

STATE OF NEW JERSEY
DEPARTMENT OF INSTITUTIONS AND AGENCIES
TRENTON

State Welfare Administration
In New Jersey

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PREFACE

The ways and means by which society, both through voluntary community service and through governmental provisions, attacks the problems of inequality constitute the science of social welfare. The extent to which these problems have been met through public provisions has been profoundly influenced by the changing concepts of state responsibility. The earlier view that relief by the state was to be afforded only to destitute persons and under such conditions as would discourage them from looking to the public purse for their support, that the state should intervene only in the last resort, has gradually been displaced by the belief that the state is primarily and directly responsible for the care of its handicapped members and should provide those services essential to the fulfilment of its obligation.

This change in the underlying concept of the duty of the state with reference to its delinquents, defectives and dependents has been reflected in the United States by the comparatively recent growth of public welfare agencies and the functions which they perform. During the colonial period and until the first part of the nineteenth century the task of ameliorating the condition of the handicapped devolved largely upon the philanthropic enterprise of private citizens. Other than jails for the incarceration of law-breakers and meagre provisions of poor relief patterned after the root principle of the English poor law system, the principle of "less eligibility", the early colonial and state governments declined to assume any responsibility for the unfortunates within their jurisdiction. Impelled, however, by changing social forces which contributed to the complexity of life, by the helplessness of the individual before a rising industrial juggernaut, and by the failure of private effort to meet the augmented relief needs, the various public agencies began to assume broader functions of social service. This tendency, rapidly becoming more marked, has since continued to expand the scope of public responsibility so that now welfare administration has become a large and distinct branch of governmental activity.

In spite of its "coming of age", public welfare administration has been singularly neglected by students of political science.

With few exceptions the approach of writers to various aspects of public welfare work has been essentially from the sociological point of view. As this branch of public administration continues to absorb new functions in an age when economic maladjustment is accentuating the deficiencies and inequalities of an increasingly large group of individuals, when the demand for new relief and social insurance devices is focusing the attention of the public upon its welfare responsibilities, there is pressing need for an emphasis upon welfare problems in their relation to government and democracy.

This study is the outgrowth of a recent investigation of the financial and administrative structure of the state government of New Jersey at which time the writer, as one of the staff of investigators, was able to visit the several state welfare institutions and agencies, and the central department under which they operate. To secure some perspective as a background upon which this elaborate organization is traced attention was directed, by means of personal conference, correspondence and other documentary evidence, to the systems of state welfare administration in other states, especially Pennsylvania, New York, Massachusetts, Illinois and Ohio. The tendencies shown and the conclusions drawn may point to some of the more fundamental problems with which public welfare administration in New Jersey, as well as other states, must deal.

Acknowledgment is made to the present head of the New Jersey organization, Commissioner William J. Ellis, to Mr. Emil Frankel, director of the division of statistics and research, to Miss Helen E. Heyer assistant, to Mr. F. P. Gerry, director of the division of administration and accounts, and to the other welfare officials with whom contact was made, for their friendly and valuable assistance in collection of materials. I am especially indebted to President Harold W. Dodds and Professor William S. Carpenter of Princeton University for their helpful advice and criticism during the preparation of the manuscript.

P. T. S.

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Chapter I

THE BEGINNINGS OF CENTRAL CONTROL

Public welfare administration deals with human lives—those persons who through poverty, disease or other causes have become wards of the state. How far the care of these unfortunate members of society should burden the public funds must always lead to differences of opinion. But the problem of administration remains that of securing the utmost in care and rehabilitation for the defectives, delinquents and dependents of the state with the least expenditure of the taxpayers' money.

In the formative period of American political institutions the states gave little attention to public welfare work. Poor relief and the care of prisoners and of the insane were left to the counties, townships and municipalities. County jails and local almshouses were the chief agencies of relief as well as punishment. Only the unsettled poor, those who had lived for too short a period within a town or county to gain a settlement, were anywhere permitted to burden funds of the state.

Soon, however, the states began to assume some of the responsibilities hitherto resting solely upon the localities by providing institutions for the incarceration of serious offenders and mental deficients. The general practice among the pioneer states in the public welfare field was to place the control and management of the state institutions under separate boards of trustees directly responsible to the governor and the legislature. The chief defect in this early form of administration was the lack of central administrative supervision and control. But as the number of state institutions and the cost of their services steadily increased, the need for central supervision became so vital that the states began to develop central organizations with authority to inspect and report upon institutional conditions and practices.¹ Massachusetts led the way in 1863 by establishing the Board of State Charities with authority to investigate and supervise the public charitable and correctional institutions in the commonwealth.² By 1873 ten other states had followed this example and created similar agencies of central supervision.³

Central supervision of state welfare institutions once firmly established has led to many experiments and much revision of the central administrative machinery. The general tendency has been to supplement the supervisory and investigational powers of the central agencies with powers of effective control. At the same time, the states have broadened their functions to embrace much more than institutional care of their defectives, delinquents and dependents. Child welfare, mothers' and widows' aid, old age relief, and an expanding program of preventive work in the fields of mental and tubercular diseases have been added to the burden of the states compelling them to increase the size and scope of their central organizations.

At the present time responsibility for the administration of state welfare functions is placed in four general types of state agencies: the lay board, the paid or professional board, the ex-officio board and the single-headed department. In December, 1930, twenty-three states had unpaid, lay boards responsible for the public welfare administration of the state either as the only agency or in co-operation with another agency. Paid boards are now being used in nine states for the administration of the state charitable and correctional institutions while three states entrust this responsibility to an ex-officio board. Eleven states have placed the control of public welfare administration in one or more departments under a director appointed by the governor and responsible to him. All but five states have created central agencies with broad powers of control over the wide range of modern state welfare activities.⁴

The evolution of state public welfare administration in New Jersey parallels the general growth throughout the country. The original policy was to place the administration of the state institutions under the guidance of separate boards of trustees or managers the members of which were appointed by the governor with the consent of the senate. The boards appointed the chief executive officers of the institutions, removed them at will, appointed or confirmed the appointment of all subordinate officers and submitted annual reports to the legislature.⁵

The one exception to this practice of placing complete control of an institution in its board of trustees was to be found at the state prison where the board of managers after 1829 has never had complete responsibility for the management of the institution. When the prison was opened in 1798 the legislature placed its management in a group of eight prison inspectors, appointed

annually by both houses of the legislature in joint session, who were authorized to appoint and remove the principal keeper. In 1829 the number of inspectors was reduced to five and the appointment of the principal keeper became a prerogative of the legislature in joint session. In 1844 the inspectors and the principal keeper became constitutional officers by virtue of the new state constitution, although the power of their appointment remained in the hands of the legislature. The prison inspectors lost their constitutional status in the revision of the constitution in 1875 which retained the principal keeper as a constitutional officer but placed the power of his appointment in the governor with the consent of the senate. One year later the legislature provided that the board of prison inspectors was thereafter to consist of the state comptroller, the state treasurer, and three others to be appointed for three year terms by the legislature in joint session. This arrangement lasted until the attempt at re-organization in 1914.

Meanwhile, the efforts to place the control of the prison labor industries in officials independent of either the prison inspectors or the principal keeper increased the confusing division of responsibility at the prison. In 1869 the legislature created the office of supervisor of the state prison industries the incumbent to be appointed by a board consisting of the governor, the chancellor, the chief justice and the attorney general. The management of prison labor by this officer continued until 1911 when the act abolishing the legal basis for contract prison labor created the Prison Labor Commission, composed of the commissioner of charities and corrections, the principal keeper of the prison, the superintendent of the reformatory at Rahway and two others appointed by the governor for five year terms, with authority to direct the industries in all of the state correctional institutions. Since the commission immediately assumed many of the duties of the supervisor of prison industries at the prison the legislature abolished that office in 1914.

The 1914 statute also made further change in the form of prison management. A new board of prison inspectors was established to consist of six members, three from each major political party, appointed by the governor with the consent of the senate for six year terms. This board was given authority to make rules and regulations for the guidance of the principal keeper and to approve his appointments of subordinate officers and employees.

Thus in 1917 when the Prison Inquiry Commission was investigating the state correctional system it found the responsibility for the management of the prison hopelessly confused and divided among the Prison Labor Commission, the board of prison inspectors and the principal keeper, each of them practically independent of the others. Furthermore, the attempt to eliminate politics from the administration of the prison which had been one reason for the refusal of the legislature to centralize prison control in a single agency had been a complete failure. The report of the investigating commission in 1918 said: "The agitation for the elimination of politics from the management of the Prison has continued to the present day—how fruitlessly is shown by the fact. . . . that every keeper of the Prison from 1873 to the present time, and every supervisor since 1885, with one doubtful exception, has been of the same political party as the appointing power and generally active in party politics immediately prior to his appointment. The fact that a few of the incumbents of these offices have proved to be competent officials can hardly be regarded as a justification of the system, in view of the almost complete failure of the prison, either from the financial, the disciplinary or the reformatory points of view, to serve the ends for which it was established and maintained."⁶ And although the reorganization of 1918 placed the board of managers of the prison and the prison industries under the control of the Department of Institutions and Agencies the principal keeper still remains by virtue of his constitutional status virtually independent of his board and the department.

Fortunately, the development of central control of the other state welfare institutions while very slow was not to prove so unsuccessful. When Massachusetts established a supervisory state board in 1863 New Jersey was maintaining in addition to the state prison but one state welfare institution, the hospital for the insane at Trenton. Although the supervision of local jails and almshouses had already been recognized as desirable, there appeared to be no necessity at that time for a centralized administration of the two state institutions. During the following two decades, however, four new state institutions were established, including a reformatory for boys, a soldiers' home, a reformatory for girls and a second mental hospital. This expansion of the state's program of institutional care and the rapid growth of the movement throughout the United States for central supervision or control of state welfare institutions finally influenced the state to take its first step toward centralized supervision.

The official means by which the legislature and the governor at this time could ascertain the conditions of these state institutions were three-fold. In the first place, the institutional boards of managers were required to present annual reports to the governor and the legislature. Secondly, the legislature frequently authorized special committees to investigate one or a group of institutions. Thirdly, the State Board of Health, established in 1877, included in its annual report a summary of the sanitary conditions in the institutions.

But this method of supervision over a group of services the cost of which was mounting at an alarming rate was clearly inadequate to two groups of critics: those who desired the leveling up of the management of all the institutions to the highest point attained by any of them, and those who advocated a centralized fiscal control of the entire system. In 1878, a special commission appointed by the governor to investigate the prison system of the state included in its report a recommendation that a state board of charities be established: "Several of our sister commonwealths have derived much benefit from the appointment of a Board of State Charities for the purpose of examining into the condition and practices of the various penal and charitable institutions of their respective States. They report to the Governor or Legislature annually, making such suggestions as they may deem proper, with reference to the more economical or efficient working of these institutions, and the harmonious accomplishment of the beneficent purposes of the State. The appointment of such a board consisting of five or six judicious, philanthropic citizens, to serve without compensation, (their necessary expenses of course being paid,) would, we think, result in much good. Various evils have come to the knowledge of this commission which such a Board might have corrected or prevented."⁷

No action was taken by the legislature along the lines of this suggestion, but in 1881 the governor appointed delegates to represent New Jersey at the National Conference of Charities and Corrections held that year in Boston. A. S. Meyrick, the only delegate who attended the conference, in his report to the governor recommended the supervision of all jails and lock-ups in the state by the state prison inspectors.⁸ This was followed by the recommendation of the New Jersey delegates attending the conference held in Madison, Wisconsin, in the succeeding year that the state create an advisory board of charities and corrections since "the regular visits of the board or its secretary to the jails, poor-house, etc., and the reports upon them would awaken the

officers and the public generally to the great need of reforming some crying abuses in the treatment of petty offenders, paupers, individuals of the defective classes, young children and the insane, who are kept in local establishments."⁹ While advocating this supervision of local institutions the delegates exempted the state institutions from central supervision: "The institutions supported by State appropriations, controlled by special boards, and reporting annually to the Governor and Legislature would not require its (the board's) supervision."¹⁰ Undoubtedly this rather illogical proposal to limit the supervisory powers of the proposed state board to local institutions was due partly to the fact that each one of the five delegates was either a member of a board of managers of a state institution or the executive officer of a state institution.

Convinced by these reports of the need for central supervision, Governor G. C. Ludlow in his annual message to the legislature in 1883 urged the establishment of a state board of charities and corrections.¹¹ Accordingly the legislature created in the same year the Council of Charities and Corrections to be composed of the governor, ex-officio, as president and six members appointed by the governor with the advice and consent of the senate to serve without compensation.¹² The council was authorized to investigate all public charitable and correctional institutions, state as well as local, and recommend any desired changes in management to the managers of these institutions. The administrative officer of each institution was required to keep a register, in the form prescribed by the council, in which he must record statistics of the history, dates of commitment, productive labor, and maintenance costs per day of each inmate in his institution. An abstract of this register was to be sent to the council on or before October 1st of each year to be used as an aid in making its reports and recommendations. The compensation to be given to the state institutional heads for this additional duty was left to the discretion of the boards of managers. In the case of local institutions, however, the law required the governing boards to pay an amount which they regarded as adequate compensation for the service.

This first form of state supervision proved to be a failure. Only three annual reports were presented to the legislature by the council beginning in 1885 and these were wholly inadequate. Two factors contributed to the ineffectiveness of the work of the council. In the first place, the legislature appropriated only \$1,000. annually to defray the expenses of the council, and, secondly,

there was no way in which the council could force the institutions to make the returns on the registers as required by the law. In its third report the council directed attention to these conditions asking for additional funds so that a permanent secretary could be employed, and for an amendment to the 1883 law which would ensure the payment of a certain sum to the head of each institution for furnishing the requested information to the council.¹³ The legislature was not disposed to meet these recommendations partly because they would necessitate additional appropriations and partly because public opinion did not support the demand for central supervision.

Another experiment was made in which there was some measure of success. In 1886 the State Charities Aid Association was organized by a group of private citizens interested in the reformation and support of welfare work, private and public, in the state.¹⁴ In the same year the legislature passed an act conferring upon this association the right to visit and inspect any of the county, township or city poorhouses, prisons, jails, penitentiaries, reformatories, and lunatic or orphan asylums in the state, and made it the duty of the association to present an annual report to the legislature.¹⁵ No appropriation was made to defray the expenses incurred in these investigations until 1892 when the legislature authorized an annual sum not exceeding six hundred dollars to be paid to the treasurer of the society.¹⁶

The annual reports of this society, beginning in 1887, illustrated the value of an energetic inquiry into the problems of public welfare administration. State institutions as well as local institutions were inspected. The reports dealt in outspoken manner with a wide range of welfare problems with respect to the insane, feeble-minded, delinquent, dependent children, mothers' pensions, poor relief, and public health, and often contained specific recommendations for new legislation designed to improve the administrative standards of the institutions or agencies involved. Valuable as the services of the society were, it was apparent that the state needed some form of central control of its penal and correctional institutions. In 1902, when the state appropriated about a million dollars for state charities and corrections, which was more than one-fourth of the total state appropriations, the society in its annual report discussed the question of state control emphasizing the need for a state board of charities and corrections which would introduce standardized bookkeeping methods in the institutions and collect statistics relating to other institutional problems.¹⁷

At the meeting of the legislature that year two bills were introduced, the Strong bill in the senate and the Gnichtel bill in the assembly, each proposing the creation of a salaried state board of control, the members to be appointed by the governor and the senate. The local boards of managers of the twelve existing state correctional and charitable institutions were to be abolished and their functions transferred to the state board.¹⁸

A storm of protest immediately arose. Although five or six states by this time had established state boards of control the prevailing view favored supervisory state boards. The State Charities Aid Association and the New Jersey Conference of Charities and Corrections voiced their opposition to the radical proposal embodied in these bills. The former speaking through its official publication warned that "a board of control means great political opportunity, great power and corresponding temptation to misuse power and political opportunity, and to prostitute charity and justice and education to political and personal ends. Control suggests, moreover, to officers of institutions, offensive interference and empirical dictation."¹⁹ The experiences in Wisconsin, Minnesota and Iowa were also cited to show how political considerations were influencing their boards of control.

The president of the New Jersey Conference of Charities and Corrections in his address at the meeting in 1903 aptly summarized the conditions in the state which necessitated a form of central supervision or control. Arguments for each type were presented but with an unmistakable leaning toward the supervisory. The Strong and Gnichtel bills were opposed also because they would abolish the local boards whose services were held indispensable to non-partisan, enlightened management of institutions.²⁰

This strong opposition prevented the legislature from enacting any of the provisions of the bills but they served a useful purpose, namely, that of arousing more interest throughout the state in the need for an official agency of supervision. In the next annual report of the State Charities Aid Association general secretary F. H. Wines, ex-secretary of the state board of charities in Illinois, presented a comprehensive document reviewing the subject of state control versus state supervision and describing the organization, powers and duties of the existing state boards of charities and correctons. After summarizing the arguments in favor of a state board of control, the report states: "All the really useful

purposes of a central board of control may, with proper legislation, be secured and accomplished by a central supervisory board; and the latter is free from the perils which attend the concentration of so great powers of appointment and expenditure in so few individuals, subject to political influence, and therefore exposed to peculiarly strong temptation to misuse these powers for personal or partisan advantage....

"A very serious defect in the system is that the board of control is not itself subject to supervision. The necessity for supervision is the pith of the argument in favor of supervisory boards."²¹

Aside from the merits of this question, which had for years been a matter of much controversy throughout the United States, it was quite clear that New Jersey must have a state board with supervisory powers at least. The State Charities Aid Association frankly admitted that the work it had been conducting for the state since 1886 was not sufficient: "But your Excellency and the legislature will at once perceive, from the very important document prepared by the general secretary, and which forms the principal part of this report, that the association earnestly desires to limit its own work and responsibility closely to the field in which private and voluntary service belongs; and, while it aspires to do all that diligent visitation and expert criticism can do for the entire penal and charitable work of the state, it is profoundly convinced that the state itself should undertake the general and systematic supervision of the entire field through an official agency of its own."²²

Accordingly, the society prepared a bill, known as the Duffield bill, which was introduced in the 1904 session of the legislature, providing for a state board of charities and corrections composed of seven members appointed by the governor alone to serve without compensation. Of the persons first appointed two were to serve two years, two for four years, and three for six years. All subsequent appointments were to be for six years. The board was to be given the power and duty of inspecting every public charitable and correctional institution in the state. Free access to the buildings and records of any such institution was to be given. Refusal to admit any member or authorized agent of the board into any such institution or to furnish requested information was made a misdemeanor punishable by a fine not exceeding one hundred dollars. The board was to prepare a plan for uniform financial records in the state institutions the adoption of which could be ordered by the governor. An annual report was to be

presented to the governor and the legislature. To enable the board to maintain a permanent office and employ clerical assistance ten thousand dollars was to be appropriated annually.²³

But even the mild form of supervision in the Duffield bill aroused strong opposition in the legislature. The proposed board was characterized as "a smelling committee", the investigations which it would conduct would be "inquisitorial in nature", and its recommendations would be simply "dictation" to the managers of the penal and correctional institutions. An anonymous circular was distributed embodying these accusations which though unwarranted aroused the opposition of the prejudiced and the ignorant. In addition there were those who sincerely believed that state supervision was unnecessary and that the Duffield bill was only a step toward the feared centralization of administrative control. The unnatural alliance between these groups was too powerful and the bill was defeated.²⁴

Discouraging as this failure was the State Charities Aid Association renewed the fight in its report for 1904 in which a new plan was presented to the governor and legislature. This called for the creation of a state board of guardians for the insane and a governor's advisory commission. The former was to be a non-partisan, non-salaried board with powers to inspect all state, county and private institutions for the insane and should direct its work especially toward the improvement of the existing plans for commitment and transfer of patients in the public institutions for the insane and of state aid to the county insane asylums. The advisory commission was to visit the state correctional institutions for the purpose of advising the joint legislative committee on appropriations on their financial needs and could conduct special investigations of these institutions upon the request of the governor.²⁵

Although this new proposal received little consideration the association succeeded in reopening the question of centralized supervision and securing the support of the new governor, Edward C. Stokes. In his first annual message in 1905 to the legislature he recommended the establishment of the office of commissioner of charities and corrections and an advisory council composed of the chief administrative officers of the state charitable and correctional institutions.²⁶ The governor's recommendation was incorporated in the Bradley bill which was introduced in the senate and enacted into law at the 1905 session of the legislature.²⁷

The act provided for a salaried commissioner of charities and corrections to be appointed for a term of three years by the governor with the consent of the senate. The commissioner was required to inspect every charitable and correctional institution in the state receiving funds from the state treasury, to see all state wards in public or private institutions and keep records of any necessary information relating to them, to secure reports from the institutions inspected, and to present an annual report to the governor. All future plans for state buildings or improvements of state institutions were to be prepared under the direction of the commissioner who was also to superintend the construction of such buildings or improvements. To assist him the commissioner could appoint with the approval of the governor an architect. Power to appoint clerical assistants was vested in the commissioner alone. Upon the request of the governor the commissioner could conduct an investigation of the management of institutions receiving funds from the state treasury. Finally, the commissioner could summon, at least quarterly, an advisory board composed of the chief executive officers of all such institutions "to discuss and consider matters pertaining to the charitable, penal and reformatory system of the state."²⁸

The first state commissioner of charities and corrections was a clergyman, the Rev. George B. Wight, with little experience in connection with public institutions. In spite of the misgivings of the professional philanthropists he performed the duties of his new office in an openminded and tactful manner. But the weakness of the 1905 law, apparent to some at its passage, became more glaring in the annual reports of the commissioner.²⁹ It placed a tremendous amount of work upon one man; it left intact the unfortunate system of competition between the state institutions before the joint committee of the legislature on appropriations; it limited the investigation of the management of an institution to such time as the governor saw fit; and it failed to provide for a group of non-professionals who might advise and assist the commissioner. In a speech at the New Jersey State Conference of Charities and Correction in 1908 Commissioner Wight summed up the situation tersely. "But I will not occupy your limited time with further remarks, only to say (*sic*) that the State exercises the best supervision over its charities that is possible under the circumstances, looking to those entrusted with the work to make it as increasingly efficient as its importance demands."³⁰

The inadequacy of this plan of central supervision served to increase the demand for a plan of central control. The State Charities Aid Association in 1907 repeated its demands for the creation of a central authority which could direct and control the whole machinery for the treatment of the insane.³¹ In 1908 the society stated in its annual report: "Indeed, there is a growing feeling that we shall have to adopt the principle of control as distinguished from State supervision, and this feeling is based on the opinion that at some point between the management of official appointees—superintendents, wardens, directors, etc.,—and the Governor, there should be an active and efficient management to supervise and control the work of every institution, and as our present system of separate boards of management for the various State institutions has failed notably to supply this want, it now becomes necessary to lodge such controlling management in a State Board which shall be so constituted and empowered as to guarantee to the State a business-like as well as a humane and scientific management and control of all the charitable and correctional institutions of the State."³²

This statement was part of the comment by the society on the radical proposal of the Dependency and Crimes Commission included in its report to Governor John Franklin Fort on December 15, 1908.³³ The commission recommended the abolition of the local boards of the state institutions and the transfer of their functions to a non-salaried board of charities and corrections of nine members appointed by the governor alone. A commissioner of charities was to be appointed by the governor with the consent of the senate to act as president of the board, to gather all necessary statistics concerning the care of the state wards, and to have the power, subject to the rules of the board, to place and transfer patients in the state and county welfare institutions. Also the report recommended that "there shall be a fiscal agent" to purchase all supplies for the state institutions subject to the approval of the board, audit with the board all the accounts of the institutions, and collect the amounts due from the parents and guardians of the inmates of the institutions.

The commission based its recommendation upon the belief that the proposed system would remedy three important defects in the existing system, namely, the lack of a definite state policy with regard to public welfare, the lack of centralized fiscal control over the state institutions, and the lack of adequate statistics on the problems of delinquency, dependency, and defectiveness.

This proposal was not acted upon by the legislature. The changes which it suggested were far too sweeping in their scope to receive substantial support. To abolish the traditional local boards of the institutions would have required nothing short of a political upheaval. Even the progressive and powerful State Charities Aid Association refused to give active support to the plan although advising that serious consideration be given it.³⁴

The weak system of state supervision created in 1905 remained practically untouched until 1918. The demand for increased powers of control during this time was successful only to the extent of adding a few more duties to the office of the commissioner of charities and corrections, e.g., approval of admission to state and county welfare institutions supported in whole or in part by the state, power to license private welfare institutions, and membership on the prison labor commission created in 1911.

Meanwhile the increasing number of the insane, feeble-minded, and delinquents was creating an acute need for a comprehensive and uniform state policy with respect to their care and treatment. In 1912 the State Charities Aid Association repeated its demand for a central authority to control the state's services for the mental defectives.³⁵ Again in 1916 the governor and legislature were asked to remedy the unfortunate situation by appropriate legislation. The society's report in that year said: "Considering the fact that New Jersey has already established the departments of education, roads, and labor, and has the beginnings of a department of charities and corrections, it would seem logical that the Commissioner of Charities and Corrections should have an advisory board possessing powers similar to those given to the Departments of Education and Labor and certain other departments of the State...."

"A law could be framed to strengthen the powers of the Department of Charities and Corrections by providing a board of advisors to the end that this particular department may be removed from political control and have some measure of direction over the several State charitable and correctional institutions and commissions...."

"In no department of State administration is there more need of co-ordination and centralized authority than in the care of the dependent insane."³⁶

Undoubtedly influenced by this last report, the initial step toward reorganization was made in the 1917 session of the

legislature. By a joint resolution, January 23, 1917, the legislature authorized the governor to appoint a commission of five persons to investigate the conditions of the state penal and correctional institutions, and the state use system of prison labor.³⁷ Another joint resolution was passed on March 23, 1917, authorizing the appointment of a commission of five persons to investigate the conditions of the state charitable institutions.³⁸

Early in 1918 these commissions presented their reports to the governor in which the problem of centralized control over the state institutions was treated at length.³⁹ The Prison Inquiry Commission concluded "that the lack of a centralized authority, endowed with sufficient administrative powers to secure the coordination and more efficient management of the several correctional institutions and agencies of the State, is the most serious defect of the existing system."⁴⁰ The commission was convinced, however, that the system of separate control with a local board of managers for each institution contained advantages that should be preserved, and offered a plan which would give the state the benefits of centralized control without sacrificing local initiative and interest. It recommended the establishment of a central board of control composed of the governor and eight members, appointed by him with the advice and consent of the senate, to serve without pay. At least two members were to be women. This board should be charged with the general administration of all the state correctional institutions, should take over the powers of the prison labor commission (which was to be abolished), should have power of supervision and visitation over all local places of detention of those accused or convicted of crime, and should appoint a commissioner of correction to act as the executive officer of the board. It was further recommended that the central board should appoint the members of the local boards and should have the authority to make general rules and regulations for the management of the correctional institutions.⁴¹

The report of the Charities Inquiry Commission, more generally known as the Earle report, stressed the need for centralized control of the state charitable institutions. It was found that the law under which the state commissioner of charities and corrections operated was incomplete and ineffective. "Although his (commissioner's) duties are numerous, his real powers are negligible. So far as his effective authority is concerned, it is a theory rather than a fact. Except upon the request of the governor, or with the acquiescence of those in charge of any charitable institution, he cannot make an investigation of it. He is powerless

to correct or enforce the correction of any conditions which he may find to exist, be what they may. With the one exception already mentioned,⁴² his office is entirely disassociated with the real management of the State's charitable institutions or agencies and has no responsibilities therefor, or for the correction of defects therein, or for the bringing about of cooperation between the various institutions and agencies. . . . In short, no matter how capable or diligent any such Commissioner may be, or how desirous of doing effective or constructive work, the limitations of the present law make him largely a figurehead and his department primarily a depository or clearing house for certain of the records pertaining to the State's wards."⁴³ Continuing in this outspoken manner the report severely criticized the institutional boards of managers. "Each of them (the local boards) by reason of the law by which it is created and limited is wholly, or largely, without knowledge as to how any of the State's institutions other than the one under its direction, is being managed. . . .

