Institutions		x	No.Bd.											
Ill.	State Dept. of Public Welfare		x						x		x				x
Ind.	State Dept. of Public Welfare 1/	x				x				x			By (2) Lt.Gov.	\$300	
										(2)				\$4000	
Iowa	State Board of Social Welfare			x	x						x				
	Bd. of Control of State Insts.			x											
Kan.	State Dept. of Social Welfare			x		x					x				\$4000
	State Bd. of Administration			x											
Ky.	State Dept. of Welfare		x			x				x				\$10.P.D.	
La.	State Dept. of Public Welfare		x		x					x				\$20.P.D.	

*Automatically terminate with expiration of governor's term.

1/Indiana Board (two appointed by governor, two by Lieutenant-governor, and Lieutenant-governor).

2/Minnesota Board consists of directors of three divisions of department, executive is triple.

State	Agency or Agencies	Executive		Board itself acts as Exec.	Basis of Board Member Tenure				Board serves at pleas- ure of Gov'r*	Method of Appointment to Board			Salary status of Board Members	
		Appointed by Board	Appointed by Governor		Overlapping terms 5 yrs or over	4 yrs or less	Concurrent terms 5 yrs. or over	4 yrs or less		By governor Only	With Legisla- tive consent	By Legisla- ture	Other (Consent)	Non- Salaried
Maine	Dept. of Health & Welfare		x		x					x				x
	Dept. of Institutional Serv.		x						x	x				
Md.	State Dept. of Public Welfare	x			x					x				x
Mass.	State Dept. of Public Welfare		x			x					x			x
	State Dept. of Mental Diseases		x											
	State Dept. of Correction		x											
Mich.	State Social Welfare Comm.	x			x					x				x
Minn.	Dept. of Social Security ^{1/}		x	Dir. of 3 Div.				x			x			\$5000
Miss.	State Dept. of Public Welfare	x				x					x			x
Mo.	Board of Managers of State Eleemosynary Institutions	x												
	Mo. Social Security Comm.		x			x				x				x
Mont.	State Dept. of Public Welfare	x				x				x				x
Nebr.	State Board of Control			x	x						x			\$4000
Nev.	State Welfare Department	x				x				x				x
N.H.	State Dept. of Public Welfare	x						x						\$8 P.D.
N.J.	State Dept. of Inats. & Agencies.	x			x					x				x
N.M.	Dept. of Public Welfare	x			x					x				\$10 P.D.
N.Y.	State Dept. of Social Welfare	x			x					x				\$20 P.D.
	State Dept. of Corrections		x						dur. term of Comm.			4 by Comm. 3 ex off.		x
	State Dept. of Mental Hygiene		x				No. Bd.							
N.C.	State Board of Charities & Public Welfare	x			x					x rec. of gov.				x
N.D.	Public Welfare Board	x			x							Gov. att- gen. & Comm. of agri. and labor		x
	Board of Administration			x	x					x			\$3000	
Ohio	State Dept. of Public Welfare		x				(several advisory boards)							
Okla.	State Dept. of Public Welfare	x			x					x				x
Ore.	State Public Welfare Comm.	x				x				x				x

*Automatically terminate with expiration of governor's term.

^{2/}Minnesota Board consists of directors of three divisions of department, executive is triple.

State	Agency or Agencies	Executive		Basis of Board Member Tenure				Method of Appointment to Board			Salary status of Board Members				
		Appointed by Board	Appointed by Governor	Board itself acts as Exec.	Overlapping terms 5 yrs or over	8 yrs or less	Concurrent terms 5 yrs or over	4 yrs or less	Board serves at pleasure of Gov'r	By governor Only	With Legislative consent	By Legislature	Other (Describe)	Salaried	Non-Salaried
Perm.	Department of Welfare		x												
	Dept. of Public Assistance		x		x				x						x
R. I.	State Dept. of Social Welfare		x		x				x						x
S. C.	State Dept. of Public Welfare	x						x			x		\$10 P.D.		
S. D.	State Dept. of Social Security		x		x										x
Term.	State Dept. of Institutions		x		No.Bd.										
	State Dept. of Public Welfare		x		No.Bd.										
Texas	State Dept. of Public Welfare	x			x				x				\$10 P.D.		
Utah	State Dept. of Public Welfare			x	x					x			\$4000		
Vt.	State Dept. of Public Welfare		x		No.Bd.										
	Old Age Assistance Dept.		x		x					x			\$10 P.D.		
Va.	State Dept. of Public Welfare		x			x				x			\$10 P.D.		
Wash.	State Dept. of Social Security		x						(1)x			2 ex off. members	One member		
	State Dept. of Finance, Budget, and Business (Division of Public Institutions)		x												
W. Va.	State Dept. of Public Assist.		x		x					x			\$10 P.D.		
	State Board of Control			x											
Wis.	State Dept. of Public Welfare	x			x					x			\$10		
Wyo.	State Dept. of Public Welfare	x										ex-officio board			

*Automatically terminate with expiration of governor's term.

During the fiscal years 1946 and 1947 the division of architecture and construction prepared plans, drew contracts and supervised the work on 86 separate contracts, all connected with the work of this department, for a total amount of money involved of \$2,809,102.50. During that same period they gave advice and did a certain amount of work on projects directly related to the work of this department but paid for out of other funds, such as the rental account of the division of administration and finance. There were 14 of these projects as to which we did not draw contracts or supervise the work, but we merely gave advice and we are not aware of the amount of money eventually disbursed.

In addition to this, for these two years the division of architecture gave advice on 17 projects for the State Police, for the Motor Vehicle Department, the Department of Education and others. In none of these cases did we draw plans, supervise the granting of contracts or prosecution of the work. We do not know the amount of money involved.

The estimated number of total hours put in our division of architecture and construction on purely Institutions and Agencies projects during the last two years is: 65,000
As compared to this, there was spent on work involving no expenditure of money by us (even though in some cases the work done involved the projects of this department) not over 1,500 hours.