"The local board governing each institution, or the superintendent chosen by such board as the executive head thereof, annually endeavors to secure for it (*sic*) as large an appropriation as possible from the legislature. Each competes against the others for its favor. The inevitable result is that certain of them obtain more or less of the State's funds than would be the case under a division made strictly according to their various needs."⁴⁴

With the elimination of these defects in view, the Earle report recommended the creation of a state board of charities and a commissioner of charities. Except for certain provisions relating to the institutional boards of managers, the general plan for the administration of the state charitable institutions was identical with that presented by the Prison Inquiry Commission for the control of the correctional institutions. A rather ingenious plan was suggested whereby the existing boards of the charitable institutions were to be abolished and a group of special boards was to be substituted. There was to be a special board to govern all institutions of a similar character, it being suggested that the institutions be classified according to the type of inmate: insane, epileptic, feeble-minded, blind, dependent children, tuberculous patients, and disabled soldiers. The members of each special board, including one member of the proposed state board as chairman, were to be appointed by the state board and were to have the authority to appoint the chief executive officers of the institution or institutions under their control and make rules and regulations for the management thereof subject to the approval of the state board.⁴⁵

One of the most important features of each report was the belief that the control of both groups of institutions, the correctional institutions and the charitable institutions, should be placed in a single agency. The Prison Inquiry Commission report stated: "The discovery resulting from recent scientific study of the inmates of correctional institutions, that a large proportion of such inmates are not essentially different in mental capacity and responsibility from those who fill the charitable institutions for the insane, the feeble-minded and the neglected, has produced a growing conviction that the two sets of institutions are in essence interdependent parts of a single system for dealing with the allied social problems of delinquency and defectiveness."⁴⁶ The investigators of the system of charitable institutions definitely urged the creation of a single agency in the closing words of their report: "In our opinion the control and supervision of these institutions (correctional institutions) and of the State's charitable institutions and agencies should be vested in one commission. We believe that this can well be done under the plan hereinbefore outlined, and strongly recommend that by appropriate legislation it be widened and adapted to meet this end."⁴⁷

The movement for centralized control of the state charitable and correctional institutions considerably strengthened by these excellent reports finally swept away all opposition. Governor Edge in his first annual message to the legislature in 1918 urged the paramount importance of legislation based upon the recommendations embodied in the reports.⁴⁸ A few weeks later an act was passed creating a Department of Charities and Corrections under the general direction of a State Board of Control.⁴⁹ The institutional boards were retained but were made subordinate to the State Board which was authorized and given ample power to control and direct all of the state correctional and charitable institutions.

Thus, after a long period during which various devices of central supervision had proved inadequate, New Jersey finally laid the foundation for a centralized administration of the entire state program of public welfare.⁵⁰

NOTES TO CHAPTER I

¹ "Organization for the Care of Handicapped Children," *White House Conference on Child Health and Protection* (New York, 1932), p. 141.

² Massachusetts Acts of 1863, chap. 240.

³ Ohio and New York in 1867; Illinois, North Carolina, Pennsylvania and Rhode Island in 1869; Wisconsin and Michigan in 1871; Kansas and Connecticut in 1873. See S. P. Breckinridge, "Summary of the Present State Systems for the Organization and Administration of Public Welfare" (*Annals of the American Academy of Political and Social Science*, CV, p. 94). Reprinted in Odum, H. W. and Willard, D. W., ed., *Systems of Public Welfare* (Chapel Hill, N. C., 1925), pp. 15-25.

⁴ Arizona, Colorado, Nevada and Utah have no central agency for more than one or two specific and limited functions. See *Recent Social Trends in the United States* (New York, 1933), II, p. 1230. Chapter 24 is valuable as a guide to literature in the field of public welfare. For a list of the states employing some form of centralized control, see *White House Conference*, *op. cit.* pp. 151-156. Oklahoma has the unique plan of electing by popular vote the head of the State Department of Charities and Corrections. *Ibid.*, p. 152. For a study of the fifteen states having the one-man control type of organization in 1930, see A. E. Buck, "Administrative Consolidation in State Governments" (*Technical Pamphlet Series No. 2, National Municipal League, 1930, pp. 5-44.*) Some states employ more than one type of agency. New York, for example, has a lay board of control for the Department of Social Welfare and the one-man control plan in the Departments of Mental Hygiene and Correction. See Chapter II. Valuable material upon the general historical development of state welfare organizations may be found in the *Annual Proceedings of the National Conference of Charities and Corrections* (changed to *National Conference of Social Work* in 1917), Guild, F. H., "State Supervision of Charities" (*Indiana University Studies*, III, 1916), and Breckinridge, *op. cit.* Especially significant have been the trends from central supervision to central control of state institutions and the rise of the one-man controlled departmental organization since 1917.

⁵ For a comprehensive treatment of the growth of the penal system of New Jersey to 1917, see *Report of the Prison Inquiry Commission, II, "A History of the Penal, Reformatory and Correctional Institutions of the State of New Jersey,"* by H. E. Barnes. Part II of this treatise contains a valuable collection of documents in which copies of the laws establishing the penal institutions and providing for their management may be found. This report is hereafter cited as *Morrow Report*.

⁶ *Ibid.*, I, pp. 31-32.

⁷ *Report of the Commissioners on the Prison System of New Jersey, and on an Intermediate Prison, 1878.* Reprinted in *Morrow Report*, II, p. 610.

⁸ Report of Delegate from New Jersey to the National Conference of Charities and Corrections in Boston, July, 1881. *Legislative Documents of New Jersey, 1882, I, Document No. 24.*

⁹ Report of New Jersey Delegates to the National Conference of Charities and Corrections held at Madison, Wisconsin, August 14, 1882. *Legislative Documents of New Jersey*, 1883, II, Document No. 28, p. 6.

¹⁰ *Ibid.*, p. 6.

¹¹ *Legislative Documents of New Jersey*, 1883, II, Document No. 1, p. 43.

¹² *Public Laws of New Jersey*, 1883, chap. 205. The appointments to the council were not made until 1884 as the act of 1883 was passed too late for appointment and confirmation in that year. The agency was abolished in 1896. See P.L., 1896, chap. 124.

¹³ Attention had been directed to the deficiencies in the law in the council's first and second annual reports. The third report summarizes them briefly. See *Legislative Documents of New Jersey*, 1887, III, Document No. 32.

¹⁴ For a resume of the origin of this society in Morris county see *Annual Report of the State Charities Aid Association*, 1891, pp. 11-12. The title of the society was changed to State Charities Aid and Prison Reform Association in 1894.

¹⁵ P.L. 1886, chap. 171. The right to inspect any such institution was granted upon written application of the society to the supreme court justice who presided over the Circuit Court in the county in which the institution was located. Due to the wording of this statute it was not clear whether the society was authorized to visit state as well as local institutions. Undoubtedly this was the intent of the act. The society so interpreted it and proceeded to inspect the state institutions. In 1902, however, it was admitted that the weight of authority in the various court interpretations of the act supported the view that the society had no legal power of visitation of other than local institutions. This served to increase the need for a supervisory state board. See *Report of S. C. A. A.*, 1911, p. 3.

¹⁶ P.L. 1892, chap. 120.

¹⁷ See *New Jersey Review of Charities and Corrections*, I, p. 206. Hereafter cited as *N. J. Review*.

¹⁸ *Ibid.*, II, pp. 7-11.

¹⁹ *Ibid.*, pp. 1-2.

²⁰ *Ibid.*, pp. 31-38.

²¹ *Ibid.*, p. 199. The Review contains extracts from the Wines Report which may be found complete in *Report of S. C. A. A.*, 1903.

²² Report quoted in *N. J. Review*; II, p. 194.

²³ For a copy of this bill see *ibid.*, pp. 241-244.

²⁴ See *ibid.*, III pp. 18, 25, 85.

²⁵ The last recommendation was aimed at the existing method of making appropriations in which the joint committee generally acted with little knowledge of the actual needs of the several state institutions. For a description these recommendations, see *N. J. Review*, III, pp. 193-196.

²⁶ For an extract of the message containing this recommendation see *Ibid.*, IV, pp. 23-24.

²⁷ P.L. 1905, chap. 57.

²⁸ The distinguishing feature of this new plan was the use of a single administrative official to conduct the duties of central supervision. No provision was made for a board to direct his activities. This method was without precedent in those states which had provided for central supervision or control of their welfare institutions. *N. J. Review*, IV, pp. 22.

²⁹ It should be noted that the State Charities Aid Association continued to present its annual reports to the governor and legislature.

³⁰ *Proceedings of the New Jersey State Conference of Charities and Corrections*, 1908, p. 49.

³¹ *N. J. Review*, VI, p. 366.

³² *Reports of S. C. A. A.*, 1908, p. 9.

³³ *Report of the Dependency and Crimes Commission of New Jersey*, 1909.

³⁴ *N. J. Review*, VII, p. 296. The editorial comment seems to indicate that the Review considered the proposed board as a salaried one. The commission recommended, however, that the members serve without compensation.

³⁵ *Report of S. C. A. A.*, 1912, p. 6. Note also the recommendation of the New Jersey Commission on the care of Mental Defectives in 1914 that the commissioner of charities and corrections be given enlarged power of supervision or that a supervisory board of charities be created. Report is printed in *Minutes of the General Assembly*, 1914, pp. 394-413.

³⁶ *Report of S. C. A. A.*, 1916, pp. 11-12.

³⁷ P.L. 1917, Joint Resolution No. 1. See also *Morrow Report*, I, p. 3.

³⁸ P.L. 1917, Joint Resolution No. 4. See also *Report of the New Jersey Commission to Investigate State Charitable Institutions*, 1918, p. 1. Hereafter cited as *Earle Report*.

³⁹ See Chapter III for a discussion of the present administration of the state use system of prison labor.

⁴⁰ *Morrow Report*, I, p. 72. "This plan of organization seems to recognize that in the problem of institutional management we are striving for a solution in the same way that a solution has been sought for so many of the problems that have come up in the workings of American democracy, in the effort to secure the efficiency that goes with centralized authority without sacrificing the local interest which, even at the cost of efficiency, is one of the most valuable features of government." *Ibid.*, p. 70.

⁴¹ *Ibid.*, pp. 74-75.

⁴² The commissioner was a member of the board of managers of the state institution for the feeble-minded at New Lisbon.

⁴³ *Earle Report*, pp. 4-5.

⁴⁴ *Ibid.*, p. 5.

⁴⁵ *Ibid.*, pp. 8-12. It was further recommended that the state board should present an annual report to the governor containing the appropriation requests for each institution and agency in the form prescribed under the existing or future budget laws, and that the state board be given supervision over the state grants-in-aid to county tuberculosis and insane hospitals.

⁴⁶ *Morrow Report*, I, p. 67.

⁴⁷ *Earle Report*, p. 12.

⁴⁸ *Legislative Documents*, 1918-1919, I, Document No. 1, pp. 8-9.

⁴⁹ P.L. 1918, chap. 147.

⁵⁰ In addition to its control over the state welfare institutions the new department was authorized to direct the work of the two non-institutional welfare agencies of the state: the State Board of Children's Guardians, established in 1899, and the Commission for the Amelioration of the Condition of the Blind, established in 1909.

Chapter II

THE SYSTEM OF BOARD CONTROL

The primary objective in the reorganization of 1918 in New Jersey was to create a central agency of control and, at the same time, to retain some initiative and responsibility in the component parts of the constantly expanding system of state welfare administration. To realize this purpose, powers of ultimate control were placed in a non-partisan, non-salaried central board while the traditional boards of managers of the institutions were continued as subsidiary and subordinate units of control. Since these boards, the central and local, have become the pivotal agencies around which the present administration operates, an appraisal of the system must direct special attention to them and to the organizational needs which they serve.

Underlying the question whether the control of state welfare administration shall be vested in a board or in a single executive, simply stated as it is, are many of the perplexing problems of public administration. One observer has said: "The remarkable fertility of invention displayed by the framers of administrative legislation in the various states probably springs from the exigencies of political and personal situations quite as much as from consideration of principle and desire for efficiency. But on grounds of principle much can be said for the careful adjustment of form of organization to the end in view. The board has an undoubted role to play in the organization of departments where the outstanding objectives are continuity in policy, authoritative representations of interests, conference and consultation in view either of rule making or rule enforcement. On the other hand, where the objectives are prompt decision, vigor in action, unity of responsibility, the choice will naturally be in favor of the single executive."¹

While there may be acceptance of the logic of these remarks it can be seen that they do not solve the problem. In the organization of a public welfare department all these objectives should be attained. The board has an undoubted role to play, but shall it be one of control, or advice? There must be prompt decision and vigor in action, but shall the administrative official entrusted

with these duties be directed by a board, or by a governor? If general control is placed in a board, shall the board be made independent of the governor? These are the practical questions involving a wide difference of opinion and practice.²

There are four main arguments advanced in favor of board control, viz:

1. It insures continuity of policy.
2. The board is a defense against political interference. It serves as a buffer between the governor and the department.
3. It provides a council of minds essential in dealing properly with problems of public welfare which, because they deal with human conduct and relations, require application of quite different administrative control than do most branches of state administration.³
4. Since the general public is not yet prepared to exercise sound judgment on public welfare problems a welfare department needs special machinery for its defense and for the interpretation of its work. This machinery is provided in a well-constituted board.⁴

The advocates of one-man control believing that economy and efficiency are the primary objectives in state administration urge the centralization of administrative responsibility in the governor. To achieve this end it is believed that the governor must have direct control of the work of the various administrative departments by means of the power of appointment and removal of his chief administrators. Adequate gubernatorial responsibility for state administration is held to be unattainable if the welfare department and its administrative head are controlled by a board independent of the governor.⁵

But these arguments are attacked as vigorously as they are supported. Continuity of policy by a board is not desirable if the policy is bad. One writer who has spent years observing state systems says that "the long term board is as often responsible for continuity of inertia as for continuity of progress, and simply passes on from year to year to its new members the traditions which it has inherited from its predecessors."⁶ A board may not prevent partisan political interference. In some cases a board offers great opportunity for the political spoils system to operate under the guise of non-partisanship, or bi-partisanship.⁷ A council of minds is desirable but it is contended that the legislature acts in this capacity and, furthermore, that boards are

usually dominated by one member to the extent that the control is of the one-man type in fact if not in form.⁸ It is denied that the public is more ignorant of the problems of public welfare than of any other governmental service. More education in these matters is needed but some believe that the most effective way of educating the public to act wisely on welfare problems is to make them public issues and expose them in the political lime-light.⁹

Likewise, there is much criticism of the one-man control plan. In the main, the objections are based upon the danger of a succession of political appointees to head the welfare department none of whom can become thoroughly acquainted with the numerous problems during a short term of office. The present commissioner of the Department of Institutions and Agencies in New Jersey summarizes the objections: "Little can be said in favor of the plan of single executive control of all penal institutions or of penal and charitable institutions. Such an administrator, appointed by the governor for a short term coinciding with the governor's, can scarcely learn his problems and his personnel before his term is completed. He cannot undertake any research or initiate any new programs of institutional development with any certainty that they will be completed. Each two years may bring a new executive with new plans, the importance of which he may not be experienced enough to understand. There is frequently conflict and lack of understanding between a short-term appointed director of corrections and charities, and wardens or other administrative officers who are permanent employees under civil service; and there is division of authority between such a director and the local board of each institution with a continuity of service. This can be partially overcome if a tradition is developed for the permanency of office of the director, irrespective of political allegiance. Such an administrator as a political appointee is under obligations to his party, and is restricted accordingly."¹⁰

Among students of public administration the opinion favors single executive control while those with practical experience in social welfare administration generally prefer board control. In response to a recent questionnaire only four of nineteen members of the Governmental Research Conference favored a board of control. On the other hand, all but two of eighteen experienced welfare administrators preferred a board of control.¹¹ This disagreement arises from the fact that the welfare administrator is primarily interested in solving the problems of one field of

governmental administration and believes permanency of tenure in the agency of control is therefore essential, while the student of public administration views the department of public welfare as a unit in a general organization of all departments of state administration in which responsibility should center in the governor.

There is force in the arguments on either side of this question. No one will deny that a periodic turnover in the agency of control of public welfare administration every two or three years is undesirable. It is equally unfortunate for this work to be controlled by an independent board which is politically minded or which through incompetence or inertia, or both, fails to maintain decent standards of administration in the department under its control. Either plan of control may prove unsatisfactory depending largely upon the quality of the personnel.

The basic question, then, in this controversy over the type of control is, which plan will insure competent direction of public welfare administration? Unfortunately, no absolute guarantee of capable directing personnel can be made under either plan. Personnel problems can not be solved by mere organizational formulae. The quality of the members of a board may be excellent for a time but there is no assurance that it will always be so. A governor may appoint a qualified administrator for the welfare department but there is no assurance either that the governor's successor will retain that officer or replace him with one equally qualified. Likewise, a board may appoint a competent officer to direct the work of the department but may not retain that officer. His successor may be as unqualified as any political appointee of any governor. The tenure of the administrator under the direction of a board may be more permanent than the tenure of a governor's appointee but this is undesirable if the board's appointee is not well qualified to conduct the work of his department.

In view of these considerations the more significant question would seem to be, which plan is *more likely* to guarantee competent leadership in welfare administration? Any answer to this question must take into account the practical experience of various states with the two types of control. Especially significant will be a comparison of the experiences of certain states employing the system of one-man control with the experience in New Jersey under a system of board control.

Illinois established in 1917 a Department of Public Welfare under the control of a director appointed by the governor for a term coterminus with that of the governor. Except for the purchasing of supplies, the construction and repair of the institutions and the supervision of power plants, the control of all state welfare work and state welfare institutions was placed in the director. The institutional heads and the chief assistants to the director also became appointees of the governor for the same term of office as the director. The law further provided for a board of welfare commissioners appointed by the governor to serve at his pleasure and to advise the director on departmental policy.

Until 1909 each state institution had been controlled by a board of trustees, the only central supervision being the inspectional work of the State Board of Public Charities. In 1909 the separate boards for all the institutions except the correctional were abolished and their functions transferred to a Board of Administration composed of five salaried members appointed by the governor with the consent of the senate for a term of six years. The penal institutions continued to be controlled by separate boards of trustees. The State Board of Public Charities was replaced by a Charities Commission, an inspection agency for the charitable institutions. Under this plan some improvement was made in the standards of treatment in the charitable institutions but the administration of the central board was not free from a considerable amount of partisan political influence. The reorganization act in 1917 abolished the board, the commission and the boards of trustees of the correctional institutions.¹²

In 1920 an impartial observer after a careful study of the new system reported that it was operating with considerable success. Action was direct, economies had been made, and the personnel of the department and institutions was good. Two organizational defects were noted, however. In the first place, the board of welfare commissioners was not in a position to give the director impartial advice because it was controlled by the governor. The report states: "In the new system, the members of the Board of Public Welfare Commissioners, all of whom are appointed by the governor under whom they serve, are likely to feel a certain allegiance to the Governor, and might readily omit to criticise things that should be criticised."¹³ Secondly, the system gave no security of tenure to the chief administrative officers of the department. It was feared that the successor to Governor Lowden might not retain the same competent personnel: "Under the governmental scheme he will be expected to change

the directors who comprise his cabinet. Whether or not such change will extend to division heads remains to be seen. No one can foretell what will happen, and owing to this condition of uncertainty, the work of the institutions is undoubtedly less effective."¹⁴

The report concluded that "in the formulation of a type of government for the handling of social problems and the control of institutions emphasis should be laid on factors which will insure a continuity of procedure and program. Thus, any system which does not insure a continuity of service of experienced and competent heads of departments and institutions, is a defective and undesirable system. Steady accomplishment is of more value than speedy progress."¹⁵

Governor Len Small who succeeded Governor Lowden in 1921 appointed a new director of the department, displaced four superintendents of state mental hospitals with four doctors who had no great experience in the treatment of mental disease or other special qualifications, removed expert heads of four other state institutions and put in their places laymen with no special training or qualifications. An addendum to the study of the Illinois system therefore concluded: "In Illinois, no superintendent can have reasonable assurance of a continuity of service. Under such circumstances progressive work cannot be expected."¹⁶

In 1929 when Governor Louis E. Emmerson succeeded Governor Small a new director was appointed as well as several of the chief assistants in the central office. At that time the secretary of the Indiana Board of State Charities said: "This department head (the Illinois Director) goes in with the executive and retires with him. His term can at best be but a few years. He is often appointed for political reasons and not for his experience or qualifications. Even if he were always qualified by training and experience, a constructive program could scarcely be planned and followed to a conclusion with a change in manager every few years."¹⁷

Ohio established a one man-control system in 1921 patterned after the Illinois plan. The supervisory State Board of Charities and the Board of Administration which controlled the management of all state welfare institutions were abolished and their functions transferred to the Department of Public Welfare under a director appointed by the governor for a two year term. The chief assistants to the director are appointed by the governor and

mediate direction of a superintendent appointed by the governor and director for an indefinite term under civil service regulations. The management of each institution is under the immediate direction of the superintendent. There are no institutional boards of trustees, these having been abolished when the Board of Administration was established in 1911.¹⁸ Advisory boards may be appointed by the governor and director, if they choose to do so.

The director himself called attention to the overburdening of responsibility in the 1923 and 1924 reports of the department. In 1925 the superintendents of the state institutions in the department petitioned the Ohio general assembly to abolish one-man control and return to a paid board of administration. Their opinion, based upon the experience of three year's operation of the department, during which there had been two directors, was that the control was distinctly and unfortunately political in character and that too much responsibility was placed in one man.¹⁹

For several years welfare groups in Ohio have been urging the substitution of an unpaid, lay board which would appoint the director of the department. In 1929 a joint investigating committee of the legislature supported the board control plan.²⁰ A recent observation (1931) says: "In Ohio, the Director of Public Welfare has twenty-two state institutions in his department. He is required by law to visit each of these institutions monthly. Their superintendents report directly to him. He comes into office entirely ignorant of the department and its work. . . . He scarcely comes to understand the department's problems before his term is up. Even if he is able to work out constructive policies of his own, he gets no opportunity to put them into practice. . . ."

"Ohio's experience has clearly shown that it is impossible to get continuity of policy under the department system."²¹

The Ohio experiment with one-man control then has not secured continuity of direction and control. The tenure of the director is even shorter than in the Illinois plan. No adequate provision for lay advice and criticism has been made. Furthermore, the wisdom of placing in one man the responsibility for the entire state program of public welfare, involving a wide range of difficult problems of administration and general policy, may be seriously questioned.

The departmental system organized in Pennsylvania in 1921 differs in some important respects from the Ohio and Illinois

plans.²² The Department of Welfare is headed by a secretary appointed by the governor and senate to hold office during the four year term of the governor. The secretary has full power to appoint the officers and employees of the central office except the bureau chiefs, to whose appointment the consent of the governor is necessary. Each institution is managed by a board of trustees composed of eight members, appointed by the governor and senate for four years during the term of the governor, together with the secretary of the department as a member ex-officio. These boards appoint the institutional superintendents, subject to the approval of the governor, and make general rules for the management of the institutions subject to the approval of the secretary. Control of institutional budgeting and expenditures, inmate labor, and transfer of patients between institutions is placed in the department.²³

The state welfare commission consists of eight members, appointed by the governor and senate to serve during the four year term of the governor, and the secretary of the department, who is chairman ex-officio. The members serve without pay, advise the secretary, supervise the policies, and approve or disapprove the rules or regulations of the department. Actually the influence of the commission depends upon the willingness of the secretary and governor to seek its advice.

The control of the department over the state institutions differs from the Illinois and Ohio systems in that it is partly administrative and partly supervisory. The institutional boards, with the exceptions noted, are responsible for institutional management. The extent to which administrative authority is centralized in the department is uncertain. One observer believes that, although the department has indirect means of controlling the institutional programs, final authority with reference to the most vital matters is decentralized, and that the effectiveness of the department's powers over the institutions is dependent upon cordial personal relations rather than the possession of mandatory authority.²⁴ But this position is extreme. The fiscal powers of the department alone are a direct means for controlling institutional administration. The rules of management of each institutional board must be approved by the department. The boards are controlled by the governor in that they serve only during his term and, in practice, the appointment of institutional superintendents is dictated by the governor and secretary of the department. The powers of these boards, would seem, therefore, to extend only to details of institutional management while the important powers

of general direction and policy-determination are vested in the departmental head and the governor.

Each change in administration in Pennsylvania has brought a new secretary into the department. A considerable amount of continuity of service within the department from the bureau heads down has been maintained despite the fact that there is no merit system. The welfare commission if made independent by overlapping terms could serve more effectively. At present it operates under the same handicap as the board of welfare commissioners in Illinois. The fact that the election of a new governor in Pennsylvania may result in a complete change in the membership of the institutional boards and the appointment of new institutional executives creates a situation which undoubtedly affects adversely the quality of personnel in the institutional boards and administrative staffs.

In one respect the Pennsylvania system seems superior to those of Illinois and Ohio in that the former maintains institutional boards which, whether advisory or administrative in character, are valuable in the administration of a large group of institutions. It is physically impossible for the Illinois and Ohio department heads and their chief assistants to become thoroughly acquainted with all the problems peculiar to each of the institutions under their control. In addition, the absence of institutional boards means that the institutional superintendents in these departments do not receive criticism and advice from lay groups interested in and conversant with their problems of management.

New York has three departments for the administration of public welfare: Correction, Mental Hygiene and Social Welfare.²⁵ The first two are under the direction of a commissioner responsible to the governor but the Department of Social Welfare is controlled by an unpaid lay board. The commissioners of correction and mental hygiene are appointed by the governor and senate to serve during the two year term of the governor. Complete control is vested in the commissioners who appoint the institutional superintendents from civil service eligibles. Unpaid boards of visitors, the members of which are appointed by the governor and senate for seven years, are maintained for the reformatories in the Department of Correction and for all institutions in the Department of Mental Hygiene. A commission of correction, consisting of the commissioner and seven persons appointed by the governor and senate for four years, has power

to inspect all correctional institutions in the state and advise the commissioner and the superintendents.²⁶

At the head of the Department of Social Welfare is a board of twelve members representing each judicial district of the state and appointed by the governor and senate for eight year terms. The administrative duties of the department, including jurisdiction, supervision and control of five state institutions, are conducted by the commissioner selected by the board to serve at its pleasure.²⁷ The institutional superintendents appointed by the board from the competitive class of the civil service receive advice and criticism from boards of visitors, each consisting of seven members appointed by the governor and senate for seven year terms.

Long tenure of office for the executive head and his chief assistants is a striking feature of the Department of Social Welfare. The executive appointed by the board in 1896, except for a four year interval when he was commissioner of public charities in New York City, served until 1916. His successor, except for a one year interval in 1925, remained in office until 1932.

A tradition of office for the commissioner of mental hygiene may now be in the process of development. The present commissioner, one of the three state hospital commissioners whose offices were abolished in the 1926 reorganization of the state administrative structure, has held office since his department was organized in 1927, having been reappointed three times. The present commissioner of correction has served since 1930. The fact remains, however, that the tenure of these officials is assured for only two years, and should the control of the state government pass into the hands of the Republican party, an ever-present possibility in New York state, there is no certainty that the commissioners will retain their positions.

The disadvantages of the short term for penal executives have been stated by one critic: "Under the department plan . . . the penal executive is appointed only for the duration of the Governor's term. In New York and in Ohio this gives him an appointment for only two years. It is impossible to get a professional expert to leave other work to accept employment for such a short period. The position is but a temporary one. The tenure is uncertain. Usually the Governor appoints a citizen of his own state although many outsiders might be better qualified for the place. Usually the appointee will be a local politician. He is a person who utterly lacks technical competence. During

his short term he is unable to familiarize himself with the work of his department before he finds himself out of office. Another novice takes his place. Any policies which he may have instituted are dropped by the new incumbent. The system makes the adoption of a constructive continuing program of institutional development tragically impossible."²⁸

The distinguishing feature of one-man control in the administration of state welfare work in Massachusetts is that the department heads have longer terms of office than the governor, who is elected for a two year term. The commissioner of corrections serves three years; the commissioners of mental diseases and public welfare have five year terms. They are appointed by the governor and his council. The Department of Corrections has administrative control of the six state correctional institutions for adults through superintendents directly responsible to the commissioner. The Department of Mental Diseases has supervisory control over the fifteen state institutions for mental defectives. The administrative control of each institution is placed in a lay board appointed by the governor and council.²⁹ The Department of Public Welfare has supervisory control over five state institutions. The management of the three industrial training schools for juvenile delinquents is placed in one lay board of trustees. The State Infirmary and the Massachusetts Hospital School each has a lay board. The members of these boards are appointed by the governor and his council.³⁰

The commissioner of mental diseases receives advice and criticism from an advisory commission, composed of four unpaid associate commissioners appointed by the governor and council for five year terms. The unpaid advisory board of public welfare consisting of six members appointed by the governor and council to serve three years, two being appointed each year, has a veto power over rules and regulations of the department. In practice, this power has given the board considerable control of the policies of the department. As the present commissioner says: "While the Commissioner is responsible for the administrative work of the Department, the Advisory Board of five members,³¹ the successor to the State Board of Charity, takes part in formulating and changing from time to time the policies which govern the work of the Department. The Advisory Board is the balance wheel of the organization."³²

Since the creation of these three departments in 1919 a remarkable degree of continuity of tenure has been secured for the

department heads. The commissioner of mental diseases, Dr. Kline, remained in office continuously until his death in January, 1933. The present commissioner of public welfare has been in office since January 1, 1920. The first commissioner of corrections held his office until 1929 when he resigned to become superintendent of federal prisons. While a tradition of office plays a part, the provisions whereby the terms of the commissioners overlap that of the governor are largely responsible for a security of tenure in this state unusual in other systems of one-man control.³³

The New Jersey plan for control of public welfare administration offers a striking contrast to the systems just reviewed. At the head of the Department of Institutions and Agencies stands the State Board of Control, an unpaid, non-partisan group of laymen.³⁴ There are ten members consisting of the governor as a member ex-officio and nine others, at least one of whom must be a woman, appointed by the governor with the consent of the senate for eight year terms.³⁵ The term of one member expires each year.

In this board rests the final and ultimate authority for the administration of the state welfare program. The 1918 statute provides: "Within the limitations imposed by general legislation applicable to all agencies of the State, the State Board is hereby granted complete and exclusive jurisdiction, supreme and final authority and the requisite power to accomplish its aims and purposes in and upon the following institutions, boards, commissions and other agencies hereinafter designated as the charitable and correctional institutions of the State, to the end that they shall be humanely, scientifically, efficiently and economically maintained and operated."³⁶

To conduct the administrative work of the department the State Board appoints a commissioner to serve at its pleasure. This officer appoints the employees in the central office from civil service eligibles and makes all rules and regulations for administrative procedure subject to the approval of the board. The internal organization of the central office is wisely left by the legislature to the discretion of the board and the commissioner.

Complete control of the state institutions and agencies is placed in the State Board including the power of appointing their boards of managers and establishing the general rules for directing their work: "The State Board shall have power to determine all matters relating to the unified and continuous development

of all the institutions and non-institutional agencies within its jurisdiction. It shall determine all matters of policy and shall have power to regulate the administration of any of the institutions or non-institutional agencies within its jurisdiction, correct and adjust the same so that each institution and non-institutional agency shall perform its proper function as an integral part of a general system."³⁷

In addition to these broad powers, the State Board controls institutional budgeting and accounting, the state use system, institutional designing and construction.³⁸ The board has the responsibility for supervising all welfare institutions other than the state institutions and may enforce its recommendations for improvement or change in their methods by court order. "The State Board shall have power of visitation and inspection of all county and city jails or places of detention, county or city workhouses, county penitentiaries, county insane and tuberculosis hospitals, poor farms, almshouses, county and municipal schools of detention, and privately maintained institutional and non-institutional agencies for the care and treatment of the insane, the blind, the deaf, the dumb, the epileptic, the feeble-minded, or other institutions or non-institutional agencies conducted for the benefit of the physically and mentally defective, or the care of dependent or convalescent children or both."³⁹

The members of the boards of managers of the state institutions and the two non-institutional agencies are appointed by the State Board and the governor for overlapping terms of three years. The boards consist of not less than five nor more than seven members who serve without pay. At least a majority of the members of the boards for the Clinton Reformatory, the State Home for Girls at Trenton, and the Board of Childrens' Guardians must be women; at least two members of the other boards must be women.

Each institutional board has the power, subject to the general rules of the State Board, to determine the number, qualifications, compensation, powers and duties of the officers and employees of the institution committed to its charge. It appoints the chief executive officer with the approval of the State Board and he, in turn, appoints the officers and employees of the institution from civil service eligibles with the approval of the institutional board. The law is silent as to the power of removal of the institutional superintendents but this must undoubtedly rest ultimately in the

State Board by virtue of its position of final authority and its general power to accomplish its aims and purposes in the state institutions.⁴⁰

The immediate responsibility for the general management of each institution is placed in its board of managers. The law provides: "Subject to the supervision, control and ultimate authority of the State Board, the management, direction and control of the several institutional and non-institutional agencies shall be vested in the several boards of managers, who shall be responsible to the State Board for the efficient, economical and scientific operation thereof. The chief executive officer of each institution or non-institutional agency shall be the executive and administrative officer thereof, and shall be responsible to the board for the proper conduct and management of the institution or non-institutional agency under his care, the physical condition of the property, the proper use of the plant and equipment, the conduct of all employees appointed by him and the care and treatment of the inmates of the institution, subject to the rules and regulations adopted by the board of managers."⁴¹

New Jersey has now had fifteen years of experience with this unique system of control. During this period remarkable progress has been made in the problems of institutional planning and construction, curative and preventive work. Many of the state institutions are considered the best of their type in the country and the training programs which the department directs throughout the institutions are based upon a comprehensive system of classification which might well serve as a model for other states.⁴²

The impressive feature of the work of the department and the institutions is the evidence of general planning which aims to correlate present activities and prepare for future development. This has been largely because the department has been remarkably free from political interference and because the personnel of the State Board and the institutional boards has been maintained at a very high level. In contrast to the experience in Illinois, Ohio, and Pennsylvania the tenure of the executive head of the department does not depend upon the success of any one political party at the polls. The first commissioner, an experienced welfare administrator from New York, served until 1925 when he resigned to accept a position in a business firm.⁴³ The present commissioner, selected from the staff of the central office, has served since 1925 during which time he has ably directed

the activities of the department and the institutions. Unquestionably in so far as continuity of policy and the permanency of tenure of the chief administrator are concerned the state has been more successful than the states employing the one-man control system, Massachusetts excepted. Practice supports the argument that a board of control makes it more possible to obtain these objectives.

The board system in New Jersey has not gone unchallenged. Criticism has been made of the use of a central board of control as well as the numerous institutional boards. The comparatively independent position of these agencies has seemed undesirable to those who would reorganize the entire state administration for the purpose of centralizing administrative responsibility in the governor.⁴⁴ The National Institute of Public Administration on December 31, 1929, after a comprehensive survey recommended a plan for a reorganization of the state administration consisting of thirteen departments each under a single head directly responsible to the governor: "It is proposed to establish thirteen major departments (including the state welfare department) which will carry on practically all of the administrative work of the New Jersey State government. In every case, these departments will be administered by a single head responsible to the Governor. Under this type of organization, the Governor will be placed in the position contemplated by Article V, Section 1, of the Constitution; that is, he will become in fact as well as in theory the chief executive of the State. Boards will be retained where there are quasi-legislative, quasi-judicial or advisory functions in connection with the departments."⁴⁵ The report further recommended that "the centralization of all authority for the administration of State (welfare) institutions and agencies in the board of control and the commissioner (of the welfare department) is fundamental. The department should then be known as the department of public welfare, and the board of control as the board of public welfare."⁴⁶ The report, however, failed to make entirely clear the position of the proposed board of public welfare in the department. No mention was made of the quasi-legislative, quasi-judicial or advisory functions which it would perform. Apparently the N. I. P. A. investigators had in mind an agency similar to the advisory board in the Massachusetts Department of Public Welfare which has a veto power over the departmental rules and regulations.

A more definite position was taken with regard to the institutional boards. Their abolition was urged on the grounds that

there existed a division of responsibility for the management of the institutions between them and the State Board, the latter being naturally hesitant in overruling the local boards in cases of dispute. It was contended that this situation caused, first, a competition between the institutions for funds at budget time when each board attempted to secure the approval of the State Board for its own, often extravagant, financial policy, and, second, a lack of uniformity of institutional practice in methods of housing, feeding, discipline and training which impaired efficiency and economy in institutional management.⁴⁷

The experience of the writer while serving on the staff of the recent Princeton survey does not fully verify these criticisms.⁴⁸ In practice the control of the State Board over the local boards is actual and not theoretical. Partly no doubt this is due to the energetic and forceful way which the present commissioner directs the department. Particularly impressive was the manner in which the local boards were required by the State Board acting through the commissioner to reduce drastically their 1933-1934 budget requests. The Princeton survey directed attention to unsatisfactory systems of education in two state institutions, the North Jersey Training School for feeble-minded girls and the Rahway Reformatory.⁴⁹ Steps were immediately taken by the commissioner to change the program at each institution so that it would conform more nearly to the needs of the inmates.

As a matter of fact, the tendency has been to reduce the importance of the local boards. It was necessary for the State Board and the commissioner when the new system was established in 1918 to deal carefully and diplomatically with the local boards. They were influential and their positions were strengthened by tradition. Persuasion and suggestion were used rather than commands. To some extent this is still true.⁵⁰ It is apparent, however, that the State Board and the commissioner are now using more than diplomacy, if necessary, to accomplish their aims in the institutions.⁵¹

The case for the institutional boards is not entirely defensive. There are strong arguments in favor of their retention. In the first place, they provide a periodic review of the administration of each institution by a group of citizens who represent the interests of the state at large. The superintendent meets once a month with his board, at which time he must explain his methods of management and justify them if criticised. The superintendents in New Jersey are unanimous in believing that this procedure is

valuable.⁵² It serves as an incentive to them in their work and brings them in contact with the layman's point of view. The theory underlying this argument is sound. In any large governmental service there is always the danger of a professionalism impervious to the attitude and demands of the community which supports that service. An agency which supplies an avenue through which the community's demands upon the service can be made continuously effective is highly desirable. Furthermore, the use of local boards provides a means by which a considerable complexity as well as number of such problems make it impossible for all of them to be met intelligently by a single board and to educate the public to think and vote intelligently when confronted with any of these problems.

Another argument is that the abolition of the boards would place too large a burden upon the State Board and the commissioner. Many of the problems in the solution of which the advice of an interested lay group is needed are peculiar to one or a small number of the nineteen institutions in the department. The complexity as well as number of such problems make it impossible for all of them to be met intelligently by a single board and its executive officer.⁵³

A further consideration may be noted. Over-centralization is a constant menace in any system of central control of state welfare activities. The use of institutional boards by which institutional management remains partly decentralized may check the growth of evils accompanying over-centralization, i. e., bureaucracy, red tape and inertia.⁵⁴

An alternative to the proposed abolition of the institutional boards in the New Jersey organization would be to reduce them to a visitorial status similar to the institutional boards in the New York State organization. They would retain only the authority to inspect the institutions and render advice to the superintendents, the commissioner and the State Board, while their important control functions, i. e., appointment of the superintendents, compilation of the institutional budgets and creation of general rules of institutional management, would be transferred to the State Board. The question is whether or not they would then prove valuable for enlisting public interest and support to welfare programs and continue to be effective mediums of lay advice to a professional group of institutional administrators. Opinion varies here but seems to support the view that visitorial boards tend to become figure-heads and therefore valueless. "The weight of

authority seems to be against the use of such agencies. Their members, it is urged, are generally persons who lack any special qualification for the work. They cannot well judge the condition of a single institution when they lack a knowledge of the others. Able citizens will not be willing to devote their time to the work of a body which is utterly lacking in authority.⁵⁵ This tendency, however, is not inevitable and can be offset if visitorial boards are composed of energetic, interested laymen.

An additional attack upon the New Jersey system, which aims indirectly to reduce the powers of the State Board of Control, is the proposal to divide state welfare administration into two departments, one for penal institutions and one for hospitals and relief activities.⁵⁶ Whether or not the control of the welfare activities of a state should be placed in a single department is a debatable question. Opinion and practice vary.⁵⁷ Illinois, Ohio and Pennsylvania, like New Jersey, each have a single department, while several states, including New York and Massachusetts, maintain two or more separate departments. Arguments may be found in favor of either practice. The treatment of the defective and delinquent groups involve problems which are closely allied. Many inmates of the correctional institutions, for example, are mentally defective and require treatment of the type provided in the hospital and charitable institutions. The common administration of both types of institutions facilitates a free interchange of services and a general cooperation in the care of such inmates.⁵⁸ Also, many of the administrative problems arising in both types of institutions, accounting, budgeting, institutional employment, sanitation and feeding, are quite similar. Centralizing the control of these in one department eliminates the duplication of activity that exists where there are two or three departments dealing with similar problems.

It is contended, on the other hand, that a common administration of state welfare places too large a burden on the head of the organization, tends to overemphasize the purely business aspects of institutional management, tends to emphasize one phase of the work at the expense of the other. Furthermore, when the supervision of one group of institutions is placed under a bureau chief, as is often the case where there is a single department, the problem of securing a competent administrator is more difficult. The position of bureau chief is not so likely to attract a high grade administrator as the position of department chief.⁵⁹ To support these views it has been said that the Pennsylvania Department of Welfare is primarily concerned with

the care of dependents and the insane while prison administration receives relatively minor consideration, that the Ohio Director of Public Welfare is hopelessly overburdened with duties, and that there has been substantially no unity in the administration of charities and prisons in the Illinois Department of Public Welfare.⁶⁰

The writer believes that a single department is desirable in New Jersey mainly because the objections voiced against a common administration of charities and corrections have not appeared in this state to any appreciable degree. The personnel of the central office is quite competent, particularly in the case of the commissioner. This official, while he needs a deputy commissioner to assist him in supervising the central office staff, has been able to keep a close and constant contact with each of the state institutions.⁶¹ Two contributory factors may be noted; in the first place, the commissioner is unusually well qualified as an administrator, and secondly, the compactness of the state with its excellent system of highways enables the commissioner, as well as field agents in the central office, to reach any institution in a few hours.⁶² It is also not apparent that the department has over-emphasized the purely business aspects of institutional management or has emphasized one phase of welfare work greatly at the expense of another. A feature of the department's administration is the unity of plan in which each important function has a definite place. A further important fact is that in the development of institutional training programs there has been continued cooperation between the officers and employees of the institutions for the delinquents and the institutions for the mental defectives which might not have been realized had these two groups of institutions been administered by more than one central department.

* * * *

The relative merits of the board control and one-man control systems of public welfare administration will doubtless continue to be the subject of debate. The report of the White House Conference on Child Health and Protection in 1932 states: "The organization of a department of public welfare should provide for continuity in service and policies as well as for centralized executive responsibility. Administration vested in a lay board with authority to appoint the director offers greater safeguards than any other form, as few of the states with directors of all departments appointed by the governor have developed a tradition of continuing service and professional appointment of the

directors and division heads.”⁶³ Under the board control plan New Jersey has been highly successful in excluding partisan political considerations from the administration of a progressive, well-planned welfare program by qualified executives. The experience of certain other states employing the one-man control plan leads to the conclusion that one-man control, while perhaps strengthening gubernatorial responsibility, affects adversely the quality of directive personnel and tends to subject welfare policies to partisan political influences.

NOTES TO CHAPTER II

¹ White, L.D. *Public Administration*, (New York, 1929), pp. 168-169.

² In this analysis of the problem of control of state welfare administration a clear understanding of terms is essential. In using the term, “board control”, the author has reference to an unpaid, lay board which by virtue of the overlapping terms of its members is practically independent of the governor. The board selects the chief administrative officer of the department to hold office at its pleasure and through him acts as an agency of general control. “One-man control,” on the other hand, refers to the practice of placing the control of the department in the hands of a single executive official appointed by and responsible to the governor for a term coterminous with that of the governor. States following this practice may employ boards which operate as advisory rather than control agencies. Some states employ a paid board of administrators each member being assigned the supervision of one branch of the administration. Illinois and Ohio abandoned this type of control in the reorganizations of 1917 and 1921. The experience of Missouri with a political, paid board controlling the Department of Penal Institutions is a warning to other states. See *The Missouri Crime Survey*, (New York, 1926) pp. 479, 531-532. Paid boards of administration, whether partisan or bi-partisan, violate a dogma of good administrative practice in that they combine responsibility for quasi-legislative, quasi-judicial and administrative functions in one agency. For an analysis of this principle and the evils arising from its violation, see Willoughby, W. F., *Principles of Public Administration*, (Baltimore, 1927), pp. 119-139.

³ “A board is needed . . . because the nature of the work itself calls for a council of minds. The mind of the department head alone, however wise he may be, cannot bring to bear the various points of view needed, considering the subtle human element and intricate community relationships involved.” Vaile, Gertrude, “An Organization Problem of Public Welfare Departments,” (*Annals of the American Academy of Political and Social Science*, CV, p. 146.)

⁴ “Of all departments of government probably the welfare department is the most remote from the personal knowledge and concern of the general public.” *Ibid.*, p. 145.

⁵ Willoughby, *op. cit.*, p. 126.

⁶ McCombs, C. E., “State Welfare Administration and Consolidated Government,” (*National Municipal Review*, XIII, p. 469).

⁷ Fosdick, Raymond B., *American Police Systems* (New York, 1920) pp. 103-107. Quoted in Willoughby, *op. cit.*, pp. 124-125.

⁸ McCombs, *op. cit.*, pp. 470-471.

⁹ *Ibid.*, pp. 471-472.

¹⁰ Ellis, W. J. “Public Control and Supervision of Prisons”, (*Annals*, 157, p. 49).

¹¹ Vaile, *op. cit.*, p. 144. Note that H. D. Odum, a careful student of public welfare administration, favors a board of control. See Odum, H. D., and Willard, D. W., *Systems of Public Welfare*, pp. 149, 150. Sanford Bates, federal prison administrator, also favors a board of control in prison administration. See his article, "Prison Administration", (*Annals*, 157, p. 53.)

¹² Information on the development of the state administration of public welfare in Illinois may be found in Wright, H. C., "A Valuation of a System for the Administration of State Institutions through One Man Control as operated in Illinois." (*Publication of the New York State Charities Aid Association* New York, 1922.)

¹³ *Ibid.*, p. 41.

¹⁴ *Ibid.*, p. 45.

¹⁵ *Ibid.*, p. 46.

¹⁶ *Ibid.*, p. 48.

¹⁷ Brown, John A. in *Proceedings of the National Conference of Social Work*, 1929, p. 526.

¹⁸ General Code of Ohio, section 1839, as amended by Laws of Ohio, 1911, p. 214. A board of trustees is maintained for the Ohio Soldiers and Sailors Orphans Home. Odum and Willard, *op.cit.*, p. 72.

¹⁹ *Annual Report of the Department of Public Welfare of Ohio*, 1925, pp. 10-17. The petition recommended the creation of a non-salaried, bipartisan Board of Public Welfare with a salaried secretary to supervise and correlate the community welfare activities. It was believed that this function is quite distinct from that of institutional management and should be administered by a separate agency.

²⁰ See Wilcox, Clair, "State Organization for Penal Administration", (*Journal of the American Institute of Criminal Law and Criminology*, XXII, pp. 80, 81).

²¹ *Ibid.*

²² The legal basis for the Pennsylvania plan may be found in the *Administrative Code of Pennsylvania*, 1929.

²³ Some control over institutional purchasing is placed in the Department of Property and Supplies. Parole is supervised by the Board of Pardons in the Department of Justice.

²⁴ Wilcox, *op. cit.*, pp. 52-56.

²⁵ Information on the legal basis for the structure and organization of the New York state welfare departments may be found in the following: (1) *Handbook of the Department of Correction*, 1932. (2) "The Mental Hygiene Law", (*Publication of the Department of Mental Hygiene*, 1932). (3) For the Department of Social Welfare, see Laws of New York, 1928, chap. 859.

²⁶ The commissioner has power to close any local correctional institution deemed unsafe, unsanitary, or generally unsatisfactory.

²⁷ Fiscal control of state institutions in the Department of Social Welfare is centered largely in the division of standards and purchases of the Executive Department. The welfare department has objected to this arrangement. See *Annual Report of the Department of Social Welfare of New York*, 1929, pp. 7, 8.

²⁸ Wilcox, *op. cit.* p. 80 The tenure of office may be more secure under the one-man control plan than this writer assumes although the tendency is undoubtedly toward a tenure of office subject to partisan political influence.

²⁹ Control of institutional construction, transfer of patients, deportation, and the settlement of claims for support as state patients are duties of the central department.

³⁰ The members of the board of trustees of the State Infirmary have three year terms. The members of the other boards have five year terms. The state sanatoriums are under the direction of the Department of Public Health. The care of the blind is entrusted to the Department of Education.

³¹ A sixth member was appointed in 1929. See *Annual Report of the Massachusetts Department of Public Welfare*, 1931, p. 1.

³² Conant, Richard K. "The Massachusetts Department of Public Welfare", (*Annals*, CV, p. 121).

³³ The Webster Commission after a study of the state administration of Massachusetts recommended in 1922 that public welfare administration be consolidated into one department and that all department heads be appointed by the governor and council for the same term as that of the governor. See Buck, A. E., "*Administrative Consolidation in State Governments*", p. 16.

³⁴ The original title, Department of Charities and Corrections, was changed to Department of Institutions and Agencies. P.L. 1919, chap. 97.

³⁵ The membership of the State Board of Control was increased from nine to ten members in 1929. See P.L. 1929 chap. 14.

³⁶ P.L. 1918, chap. 147, section 116. All of the state charitable and correctional institutions and the two non-institutional agencies, the State Board of Children's Guardians and the Commission for the Amelioration of the Condition of the Blind, are under the jurisdiction of the State Board. See section 117.

³⁷ *Ibid.*, section 119.

³⁸ To advise the board and the commissioner in the performance of this duty, the board at its discretion may appoint an unpaid advisory board of architects and engineers. P.L., 1921, chap. 282.

³⁹ P.L. 1918, chap. 147, section 125, as amended by P.L. 1922, chap. 95.

⁴⁰ *Ibid.*, section 116.

⁴¹ *Ibid.*, section 115. The exception to this rule, of course, is the state prison where the principal keeper being a constitutional officer appointed by the governor and senate for a five year term is practically independent of the prison board of managers and the State Board. State Constitution, Art. VII, section 2. See Chapter I.

⁴² See Ellis, William J., "The New Jersey Plan of Classification for Correctional Institutions," (*Hospital Social Service*, XXIV, pp. 499-507.)

⁴³ The State Board is not restricted to residents of New Jersey in appointing the commissioner. P.L. 1918, chap. 147, section 108.

⁴⁴ A further criticism of the system of control in New Jersey is that there is no agency to supervise the work of the State Board. The argument is that a board of control cannot successfully criticise its own work. This point was raised by William J. Blackburn after a recent survey of the Department. See "Child Welfare in New Jersey", Part I, pp. 37, 38 (*Publication No. 174 Children's Bureau of U. S. Department of Labor*, 1927). The State Board is a policy determining agency. It is not an administrative board in the sense that its members actually conduct the business of the department. This responsibility lies with the commissioner. In practice the board inspects the administrative work of the department. It does not seem necessary to add another agency to inspect the policies of the board.

⁴⁵ *Report on a Survey of the Organization and Administration of the State Government of New Jersey*, 1930, p. 12. Hereafter cited as *N. I. P. A. Report*.

⁴⁶ *Ibid.*, pp. 168-169.

⁴⁷ *Ibid.*, pp. 164-170.

⁴⁸ The discussion of local boards does not refer to the boards which control the two non-institutional agencies. It would seem more advisable to centralize completely the control of their activities in the central office of the department. See Chapter VI.

⁴⁹ *Report on a Survey of Administration and Expenditures of the State Government of New Jersey*, 1932, pp. 137-138. Hereafter cited as *Princeton Survey*.

⁵⁰ Lane, W. D., "Parole Procedure in New Jersey," (*Journal of the American Institute of Criminal Law and Criminology*, XXII, pp. 376-377.)

⁵¹ In fact the Bright commission in 1925 found that the institutional boards "serve largely in an advisory capacity". *Report of the Joint Legislative Survey Committee of New Jersey*, 1925, p. 47.

⁵² Complete reliance, of course, should not be placed upon this testimony since the institutional superintendents presumably would refrain from criticising the boards under whom they now serve.

⁵³ The present commissioner of the Massachusetts Department of Public Welfare recommends that the central department be supervisory and that final responsibility for institutional management be placed in institutional boards so that a division of responsibility may be avoided. See *Proceedings of National Conference of Social Work*, 1924, p. 554.

⁵⁴ The Prison Inquiry Commission retained the local boards in their proposed plan of reorganization for this reason. Experience seems to have justified their position. See *Report of the Prison Inquiry Commission*, I, p. 69-70.

⁵⁵ Wilcox, *op. cit.*, p. 94. The visitorial boards in Massachusetts have proved valuable as agencies for the expression of public opinion. *Ibid.*, p. 95. Wilcox includes them in his suggested reorganization of the administration

of penal institutions in Pennsylvania, *Ibid.*, pp. 96, 98. The "open-door" policy of state institutions, legislative investigating committees and surveys by private organizations provide opportunity for public inspection, but these may also prove as ineffective as an inactive visitorial board.

⁵⁶ Governor Moore recently proposed to divide the administration of welfare in New Jersey into two departments, viz., a Department of Penal Institutions and a Department of Hospitals and Charities. The plan, patterned somewhat after the report of the National Institute of Public Administration, called for the abolition of the institutional boards but was silent as to the State Board. See "The Inaugural Address of Governor A. Harry Moore," Jan. 19, 1932, chart between pp. 16 and 17.

⁵⁷ Wilcox favors a separate administration for penal institutions in Pennsylvania. He gives a good discussion of the arguments pro and con on this question although the case for separating the administration of the penal from charitable institutions seems a rather weak one. See Wilcox, *op. cit.*, pp. 82-85. The present commissioner of the New Jersey Department of Institutions and Agencies believes common administration is preferable. "The control should bring together all state penal and charitable institutions, so that in the state there are not single competing institutions but that each institution is a part of a general state system permitting the transfer of persons from the penal and correctional institutions to the charitable institutions if mental disease, mental deficiency, or epilepsy seems to be the root of the trouble." Ellis, W. J., "Public Control and Supervision of Prisons." p. 48.

⁵⁸ This point was stressed by the Prison Inquiry Commission in New Jersey. See Chapter I.

⁵⁹ This argument has little force unless the tenure of the departmental head is made secure.

⁶⁰ Wilcox, *op. cit.*, p. 84. H. H. Griswold, Director of the Ohio Department of Public Welfare, denies that there is too much work for the chief administrator under the Ohio plan. He says: "The position of Director of Public Welfare is not too large for one man unless he tries to be four men. If he realizes that the essence of efficient administration is the choice of competent subordinates and the delegation to those subordinates of the detailed functions of the system, continuity of policy and unity of policy can be obtained without the sacrifice of executive efficiency. In the administration of so large a system involving so many agencies which need coordination a single executive head is almost essential for effective work." *Annual Report of the Department of Welfare of Ohio*, 1929, p. 47.

⁶¹ The need for a deputy commissioner in the central office was indicated in the *Princeton Survey*, pp. 148-149.

⁶² The proximity of Trenton to all the institutions is undoubtedly an important factor in the recent tendency toward increased centralization of control in the State Board and the commissioner.

⁶³ "Organization for the Care of Handicapped Children." *White House Conference on Child Health and Protection*, p. 170.

Chapter III

THE ORGANIZATION AND FUNCTIONS OF THE CENTRAL OFFICE

When the Department of Institutions and Agencies was created in 1918, the legislature granted the State Board of Control wide powers for the establishment of an organization through which the functions of administration were to be exercised. The law states: "The State Board shall have power to create within the department a division of education, a division of medicine and psychiatry, a division of labor and agriculture, a division of statistics, a division of parole, a division of food and dietetics and such other divisions as it may deem necessary. Each division shall be in charge of a qualified expert who shall be appointed by and receive the compensation fixed by the commissioner with the approval of the State Board. The State Board may in its discretion combine the duties of two or more divisions under one head. The division chiefs shall perform such services at such times and places and exercise such powers as the commissioner shall prescribe. The commissioner may from time to time, with the consent of the State Board, designate one of such division chiefs to exercise the powers and perform the duties of commissioner during his disability or absence."¹

Acting under its authority the State Board has created the following administrative divisions each of which is supervised by a director immediately responsible to the commissioner:²

1. Division of administration and accounts
2. Division of inspection and legal settlement
3. Division of old age relief
4. Division of architecture and construction
5. Division of state use and institutional employment
6. Division of classification and education
7. Division of parole
8. Division of medicine
9. Division of statistics and research

At the present time the central office of the department directs and coordinates the activities of twenty-one institutions and agencies which may be grouped as follows:

- A. Penal and correctional institutions
 1. State prison for males at Trenton
 2. Prison farm for males at Bordentown
 3. Prison farm for males at Leesburg
 4. Reformatory for males at Rahway
 5. Reformatory for males at Annandale
 6. Home for boys at Jamesburg
 7. Reformatory for females at Clinton
 8. Home for girls at Trenton
- B. Mental disease hospitals
 9. State hospital at Greystone Park
 10. State hospital at Trenton
 11. State hospital at Marlboro
- C. Institutions for feeble-minded and epileptic
 12. State colony for males at New Lisbon
 13. State school for males at Woodbine
 14. State school for females at Vineland
 15. Training school for females at Totowa
 16. Village for epileptics at Skillman
- D. Institution for tuberculous patients
 17. Sanatorium at Glen Gardner
- E. Soldiers Homes
 18. Home for disabled soldiers, their wives and widows, at Vineland
 19. Home for disabled soldiers at Menlo Park
- F. Non-institutional agencies
 20. State Board of Children's Guardians at Trenton
 21. State Commission for the Blind at Newark.

The main duties which have been assigned to the division of administration and accounts relate to the control of the expenditures in the central office and the institutions and agencies.³ The entire procedure by which funds are secured and expended, beginning with the preliminary preparation of budget estimates and extending through the various phases of accounting, is under

the direction and supervision of this division. The director is the business manager of the central office in charge of general office management, accounting, bookkeeping, stenographic, clerical, telephone and messenger services, and acts as the liaison officer of the department in its relations with the offices of the state comptroller, state treasurer, civil service commission, state purchase commissioner and the state budget commissioner.⁴

The supervising steward and the farm supervisor, although nominally within the division of administration and accounts, are directly responsible to the commissioner. The supervising steward has general supervision of all activities pertaining to food, clothing and household supplies in the various institutions. His duties include the preparation of menus, per capita allowances for food expenditures, and standard clothing specifications in cooperation with the institutional authorities, the review of the periodic requests of the institutions for supplies, the preparation of budget recommendations relating to food, clothing and household supplies, and periodic inspections of institutional kitchens, dining rooms, laundries, store rooms and canneries. The farm supervisor has general supervision of the management of the institutional farms, cooperating with the institutional authorities in planning farm production and the proper distribution of surplus commodities, and making frequent inspections of all farms to see that they are being operated economically and efficiently.

Four important functions are administered by the division of inspection and legal settlement: the collection of payments from the private patients and part-pay state indigents and from counties for county indigent patients maintained in the state charitable institutions, the deportation of indigent defectives and dependents who have no legal settlement in the state, the inspection of all county and municipal penal and hospital institutions and private hospital and charitable institutions within the state, and the representation of the department in legal disputes. Two collecting agents in the division receive records of all patients admitted to the state charitable institutions and conduct personal investigations to determine the ability of the patients to contribute to the cost of their maintenance. Whenever an investigation indicates the existing rate of pay is too high or too low the collectors cooperate with the county adjusters in securing a court rehearing and a readjustment of the amount of the court order. Although the collection of money from part-pay county indigents in the state institutions is a responsibility resting with the counties, the

collectors often assist the county authorities in making any necessary readjustments of the rates charged the part-pay county indigent patients. A further duty of the collectors is to keep an accurate check upon the legal settlements of the state indigent patients. If a state indigent patient is found to have acquired a legal settlement in a county the department institutes proceedings in the proper county court so that the county will share with the state the cost of his maintenance. In some cases it is discovered that a patient, either state or county indigent, retains a legal settlement in another state or a foreign country. The facts are reported to the deportation agent in the division who arranges for the subsequent deportation.⁵ Special agents in the division are employed to inspect the large number of public and private welfare institutions. Whenever they discover that the inmates of any such institution are being improperly treated or inadequately maintained, according to the standards determined by the department, the commissioner applies for an order from the state supreme court or the court of common pleas of the county in which the institution is located directing the institution to remedy the situation. Failure to comply with the terms of the order constitutes a contempt of court and is punishable as such.⁶ The exercise of the functions of the division often involve legal disputes in which the department is represented by the assistant attorney-general assigned to the department by the state attorney-general.

With the passage of the old age relief act in 1931 the department was authorized to supervise the allocation of state funds to the several counties, to establish rules and regulations governing the procedure for granting relief, and to determine the rates of relief in disputed cases. The administration of these functions is a responsibility of the division of old age relief which at present is seriously handicapped by the lack of a sufficient number of officers and employees.⁷

When the legislature abolished the Department of Architecture in 1921 most of the functions of that department were transferred to the Department of Institutions and Agencies.⁸ With the exception of public schools, the department now has supervision of the designing, construction, alteration and repair of all state buildings. The responsibility for this work is placed in the division of architecture and construction which has been organized into the following sub-divisions:

- a. Designing
- b. Civil engineering

- c. Mechanical engineering
- d. Architectural drafting
- e. Specification writing and estimating
- f. Accounting and clerical work
- g. Supervision of construction.

The plans for any alteration or construction of a building at any institution in the department are prepared by the division after conferences with the board of managers, the superintendent, the commissioner and the State Board. If the construction work is done by contract and involves an expenditure of \$1,000 or more, the director of the division under the general direction of the commissioner advertises for and receives bids. These are publicly opened by the commissioner who must award the contract to the lowest bidder.⁹ The superintendent of building construction in the division is required to maintain a close supervision of all contract work to see that it conforms to specifications, and to keep a progress sheet for the information of the divisional chief and the commissioner. All minor repair work at the institutions relating to the plumbing, heating, lighting and elevator equipment is under the general supervision of the division.¹⁰

One of the most important functions of the department relates to the state use industry the control of which, unlike the other aspects of institutional administration, has been completely centralized in the central office in the division of state use and institutional employment. Through this division the department controls the employment of inmates, instructors, and guards, the manufacture and sale of all products, and the location, construction and repair of all buildings in the state use industry.¹¹

The division maintains a separate accounting system by which the cost of production and the selling price of each product of the state use industry are determined. The 1918 reorganization law provided that the selling price should be fixed by the State Board of Control in conjunction with the State Purchase Commission, in reality the State House Commission. When the State Purchasing Department was established in 1931, however, the State Purchase Commission was abolished so that the important power of determining the selling price now rests solely with the State Board of Control.¹² In general the policy has been to fix the selling price of an article at the cost of production plus an allowance for profit, sometimes equal to fifteen per cent of the production cost. In some cases the selling price is lower than the cost of production, the ensuing loss being offset by rather large profits in the sale of other articles.

The division periodically prepares and sends to each state and county public agency or institution a catalog containing a description and price list of all articles manufactured or produced in the state use industry. At least thirty days before the close of the state fiscal year the division receives estimates from these institutions and agencies of the amount of supplies, similar to those described in the catalog, which will be required for the ensuing year. The rules governing the purchase of state use products are definitely set forth in the 1918 law: "The several institutions maintained in whole or in part by the State, non-institutional agencies, and all departments and agencies of the State and all counties in the State, and the institutions maintained by the counties of the State, are hereby required to purchase from the State Board (of Control) all articles or supplies manufactured or produced under the provisions of this act which are needed for use therein or thereby, and they shall not purchase any supplies or articles so manufactured or produced from any other source until and unless the State Board shall first certify on requisition made to it that such articles or supplies or the equivalent thereof, cannot be furnished. All requisitions for articles or supplies, or the equivalent thereof, made as herein provided shall be honored by the State Board as far as practicable."¹³ The act further provides for the sale of any surplus product in the open market after marking it as to the place of manufacture and "under such terms and conditions that it shall not compete unfairly with the product of free labor."¹⁴

The primary objectives of the state use system are two-fold: to furnish a means for keeping the inmate occupied while in the institution, and to give him vocational training in order to fit him for honest employment after discharge.¹⁵ Although the plan has proved financially successful in that the department has built up a considerable surplus in the state use revolving fund, it has not prevented the existence of a large amount of idleness in some of the correctional institutions.¹⁶ At the state prison, for example, on November 4, 1932, 356 of the 1449 inmates were unemployed.¹⁷ Many of the state use shops at the prison are not kept in continuous operation and some are not operated to their full production capacity. In practice, the department releases a large part of the orders coming from the various using agencies and refrains from disposing of surplus products on the open market. Since the policy has been to produce only those products for which a market is assured the department is, therefore, forced to restrict the production activity. In view of the failure of the present

state use system to provide a sufficient amount of institutional employment, some change seems necessary. There are two alternatives. If the policy of restricting the market for products is continued the occupational activities must not be limited by the size of the market but rather by the need for institutional employment. If, on the other hand, articles are to be produced for sale only, steps must be taken to increase the market for state use products. Whether the industry should compete with free labor in the open market is a question of policy involving differences of opinion, but the market could be considerably enlarged either by abandoning the practice of releasing many of the state and county using agencies from their obligation to purchase state use products or by requiring municipal using agencies to buy such products, or both. In choosing one of these alternatives, it must be recognized that the success of the state use system is to be determined by the degree to which its primary objectives are obtained, not by the financial profit or loss resulting in its operation.¹⁸

The division of classification and education is responsible for the development of a properly integrated training program at each of the state institutions. The director of the division periodically visits each institution, examines the training procedure, and confers with the institutional officers with regard to any needed changes. In general, the director acts in an advisory relation to the institutional staffs seeking their cooperation in the development of adequate training programs although occasionally it is necessary for the commissioner to order compliance with the director's recommendations.

The classification system which the department has developed throughout the institutions and upon which the training programs are based is a comprehensive plan for treatment of the individual inmate according to his requirements of discipline, employment, education, recreation and parole. Particularly impressive is the administration of the classification system in the correctional institutions. The first step has been the classification of institutions in an effort to secure the proper grouping and isolation of offenders, i. e., the separation of juveniles from adults, men from women, first offenders from recidivists, and the segregation of the insane, epileptic and feeble-minded for special treatment. At the present time the correctional institutions of the state have been classified by the department as follows:

1. State Prison at Trenton—maximum security detention for the more serious male offenders with poor records and long sentences.

2. Prison Farm at Leesburg—minimum security detention for the older male offenders of the common labor group of ability.

3. Prison Farm at Bordentown—minimum security detention for the "accidental" male offenders and transferees from the prison who have good records and are nearing the time of discharge from custody.

4. Rahway Reformatory—maximum and limited security detention for the industrial type of male offender between the ages of sixteen and thirty.

5. Annandale Reformatory—minimum security detention for male offenders between the ages of sixteen and twenty-five.

6. State Home for Boys—minimum security detention for boys between the ages of eight and sixteen convicted of any crime except murder, or habitually truant, disorderly or incorrigible.

7. Clinton Reformatory—minimum security detention for all female offenders seventeen years of age and over.

8. State Home for Girls—minimum security detention for female offenders from eight up to seventeen years of age.

9. State Hospital at Trenton—maximum security detention for the criminal insane.¹⁹

The process by which persons committed to the correctional institutions are classified is the next point of emphasis. At each institution the work is conducted according to a uniform procedure as follows:²⁰

1. The offender upon arrival at the institution is put into quarantine for a period of two weeks during which he is subjected to a series of interviews by various employees of the institution. The disciplinary officer interviews him for the purpose of forming a judgment of his amenability and trustworthiness under institutional discipline, and to make recommendations concerning his disciplinary treatment.

2. A thorough physical examination is given by the resident physician to determine the medical and surgical treatment, and to determine the limitations in the correctional program for the offender which may be necessitated by his physical condition.

3. An examination is made by the psychiatrist covering the condition of the inmate's nervous system, personality, and sanity. Recommendations are made relating to transfer and custodial requirements based upon the stability and trustworthiness of the inmate.

4. The psychologist tests the inmate from the point of view of his intelligence, aptitude, character and emotions and cooperates with the supervisor of education and the industrial supervisor in planning the inmate's educational and industrial program.²¹

5. The supervisor of education determines as far as possible the educational history, knowledge and educability of the inmate and makes recommendations for any further schooling, either general or special.

6. The industrial supervisor reports on the inmate's occupational history, present trade and industrial skill.

7. The chaplain interviews the inmate to determine his religious attitudes and previous church relations, and attempts to evaluate their importance in influencing his conduct.

8. An investigation into the personal and social history of the inmate is made by a member of the central parole division (except for the State Prison cases) to discover the underlying home and cultural factors contributing to the case.

The next step is the procedure by which the recommendations resulting from this series of examinations are put into effect. The classification committee of the institution, composed of the examiners and the superintendent as chairman, meets to examine and discuss the classification summary sheet. The first question before the committee involves the suitable placement of the inmate. The preliminary examinations may indicate that the inmate needs a training program somewhat different from that provided by the institution and should, therefore, be transferred to another correctional institution. If so the superintendent recommends such action to the director of the division of classification and education. The authority to transfer inmates among the state welfare institutions, subject to the rules and regulations of the State Board, is vested in the commissioner who upon the recommendation of the divisional director may order the transfer to be made. In case the inmate is to be transferred to a hospital institution for special treatment, a mental hospital for example, a court order must be secured by the transferring institution be-

fore the transfer can be made.²² If the inmate does not need to be transferred the classification committee organizes his institutional program outlining in considerable detail the kind of discipline, housing, schooling, vocational and industrial training which he is to receive.

At the end of six months, earlier in some cases, a reclassification is made by the committee upon the basis of a progress sheet which contains a record of the conduct of the inmate in the various branches of his training program. Any revision in the program which seems desirable is made at this time and the date for the second reclassification is fixed, usually six months later. Thereafter the classification committee continues to meet periodically for reclassification purposes until the inmate is finally released on parole or discharged from the institution. Decisions of the committee relating to parole and discharge must be approved by the board of managers of the institution which in practice follows closely the recommendations of the committee. Furthermore, the director of the division of classification and education, who often attends the meetings of the various classification committees, maintains a close supervision of the classification procedure to see that it conforms to the general regulations issued by the central office of the department.

The final phase in the administration of the classification system throughout the correctional institutions involves parole procedure in which the central office of the department occupies an important position. The supervision of all parolees from the correctional institutions, the State Prison excepted, is a function of the division of parole.²³ It is important to bear in mind, however, that the authority to release an inmate on parole and to discharge him from parole is vested in the several institutional boards of managers. The 1918 law states: "The several boards of managers of the (state) correctional institutions. . . shall have power to release upon parole, such inmates of their respective institutions as they may determine to be eligible therefor, except a person sentenced to death. . . . Each board of managers of a (state) correctional institution. . . shall have power to issue a final discharge from custody to any person committed thereto and released on parole who has by his or her conduct given evidence that he or she is to be deemed reliable and trustworthy and will remain at liberty without violating the law and that his or her final discharge will not be incompatible with the welfare of society."²⁴

All commitments to the state correctional institutions, the State Prison excepted, are upon indeterminate sentence the only limit being that the offender shall not be confined for a period longer than the maximum sentence as provided by law for his offense.²⁵ Theoretically, therefore, an offender is eligible for parole as soon as he arrives at the institution of commitment. Actually he is considered for parole as soon as the classification committee feels he has received the maximum benefit from his institutional training. When the inmate is considered ready for parole the committee notifies the division of parole in the central office which conducts an investigation into the conditions surrounding the home-life of the inmate and the possibilities for his employment. A report is made to the committee which, if circumstances warrant, recommends to the institutional board that parole be granted. The decision of the board is final although the recommendations of the committee are usually accepted without revision.

The parolee then comes under the direct supervision of the division in the central office. The present policy is to maintain close supervision of the parolee for a few months after which, if conditions are suitable, the amount of supervision will be gradually decreased until his final discharge. If the parolee conducts himself satisfactorily during the period of close supervision he is placed first on quarterly supervision, next on semi-annual supervision, and finally on conditional release. As the parolee progresses through each period the required number of contacts with the parole officer is reduced so that during the last period supervision is practically discontinued, the parolee being classed as an inactive case. If at any time it is discovered that the parolee has violated the conditions of his parole, he is returned to the institution of original confinement or subjected to more strict parole regulations and supervision. The parole period in no case exceeds the duration of the maximum sentence as provided by law for the offense of the parolee, or in the case of juvenile parolees until they reach the age of twenty-one years.

As a result of the independent position of the principal keeper of the State Prison whose authority over an inmate continues until he is finally discharged, the central division of parole is prevented from extending its supervision to the parolees from the State Prison.²⁶ Instead, this function is administered by a single parole officer with separate offices at the prison. This

official supervises a group of parolees often numbering over three hundred. Paroles are granted by two authorities: the court of pardons and the board of managers. The former, a constitutional body consisting of the governor, chancellor and six judges of the state court of errors and appeals, is authorized by statute to grant parole to any inmate of any penal institution in the state.²⁷ The parole authority of the board of managers is less extensive since the sentences of all offenders now committed to the prison prescribe maximum and minimum terms of imprisonment and the board may grant paroles only after the expiration of the minimum terms less the disciplinary allowances for faithful performance of assigned labor.²⁸ The classification procedure culminating in the recommendation for parole corresponds closely to that in any other state correctional institution.

After a recent study of the administration of the classification and parole systems by the department and the correctional institutions, one observer states: "It is obvious that New Jersey has thought through the problem of parole, as a final end of incarceration, in a manner which few states have done. It is obvious that she has attempted to devise a technique whereby every correctional institution in the state will adopt uniform policies in bringing to bear upon the welfare of individuals the resources of modern social, medical and psychological inquiry and knowledge."²⁹

The director of the division of medicine is primarily concerned with the maintenance of high standards of medical care in the state institutions, the development of similar standards in the local public and private institutions and the growth of preventive work in the local communities. These responsibilities require the performance of a large number of duties which include advising the commissioner and the chief executive officers of the state institutions in regard to medical aspects of institutional administration, supervising the recruitment of medical and nursing personnel, directing the inter-change of medical, surgical and dental services among the institutions, acting as medical consultant and advisor to the divisions of classification and parole, supervising the inspection of local public and private welfare institutions, approving the issuance of licenses to private institutions, conducting special surveys of institutional hospital services, and cooperating with the state mental hospitals and local communities in the expansion of preventive work through mental hygiene clinics.³⁰

Numerous responsibilities have been placed in the division of statistics and research. The statistical services of this bureau include the collection, tabulation and analysis of detailed, statistical reports of the state institutions and agencies, cooperation with these institutions and agencies in compiling statistics for their annual reports, standardization of record systems and statistical procedures in all welfare institutions and agencies throughout the state, and cooperation with the United States Census Bureau in its annual institutional census. In addition the division makes studies of social conditions in local communities to discover causes of dependency, delinquency and defectiveness and means of their prevention, directs many state-wide studies of public welfare problems, prepares or edits the publications of the department, furnishes information on departmental activity requested by official state investigation commissions, various welfare groups or private citizens, and participates in the work of national agencies interested in the advancement of social statistics and research. Finally, the division is responsible for fact-finding administrative studies which furnish the basis for the determination of the policy of the department in relation to the operation and future planning of the entire system of state welfare administration.

One essential in the proper functioning of the administrative organization of the department upon which have been placed duties relating to almost every phase of public welfare work is that there be cooperative effort among the several divisions. The foregoing summary of the more important duties shows how intimately connected those of one division may be with those of one or more other divisions. For example, the successful operation of those functions with which the divisions of administration and accounts, medicine, and statistics and research are concerned depends to a considerable extent upon the degree of cooperation realized between them and each of the other administrative units of the central office. The ultimate responsibility for effecting this necessary correlation of divisional activities rests largely upon the departmental head who, by individual as well as joint conferences with the several divisional heads, at which time problems relating to specific divisions or to the department as a whole are reviewed, has developed a high degree of unity within the present organization.³¹

NOTES TO CHAPTER III

¹ P.L. 1918, chap. 147, section 109.

² The divisions of architecture and construction, and old age relief were added to the organization in 1921 and 1931 respectively. See below, footnotes Nos. 7 and 8.

³ Much of the information concerning the duties of the various divisions has been secured from the administrative code prepared by the commissioner.

⁴ The director of the division of administration and accounts also acts as head of the department in the absence of the commissioner. For discussions of the need for a deputy commissioner whose sole function shall be to assist the commissioner in directing the activities of the department as a whole, see *Report on a Survey of the Organization and Administration of the State Government of New Jersey*, 1930, p. 179; *Report on a Survey of Administration and Expenditures of the State Government of New Jersey*, 1932, pp. 148-149.

⁵ Since the legal settlement of a minor follows that of the father or the mother in New Jersey, some cases arise where a minor maintained in a state institution will lose his legal settlement in the state because his parents have settled in another state. Local poor law authorities are required to cooperate with the Department of Institutions and Agencies in the deportation of poor relief applicants who have legal settlements outside the state. See P.L. 1924, chap. 132.

⁶ P.L. 1918, chap. 147, section 126, as amended by P.L. 1922, chap. 95.

⁷ P.L. 1931, chap. 219. See Chapter V. for an analysis of the work of the division of old age relief.

⁸ P.L. 1921, chaps. 76 and 100. The Department of Architecture was established in 1917. P.L. 1917, chap. 125.

⁹ P.L. 1930, chap. 70.

¹⁰ In some cases institutional labor is used in construction work, e.g., inmates from the Rahway Reformatory were used in the construction of the buildings of the Annandale Reformatory. Most of the cost of administration of the division of architecture and construction is financed by the fees (5% of the cost of construction) which the division receives for its work. The remainder is financed by direct appropriations.

¹¹ P.L. 1918, chap. 147, section 707.

¹² See P.L. 1931, chap. 179. In practice the selling price of an article is fixed by the commissioner and director of the division after a conference with the using agency. The approval of the State Board is, of course, necessary.

¹³ P.L. 1918, chap. 147, section 704.

¹⁴ *Ibid.*, section 706.

¹⁵ Of course, some inmate labor is used in the performance of general maintenance duties, including farm and dairy operation. The control of this kind of employment remains in the hands of the institutional boards and superintendents subject, however, to the general supervision and guidance of the central office of the department.

¹⁶ See *Princeton Survey*, pp. 83-84.

¹⁷ Statistics secured during personal investigation at the state prison.

¹⁸ Thus, any deficit incurred in the state use system should be classed, like the cost of food, clothing, education and recreation for institutional inmates, as an item of current maintenance. For an interesting historical summary of the labor problem in the New Jersey correctional institutions up to 1917, see *Report of the Prison Inquiry Commission*, I, pp. 53-60. Part II of this report contains an exhaustive analysis of the various systems of prison labor with which the state has experimented: the contract system, the "piece price" system, and the state use system. For recent criticisms of the state use system consult the *Report of the Joint Legislative Survey Committee of New Jersey*, 1925, pp. 331-363; *Princeton Survey*, pp. 83-86. The investigators of the National Institute of Public Administration considered the state use system exceptionally well administered and believed that its success was a convincing argument for an increased centralization of control of all institutional activities in the central office of the department. See *N.I.P.A. Report*, p. 181. At present, the state use industries, most of which are located at the State Prison and the Rahway Reformatory, furnish vocational training in a variety of trades: plumbing, printing, masonry, shoe manufacturing, tailoring, carpentry, machinery, tool making, foundry work, painting, sheet metal work, metal bed manufacturing, book binding, canning, sewing, electrical wiring and barbering. The inmates are placed in the type of work to which they seem most suited as determined by the classification records.

¹⁹ The most pressing needs include a new state prison, the present one being over-crowded, and special institutions for defective delinquents.

²⁰ Classification for offenders eventually transferred to the two prison farms is conducted at the State Prison. The classification unit at the State Home for Girls receives all women offenders 17 years of age and over committed by the courts. They are transferred from there to the reformatory for women or a hospital institution according to the results of the classification studies.

²¹ To guarantee standard practice, the psychological and psychiatric examining services in the penal and correctional institutions are directed by the Mental Hygiene Bureau of the Trenton State Hospital, staffed for this purpose by a chief psychologist, seven assistant psychologists resident in these institutions and one psychiatrist.

²² P.L. 1918, chap. 147, section 437.

²³ On October 5, 1932, the staff of the division consisted of a director, an assistant director in charge of parole work with males, a supervisor of parole work with females, twenty-four field parole officers assigned to geographic divisions of the state, and a small clerical force. The number of parolees under supervision was 4,370.

²⁴ P.L. 1918, chap. 147, sections 201, 208.

²⁵ Juvenile delinquents may be confined until they reach twenty-one years of age.

²⁶ The parolees of the two prison farms, the population of which is composed of transferees from the State Prison, are also under the supervision of the State Prison parole officer.

²⁷ P.L. 1891, chap. 231.

²⁸ P.L. 1918, chap. 147, section 306; P.L. 1932, chap. 166.

²⁹ Lane, W. D., "Parole Procedure in New Jersey," (*Journal of the American Institute of Criminal Law and Criminology*, XXII, p. 405). Except for a few parolees from the state institutions for the feeble-minded, the supervision of parolees of the institutions for the mental defectives is conducted by the social workers on the institutional staffs. One important phase of correctional work, viz., probation, has not yet been placed under state supervision in New Jersey. Consult *Report of the Juvenile and Probation Study Commission*, 1928. For a recent study of probation see Glueck, S. ed. *Probation and Criminal Justice*. (New York, 1933). Chapter X contains valuable information on the development of probation throughout the United States.

³⁰ No private nursing home or private hospital in the state may operate without first securing a license from the department. The license will not be issued unless the department is satisfied that the institution is adequately prepared to furnish the care and service for which it is organized. For the statutes vesting this important power in the department, see P.L. 1927, chap. 133, as amended by P.L. 1928, chap. 126, and P.L. 1929, chap. 223.

³¹ Since a large amount of the work of the central office relates to the supervision of institutional administration a high degree of cooperative effort between the divisional heads and the institutional authorities is equally imperative. The proximity of Trenton to each institution in the department has enabled the staff in the central office to keep a close and continued contact with all institutional authorities and has contributed to the cooperation which characterizes their joint activities.

Chapter IV

FINANCIAL ADMINISTRATION

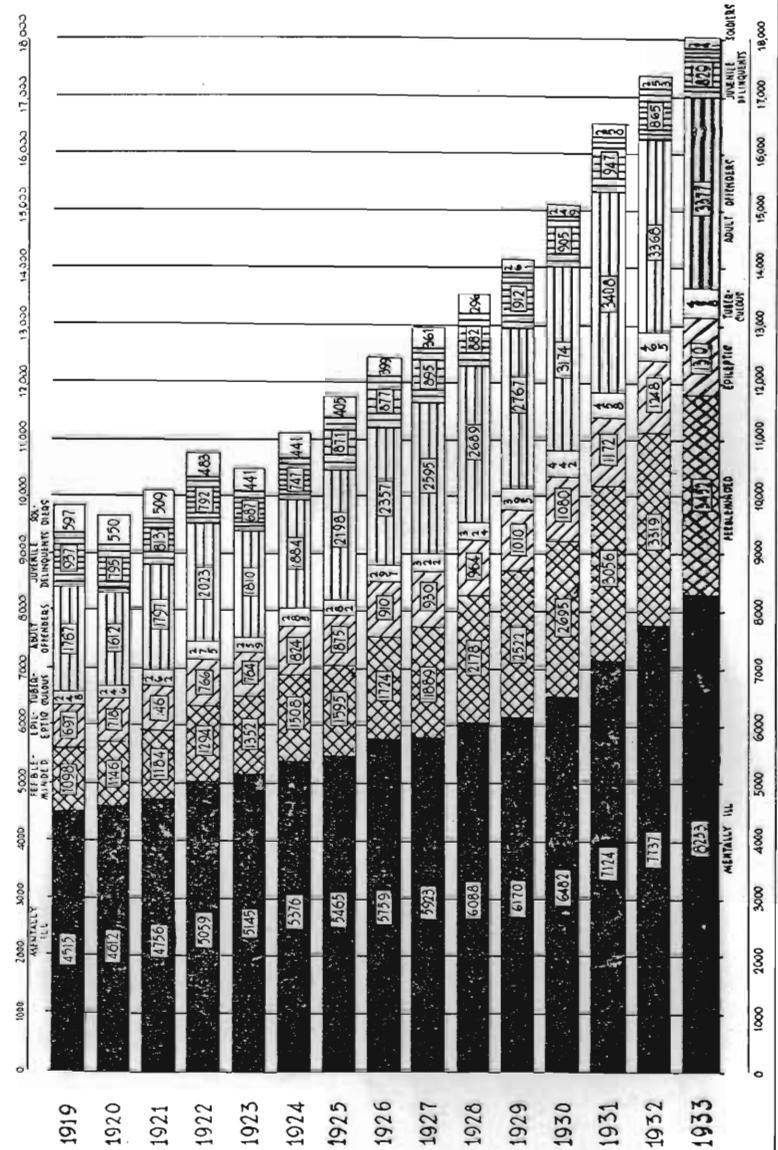
The financial administration of the Department of Institutions and Agencies assumes increasing importance as the work of caring for the wards of the state expands. The extent to which the state should burden itself for the care of its unfortunate members and the degree to which the services assumed have been economically administered must involve differences of opinion as to the state's responsibilities on the one hand and the type of care on the other. However diverse may be these opinions, the tendency has been to enlarge the scope of state responsibility and to raise the standards of minimum care. The mounting cost to the state of its welfare activities has in recent years centered attention upon the devices through which the control of welfare expenditures has been effected.

For many years a considerable portion of the annual appropriation by the state legislature has been spent for welfare services. As early as 1902 the state was spending a million dollars annually for charities and corrections, which was one-fourth of the total appropriations for all branches of the state government.¹ Today the Department of Institutions and Agencies is, next to the Highway Department, the largest spending agency in the state administrative organization.

During the fiscal year, 1931-1932, the expenditures for state welfare services financed by current funds totaled \$10,899,592, and this figure did not include the amounts spent for additions and improvements from the institution construction fund. The growth of expenditures during the past ten years has been exceedingly rapid, since in the fiscal year, 1921-1922, the amount was only \$6,887,058, over a million dollars of which was for additions and improvements.² A recent analysis of the factors responsible for these rising costs is in point: "In the first place, with the increase in population in the State there has been an increase in the number of persons committed to State institutions.....

"In the second place, the State has undertaken new services, such as county old age relief, and has greatly increased its grants to county insane hospitals and county tuberculosis hospitals. In

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the third place, five new state institutions, the State hospital at Marlboro, the North Jersey Training School at Totowa, the Annandale reformatory and the prison farms at Leesburg and Bordentown, have been opened. Finally, the aims of many of the institutions have changed within the decade, keeping pace with enlightened progress in public welfare work. From purely custodial institutions they have become curative and aim to restore to the community the persons committed to their care as soon as they can be released. As curative institutions the mental hospitals of New Jersey have attained distinction which is recognized everywhere, and the record of the reformatories in rehabilitating the offenders committed to them by the courts is encouraging. Purely custodial care is the most expensive service which a state can bestow upon its wards. Cheap in its initial outlay, the mounting cost in human degradation and misery as well as in public funds becomes overwhelming as patients must be confined in mental hospitals until death releases them or prisoners must be sent back to the communities from which they came without the means of beginning life afresh except in a career of crime. The present program of the Department of Institutions and Agencies is sound economy in the long run."³

The revenues which the Department now receives come from three principal sources: the institution construction fund, county payments for the maintenance of county indigents in state institutions, and legislative appropriations. The increased amount of overcrowding in the state institutions and the refusal to finance a building program out of existing revenues led to the establishment of the construction fund in 1923. The attempt to authorize a bond issue to meet new building requirements having been defeated by the voters in 1921, the legislature in 1923 imposed a half-mill tax on each dollar of assessed valuation of general property, the revenue from which was to form a special fund to be used only for capital improvements at the state welfare institutions. The State House Commission, then consisting of the governor, state treasurer and comptroller, was authorized as custodian of the fund to approve the semi-annual applications of the State Board of Control of the Department of Institutions and Agencies for money to be used for needed capital improvements. If the commission approved the application, or any part of it, the comptroller transferred the approved amount of money from the fund to the State Board of Control.⁴

For seven years the legislature continued the half-mill tax and included in the annual tax laws specifications of the amounts of money to be spent and the institutions where the work was to be

done. To provide some administrative discretion, however, the State House Commission was authorized to make transfers within the statutory limitations. These expenditures were not listed in the state budget, the result being that it was impossible to determine from that document the actual annual expenditures for state welfare services.

The movement to reduce the burden of taxation falling upon property, supported by the ever effective argument that the cost of capital improvements should be borne by future generations as well as the present, induced the abandonment of the half-mill tax in 1930 and the substitution of a \$10,000,000 bond issue, the interest and amortization charges to be paid from the state gasoline tax. The act authorizing the bond issue, which was approved in a state-wide referendum, provides the same method of administrative control used for the expenditures from the half-mill tax fund. The State House Commission must approve the applications of the State Board of Control for the bond money before it can be used for construction purposes and all expenditures must be in accord with special legislative appropriations authorizing such expenditures.⁵

In the period from 1925 to 1931 the expenditures for capital outlay on the welfare institutions were over \$27,000,000, of which a little over \$21,000,000 was spent from the money provided by the half-mill tax and the bond issue. At the end of the fiscal year, 1931-1932, all the revenue from the half-mill tax had been spent and approximately \$6,000,000 of the bond issue had been sold. Of the latter amount all but \$954,118 had been spent by October 31, 1932. This enormous outlay of state money has enabled the Department of Institutions and Agencies to expand greatly its program of institutional care. Many needed improvements have been made in existing institutions and four new institutions, one for the insane, one for the feeble-minded, a reformatory for males and a prison colony, have been constructed almost entirely from the tax and bond funds. Some additional buildings to relieve the over-crowded condition at the state prison and the institution for epileptics are still needed badly, although the present necessity for general retrenchment in governmental expenditures will tend to limit drastically all institutional construction in the near future. At the same time there appears to be no halt in the steady increase in the inmate population of the state institutions. A partial remedy may be found in an expanding state program of preventive work in the fields of mental hygiene, child welfare and probation, but some

provision for construction in addition to the balance available in the bond issue will eventually be urgent.

The choice of a proper method for financing future institutional construction is a serious problem. The Princeton Survey recommended the pay-as-you-go plan for the state's finances in general. The report states that "New Jersey has been piling up debts to an alarming degree. Already the authorized debt is \$182,000,000. . . . Most emphatically, it is time to call a halt on bond issues and to put the State's finances on a pay-as-you-go basis."⁶ In addition, the report recommended that the question of spending most of the unsold balance of the authorized bond issue for institutional construction be submitted to the people through referendum.⁷ If bonds are used to finance construction the interest costs must be considered, although these may be offset by the savings resulting from construction activity during a period, such as the present one, when costs of construction are unusually low. The use of bonds or of current funds in either case involves the problem of the proper distribution of the tax burden, the present inequalities of which have reached serious proportions.

When the half-mill tax was used the legislature annually passed special appropriation acts listing the welfare institutions where construction work was to be done and the amounts of money to be spent for that purpose. In case part of the available fund was not specifically allocated in this manner, the acts provided that the balance was to be allocated by the State House Commission upon the application of the State Board of Control. A change was made in 1931 with a view toward increasing the control of the legislature over the expenditures when the chairmen of the appropriation committees of the two branches of the legislature were added to the membership of the State House Commission. The same act provided that the plans for the construction of all state buildings must be approved by this agency and that no debt for this purpose could be incurred without the approval of the legislature. Since that time the legislature in its special appropriation acts authorizing the expenditure of the bond money by the Department of Institutions and Agencies has specifically allocated all amounts to be expended.⁸

Objections to this method of control may be made. In the first place, the expenditures from the construction fund should be included in the governor's budget so that a complete sum-

mary of the entire cost of state welfare services can be presented to the legislature. Likewise, the practice of passing special appropriation acts for construction purposes adds to the confusion and should be discontinued. The appropriations for construction purposes should be included in the general appropriation act. It is doubtful, furthermore, whether the State House Commission composed of administrative and legislative officials is the proper agency for administrative control of these expenditures. The use of a commission of this type divides the responsibility between the legislature and the administration; it adds functions to the offices of treasurer and comptroller which are quite foreign to their proper places in the governmental structure; it weakens executive control of and responsibility for the financial activities of the administration.⁹

A considerable portion of the revenue for state welfare expenditures is derived from institutional receipts. In 1922 these receipts totaled \$1,140,340, or more than fifteen percent of the total operating costs of the Department of Institutions and Agencies for that year. Ten years later the receipts had almost doubled, having increased in 1932 to \$2,111,434, or almost twenty percent of the total operating costs of the department.¹⁰ Almost all the receipts are derived from patients in the state mental hospitals, institutions for the feeble-minded and epileptic, and the tuberculosis sanatorium.¹¹ The patients are divided into three classes, private or pay patients, state indigent patients and county indigent patients. Those in the first group, which is very small, pay the full costs of their maintenance at the rates fixed by the individual institutions. The remaining two groups, the county indigents constituting the great majority, are committed by the county courts of common pleas and the juvenile courts which determine the amounts which the indigents, or those legally liable for their support, shall contribute toward the cost of their maintenance.

Applications for commitment to these institutions may be made upon forms, as prescribed by the commissioner of the department and the institutional board of managers, by the individual, his relatives, county sheriffs, municipal police officers, poor law authorities, superintendents of correctional and charitable institutions, or the commissioner. Each application must be accompanied by the written certificates of two licensed physicians describing the condition of the applicant. Upon receipt of the application the court notifies the county adjuster who investigates with the aid of the local poor law authorities the

facts concerning the legal settlement and financial status of the applicant. At the court hearing, which may be conducted with or without a jury at the discretion of the judge, final decision is made as to the necessity for commitment, place of commitment, legal settlement and amount to be paid by the applicant in support of the cost of his institutional maintenance. The status of indigency is acquired if the applicant and those legally liable for his support, husband, wife, father, mother, grandparents, or children, are unable to pay the entire cost of his maintenance in the designated institution. County legal settlement is acquired by five years continuous residence in a county immediately preceding the date of application, while one year's continuous residence in the state is necessary for a state legal settlement.¹² If the court decides the applicant is insane, feeble-minded or epileptic, and indigent, it may commit him either to a county or state institution and order such payment for his support as the facts warrant.¹³

The cost of maintaining state indigents in the state institutions, less the amount collected from those patients contributing to their support as provided by court order, is financed by state funds alone. A considerable portion of the cost of maintaining county indigents in these institutions, on the other hand, is charged to the counties by means of a rather complicated arrangement consisting partly of statutory and partly of administratively determined rates of county payment. The law requires the counties to pay one-half the per capita cost of maintenance, the cost being determined by the State House Commission, for each county indigent in the state mental hospitals with the exception of the criminal insane county indigents in the State Hospital at Trenton where the county rate is two-fifths of the per capita cost of maintenance. The rates of payment by the counties for the support of county indigents in the other state charitable institutions are not fixed by statute but left to the determination of the State House Commission. For several years the commission has fixed the rate for each county indigent in the state tuberculosis sanatorium at \$6.00 per week. The present rate for each county indigent in the state institutions for the feeble-minded is one-half the per capita cost of maintenance. The remaining costs of maintaining the county indigents in state institutions are paid by the state.¹⁴

The collection of receipts from the part-pay state indigent patients is an administrative function of the Department of Institutions and Agencies and is conducted by the adjusters in

the division of inspection and legal settlement. On the other hand, the collection of receipts from the part-pay county indigents is a county responsibility, the state being concerned only with the payments from the county authorities. These payments are made by the county collectors to the state institutions which are required to transfer them to the state treasury by the tenth day of the month following date of receipt.¹⁵ As an inducement to the counties to collect all that a county indigent can justly pay, the entire amount of the collections is retained by the counties except in those cases where the county indigents are paying more than the amount charged to the county by the state. In these exceptional cases, the amount in excess of the charge upon the county must be forwarded to the state. Whenever it is discovered that an adjustment of payments being made by a state or county indigent is necessary, it is the joint duty of the state authorities, i.e., the commissioner, the adjusters of the state department, the institutional superintendents, and the local authorities, i.e., the county adjusters and the poor law officials, to call rehearings before the court which may lower or raise the amounts of payments according to the facts presented by such officials.

The complicated system for dividing institutional costs between the counties and the state is due largely to the lack of sufficient facilities in the state institutions for the care of all indigent insane, epileptic, feeble-minded and tuberculous, a considerable number of them being maintained in county institutions. To these institutions the state is annually contributing almost as much money as it receives from the counties in support of state institutions. A simpler arrangement would be for the state to pay the whole cost of its institutions and discontinue subsidizing the county institutions. The collection of payments from all inmates of the state institutions could then become a state function, either of the Department of Institutions and Agencies or the State Tax Department, to be administered uniformly throughout the state. This change, however, can hardly be effected until the state greatly expands its institutional capacities since the heavily tax-burdened counties would gladly close their county institutions and commit all of their indigent defectives to state institutions. The higher standards of care and the more economical administration of the state institutions as well as the increasing inability of the counties to bear the costs of institutional services argue strongly for the complete transfer of these costs and services to the state.

In Pennsylvania the collection of payments from all indigents in the state mental hospitals is a state function administered by the Bureau of Institutions in the Revenue Department. The bureau maintains an agent at each institution who determines the per capita maintenance costs and, by means of correspondence and personal investigations, the amount which an indigent or those liable for his support can pay. This amount is collected by an agent of the bureau and credited to the expense of his maintenance. The remaining portion of the cost of maintenance is divided equally between the state and the county or poor district from which the indigent has been received, the maximum contribution from the local unit being fixed at \$3.00 per week. The collection of payments from the counties or poor districts is also conducted by the bureau. At present this work requires a staff of fifty-two employees but it is said that the increase in receipts from indigent patients since the assumption of this duty by the state has more than offset the costs of administration. A reorganization of the procedure in New Jersey for securing receipts from indigent patients along these lines could be expected to produce similar results.¹⁶

The third principal source of revenue for financing the activities of the Department of Institutions and Agencies is provided in the general appropriation act of the legislature.¹⁷ The act is based upon the annual state budget submitted by the governor to the legislature as required by law.¹⁸ When the department was organized in 1918 control over the preparation of the budget of the department was placed in the State Board of Control.¹⁹ By virtue of this power and in accordance with the requirements of the budget laws the State Board through the administrative officers in the central office of the department directs the entire budgetary procedure extending from the preparation of preliminary estimates to the granting of funds by the legislature.

The institutions and the non-institutional agencies, the State Board of Children's Guardians and the Commission for the Blind, are required to submit to the commissioner of the department shortly after the close of the fiscal year their requests for appropriations for the next ensuing fiscal year. These requests, which must be signed by the chief executive officer of the institution or agency and the president of its board of managers, are prepared upon budget forms prescribed by the department. The information required by the department is very comprehensive particularly with reference to the institutions. Each institution is required to fill out eleven budget forms, including daily per

capita costs for each of the main items of current maintainance, inventories of supplies of food, fuel and household supplies showing the condition at the beginning and at the end of the preceding fiscal year, detailed statements of expenditures from appropriations for each of the main items of the appropriation act, a cost analysis of the products of the institutional farm, if any, and explanatory statements in every case where the request shows a decrease or increase over the appropriation for the current fiscal year. Each institution and agency maintains its own accounting division which keeps a record of the information required by the department. The executive officer of the institution or agency after the forms have been prepared presents them to his board of managers. After a conference during which the board may revise the requests at its discretion the budget forms are transmitted to the central office of the department where, after hearings with the chief executive officer of the institution or agency and the members of its board, the State Board and the commissioner revise the requests in accordance with the general policies of the department. Meanwhile, the commissioner prepares the budget requests for the divisions of the central office, which must be approved by the State Board. All requests are then prepared upon a new set of budget forms and forwarded to the budget commissioner in the governor's office.

These budget forms contain detailed information on each of the major items of expenditure appearing in the appropriation act but differ in certain respects from the forms used by the department in its preliminary budgeting. The departmental budget is actually a group of budgets each of which receives an account number. The central office of the department has one budget in which are listed separately the divisions of parole, state use, architecture, and old age relief. The remaining divisions are combined under one general group. There are twenty-four additional budgets, including nineteen institutional budgets, two agency budgets, and three budgets for the state aid accounts, i.e., the grants with respect to the care of certain feeble-minded, insane and tuberculous indigents.²⁰

In October the second phase of budgeting procedure begins when the budget commissioner conducts hearings on each major account of the department's budget. The commissioner of the department, the director of the division of accounts and administration and the chief executive officer of the institution or agency concerned are present at these hearings during which the requests are put into their final form. Following this the departmental

budget is embodied in the general budget for the entire state government and presented by the governor to the legislature in his budget message early in the following year.

While the budget of the department is in the hands of the legislature, the joint appropriations committee, composed of the members of the appropriation committees of the Senate and the Assembly, conducts hearings at which representatives from the department and the institutions and agencies are present. The committee revises the budget as it sees fit after which it is presented to the legislature for final action, the appropriation act usually embodying the recommendations of the committee.²¹

A recent study concluded that this procedure for compiling and transmitting requests for appropriations lays too much stress upon hearings. "It is apparent," says the report, "that the holding of hearings on budgetary requirements is being overdone in New Jersey. The time of officials and employees is being needlessly consumed by this procedure. Some of the departments, notably the Department of Institutions and Agencies, hold hearings with all of their subordinate agencies in the course of the preparation of the estimates. Then when the estimates reach the Governor's office, more hearings are held at which all the subordinate institutions and agencies again appear. Later the joint appropriations committee of the Legislature goes through the same procedure. It is recommended that the hearings on the budget requirements be eliminated except before the legislative committee. The Governor should conduct only formal conferences with the departmental heads on their estimates. These conferences should be arranged so as not take an unnecessary amount of time from administrative duties."²²

There is some value in this criticism. The hearings before the budget commissioner should be attended only by the departmental head and possibly the head of the division of administration and accounts. There is little reason for allowing the subordinate institutions and agencies to participate in the hearings after the preliminary estimates have been made. In the preparation of the preliminary estimates, however, the hearings of the State Board of Control and the commissioner with the representatives of the institutions and agencies have an important place. At no other time does the State Board have such an excellent opportunity to acquaint itself with the needs of each institution and agency and adjust these needs in accordance with the established program and policies of the department as a whole.

Some changes in the budget classifications are undoubtedly desirable. The budget of the central office should contain a section for each of the administrative divisions. As the Princeton Survey states: "There is a definite need for a change in the classification of the budget requests of the central office. Only four divisions, parole, old age relief, state use and architecture, are segregated in the budget, the other five divisions being lumped together in one general request. This prevents a clear picture of the separate expenditures of these five divisions. . . . It is impossible to learn from the budget how many persons are employed or how much is being expended by each of these important divisions. The present arrangement also confuses the lines of responsibility. The positions of farm supervisor and supervising steward appear in the budget with no indication of their place in the general organization of the central office. This practice is contrary to sound methods of budgeting. Each of the nine divisions should have its expenditures and requests segregated and itemized in the departmental budget."²³ In addition, a more complete picture of the expenditures of the department would be presented if the expenditures of each subordinate institution and agency were itemized along functional lines as well as by objects of expenditure. This latter consideration applies to the state budget in general and involves the exceedingly intricate problem of proper budget classification.²⁴

After the budgeting procedure has been completed and the appropriation act has passed, the financial administration of the department is concerned with the control of expenditures. Of primary importance is the extent to which the appropriation act is itemized. In order to maintain a close check upon the executive branch of the state government, the legislature itemizes the appropriations in considerable detail. For example, the appropriation for each institution is subdivided as follows:

1. Salaries
 - a. Superintendent
 - b. Other officers and employees
 - c. Religious services
 - d. Medical and surgical fees
2. Materials and supplies
 - a. Food
 - b. Clothing
 - c. Heat, light, power, water, etc.

- d. Household supplies
 - e. Farm, stable, grounds
 - f. Medical and surgical supplies
 - g. Stationery and office supplies
 - h. Vehicular transportation supplies
 - i. Educational and recreational supplies
3. Current repairs
 4. Miscellaneous expenses
 - a. Telephone and telegraph
 - b. Traveling expenses
 - c. Postage
 - d. Funeral expenses
 - e. Insurance
 - f. Freight and express
 - g. Entertainment
 - h. Other miscellaneous expenses
 5. Additions and improvements
(Under this heading there is a detailed allocation of appropriations for specific purposes.)

The same principle of detailed itemization is applied to every major account of the department. Even the amounts of state aid which the department dispenses are divided into fixed amounts for each county. The general evils of this legislative practice were noted in the 1925 investigation of the state administrative organization and procedure: "This (detailed itemization) is objectionable . . . because it means too close a tying of the hands of the departmental executives, tends to destroy initiative and may lead to the padding of requests and extravagancy dictated by the desire to use all the money appropriated. . . . It is better not to make the appropriation act very detailed. The budget itself, as distinguished from the subsequent act, should, however, be fully itemized."²⁵

Being strictly limited by the present form of appropriations, the Department of Institutions and Agencies is often forced to transfer money from one item of expenditure to another. For example, an institution due to an unexpected increase in its population may find it necessary to increase its food account by a transfer from its household supplies account. In order to do this the superintendent forwards a transfer request to the com-

missioner of the department. If the department head is convinced the transfer is necessary, the request is sent to the state budget commissioner, the state commissioner of finance and the State House Commission. After recommendations are received from the budget and finance commissioners the State House Commission makes a decision, the approval of four members being necessary to authorize the transfer.²⁶ In spite of these restrictions the department secures a surprisingly large number of transfers each year.

In addition to the use of transfers, the department may resort to the state emergency fund to supplement its regular appropriations. To do so the "emergency fund request" of the department must receive the unanimous approval of the State House Commission which acts after receiving recommendations from the state budget commissioner.²⁷

An important step towards centralization of financial control in the governor was made when the state legislature in 1933 created a department of finance under a commissioner directly responsible to the governor. The chief duties of the commissioner of finance are: first, to prepare with each spending agency a work program upon the basis of which quarterly allotments from the appropriations are made; second, to require each spending agency to set aside from its appropriation an "emergency reserve" to be used only with the approval of the commissioner; third, to review every purchase order and "request for permission to spend" after the state comptroller has by pre-auditing determined the legality of same and the availability of appropriations, no expenditure being made without the commissioner's approval; fourth, to make recommendations to the State House Commission on all transfer requests. As a result of this legislation the Department of Institutions and Agencies with the approval of the commissioner of finance has prepared a work program for the current fiscal year and is operating on a quarterly allotment—emergency reserve basis. All requests for permission to spend are sent to the commissioner of finance whose duty it is to see that the department is keeping within its quarterly allotment.²⁸

As a matter of fact, the various institutions and agencies in the department for some time have been operating on a quarterly allotment system under the direction and control of the central office of the department. Each institution and agency is required to prepare quarterly applications for funds and submit them

to the central office for approval. These applications contain records of the amounts of each item of current maintenance expended in the previous quarter, the amounts on hand, and the estimates of the amounts needed for the ensuing quarter. After being referred to the appropriate officer in the central office (for example, the records and requests for food are examined by the supervising steward), the department determines the amounts to be spent during the next quarter. The applications, as approved, are returned to the institution or agency which is required to keep its expenditures within these budgeted amounts.

In addition to the control effected by the use of quarterly allotments the department requires each institution and agency to submit a monthly report of its expenditures on a consumption basis and a monthly statement of the condition of its appropriations and allotments. If any institution or agency is found to be spending more than one-third of its quarterly allotment in any one month the department immediately investigates and determines the cause. In such case the institution or agency is required to reduce its expenditures during the ensuing month since the total expenditures for a quarter must be kept within the quarterly allotment.

The purchase of operating materials and supplies for the institutions and agencies is done by the state purchase commissioner according to the specifications and standards fixed by a special committee, composed of the state purchase commissioner, the chairman of the State Highway Commission and the commissioner of the Department of Institutions and Agencies. Each institution and agency in the department is required to prepare an application listing the materials and supplies needed for a period, determined by the purchase commissioner, and send it in to the central office of the department where it may be revised at the discretion of the departmental head. After securing the approval of the commissioner of finance, the department then forwards the statement to the purchase commissioner who arranges for the purchase and delivery of the supplies to the institutions and agencies, payment being made to the vendors on warrants issued by the comptroller on the state treasurer.

An exception to this procedure occurs in the purchasing of perishable foods. In order that an institution may avail itself of low prices and avoid transportation costs and delay, it is allowed to buy some fresh fruits and vegetables in the local market. Written permissions are given each month for a

definite sum, not to exceed \$1000, for such purchasing by the purchase commissioner upon receipt of an application from the institution, as approved by the welfare department head and the commissioner of finance, containing detailed estimates of the quantity, quality and value of perishable food needed. After the certification of the purchase commissioner is secured the state comptroller authorizes the reservation of the approved amount from the institution's food appropriation account for direct purchasing. A detailed account of the expenditures for this purpose during the preceding month must be filed in the office of the purchase commissioner.²⁹

The control of expenditures for the other chief item of current operating costs, salaries and wages, likewise involves the participation of an agency independent of the department, the Civil Service Commission, which has the authority to fix maximum, minimum and intermediate rates of pay, including the allowances for maintenance, if any, for all positions within the classified service. Each institution and agency, as well as the central office, of the department sends its semi-monthly payrolls listing every employee in the classified service to the Civil Service Commission whose certification, as well as that of the commissioner of finance, must be secured before the comptroller will issue the payroll checks.³⁰

At present each institution and agency maintains its own accounting staff, varying considerably in numbers according to the size of the institution or agency. Since the central office of the department duplicates in some respects the accounting work of its subdivisions, there has been some effort to centralize all accounting in the central office. Although offering no definite recommendation, the survey commission in 1925 summarized the arguments in favor of the change as follows: "Central record keeping relieves the institutions of work which some of them do not relish and has a most important bearing upon the ease of enforcing the system of expenditure control. It substitutes a relatively simple reporting system for the individual accounting systems, and thereby provides for a current continuous check upon the operations of the institutions. It permits of the compilation and detailed analysis of financial data which cannot be furnished under the present system without imposing an intricate accounting procedure upon the institutions, adherence to which could only be secured by the close supervision of a capable audit staff and then, as a rule, only with undesirable friction between representatives of the central office and the superintend-

ents. It is economical in that it permits of the assignment of accounting functions so that each employee of the accounting department is fully occupied upon a class or grade of work for which he or she is qualified. Routine work of a simple nature can be assigned to junior clerks and the time of accountants conserved for more important duties.”³¹

Influenced by the recent movement to centralize all controlling accounts for all departments of the state government in a staff agency directly responsible to the governor, the National Institute of Public Administration not only recommended the elimination of institutional accounting but the transfer of most accounting work to a state department of finance. “With respect to the general accounting procedure, we propose to centralize all controlling accounts in a department of finance. This will eliminate a great deal of accounting work now done in the central office of the Department of Institutions and Agencies and in the individual institutions and agencies. The latter should be required to keep only such records of transactions as will furnish the basis for detailed cost accounts. The central office of the Department of Institutions and Agencies should be responsible for assembling periodically the data regarding the transactions of the individual institutions and agencies. From such data, it should work out comparative cost figures for all on a monthly and annual basis.”³²

Underlying the problem of the proper allocation of accounting duties is the important question of the extent to which the governor should control the expenditures of each department. It is unwise to take all autonomy away from a department and at the same time it is essential that the governor have some authority to prevent unwise and extravagant spending of departmental appropriations. A compromise between the two extremes of absolute departmental autonomy and complete centralization of control in the hands of the governor seems the proper solution, but the exact point at which the governor by means of a staff agency should be able to approve or disapprove a proposed departmental expenditure is difficult to determine. Assuming that the control of expenditures within prescribed limits should remain within a department, it is clear that a certain amount of accounting procedure must be allocated to the department. Whether or not this procedure should be centralized within the Department of Institutions and Agencies, the institutions being required to keep only records of their transactions as bases for the cost accounting in the central office of the department, is a matter

involving some difference of opinion although from the standpoint of efficiency and economy such change in the present system seems warranted.³³

It has been suggested that improvement could be made in the present classification for cost accounting. The central office and the subordinate institutions and agencies compute per capita costs by objects of expenditure, such as salaries and wages, food, clothing, household supplies and so on, following the same classification employed in the state budget and general appropriation act. In view of the need for a re-classification of the budget to include records of expenditure along functional lines a similar revision in the accounting classification would seem desirable. The following functional classification has been suggested for institutional expenditures:

1. General operation
 - a. Administration
 - b. Care and custody of inmates
 - c. Maintenance of employees
 - d. Institutional repairs and plant operation
2. Operation of institutional industries
 - a. Shop industries (each in detail)
 - b. Farm industries (each in detail)
3. Creation of properties (or plant assets) by institutional labor
 - a. Equipment
 - b. Buildings and structures
 - c. Improvements to land.

These are only general headings. It would be necessary to further subdivide them in order to show in detail the elements contributory to cost.³⁴

The research committee appointed by ex-President Hoover to study social trends in the twentieth century throughout the United States has pointed out one significant fact in the recent development of state welfare administration. “In relation to fiscal control,” the committee reports, “the chief trend from a public welfare standpoint has been towards a loss by the welfare agencies of fiscal autonomy which is passing to special and independent state departments. Thus, budgeting is becoming only incidentally the responsibility of public welfare agencies. The

allotment of funds, if permitted by legislation, may or may not be made at the discretion of such agencies; accounting, auditing or other fiscal activities are being passed on to independent agencies. Purchasing, construction, and plant maintenance are functions which with certain important exceptions, are being delegated to state agencies independent of public welfare administration.”³⁵

Just as New Jersey has kept pace with the tendency to centralize the administrative functions of state public welfare in a single agency it is apparent from the foregoing analysis that this state is also following to a considerable degree the movement to limit and reduce the fiscal autonomy of the central welfare agency. The increased powers of the governor in formulating the state budget, the control of the state commissioner of finance over quarterly allotments and expenditure requests, the control of the State House Commission over institutional construction expenditures, transfers within appropriation items and allotments from the emergency fund, and the authority of the State Purchasing Department over the purchase of all materials and supplies, have all served to decrease the authority of the Department of Institutions and Agencies to regulate its expenditures. At the same time the legislature has attempted, quite illogically in view of the fact that these measures were passed for the purpose of increasing the responsibility of the governor for the entire state administrative organization, to restrict severely by the use of detailed, itemized appropriation acts the fiscal powers of the governor as well as the individual departments. In addition the power of the department over its personnel, including not only the fixing of compensation but also selection, classification, promotion, discipline and removal, has been extremely limited by the wide range of authority which the legislature has conferred upon the Civil Service Commission. Within these limitations the department has organized a system of financial administration which, while capable of improvement with regard to the collection of institutional receipts, budget and accounting classifications, and the allocation of accounting functions, is in general conformity with the essential requirement of centralized control of all state welfare expenditures.

NOTES TO CHAPTER IV

¹ *New Jersey Review of Charities and Corrections*, I, p. 206.

² Net State Expenditures of New Jersey for Welfare Institutions and Agencies, 1923—1933.

Year	Total	Central department	State agencies	State aid	STATE INSTITUTIONS	
					Current maintenance, deducting receipts	Capitol additions and improvements and new buildings from all funds
1923	\$5,503,266	\$141,383	\$173,285	\$922,154	\$3,167,477	\$1,098,967
1924	5,406,021	142,445	175,699	960,178	3,492,842	634,857
1925	7,578,064	200,774	190,481	1,128,790	3,483,258	2,574,761
1926	7,725,655	281,489	211,146	1,359,773	3,689,127	2,184,120
1927	8,887,566	185,678	237,588	1,415,865	4,001,903	3,046,532
1928	9,999,848	218,988	269,480	1,437,389	4,478,760	3,595,231
1929	10,829,103	230,781	276,817	1,903,214	4,744,403	3,673,888
1930	12,625,174	257,737	308,013	1,819,408	5,141,905	5,098,111
1931	15,089,695	305,903	346,071	2,017,765	5,486,510	6,933,446
1932	12,586,792	317,904	384,100	1,940,633	5,919,190	4,024,965
1933	8,693,333	235,416	372,272	1,833,040	5,072,976	1,179,629

³ The inmate population during the ten years has increased 65 per cent. The annual per capita cost of care was \$420.17 in 1923 and \$394.38 in 1933. Statistics secured from the Central Office of the Department of Institutions and Agencies.

⁴ *Report on a Survey of Administration and Expenditures of the State Government of New Jersey*, 1932, pp. 135-136.

⁵ P.L. 1923, chap. 172. During the first year the fund was to be used for construction work at the Greystone Park mental hospital. The following year the legislature authorized the use of the revenue at eight additional institutions. P.L. 1924, chap. 237.

⁶ P.L. 1930, chap. 227.

⁷ *Princeton Survey*, p. 30.

⁸ *Ibid.*, p. 132.

⁹ P.L. 1930, chap. 202. P.L. 1931, chap. 277. Under the Federal Civil Works Administration federal funds are now being made available for repair and improvement of industrial buildings. In addition the department is preparing an extensive program of building construction to be financed by the Federal Public Works Administration.

¹⁰ For detailed proposals to centralize expenditure control in a department of finance directly responsible to the governor, see, *Report on a Survey of the Organization and Administration of the State Government of New Jersey*, 1930, pp. 28-96, and the *Princeton Survey*, pp. 29-91. The latter report led to the establishment of the office of state commissioner of finance in 1933. For a summary of the powers delegated to this office, see p. 81, *supra*.

¹⁰ That is, exclusive of expenditures from the institution construction fund. *Princeton Survey*, p. 134.

¹¹ A small sum is received at two or three institutions from the sale of scrap material. A few of the juveniles committed to the Jamesburg Reformatory contribute to their support. Some institutions, notably the Leesburg Prison Farm, list as receipts the products which they sell to other institutions in the department.

¹² An alien who takes up his residence in a county immediately upon arriving in this country may acquire a county legal settlement there in three years.

¹³ The plan for distributing the cost of maintenance of indigents in county institutions is described in Chapter V. The legal basis for these commitments may be found in P.L. 1918, chap. 147, sections 401-463, as amended by P.L. 1919, chap. 97.

¹⁴ The act authorizing this procedure is P.L. 1918, chap. 147, sections 501-504, as amended by P.L. 1927, chap. 211.

¹⁵ *Ibid.*, section 502; P.L. 1918, chap. 153.

¹⁶ Information secured from the office of the Bureau of Institutions of the Revenue Department. See also *Acts of the Pennsylvania General Assembly*, 1929, No. 305.

¹⁷ Supplemental appropriations are often passed by the legislature if the department seems unable to complete the fiscal year within the amounts allotted under the general appropriation act. In addition there is an emergency fund from which allotments may be made if the unanimous approval of the members of the State House Commission is secured. P.L. 1931, chap. 184. The state use industries are financed largely by means of the state use working capital fund. The administrative costs of the division of architecture in the department are paid largely out of the fees charged for service. In both cases, however, some of the costs for salaries and office supplies are paid out of general appropriations.

¹⁸ New Jersey adopted a budget system in 1916. See P.L. 1916, chap. 15. Recent legislation has provided a more comprehensive system. See P.L. 1931, chap. 142; P.L. 1933, chap. 193. An account of development of budgeting practice in New Jersey is contained in Cline, D. C., *Public Finances of the State Government of New Jersey*, (unpublished thesis). Chap. IX.

¹⁹ P.L. 1918, chap. 147, sections 121, 122.

²⁰ The old age relief account has been included as a separate budget, making twenty-six budgets in all. In the 1933-1934 state budget the governor has transferred this account to the pension and retirement funds budget section. He recommends that the state pay all cost of old age relief out of the Emergency Relief fund. See *Budget Message of the Governor of New Jersey*, 1933, pp. V, 190.

²¹ The early practice of legislative investigation still survives. The members of the joint appropriations committee of the legislature often visit the welfare institutions before drafting the appropriation bill.

²² *N.I.P.A. Report*, p. 53.

²³ *Princeton Survey*, p. 149.

²⁴ For a study of this problem in the New Jersey state government containing special reference to the Department of Institutions and Agencies, see the *Report of the Joint Legislative Survey Committee of New Jersey*, 1925, pp. 246-256.

²⁵ *Ibid.*, p. 235.

²⁶ See P.L. 1931, chap. 142, section 13; P.L. 1933, chap. 363; P.L. 1931, chap. 184, section 12. Transfers may not be made from an appropriation for capital improvements to a current maintenance account. No transfers between appropriations may be made after the close of the fiscal year for which the appropriations were granted.

²⁷ P.L. 1931, chap. 184, section 12. The state emergency fund has been used by the various state spending agencies for expenditures which in many instances are not emergencies. The fund, furthermore, has failed to eliminate supplemental appropriations. *Princeton Survey*, pp. 50-51.

²⁸ The rulings of the commissioner of finance on quarterly allotments, emergency reserves and expenditure requests may be appealed by the spending agency to the governor whose decision is final. The commissioner is appointed and removable by the governor alone. See P.L. 1933, chap. 363. Up to the present time the legislature has not provided funds for a sufficient personnel with the result that the authority to approve expenditure requests is being exercised in a very routine manner.

²⁹ See P.L. 1914, chap. 158; P.L. 1931, chap. 179. The latter statute which created the State Purchasing Department contains the following important restriction upon the authority of that department to purchase supplies: "Nothing herein contained shall apply to the erection or construction or original equipment of any building or addition thereto or alteration or repair thereof as distinguished from the furnishing or maintenance thereof, nor to the construction or repair of any road or bridge, nor to the performance of any like work." Section 5.

³⁰ See P.L. 1930, chap. 176. The Civil Service Commission has extensive powers over every important phase of personnel administration including selection, classification, promotion, discipline, dismissal and compensation. Minor institutional expenditures not involving purchase of materials and supplies by the state purchase commissioner or payment of salaries and wages, such as traveling expenses and small contracts for repair work, must be approved in the central office of the department. The state treasurer pays for the expense incurred upon warrants issued by the comptroller. The State House Commission has the same powers with regard to expenditures by the department for additions and improvements financed by general appropriations as for those financed by the half-mill tax or the bond issue. See P.L. 1931, chap. 184, section 10.

³¹ *Report of the Joint Legislative Survey Committee of New Jersey*, p. 314.

³² *N.I.P.A. Report*, pp. 194-195. The *Princeton Survey* recommended that the proposed Department of Fiscal Control should maintain complete accounting records and all controlling accounts. This function has not been given to the new state commissioner of finance. Pre-auditing remains a function of the state comptroller.

³³ A detailed study was made of the general problem of control of expenditures by the special legislative commission in 1925. Their report favored the retention of a considerable degree of control by the individual departments. "The executives of the departments, and particularly govern-

ing boards of large departments and institutions, should be allowed proper latitude under the appropriation act. They should not be required to go to the State House Commission, to the suggested Fiscal Committee, or any other committee in order to carry out a normal fiscal program." *Report of the Joint Legislative Survey Commission of New Jersey*, p. 235. The *Princeton Survey*, however, recommended that the governor be given power to restrict at his discretion any kind of expenditure, that all contracts of \$1,000 or more be signed by the commissioner of the proposed Department of Fiscal Control, and that every commitment of a smaller amount be approved by subordinate officials in that department as the commissioner might designate. See pp. 32, ff. During the fiscal year, 1932-1933, the governor was given authority to order reductions in the expenditures of the highway department, in any expenditures from the sale of bonds, and in the personnel of any department or agency. P.L. 1932, chap. 189; P.L. 1932, chap. 190. In Pennsylvania, all accounting for the state welfare institutions is done by the bureau of accounting in the central office of the Department of Welfare. Through the medium of the Hollerith Electrical Tabulating System monthly statements are prepared showing appropriation expenditures by object classification, cost by functional classification, summary of stores account and open commitments for which invoices have not yet been received. The information necessary for the preparation of these reports is received from the institutions which keep records of invoices and summaries of stores withdrawals.

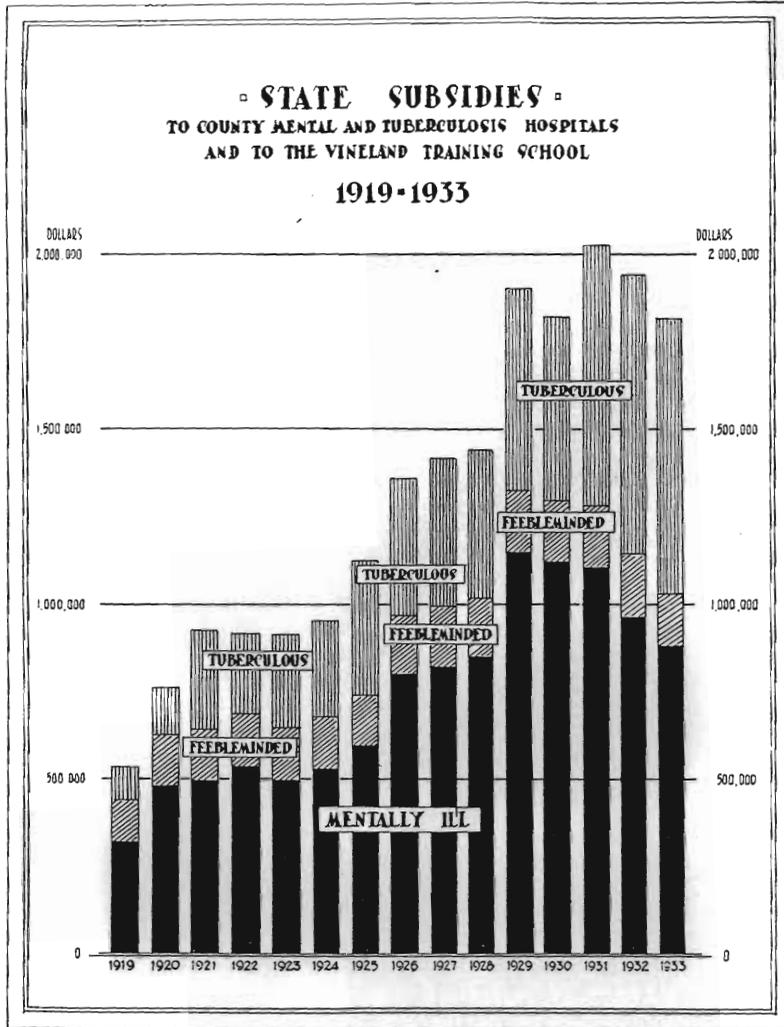
³⁴ *N.I.P.A. Report*, p. 197. The special investigating commission in 1930 was considerably impressed by the accounting system in the department. They said: "We find that the Department of Institutions and Agencies and the State Highway Department, the two largest operating and spending agencies, already have installed, and have had in operation for a decade past, accounting systems which are models of their kind. Those systems produce the essential financial data and records necessary to formulate intelligently and carry out the business plans of those departments, and to render a true and complete account of their financial activities." *First Report of the State Audit and Finance Commission*, 1930, p. 15.

³⁵ *Recent Social Trends*, II, pp. 1246-47.

Chapter V STATE AID

State subsidies in New Jersey are granted to the counties with respect to two important welfare services: institutional care of the indigent insane and tuberculosis patients, and outdoor relief to the needy aged. The employment of the device of grants-in-aid is largely the result of the inability of the local units of government to bear the financial burden of local welfare services which have been steadily expanding in scope and significance for many years. In assisting the localities to meet the expense of these two services the state has allowed the duties of administration to remain with the local authorities but at the same time has prescribed certain requirements to be met before state funds may be secured. The duties of supervising the local administration of the aided services to see that these requirements are being met and of distributing the state grants in accordance with certain formulae, fixed either by statute or administrative ruling, have been placed in the Department of Institutions and Agencies.

Although New Jersey has constructed three large state mental hospitals and a state tuberculosis sanatorium, the facilities of these institutions have not been sufficient to meet the demand for institutional care of the indigent insane and tuberculous with the result that some of these patients are cared for in county, municipal, or private institutions.¹ The subsidies which the state grants to the counties to defray the cost of caring for this group of patients have grown rather rapidly, increasing in thirteen years from an annual sum of slightly more than one-half million dollars to more than two million dollars.² The allocation of the aid involves two types of grant: a percentage grant fixed by statute and a flat rate grant determined either by statute or administrative ruling. For the support of indigents maintained in county insane hospitals the state pays a statutory rate of one-half the cost of their maintenance.³ With respect to the tuberculosis indigents treated in county, municipal, or private institutions state aid is distributed on the following bases: \$6.00 per week for each county indigent, \$12.00 per week for each state indigent, and \$3.00 per week for each



child receiving treatment for the prevention of tuberculosis. The first two rates are fixed by the State House Commission while the rate for preventorium cases is fixed by statute. The money which the counties collect from those indigents who contribute to their support is divided equally between the state and the counties.⁴

The responsibility for distributing the grants in accordance with these rates is a duty of the division of administration and

accounts in the central office of the state welfare department. Each county insane hospital sends a monthly report of its current maintenance expenditures to the division upon a prescribed schedule. In determining the per capita maintenance costs the division is furnished with an analysis of the expenditures of the institution for certain general items of current maintenance, including salaries, operating materials and supplies, miscellaneous expenses and current repairs. Each report specifies the number of patient days, patient weeks, the average monthly population of the institution, and the amount of receipts from indigents contributing to their support. The subsidies are paid in quarterly installments, the per capita maintenance costs for the preceding quarter being the basis for determining the rate of payment for the current three months period.⁵ The institutions caring for tuberculosis indigents also report monthly to the division on a prescribed form listing the names of the patients, their classification, i.e., state, county, or preventorium indigents, the number of patients days and weeks, and the amount of receipts from contributing indigents. From these statistics the division computes the amount of aid to which each county is entitled, payments also being made quarterly.

An obvious defect in the administration of these grants is the lack of central supervision. The procedure in the central office has become a matter of routine. The hospital reports are received, the amount of aid is fixed, and payments are made. No standards of care are required; no limits of expenditures for maintenance are prescribed for the county insane institutions; no effective check is made upon the authenticity of any institutional record.⁶

A wide variation exists between the daily per capita maintenance cost of the state institutions and the state-aided county institutions. This is shown in the following statistics for the fiscal year, 1931-1932:⁷

Care of Insane	
State Institutions	County Institutions
Greystone Park Hospital.. \$1.21	Atlantic \$1.02
Trenton State Hospital... 1.28	Burlington98
	Camden97
	Cumberland79
	Essex 1.51
	Hudson 1.10

State Institutions		County Institutions	
Glen Gardner.....	\$2.39	Atlantic	\$3.09
		Bergen	3.36
		Burlington	2.43
		Camden	2.32
		Essex	3.46
		Hudson	4.51
		Monmouth	2.26
		Morris	2.98
		Passaic	3.23
		Union	2.48

The costs in the county insane institutions compare favorably with the costs in the state mental hospitals, but the figures do not tell the whole story. Only a few county institutions, such as the Essex county mental hospital where the costs are higher than in the state hospitals, provide standards of care equal to the standards of state institutions at Greystone Park and Trenton. In 1925 the Bright Commission reported that "only one, and perhaps a second of the county institutions may be properly called a hospital. The Essex County Hospital at Overbrook is maintained at a high standard and good work is said to have been accomplished at the Hudson County Hospital. State institutions because of larger appropriations and adequate facilities for pathological laboratories and other services, are naturally better equipped for treatment of the cases for whom some hope of recovery is held, than are the county hospitals."⁸

Any substitute for the present system of state grants to local welfare institutions must be considered in the light of one important fact, viz., the state institutions do not provide sufficient facilities for the care of all indigent insane and tuberculous within the state. The state institutions are not only overcrowded but thousands of state-aided indigents are receiving care in local institutions.⁹ Until, therefore, further state facilities are provided the county services are a practical necessity.

One substitute for the present system is to make the care of all patients in state institutions a state expense and the care of all patients in local institutions a county expense, thus abolishing the present arrangement by which the counties and the state have been exchanging annually almost equal amounts of money. This would simplify the procedure and would result in the development of a state-wide system for collecting payments from

contributing patients in state institutions similar to that which has been operating successfully in Pennsylvania. But other factors must be considered. In the first place, some of the counties do not maintain mental hospitals, which means that this arrangement would relieve them of the cost of providing institutional care for their indigent insane but would continue to lay a burden of expense upon the counties supporting mental hospitals. A practical difficulty would also arise since all the counties unless forbidden by law would commit all of their indigent insane and tuberculous to the state institutions. Under the present law the county courts may commit insane either to a state or county institution. It would be necessary to limit commitments to state institutions, which might be done by requiring the counties to care for those patients needing only custodial care. It is extremely doubtful, however, if the examinations prior to commitment could determine with any degree of certainty the dividing line between a custodial and a curative case of insanity. Furthermore, it is evident that since the state has provided only one tuberculosis sanatorium the care of the tuberculous indigents would have to remain essentially a county responsibility.¹⁰

A strong case has been made for the assumption by the state of the entire cost of this as well as other local welfare services, including child welfare, mothers' and widows' pensions and old age relief, by the recent state commission which studied county and municipal finances. The commission found that property was far too heavily taxed throughout the state and in order to effect a more equitable distribution of tax burdens recommended that many local governmental services, especially in the field of public welfare, financed mainly by general property taxes should become a state expense. The state in turn should meet the added expense by levying taxes on personal incomes, intangibles, businesses, and motor vehicles.¹¹ State aid as a means for securing a more equitable distribution of the tax burden was condemned on several grounds. The report states: "It will be far easier to effect an equitable distribution of governmental costs, and at the same time to promote the effort to reduce and control these costs, if there is reasonable freedom to reallocate functional responsibilities and thereby functional costs, than it will be if this equalization must be forced into the existing mold of local organization and spending methods.

"The stress that has been laid upon functional reallocation is of peculiar significance in the consideration of the use and application of new revenues. While there may be some inciden-

tal new revenues which certain of the municipalities could levy and collect, it is evident that if additional revenues are to be provided in sufficiently substantial amounts to afford effective relief, they must be administered by the state. But if the state levies and collects the taxes which are intended to take a part of the burden from property taxpayers, while the local units continue to exercise the functions which are causing this burden, there enters the extremely difficult matter of correct and equitable distribution of the yield of the new taxes. It may safely be said that this task of apportioning substantial amounts of new revenues for the purpose of providing universal and equitable relief from heavy property taxation is administratively impossible. . . . No statutory formula could be devised which would assuredly operate equitably in all districts, or even with a degree of approach to this standard that would be reasonably satisfactory. If the distribution were left to the discretion of an administrative body that was entirely free to arrive at its decisions, measurable satisfaction might result, although such a body would be subjected to tremendous pressure from all sides, which means that it would probably not long remain entirely free to determine the apportionment."¹²

The recommended transfer of the cost of certain services to the state budget was not to require in every case complete state administration of the service. The report suggests that the care of the tuberculous might still be administered locally if the county chose to do so. "If the state does not become the administrative agent, however, there must be freedom to set the standards of performance for which state funds will pay the cost, and to supervise local administration to such extent as may be necessary in ascertaining local observance of the standards."¹³

There is strength in these arguments and their significance is enhanced at the present time when the need for economical and efficient administration of all government services is so imperative. To enlarge the administrative unit for such welfare services from the county to the state is also more feasible in New Jersey because of its compactness, small size, and the extensive facilities for intercommunication. Whether the change in policy which the proposal demands is wise may still be questioned. Local responsibility, local initiative and local interest are valuable adjuncts in any public welfare service. To sacrifice them in the name of efficiency might prove to be false economy. This view undoubtedly prompted the investigators of the National Institute of Public Administration when study-

ing the New Jersey state government to say: "It is quite apparent that a great share of the burden for the care and custody of the sick, defective, delinquent and dependent, which is thrown upon the State ought to be borne in greater measure by county and other local governments If through better official organization for preventive work, particularly among children, the State were required to carry only such burdens as could not be satisfactorily borne by the local governments, the State, the local governments and the individuals concerned would benefit."¹⁴

The low standards of care in some of the county insane institutions and the practice of subsidizing them without requiring better standards of treatment have been frequently criticized. In 1902 the State Charities Aid Association warned the legislature of the unsatisfactory standards of care in some of the county insane asylums and asked for state standardization.¹⁵ The first commissioner of the Department of Charities and Corrections included the following statement in his first annual report: "I am aware that the creation of county insane hospitals is being criticized, some claiming that the unfortunates should be placed in the state institutions. It seems to me that so long as there is a chance for recovery they are entitled to the best expert treatment the state can provide, such treatment as our state hospitals are able to give them; but when it is settled that the case is incurable, and that nothing remains to be done for the patient but to care for his physical needs, it is preferable to care for them (*sic*) in county institutions, where there will be fewer patients and where they will be nearer their kindred and friends."¹⁶ One year later the governor suggested that the commissioner should be given the power to withhold state aid to all local institutions not up to fixed standards of service.¹⁷ In 1908 the Dependency and Crimes Commission stressed in its report the need for some measure of state control of the management of county insane hospitals.¹⁸ A few years later the commissioner of the Department of Charities and Corrections advocated the transfer of the care of the insane from the counties to the state.¹⁹ The last proposal has recently received, as indicated above, the strong support of the commission which studied county and municipal finances. Likewise the report of the Princeton survey staff, the most recent investigation touching on this problem, stated that "there is an apparent need for the eventual transfer of all care of the tuberculous and insane to state agencies."²⁰

The probability of the state assuming the local responsibilities for the care of the insane and the tuberculous in the near future is admittedly slight. The enormous increase in

institutional construction, especially in the case of the tuberculous, precludes any immediate change in the present state policy of dividing the responsibilities between the state and the local units. Meanwhile, certain administrative reforms should be made in order to secure adequate state control of expenditures and standards of treatment in the subsidized county institutions.

No formula can be devised which would assure the distribution of aid according to need because of the inadequacy of methods for measuring exactly the relative needs of the aided districts. Minor changes in the present basis for distributing the aid may, however, be beneficial. The state should not agree to pay one half the maintenance costs of indigents in county insane institutions regardless of the extent of these costs. A limit should be set to the expenditures for items of maintenance costs, and aid should not be given to expenditures in excess of the limit. The duty of determining this dividing line is, of course, an administrative one and should be entrusted to the Department of Institutions and Agencies. The statutory rate of \$3.00 per week for preventorium indigents should be abolished and the rate be determined by an administrative agency as is done for the adult state and county indigents. The determination of the rates of aid in support of local tuberculosis institutions should be a duty of the department whose personnel is better qualified to handle this problem than is the State House Commission. Whether the state should pay more or less than one-half of limited maintenance costs in county insane institutions, or whether the present rates to county tuberculosis institutions should be higher or lower are essentially problems of policy.²¹

In order to exercise some control over the standards of treatment in the county institutions the department should be empowered to withhold a part or all of the grant to an institution failing to meet the standards as determined by the department.²² This would require a periodic inspection of each state-aided institution and, in the case of the insane institutions, an audit of the accounts to verify the reported per capita maintenance costs. In Pennsylvania, for example, the Department of Welfare has developed a procedure for maintaining strict supervision over all the institutions receiving state aid. Through its bureau of assistance the department has established a comprehensive schedule of minimum standards of plant, equipment, administration, service, care and treatment for the state-aided institutions, which must be maintained before the department

approves the requisition for aid. These standards contain detailed requirements of sanitation, fire protection, ventilation, laboratory equipment, personnel, accounting, case records and nursing service. Each hospital must maintain a credit department which investigates thoroughly the financial condition of each patient, determines his ability to contribute towards his support, makes the collection from the part-pay patients, and reports this information to the bureau of assistance upon a prescribed form. Supervision is maintained by a staff of field representatives who periodically inspect each state-aided institution to see that all these requirements are observed.²³

The other main form of state aid in New Jersey is with respect to old age relief. The decision of the state in 1931 to create a state subsidized system of old age relief pensions was largely the result of the recent movement throughout the United States for state standardization of the local administration of outdoor poor relief. For some time it has been evident that the local units of government, county, township and municipality, have in many instances failed to meet their responsibilities in the care of the poor within their jurisdictions. Too frequently because of inertia or lack of funds, or both, the local administration of this vital service has been one of inadequate organization, low standards of care, little or no planning, and inefficiency. These conditions have prompted many states to aid their subdivisions in one phase of local poor relief, the care of the needy aged. California, New York, Massachusetts, Delaware and New Jersey are some of the states now administering statewide old age security laws and it was estimated that before the close of the year, 1932, nearly 100,000 persons were receiving allowances under these laws throughout the United States.²⁴

In 1930 the New Jersey legislature authorized the creation of the Pension Survey Commission to study, among other matters, the problem of old age dependency.²⁵ The investigation revealed the lack of uniformity and the inadequacy of the existing system of municipal administration of dependency relief. The first report stated: "In many small municipalities, there is no officially designated overseer of the poor, and frequently no appropriation for poor relief which can be drawn upon in case of necessity. Where there is an overseer of the poor, such appointment is on a part-time basis except in the large cities. . . . Usually, the exceedingly difficult job of straightening out a family's dependency relief problem is handled, under the present system, by municipal officials, with only a part-time interest in

their relief work and without special training in the technique of its successful accomplishment.”²⁶ It was found, furthermore, that existing provisions for old age relief were in many instances wholly inadequate: “In a considerable number of municipalities. . . there is little provision of public relief to persons of any age, except as an emergency measure, and any state-wide plan of old age relief would have to take into account the fact that many persons resident in those municipalities would for the first time have a means of securing public assistance in their homes in case of proven need for continued relief.”²⁷

To remedy these conditions the commission recommended first, that each county be required to establish a county welfare board to take over the existing functions of the municipal overseers of the poor; second, that the state pay a part of the cost of old age relief as administered by these county welfare boards.²⁸ The legislature refused to pass mandatory legislation with respect to the creation of county welfare boards but did pass an act allowing counties to adopt by popular referendum a proposed plan of county welfare administration along the lines suggested by the commission. Each county adopting the proposal was to establish an unpaid county welfare board composed of five persons selected by the county board of chosen freeholders, two members of the board of freeholders, and the county adjuster. The welfare board was to have complete charge of the relief and settlement of the poor within the county, the administrative duties to be placed in a qualified trained director appointed by and responsible to the welfare board.²⁹ Despite the excellent features of this plan little progress has been made. To date only three counties, Morris, Warren and Camden, have adopted the proposal and it is doubtful if the larger municipalities will approve any plan to make the county the unit of local welfare administration. At the same time, since a large share of the cost of poor relief is borne by the counties and municipalities it is questionable if better results in the long run would be secured by forcing the counties to make this change.

The second major recommendation of the Pension Survey Commission influenced the legislature to establish a state-wide old age relief system to be financed largely by the state but administered by the counties. Under the new law the state agrees to pay three-fourths of the amount of relief granted to each aged indigent up to the maximum of one dollar per day. Receipts from the state inheritance tax are dedicated to this state expense with the provision that the surplus, if any, after

an additional annual sum of \$12,000,000 is reserved for general treasury funds, shall be put in a capital fund until the income from the fund equals the amount of the state subsidy. Although financed out of dedicated revenues the aid is included in the annual budget of the state welfare department and the general appropriation act.³⁰

The old age relief law provides outdoor relief to persons over seventy years of age unable to support themselves or having no persons legally responsible or able to support them.³¹ A recipient of relief must be a citizen of the United States, a resident of and domiciled in the state for fifteen years preceding date of application for relief, must have a legal settlement in some county, must have resided continuously for one year immediately preceding application in the county where application is made, must not possess real or personal property in excess of \$3,000 and must not because of physical or mental condition be in need of continued institutional care. Relief, as determined by the county authorities, may be in cash or otherwise, or both, and may be provided in the home of the recipient or some other suitable family home. No recipient is to receive any other state relief except medical and surgical assistance.

The responsibility for the administration of the law, which became operative July 1, 1932, is left largely in the hands of local authorities. The county is the administrative unit and the cost not borne by the state is a county charge. In each county where a county welfare board has been established in accordance with the provisions of the referendum law the administration of this relief is an added function of the welfare board.³² Counties which have not created such welfare boards are required to establish boards for the administration of this function alone. The duty of supervising the local welfare boards and allocating the state aid has been placed in the Department of Institutions and Agencies where the work is conducted by a division of old age relief headed by a director immediately responsible to the commissioner of the department. The statute authorizes the division to prescribe a uniform system of records and accounts for the county welfare boards, the forms of application, the manner and form of all reports, and any other necessary rules and regulations of administrative procedure.

The law describes in some detail the procedure for granting relief. Application for relief must be made to the county welfare board which determines the eligibility of the applicant and

the amount and nature of the aid, if any. Appeal from the board may be made to the division of old age relief whose decision in every case is final. The relief must be renewed semi-annually but the county board may alter or cancel the relief at any time. The division of old age relief *may* investigate on its own initiative and *must* investigate if a complaint is received, any case of relief. If it is found that relief is improperly granted the division may stop the state subsidy for the case concerned. State aid is paid to the counties in monthly installments on the basis of their monthly reports to the division.³³

To pay the state's share of old age relief the legislature appropriated \$2,391,124 for the fiscal year, 1932-1933.³⁴ The Pension Survey Commission estimated that the average amount of relief per recipient would be \$25. per month and the number of persons over seventy years of age in need of relief in 1932 would be 12,250.³⁵ At the end of the first year of administration of old age relief the division reports that the average amount of relief per recipient was \$15.16 per month, the range of payments extending from \$5.00 to \$30.00, the maximum limit. On June 30, 1933, 7,648 aged were receiving relief.³⁶

The system has not been fully developed and it is too soon to draw any conclusions as to the extent to which its objectives are being realized, but two commendable features of the statute creating the system may readily be seen. In the first place, the local administration of old age relief has been put upon a county-wide basis under the direction of an unpaid board and a qualified, full-time administrative agent; secondly, the law makes provisions for rigid central supervision of the activities of the local units of administration and the allocation of state aid. The full possibilities of the latter have not been realized, however, because the legislature has failed to provide funds sufficient to meet the requirements for supervising personnel. The division of old age relief is now operating with a skeleton organization with the result that the department is unable either to supervise effectively the work of the county welfare boards or to investigate thoroughly more than a very small number of individual cases of relief.³⁷ There is, therefore, no effective check upon the counties as they spend annually two million dollars from state funds.

In contrast to this lack of effective central supervision, New York state is operating a system of old age relief in which the state agency occupies an important place. There are seventy-nine

county and city public welfare districts receiving state aid equal to one-half of their expenditures for relief and its administration. The division of old age security in the State Department of Social Welfare maintains three bureaus for the duties of state administration: a bureau of case work supervision, a bureau for auditing the claims of the local welfare units for reimbursement, and a bureau of statistics. The bureau of case work supervision through a staff of field agents operating from three district offices maintains a constant supervision over the activities of the local welfare districts including reinvestigations of individual cases of relief whenever necessary. In addition, the state department by means of individual instruction and group conferences conducted by members of its supervisory staff contributes to the training of the local investigators upon whom much of the responsibility for a proper distribution of the aid in accordance with the needs of the individual case must rest.³⁸

In general, the principal defect in the administration of state welfare subsidies is the lack of effective central supervision of the local services which they support. In attaining one objective, financial relief to over-burdened localities, another equally important one, the development of uniformly high standards in the administration of these services, has been neglected. No substantial effort has been made to distribute the aid according to the relative needs of the local units although it is doubtful if formulae could be devised which would serve this purpose effectively. Whether the use of state funds to aid services whose administration will remain largely a local responsibility is preferable to the assumption of complete administrative as well as financial responsibility by the state is a question of vital significance to the future of welfare administration in New Jersey.

NOTES TO CHAPTER V

¹ See *Commission to Investigate County and Municipal Taxation and Expenditures in New Jersey, Report No. 1, 1931, p. 250.*

² The subsidy for the feeble-minded goes to the Vineland Training School, a private institution to which the Department of Institutions and Agencies sends a selected group of trainable feeble-minded. For each patient committed by the department the state pays \$500 per year, a rate determined by the State House Commission. Contributions from state indigents to their support are collected by agents of the central office of the department. In case the department commits a county indigent from one of the state institutions for the feeble-minded the county continues to pay one-half the per capita cost of maintenance in the state institution from which he was transferred. In case the State Board of Children's Guardians places a county indigent ward in this private institution the county continues to pay to the Board the rate for maintenance of dependent children in foster homes. The authority for placing feeble-minded in private institutions is found in P.L. 1918, chap. 147, sec. 654; P.L. 1919, chap. 217.

³ P.L. 1918, chap. 147, section 501 as amended by P.L. 1927, chap. 211. Six counties receive aid under these laws.

⁴ *Ibid.* See also P.L. 1925, chap. 76. The preventorium cases are children between the ages of five and sixteen years who are threatened with tuberculosis. A one year residence in a county is required and determines county responsibility. See also *New Jersey State Government Functions, 1933, p. 247.*

⁵ Camden county receives monthly payments.

⁶ For a time an agent from the central office visited the county insane hospitals and inspected their records questioning any items of maintenance which appeared unreasonably large. Limited staff facilities have forced the department to discontinue this service.

⁷ The figures for the county tuberculosis institutions are for the calendar year, 1931. All statistics were secured from the central office of the Department of Institutions and Agencies.

⁸ *Report of the Joint Legislative Survey Committee of New Jersey, 1925, p. 378.*

⁹ Cline, D. C., *Public Finances of the State Government of New Jersey*, (unpublished thesis), I, pp. 97-98.

¹⁰ At present the only way to transfer a patient from a county insane institution to a state mental hospital and *vice versa* is by a court re-commitment, a cumbersome and unsatisfactory procedure. It would be desirable to give the Department of Institutions and Agencies control over these transfers yet this arrangement would undoubtedly develop much friction between the state and county authorities, in view of the wide variation in maintenance costs among the state and county institutions.

¹¹ Compare this method of derating the local property tax with the percentage derating embodied in the new system of health grants in England. See Eve, A. T. M. and Martineau, F.A., *The Local Government Act, 1929.* (London, 1930), pp. 79 ff.

¹² *Commission to Investigate County and Municipal Taxation and Expenditures in New Jersey, Report No. 6, 1931, pp. 191-192.*

¹³ *Ibid.*, p. 5. The wisdom of this proposal may be open to question. To leave the administration of a service in the hands of a local unit and at the same time place the cost of the service on the state involves a division of responsibility in which economy and efficiency are difficult of realization.

¹⁴ *Report on a Survey of the Organization and Administration of the State Government of New Jersey, 1930, pp. 190-191.*

¹⁵ *N. J. Review of Charities and Corrections, I, pp. 211-212.*

¹⁶ *Annual Report of the Department of Charities and Corrections, 1905, p. 7.*

¹⁷ *Proceedings of the N. J. Conference of Charities and Corrections, 1906, p. 53.*

¹⁸ *N. J. Review, VII, p. 283.*

¹⁹ *Proceedings of N. J. Conference of Charities and Corrections, 1914, p. 43.*

²⁰ *Report on a Survey of Administration and Expenditures of the State Government of New Jersey, 1932, p. 150.*

²¹ Approval of the State House Commission might be required. In practice the department and the State House Commission jointly fix the rates. There is danger of political pressure becoming acute if the department alone is given authority to determine rates of state aid.

²² See *Princeton Survey, p. 151.*

²³ See *Administrative Code of Pennsylvania, 1929, section 2316.* The rate of state aid is based upon the actual cost of maintaining free or partly free service. The amount must not exceed in any case three dollars per day. The information on the administration of state aid was secured from the records in the office of the Department of Welfare in Harrisburg, Pa. New Jersey has not embarked upon a policy of state aid to private institutions as Pennsylvania has done. In 1911, the New Jersey legislature passed the "Incurable Act" providing state aid to private institutions caring for indigents suffering from locomotor ataxia, chronic rheumatism, paralysis and other incurable diseases. The initial appropriation was only \$7,500 but the action aroused a storm of protest. The report of the State Charities Aid Association for 1911 alluded to the act as "wrong in principle, ruinous in policy, vicious in its results." (p. 9). The law and the 1912 supplement were repealed in 1913. P.L. 1911, chap. 138. P.L. 1913, chap. 10. The New Jersey Commission to study State and County Aid to General Hospitals in its report in 1929 advised against a policy of state aid to general hospitals because the existing system of county and municipal aid was deemed adequate to meet the needs. This view was likewise held by the superintendents of the general hospitals.

²⁴ See the account of a discussion of administrative problems connected with old age relief laws by public welfare officials in *The Social Service Review*, VI, pp. 513ff. In 1931, state old age pension laws had been enacted by at least eighteen states. Such laws were in operation in thirteen states. See *Recent Social Trends*, II, pp. 1243, 1244.

²⁵ The commission was composed of seven members, one from each branch of the legislature appointed by the presiding officer thereof, and five others appointed by the governor. P.L. 1930, Joint Resolution No. 5.

²⁶ *New Jersey Pension Survey Commission, Report No. 1*, 1931, pp. 11-12.

²⁷ *Ibid.*, p. 16.

²⁸ *Ibid.*, pp. 14, 19-21. The 1924 revision of the poor law provided for the creation of a county welfare board in any county or group of adjoining counties maintaining a welfare-house. The superintendent of the welfare house could act in place of a municipal overseer of the poor if the municipality approved. The optional features of the law and the fact that some counties have no county welfare-houses prevented the establishment of a state-wide plan of county welfare boards. *Ibid.*, pp. 12-13. See also P.L. 1924, chap. 132.

²⁹ P.L. 1931, chap. 373, as amended by P.L. 1931, chap. 393. Under the law the relief of the permanent or indoor poor is a county charge while the relief of the temporary or outdoor poor remains a municipal charge, *Ibid.*, section 36. Some cities maintain their own almshouses. The cost of child welfare and the care of the blind is distributed among the state, the counties and the municipalities. For a summary of county and municipal welfare expenditures by functions, see *New Jersey Pension Survey Commission Report No. 2*, 1931, p. 12.

³⁰ P.L., 1931, chap. 219. More recent legislation authorizes the State Director of Emergency Relief to advance from funds under his direction such relief as may be necessary for the support of aged persons committed to the care of the county welfare boards and of dependent children committed to the custody of the State Board of Childrens' Guardians. See P.L., 1933, chap. 318.

³¹ Those legally responsible for a person's support are children, grandchildren, parents, grandparents, and husband or wife. See P.L., 1924, chap. 132, section 74. In case the recipient has a legal settlement in a county other than one in which relief is granted the cost of the relief is to be borne by the county of his legal settlement. This is handled by the county adjusters. In case of dispute the court of the county of application makes the final settlement.

³² See above, footnote 28.

³³ The law originally provided for quarterly reports and disbursements. This procedure was placed on a monthly basis in 1933. See P.L., 1933, chap. 149.

³⁴ *Budget Message of Governor of New Jersey*, 1933, pp. 190-191.

³⁵ *New Jersey Pension Survey Commission Report No. 1*, pp. 16-19.

³⁶ Statistics secured from the central office of the Department of Institutions and Agencies.

³⁷ *Princeton Survey*, p. 152. The report suggested that the number of recipients of relief during the fiscal year 1933-1934 be limited to 8,000.

³⁸ See *The Social Service Review*, VI, pp. 514-515. The collection of aid from persons legally responsible for the support of the needy aged and the determination of the amount of relief needed are extremely complicated problems in any system of old age relief. In New Jersey these are primarily problems of local administration. The Department of Institutions and Agencies is attempting to establish general policies for the guidance of the local officials in these matters. See *ibid.*, pp. 515-516.

Chapter VI CHILD WELFARE

The State Board of Children's Guardians is the agency which in New Jersey assists the localities to secure for every child proper protection, support and opportunity to develop to his fullest capacity.¹ This agency and the expanding scope of its work have reflected the general tendency throughout the United States to shift the responsibility, administrative and financial, of caring for handicapped children from the local to the state governments. The care of delinquent and mentally defective children, which often requires special skill and equipment too costly to be furnished by the units of local government, has generally become a state responsibility. Likewise the increasing inadequacy of local poor relief and other resources for the protection of family life have led many states to assist the local units in their care of dependent children. In New Jersey the functions which the state has assumed in relation to child welfare include the care of defective and delinquent children committed to the state institutions and the supervision of those children whose home life is very meagre or has been destroyed entirely. Through the State Board of Children's Guardians the cost of supervising the care of dependent children has become a charge upon the state budget while the costs of maintenance are borne by the counties and municipalities.²

Until the beginning of the twentieth century the responsibility for the care of dependent children in New Jersey rested solely upon the local authorities who placed them in county and municipal almshouses or bound them out to persons in the community. At that time the poor laws provided for the practice of binding out dependent children by the overseer of the poor with the consent of two justices of the peace, by the president of the board of trustees of a poorhouse with the consent of a majority of the board, or by the director of the county board of chosen freeholders with the consent of a majority of his board. The indenturing authorities were required to keep a constant check on the treatment accorded an indentured child and see that he was taught to read and write.³

The abuses arising out of the indenturing system, the inadequacies of almshouse care, and the growth of the placing-out and the family-home systems in other states demanded a change. In 1898 a special commission was authorized to investigate the conditions throughout the state and present its findings to the governor and legislature. The first report of the commission severely condemned the existing practices, especially that of committing children to almshouses. This, said the report, "has absolutely no advocates or apologists, and is universally regarded as being thoroughly disgraceful. The men and women in an almshouse are society's wrecks and failures. To rear children under their influence is a sure method of making paupers."⁴ It was urgently recommended that almshouse commitments be abandoned for family placements and that the state assume some responsibility for the proper administration of this service. The commission advocated the creation of a state board, composed of five non-salaried persons appointed by the governor for overlapping terms of five years, to have general supervision of the care of dependent children. Local administration was to be placed in the hands of county boards of children's guardians, the members to be appointed by the county orphans' courts. The costs of administrative supervision by the state board were to be paid out of state funds while local administrative costs and relief expenditures were to be borne by the counties.⁵

A bill incorporating these recommendations was introduced into the legislature in 1898 but due to the development of opposition there no legislative action was taken. The demand for reform continued, however, and was considerably augmented by the active support of the influential State Charities Aid Association which for many years had fought for improvement in local standards of child welfare administration. The report of the association for that year after noting the fate of the bill said: "We appeal to the people of New Jersey to take the care of dependent children entirely out of politics, and by pressure of public opinion to force this issue upon the Legislature at the earliest possible moment."⁶

Meanwhile the commission continued its investigations. In 1899 a second report reaffirmed the need for change and presented a draft of a new bill which differed from the first proposal in one respect. The proposal to create county boards of children's guardians had aroused strong opposition from the poor law officials who were alarmed at the prospect of losing one of their most important powers. Accordingly in the substitute proposal,

which contained no provision for county boards, local administration of the care of dependent children was to remain a responsibility of the overseers of the poor.⁷

Being more acceptable to the local officials, the new bill was enacted into a law which created the State Board of Children's Guardians to be composed of seven unpaid members, two of whom must be women, appointed by the governor for terms of six years.⁸ The terms were made overlapping by providing that two of the first appointees would hold office for two years, two others for four years and the remaining three for six years. All appointments thereafter were to be for six year terms. The Board was given the power of supervision over "all indigent, helpless, abandoned, friendless and poor children" who were or became public charges including those who were then receiving care in county and municipal almshouses.⁹ Children committed by the local poor law authorities to almshouses became wards of the Board after notice of commitment which must be forwarded by the committing authority within thirty days. The Board was then to place each ward in some family within the state having the same religious faith as the child's parent or parents. Pending the disposition of the case the Board could place the child in an institution. The Board was required through administrative agents to visit quarterly all children committed to its care and report annually to the governor and the legislature. The costs of the care of dependent children committed to the Board were to be paid out of funds provided by the county boards of freeholders, the amount to be no less than one dollar and fifty cents per week for each child, while the costs of administration incurred by the state agency were to be paid out of state funds.

The first objective was to remove the children in the almshouses. Most of the almshouses were glad to be relieved of the responsibility of caring for children and co-operated with the agent of the Board in removing them to private homes. In a short time every almshouse except those in Hudson county had been emptied of children. Antagonism developed, however, in this county which had a comparatively large number of children, and it was not until a new board of freeholders was chosen in 1901 that the county authorities allowed the state authorities to remove children from the almshouses and provided funds to pay for their care.¹⁰

Additional difficulties were encountered. The legislature failed repeatedly to appropriate sufficient funds to provide the Board

with adequate personnel. For the fiscal year ending October 31, 1900, only \$2,000 was appropriated in spite of the urgent request for three times that amount.¹¹ The counties at first were slow in reimbursing the Board for the cost of relief which forced some board members to advance their own money to families with whom children had been placed.¹² Some local authorities made commitments of children to institutions but failed to notify the Board.¹³ Furthermore, a defect in the law hampered for a time the practice of returning wards of the Board to their parents or relatives. The 1899 statute gave the Board the right to follow this practice provided the parents or relatives assumed the care and maintenance of the children returned to them, but made no provision for the return of legal guardianship. Until 1902, when the Board was empowered to surrender legal guardianship to one or both parents at its discretion, parents were naturally hesitant in recovering children who remained wards of the state.¹⁴

As the activities and responsibilities of the state agency grew more extensive the value of central supervision and direction of child care became apparent. The agents of the Board found that many of the children supported by public funds had parents or relatives able to support them. In co-operation with the local authorities the Board returned many children to their parents or relatives and the localities were relieved of the cost of their care.¹⁵ The Board was also able to place many wards in free homes. By 1903 such provision had been made for forty percent of the children under state supervision.¹⁶ These factors contributed largely to the general cooperation soon received by the Board from the local authorities and helped insure the continued success of the experiment.

Since 1899 there has been a tremendous increase in the number of dependent children under state supervision and the cost of their care. In 1902 the State Board had 423 children under its supervision; in 1919 the number had risen to 7,286. In the ten year period from 1922 to 1932 the number rose from 9,000 to more than 30,000. The annual cost of state administration rose from the modest sum of \$2,000 in 1899 to almost \$300,000 during the fiscal year, 1931-1932.¹⁷ In 1907 the counties and municipalities expended a little over \$30,000 for child dependency relief while in 1932 the amount was approximately \$5,000,000.¹⁸

This remarkable expansion is the result of a considerable amount of legislation which has steadily increased the scope of the Board's responsibility and activity. At first the Board re-

ceived only those dependent children who would otherwise have been lodged in local almshouses. In many cases the overseers of the poor because of doubt as to the legal settlement of the child or because of the expense incurred by the county, or both, refused to commit the child to the Board.¹⁹ In 1910 an act was passed authorizing the juvenile courts to commit juvenile delinquents to the care of the Board.²⁰ Three years later the passage of the first mothers' pension legislation in New Jersey further increased the number of children under state supervision.

For some years after its establishment the Board had placed most of the children committed to its care in foster homes. In many cases it was found that the amount of aid given to the foster family would have been sufficient to maintain the child in his own home. In 1910 the state attorney-general ruled that the 1899 statute would allow the Board to place the child in his own home and to make the payment to his mother.²¹ The Board proceeded to do this in those cases where it was desirable not to separate the mother and child. In 1911, the Board was of the opinion that "the New Jersey law had proved sufficiently comprehensive and flexible to allow the payment of board for their own children to certain mothers where this has been deemed wisest and best, thus obviating the necessity of the addition of any 'Mothers' Pension Law', such as has been passed in Illinois."²² The growth of sentiment in favor of mothers' aid legislation throughout the county, however, induced the legislature to disregard this advice and to pass the mothers' pension act of 1913.²³

By this law a widow with a child or children under the age of sixteen could petition the court of common pleas of the county where she resided for aid. A copy of the petition was to be sent to the overseer of the poor having jurisdiction and to the Board at least five days before the date of the hearing. The Board was authorized to inquire into the truth of the facts contained in the petition, which included information as to the property, residence and relatives of the petitioner, and present a report of its findings to the court. If this hearing showed that relief was necessary to insure the proper support and education of the mother's children the court could order payment of relief by the Board out of county funds to be provided for that purpose. The state agency was required to visit each aided family six times a year to see that the children were sufficiently clothed and fed, attended school regularly and received proper religious instruction. If it was discovered that the children were not properly maintained, that the mother was an improper guardian, or that there was no

need for further aid the Board was required to report such findings to the court which could discontinue the aid.²⁴ The statute fixed the amount of aid at a monthly allowance of nine dollars for one child, fourteen dollars for two children and four dollars for each additional child.

This procedure involved a radical departure from the existing program of aiding dependent children. Under the 1899 law the Board had no alternative but to accept the children committed by the overseers of the poor to its care. Mothers' pensions, however, were to be granted only after the Board had made a preliminary investigation to determine the eligibility of the applicant for relief. At the same time, the new law allowed the Board no discretion in the placement of children of aided mothers. The home of the mother was the only place where the child could be kept under supervision. In order to reach the objectives of the law, proper home conditions and training for children, it was therefore essential that a close supervision of mothers receiving pensions be maintained. As the Board said in its first report after the passage of the act, "unless mothers can be encouraged and helped to build up their homes through the friendly advice of the right kind of visitor, the bill must remain only another form of outdoor relief. If this occurs, the underlying purpose of the act will not be fulfilled."²⁵

To conduct the duties placed upon it by the new law the Board created a new division, the home life department, in its administrative office. But because of past success, the Board continued the practice of maintaining some dependency commitments, i. e., children received from the overseers of the poor, in their mothers' homes. The result was that both divisions in the administrative organization of the Board, the dependent children's department and the home life department, were supervising children maintained in their own homes.

Meanwhile, there was increased demand for legislation that would enable the state to supervise the care of those children suffering from neglect, cruelty, and unfit guardianship who were not being committed by the overseers to the Board. The State Charities Aid Association in its report to the governor and legislature in 1914 summarized the conditions in the following words: "Interesting as has been the operation of the State Board of Children's Guardians and valuable as have been the results secured, adequate supervision and care of all the neglected and dependent children of the state has not yet been accomplished. The fact

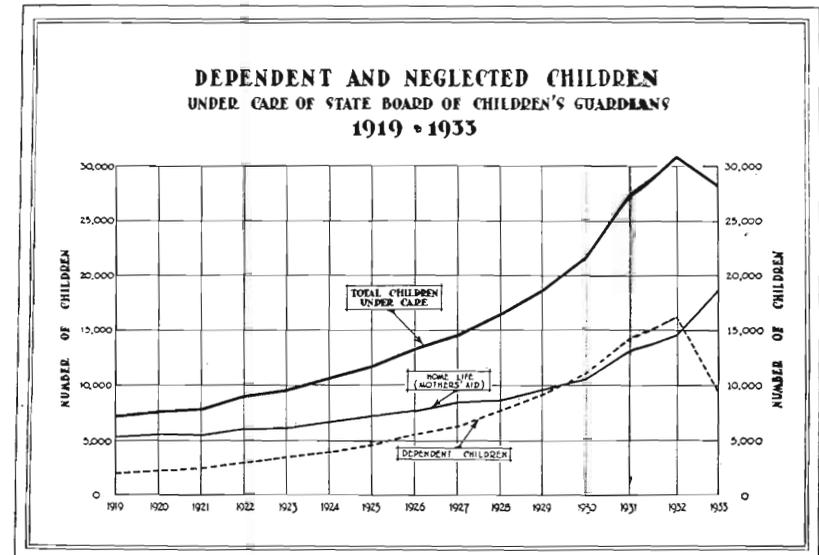
that the State Board of Children's Guardians does not obtain custody of such children until the overseers of the poor commit them to the almshouse has operated to prevent cases that should be given state custody and control from coming under such control. The burden of the expense for caring for these children falls upon the community of the resident overseer, and too many of these officials refuse to commit because it means a financial expense to that community."²⁶ To remedy the situation the legislature passed the child welfare act in 1915 which, with the amendment of 1918, enabled judges of the juvenile courts or courts of common pleas hearing juvenile cases at their discretion to commit children to the custody of the Board upon a finding of abuse, abandonment, cruelty, neglect, unfit guardianship, desertion, or failure to provide.²⁷

During the few years following the passage of the mothers' pension and child welfare acts the number of children under state supervision increased rapidly. In 1915, 2,346 children were being supervised by the home life department. Three years later the number had increased to 4,234 children representing 1,941 families while, at the same time, the dependent children's department was supervising 1,907 children. Thus by 1918 more than 6,000 children were under the supervision of the Board and the administration of child dependency relief had become an important branch of the state's public welfare program.²⁸

At this point the general reorganization of the state administration of public welfare brought the Board within the jurisdiction and control of a central state welfare department. Under the 1918 act the Board became a part of the Department of Institutions and Agencies and was placed in the same relationship to the department as were the boards of managers of the state welfare institutions. The power to appoint the members of the child welfare board was vested in the State Board of Control of the new department which also assumed control of the appointment of the chief executive officer, the preparation of the annual budget and the determination of the policies of the State Board of Children's Guardians.²⁹

For several years after the 1918 reorganization only a few minor changes were made in the child dependency laws.³⁰ The number of dependent children under supervision and the costs of relief increased so rapidly, however, that a comprehensive investigation was undertaken in 1931 to determine ways of reducing expenditures. The Pension Survey Commission which studied this problem found that the number of children supervised by

the Board had increased from 7,920 in 1921 to 27,275 in 1931. During that time the total annual cost to the state, counties and municipalities had risen from \$788,333 to \$4,339,149. Statistics showed a larger increase in the number of children cared for by the Board under dependency commitments than in the number aided by the mothers' pension law. In this ten year period the first group increased from 2,492 to 14,244, or approximately six-fold, while the latter group was slightly more than doubled, increasing from 5,428 to 13,031. The study further revealed a considerable difference between average annual costs of relief per child in the two types of aid. The average cost of relief per child committed to the custody of the Board, including a weekly



cash payment and the cost of clothing, milk and medical care, was \$215.42 in 1931. For the same year the average cost of relief per child under the mothers' pension law, payments being made entirely in the form of cash, was \$134.47. As a result of these disclosures and with a view toward reducing expenditures for child dependency relief the commission believed that a number of important changes in the existing laws should be made.³¹

At this time children came under state supervision in several ways. Overseers of the poor might commit dependent children to the care of the Board by virtue of the original 1899 act and the amendments thereto, the 1918 act establishing the Department of

Institutions and Agencies, and the 1924 revision of the poor law.³² The same type of commitments might also be made by the county directors of welfare under the direction of county boards of welfare in those counties creating such boards under the authority of the 1924 revision of the poor law, or the 1931 county welfare board act.³³ Judges of the county courts hearing juvenile cases might also commit delinquent children under the 1910 juvenile court act, and children where the finding showed abuse, abandonment, cruelty, neglect, unfit guardianship, as well as failure to provide, under the child welfare act of 1915 and the 1918 amendment.³⁴ All children committed to the Board by these methods were placed under the legal guardianship of the state agency and placed through the dependent children's department either in their own or foster homes. Relief, as provided by the Board out of county and municipal funds, included clothing, milk, medical attendance and a weekly cash payment not in excess of \$3.50. The other large group of children under state supervision were those whose mothers were widows and were receiving aid under the mothers' pension act of 1913. Relief, as provided out of county funds, was allocated by the home life department of the Board's administrative organization in monthly cash payments which could not exceed a statutory maximum of \$16. for one child, \$30. for two children, and \$12. for each additional child.³⁵

Since statistics revealed that the cost of relief per child under the dependent children's department was higher than the cost of relief per child under the home life department, the Pension Survey Commission was convinced that the revision of the existing laws should effect a decrease in the number of children committed to the care of the dependent children's department and at the same time facilitate the granting of relief under the home life department. There was a further necessity for a change in the amount of relief granted to needy mothers which had been limited to statutory maximums. In some cases of mothers' assistance the family budget showed that aid was required in excess of the maximum amounts and under such circumstances the children were often committed for dependency so that the larger relief grant might be secured.³⁶

To remedy the existing conditions the commission drafted a group of bills to amend the child welfare laws with the following objectives in view:

First, to limit the number of dependent children transferred to state supervision by establishing specific standards of eligibility.

Second, to place under the direction of the Board *all* investigations of eligibility.

Third, to provide greater participation by representatives of the county boards of freeholders in the review of a child's eligibility for county relief.

Fourth, to adjust the amounts of relief more closely to differences in family need and local living costs by placing *all* aid under the mothers' pension act on a budget basis.

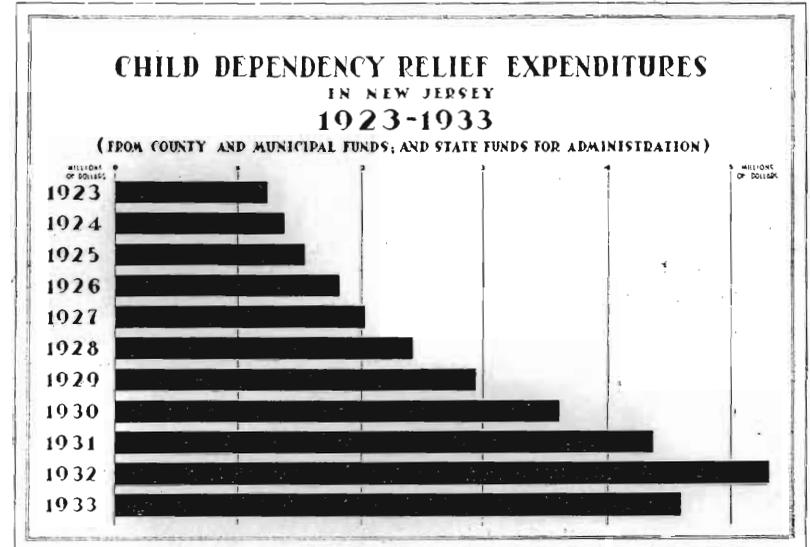
Fifth, to facilitate the court handling of cases in which a transfer of legal guardianship is not involved by permitting the delegation of increased powers to a court referee.³⁷

In 1932 the legislature, following the recommendation of the commission, enacted five laws effecting drastic changes in the entire system of child dependency relief.³⁸ The eligibility requirements for aid to mothers were extended to include cases where the husband was alive but where there was need for aid because of the continued absence of the husband from home or his inability to support.³⁹ Aid may now be given to a mother when the father is confined to a jail, prison or penitentiary for a term that will not expire for a year after the date of application by the mother, when the husband is under indictment for desertion and has not been found within one year after the date of the desertion, when the husband is an inmate of an institution for mental or physical illness requiring a prolonged treatment, or when the husband is physically or mentally ill and is unable to support the child or children. Furthermore, the aid to mothers formerly limited to certain monthly amounts is to be distributed according to the family needs as shown in a budget presented by the agent of the Board to the court having jurisdiction of the case. The only limit is that the aid per child must not exceed the cost of care of a child in an approved child caring institution.⁴⁰ The court, either the court of common pleas or the juvenile and domestic relations court in the county, within this limit and upon the basis of the budgeted needs is to set the amount of the grant. The burden of seeing that the grant is not misused and is actually needed then falls upon the Board. If the Board finds that any mother receiving aid is not properly caring for her children, that the sick husband fails to continue treatment for his defect, that the husband has recovered from his illness, or that the husband has been discharged from prison, a report is made to the court, a rehearing is called, and the aid may be discontinued.⁴¹ If an agent of the Board finds that there is additional income

coming into the home so that the aid should be reduced or discontinued, or if the mother loses her settlement in the county, the Board may reduce or suspend the aid. Notice is then given to the county board of freeholders and a hearing is held before the county adjuster who determines whether the action of the Board is warranted. In case there is a disagreement between the county adjuster and the agent of the Board or the mother the matter must be settled in court.

The important changes made by the new legislation in the procedure for committing dependent children to the custody of the Board include the establishment of eligibility requirements, provisions for investigations by agents of the Board before a commitment is made, and the placing of the power of commitment in the courts alone, i.e., the courts of common pleas and the juvenile and domestic relations courts. The overseers of the poor or the directors of the county boards of welfare upon application for permanent relief for a dependent child and the courts, when determining cases arising under the child welfare act of 1915, are now required to notify the Board. The Board then conducts an investigation and presents its findings to the proper court and the county board of freeholders. After a hearing the court may commit the child to the custody of the Board but only upon the following conditions: if the parent or parents, or person standing in *loco parentis* is dead or cannot be found and there is no person legally liable for the support of the child, if it appears that the mother or person standing in *loco parentis* is not a proper person to have custody of the child or is not eligible to receive relief under the mothers' pension law, and if the court is satisfied that the best interests of the child require the guardianship of the Board. It is provided, however, that when the agent of the Board and the representative of the county board agree that the problem condition of the home warrants transfer of guardianship to the Board, the court on their recommendation alone may make the transfer. The form of relief remains the same as before, i. e., clothing, milk, medical attendance and a weekly cash payment as determined by the Board. If it is discovered that a mother, whose children have been committed to the guardianship of the Board but are allowed to remain with her, is eligible for relief under the mothers' pension law the Board is to inform the court which is to settle the case according to the regular procedure for the granting of mothers' pensions.⁴²

A considerable portion of the burden of administration is now placed upon the county courts. Every case of aid, whether a dependency commitment or a subsidy to a mother, requires a court hearing and final decision. To prevent unwarranted delay the amendments provide that all hearings may be conducted by a referee appointed by the court whose report may be the guide for final decision. The hearings on cases arising under the mothers' pension law may be disposed of in this manner, provided the county board of freeholders has no objections to the recommendations of the state agent who has conducted the preliminary investigations. The same procedure



may be followed for the other applications for relief provided both the county board of freeholders and the parent or parents of the dependent child have no objections to the recommendations of the agent of the state board.

The legislation of 1932 has already enabled the Board to effect large savings to the counties. In October, 1931, the counties spent \$424,609 for their dependent children; in October, 1932, the amount was reduced to \$358,300. This saving was accomplished by the transfer of more than 530 families from the dependent children's department to the home life department, by the discharge of large numbers of children

after consultation with representatives of the county boards of freeholders, and by the reduction of hundreds of grants to families whose needs are determined by careful budgeting. By February, 1933, almost 4,000 children had been transferred from the dependent children's department. On July 1, 1932, the total number of children under state supervision was 30,995. One year later this number had been reduced to 28,341, only 9,488 of which were under the supervision of the dependent children's department. During the same period the annual cost to the counties and municipalities had been reduced from approximately \$5,000,000 to \$4,232,627.⁴³

The foregoing account of the origin and development of state supervision of child dependency relief leads to certain conclusions. Since in slightly more than thirty years the numbers receiving such relief have increased from a few hundred to more than thirty thousand and the annual costs have grown from a few thousand dollars to more than five million dollars, it is obvious that the care of needy children is more and more being transferred from private to public agencies. So much of the responsibility has been assumed by public agencies that it has become one of the important branches of public welfare administration throughout the state. At the same time the standards of public care have improved to a remarkable degree. Instead of incarceration in almshouses with little or no provision for specialized child-training, and the harsh, poorly supervised, politically-tainted system of indenture, there has been substituted a state-wide program of family placement by which most dependent children are reared either in their own or foster homes. Each aided child is being visited periodically and a uniform effort is being made to distribute the aid in accordance with the needs of the individual case. Adequate provisions have also been made for the public care of those children who have been neglected, abused or otherwise improperly treated by their parents or guardians thereby extending the scope of the state's program to include a considerable group of children who may not be dependent but in need of different environment.

In the growth of child welfare as a public function and the improvement in the standards of its administration the agency of the state, the State Board of Children's Guardians, has played an increasingly important part. Since the law of 1899 by which the Board was concerned only with commitments by local poor law officials after the decisions as to the necessity of permanent relief had been made, the tendency has been to place more respon-

sibility upon the state agency in the procedure for determining the eligibility of the applicants for relief. When mother's pensions were authorized in 1913 the Board was required to investigate and present a finding of the facts in each case before a decision could be made. In 1932 this requirement was extended to include all cases in which children were committed to the supervision of the Board. Likewise, there has been a tendency to place in the state agency an increasing amount of responsibility for the proper administration of relief. In every case of relief the Board must see that the child is being supported and educated properly and that the aid is adequate for the needs. Constant and careful supervision is necessary so that these standards which constitute the major objectives of the dependency laws may be maintained.⁴⁴

In spite of the increased activity of the Board, relief to needy children still remains a primary responsibility of local administration. The initial steps leading to the granting of relief are controlled by local officials and local courts. In the administration of poor relief the power to determine whether a dependent child needs temporary or permanent relief resides with the poor law authorities. This authority is important since the cases of temporary relief are supervised and controlled locally. It is only after permanent relief is deemed necessary that the state agency is summoned. At the court hearing which then follows, just as in the hearings on mothers' pension cases and cases involving parental cruelty and abuse, the Board acts only in an advisory capacity. A representative of the county board of freeholders is present at the hearing and his recommendations are certain to influence the court. Finally, the approval of the county adjuster is required for any revision or revocation of a mother's pension by the Board.⁴⁵

The continued success of New Jersey's system of aiding the needy children must depend largely upon the degree of cooperation maintained between the local and state officials concerned. Meanwhile, changes can be effected with a view towards improving the efficiency of the local and state organizations upon which the duties of administration rest. The desirable form of local administration is the county board of public welfare operating through a full-time, qualified director responsible to the board. The present system places an enormous burden upon the courts the judges of which are often unable to give sufficient consideration to the large number of annual applications for relief. The Pension Survey Commission was influenced in its recom-

mendations by the past success of the courts in administering the mothers' pension law. The report stated: "The courts... have been administering relief under the Home Life Act (mothers' pension law) during the last eighteen years in a way that has given wide-spread satisfaction. The commission therefore is agreed that no radical change in administrative responsibility should be made."⁴⁶ The commission recommended that all of the other group of relief cases, i. e., those involving commitment of children to the guardianship of the Board, also be placed within the jurisdiction of the courts because in every case it believed an attempt should be made to grant relief under the mothers' pension law. The interrelation of the two types of relief and the desire to increase the scope of mothers' pensions at the expense of guardianship commitments led to the inclusion of court procedure in all cases.

When these recommendations were embodied into law the legislature wisely included provisions for the immediate transfer of court hearings under certain conditions to a referee appointed by the court. The hearings will undoubtedly be expedited by the use of referees. But the requirement that the parent or parents as well as the county board of freeholders in cases involving guardianship commitment must agree to the recommendations of the state board before the court can refer the matter to a referee will tend to limit the use of referees in those cases.

Local administration of the 1931 old age relief law had already been placed under a county board as the Pension Survey Commission recommended. The following statement of the commission in 1932 is significant: "In preparing its recommendations to the last legislature for an old age relief plan, the commission considered the administration of old age relief grants by the court. Several judges advised the commission that it would be impossible for them to give sufficient time to the consideration of individual cases, and also expressed opposition to making old age relief a court responsibility. The commission therefore recommended that the administration of old age relief be placed under a county welfare board and not made a matter of court order."⁴⁷

The same considerations argue for the transfer of administrative responsibility for granting relief to needy children from the courts to county welfare boards. The determination of eligibility and amount of aid might well be made an additional responsibility of the county old age relief boards. This would place the administration of an important welfare function upon a county-wide basis throughout the state and, at the same time,

would accelerate the present movement to transfer all local poor relief functions from the municipal overseers of the poor to county welfare boards.⁴⁸

An improvement in the state organization for supervision of relief to needy children might be effected by the elimination of the board of managers of that agency and the centralization of administrative responsibility for child welfare work in the central office of the Department of Institutions and Agencies. The investigators of the state survey conducted in 1929 by the National Institute of Public Administration stated that "the Board of Children's Guardians, now maintaining headquarters in Jersey City, is practically a law unto itself in the handling of its funds and its problems," and recommended that it be abolished and its functions transferred to the State Board of Control.⁴⁹ Although the commissioner of the state welfare department has more direct contact with the administrative organization of the State Board of Children's Guardians now that the main office is in Trenton, the fact that it is housed in a building some distance from the central office of the department prevents the commissioner from maintaining a close and constant supervision of its activities. A further consideration argues for the suggested change. At the present time, the child welfare functions of the central office of the department include supervision of child care in the state institutions and of preventive work in the mental hygiene and tuberculosis clinics attached to the state institutions, inspection of all child caring institutions in the state, and the encouragement of local communities to develop adequate child welfare programs. To center responsibility for the administration of these functions and the existing functions of the State Board of Children's Guardians in a single division under a director immediately responsible to the chief executive of the state welfare department would be more conducive to the development of a coordinated state program for the care of all handicapped children.⁵⁰

NOTES TO CHAPTER VI

A considerable amount of the state's activity for the support and care of the blind is a responsibility of the Department of Institutions and Agencies. In 1909, the legislature created the Commission for the Amelioration of the Condition of the Blind, composed of three unpaid members appointed by the governor for three year terms. The commission was required to keep a register of all blind residents of the state, investigate means for prevention of blindness and present reports of its findings to the governor. An appropriation of \$1,500 was made for the first year. P.L. 1909, chap. 36. In 1911 the membership of the commission was increased to five persons, one of whom must be a blind person. P.L., 1911, chap. 32. The reorganization of 1918 brought the commission under the control of the State Board of Control of the Department of Institutions and Agencies. In addition, the commission was empowered to select certain blind persons and place them in selected institutions for instruction, the annual sum paid for such expense to be determined by the State House Commission. P.L. 1918, chap. 147. In 1921, the legislature authorized the granting of outdoor relief to adult indigent blind to be administered by the Department of Institutions and Agencies through the Commission for the Blind. The statute and the 1922 amendment provide that any person above the age of twenty-one, who is indigent and blind and has resided in state for five years, may apply to the department for relief. The department conducts an investigation to determine if the applicant is indigent and has a legal settlement in any county, and presents its findings to the court of common pleas in the county of the applicant's settlement. The relief if granted by the court may not exceed \$300 per year. The cost of relief is a charge upon the county in which the recipient has a legal settlement. If the recipient has no legal settlement in any county the expense is borne by the state. P.L. 1921, chap. 231, as amended by P.L. 1922, chap. 83. In 1931, the maximum amount of relief was increased to \$480 per year. P.L., 1931, chap. 17. The executive offices of the commission and a manual training shop are now maintained in Newark. During the fiscal year, 1931-1932, the expenditures of the commission were \$182,095. See *Budget Message of the Governor of New Jersey*, 1933, pp. 245-246.

² The care of delinquent and defective children in New Jersey is provided mainly in the state homes for juvenile delinquents, mental hospitals and institutions for the feeble-minded. For a discussion of the tendency to increase the responsibility of the states in the field of child welfare, see "Organization for the care of Handicapped Children," (*White House Conference on Child Health and Protection*, pp. 3-26.)

³ A summary of the care and disposition of dependent children as provided by law up to 1898 may be found in *Annual Report of the State Charities Aid Association of New Jersey*, 1898.

⁴ *Report of the New Jersey Commission on Defective, Delinquent and Dependent Children*, 1898, p. 3. The commission believed that adequate care of defective and delinquent children had been provided in existing state institutions.

⁵ *Ibid.*, pp. 9-16.

⁶ *Report of S. C. A. A.*, 1898, p. 13.

⁷ *Report of the N. J. Commission on Defective, Delinquent and Dependent Children*, 1899, pp. 11-13. The use of county boards of children's guardians would undoubtedly have done much to improve standards in the local administration of this service and would have been an important step toward making the county the unit in all local welfare administration.

⁸ P.L., 1899, chap. 165.

⁹ The Board was denied control and supervision over children placed in or bound out by private charitable institutions. *Ibid.*, section 4. This provision was repealed in P.L. 1902, chap. 160. Also the act was not to apply to counties which committed children between the ages of 3 and 16 years to non-religious charitable institutions in accordance with the provisions of the 1881 supplement to the 1874 poor law code. P.L., 1881, chap. 196.

¹⁰ See *Reports of State Board of Children's Guardians* for 1899, 1900, and 1901.

¹¹ *Ibid.*, 1900, p. 7. This difficulty has been chronic, as indicated in almost every report of the Board since its creation.

¹² *Ibid.*, 1900, p. 8; *Ibid.*, 1904, pp. 7-9.

¹³ *Ibid.*, 1901, p. 6.

¹⁴ P.L., 1902, chap. 160.

¹⁵ Within two years the Board had returned the comparatively large number of 309 children to relatives found able to support them. *Report of State Board of Children's Guardians*, 1900, p. 5.

¹⁶ *Ibid.*, 1903, pp. 5-6.

¹⁷ *Budget Message, op. cit.*, p. 274.

¹⁸ Figures for early years are found in the annual reports of the State Board. The accompanying charts indicate the recent growth in the size and cost of the service.

¹⁹ *Report of State Board of Children's Guardians*, 1909, pp. 3-6.

²⁰ P.L., 1910, chap. 13. The intent of the law was to place in foster homes those children whose home environments had contributed to delinquency. The law was not found satisfactory in practice since many of the children received were not suitable for foster-home care. More recently the courts have committed to the Board the less seriously delinquent children but they are committed as dependent instead of delinquent children. See "Child Welfare in New Jersey" (*Publication No. 175. Children's Bureau, United States Department of Labor*, 1927, pp. 4-5.)

²¹ *Ibid.*, p. 4.

²² *Report of State Board of Children's Guardians*, 1911, p. 4.

²³ P.L., 1913, chap. 281.

²⁴ The court might then commit the children to the Board to be placed in foster homes. *Ibid.*, sec. 6. The 1922 amendment to this statute provided for relief to a woman who had assumed the responsibilities of a mother when the mother and father of the child were dead and who could meet the eligibility requirements. P.L., 1922, chap. 105.

²⁵ *Report of State Board of Children's Guardians*, 1913, p. 5.

²⁶ *Report of S. C. A. A.*, 1914, p. 26.

²⁷ P.L., 1915, chap. 246, as amended by P.L. 1918, chap. 85.

²⁸ See *Reports of the State Board of Children's Guardians* for 1915 and 1918.

²⁹ P.L., 1918, chap. 147, secs. 112, 114, 122. The terms of the members of the State Board of Children's Guardians were fixed at three years. The 1921 amendment (P.L., 1921, chap. 282) made the terms overlapping, one or two expiring each year. There are now seven members of the Board. The provisions governing the commitment to and placement by the Board remained practically unchanged under the new law except that placement according to the religious faith of the parents of the child was no longer mandatory and that overseers of the poor thereafter might place children in private families or children's institutions pending their delivery to the Board. *Ibid.*, secs. 640, 642.

³⁰ See P.L. 1922, chap. 90, with reference to guardianship of children whose mothers have been committed to an institution under the supervision of the Department of Institutions and Agencies. See P.L., 1929, chap. 157 which made the court handling of commitments under the child welfare act of 1915 more explicit in a number of respects. The 1924 revision of the poor law, P.L. 1924, chap. 132, codified the requirements for legal settlement in the counties and municipalities, and provided for the creation of county boards of welfare at the option of the county boards of freeholders. P.L. 1931, chap. 373, as amended by P.L. 1931, chap. 393, provided for the establishment by referendum of county welfare boards with directors to take over the functions of the overseers of the poor. The procedure for dependency commitments to the Board of Children's Guardians remained the same. See discussion of county welfare boards in Chapter V.

³¹ *New Jersey Pension Survey Commission, Report No. 5*, 1932, pp. 17, 20, 27, 33.

³² P.L. 1899, chap. 165; P.L. 1902, chap. 160; P.L. 1918, chap. 147; P.L. 1922, chap. 90; P.L. 1924, chap. 132.

³³ P.L. 1924, chap. 132; P.L. 1931, chap. 373; P.L. 1931, chap. 393.

³⁴ P.L. 1910, chap. 13; P.L. 1915, chap. 246; P.L. 1929, chap. 157.

³⁵ The original mother's pension act provided for fixed monthly payments of \$9 for one child, \$14 for two children and \$4 for each additional child. In 1915 the courts were allowed discretion in fixing the amount up to the maximum allowance. P.L., 1915, chap. 118. In 1921 the maximums were raised to \$12 for one child, \$20 for two children and \$7 for each additional child. P.L., 1921, chap. 48. Seven years later the maximums were raised to \$16 for one child, \$30 for two children and \$12 for each additional child. P.L. 1928, chap. 111.

³⁶ *N. J. Pension Survey Commission, Report No. 5*, p. 49.

³⁷ *Ibid.*, pp. 3-4.

³⁸ P.L., 1932, chaps. 263, 264, 265, 266, and 267.

³⁹ The law defines the word "mother" to include any female **standing in loco parentis** to any child and assuming the responsibility of a **mother**. P.L. 1932, chap. 263, section 1.

⁴⁰ *Ibid.*, section 5. A vague limitation and one which will certainly allow a great deal of discretion to the courts in fixing the amount of the **grant**.

⁴¹ The children may then be committed to the custody of the **Board**.

⁴² P.L., 1932, chapters 264 and 265 apply to overseers of the poor; **chapter 266** applies to the directors of the county boards of welfare; **chapter 267** applies to courts hearing cases arising under the child welfare act of 1915.

⁴³ Statistics obtained from the State Board of Children's Guardians and the Department of Institutions and Agencies. Recently the Board **has** put into effect certain measures intended to reduce administrative **costs** and to increase the quantity and quality of the work. In addition to the central office in Trenton, district offices were established in Newark, Jersey City, Camden, Hackensack, Morristown and Red Bank. In those districts where the population is comparatively small, several counties are served by one office. Districting has enabled the Board to keep in close **contact** with local officials, social agencies, relatives and friends of dependent **children**. It has also enabled the field workers to increase the number of **services** rendered with less traveling than was previously required. Each field worker has been made responsible for a group of children, higher grade workers have been secured by a revision of the civil service **qualifications**, reduction in the travel expense has been effected by the use of **state-owned** cars, and the creation of the Clothing Revolving Fund in 1930 has enabled the Board to purchase clothing in wholesale quantities. During the fiscal year, 1931-1932, the Board employed a staff of 190 persons, including 14 executive officers, 75 clerks and 83 field workers. A recent **detailed** analysis of the organization and work of the Board is to be **found** in "Child Welfare in New Jersey," *op. cit.* For a valuable group of discussion reports upon various phases of child welfare work, consult *New Jersey Conference on Child Health and Protection* (n.p., 1931.)

⁴⁴ There is a possibility that the state may soon assume part of the cost of child aid because of the increasing inability of the local units to secure adequate funds from the general property tax. (See Chapter V.) If this is done the tendency will be toward centralization of administrative responsibility in the state agency. For example, the State **Board** of Children's Guardians might be authorized to approve all decisions of local authorities and revoke or adjust the amount of aid at will. The **state** has assumed these powers in the administration of old age relief. In this connection, note the recent law authorizing the State Director of **Emergency Relief** to advance relief from the emergency relief funds for the maintenance of children committed to the care and supervision of the Board. P.L., 1933, chap. 318.

⁴⁵ The Pension Survey Commission found that the recommendations of the Board in mothers' pension cases were generally accepted by the courts. See *Report No. 5*, p. 55.

⁴⁶ *Ibid.*, p. 56.

⁴⁷ *Ibid.*, p. 56.

⁴⁸ The commission believed that eventually responsibility for child dependency relief where transfer of legal guardianship is not involved should not be a court responsibility. *Ibid.*, p. 56. If county boards were to assume this responsibility, however, provision could be made for an appeal to the courts where parents objected to the loss of guardianship. Of course, cases arising under the 1915 child welfare law involving abuse and unfit guardianship of children should remain within the jurisdiction of the courts of common pleas and the juvenile and domestic relations courts. After a decision is made to transfer legal guardianship to the State Board of Children's Guardians the determination of the amount of aid should be made by the county boards.

⁴⁹ *Report on a Survey of the Organization and Administration of the State Government of New Jersey*, 1930, p. 176.

⁵⁰ The Princeton Survey also recommended that the State Board of Children's Guardians be abolished and its functions transferred to the central office of the department. *Report on a Survey of the Administration and Expenditures of the State Government of New Jersey*, 1932, p. 154.

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