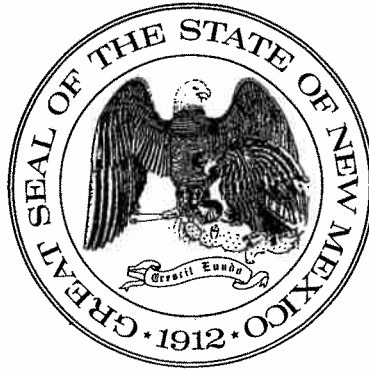


**RESPONSIVE
GOVERNMENT
1977**



**A Plan for the Reorganization
of the Executive Branch of New Mexico State Government**

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INTRODUCTION

The form of government outlined in the Constitution of the United States and copied extensively by the states is based on a division of power among the executive, judicial and legislative branches. This form of government vests administrative responsibility with an elected chief executive. Theoretically, the system enables the voters to hold this official accountable for the effective administration of the affairs of state.

The supreme executive power of the state shall be vested in the governor, who shall take care that the laws be faithfully administered.

Article V, Section 4, of the Constitution of the State of New Mexico is clear and precise in its designation of the executive responsibility for the affairs of state government. The governor is the chief executive officer and is given the power to insure that all the laws of the state are properly implemented and enforced. Over the years, the responsibilities vested in the executive branch have been expanded considerably. However, in New Mexico, as in most states, the ability of the governor to administer effectively has been curtailed by the proliferation of the institutions under his control.

Today there are over three hundred ninety boards, commissions, agencies, departments, committees, councils and task forces comprising the structure of New Mexico state government; furthermore, state government continues to grow at a rate of approximately 10 percent per year. Not only does this situation present a difficult management problem for the chief executive, it also creates confusion for the individual citizen seeking to obtain service from this increasingly complex bureaucracy. Even legislators may find difficulty in representing the concerns of the constituents to a bureaucracy where responsibilities overlap and policy determination is spread among multiple organizations and individuals.

The time has come for major restructuring of the executive functions of New Mexico state government. If service delivery to the citizens is to be improved, the institutions of state government must be streamlined so that the organizations providing the services correspond to the needs of the people. If the management of state government is to be bettered, a leaner structure with clearly defined responsibilities is essential. If the policies of state government are to be understandable to both citizen and public official alike, an integration of functions is required to eliminate overlap and duplication.

The need for reorganization is obvious. This report details a plan for reorganization that will improve service delivery, increase responsiveness to citizen needs, strengthen management practices and increase public accountability. Debate over the details of this plan is both healthy and inevitable; however, such debate should not obscure the fact that creating a modern executive branch is essential and that the need to do so is immediate.

STATEMENT OF THE PROBLEM

Since its creation in 1912, the executive branch of New Mexico state government has grown in both size and complexity. In part, this expansion has been a response to social, economic and demographic changes within the state; it has reflected an effort to act responsibly in meeting the increasing demands for services and in solving the problems of New Mexicans. In part, it can be attributed to the spiraling responsibilities of state and local governments under federal initiatives and programs. General purpose government has grown across the country as a result of legislative and executive actions at the federal and state levels. Here, as elsewhere, the pattern of growth has been haphazard. In many instances, solving a new problem has resulted in the creation of a new instrumentality to provide a service or enforce a provision of statute. Almost inadvertently, the number of autonomous institutions within the state has multiplied. This has represented a tremendous increase in the responsibilities of the executive branch, but this increase has not been accompanied by the appropriate and necessary adjustments in the basic organizational structure. The result: a massive, cumbersome, fragmented, bureaucratic structure which is no longer an effective instrument for public action.

Often the creation of a new governmental department to handle a new service has resulted in a struggle by that entity to develop its own identity in the sprawling state family. Such departments build overhead functions to support operating responsibilities. In brief, a small and simple purpose has frequently become institutionalized as a major bureaucratic structure.

This trend raises a number of important issues that reorganization can address. The multiplicity of organizational structures tends to foster a climate in which communication and coordination are minimized. Each entity fights to maintain its own turf and prerogatives. The emphasis is often on parochial concerns at the expense of solving the problems at hand.

The implications are serious. Citizens seeking assistance are frequently shuttled from office to office because of limitations of jurisdiction. Government is perceived as distant and inept by those it is intended to serve. The state and, ultimately, the taxpayer incur added expense as a string of smaller entities perform the same overhead functions. Inefficiency and ineffectiveness are common, tax dollars are wasted and citizens are rightfully concerned.

New Mexico state government has grown beyond all reasonable bounds. No one can remember the names of, much less keep track and evaluate the performance of over 390 boards, commissions, agencies, departments and committees. These multiple bureaucratic structures prevent the establishment of well-delineated lines of authority and block effective administration and implementation of law. Such an archaic organizational mode defies the application of modern management techniques and severely inhibits the ability of elected officials, especially the chief executive, to meet their constitutional obligations. The result is government without public accountability.

HISTORY OF STATE GOVERNMENT REORGANIZATION

New Mexico is by no means unique in experiencing the problems that require executive reorganization. Since the early twentieth century, states have been undertaking comprehensive modernization of their executive branches. The first state to complete a thorough reorganization was Illinois in 1917, when it reduced 120 administrative units to nine major departments.

The history of executive reorganization on the state level can be divided into two basic time periods. The first period commenced with the Illinois reorganization in 1917 and continued for approximately a decade during which nine states underwent a complete restructuring of their executive branches. The second period began during the mid-sixties; since that time the states have undertaken the broadest, most comprehensive effort at reorganization of any comparable period. At least twenty states have reorganized completely and a like number have gone part way with the reorganization by establishing several consolidated departments in fields such as health, social services, the environment, transportation and community affairs.

The subject of executive reorganization is certainly not new to New Mexico. In the early 1950's the "Little Hoover Committee" was established to study state government and present recommen-

dations for reorganization. In its report to Governor Edwin L. Mechem, dated June 30, 1952, the committee said:

In preparing this report the New Mexico Reorganization Committee has been guided by certain standards which have been developed during the past fifty years, and which have generally been placed in effect through reorganization programs in various states.

These principles include, among others:

- [A] *the location of administrative responsibility and authority with the chief executive;*
- [B] *a sound personnel system;*
- [C] *an adequate budget system;*
- [D] *a simplified fiscal system;*

- [E] *a well-coordinated grouping of functions; and*
- [F] *an integrated structural organization.*

As a result of this effort and subsequent interim Legislative Study Committee recommendations, several of these objectives have been achieved. The creation of a Department of Finance and Administration and a Legislative Finance Committee in 1957 and the passage of the State Personnel Act in 1961 are among the more significant gains. The 1952 report went on to state:

Executive responsibility and authority can best be established by reducing the number of elective officers; by reducing the number of small independent agencies; by establishing a few large departments and commissions whose heads are appointed and removed by the Governor; thus making the Governor the responsible head of the State.

It is recommended that a few departments be established, which will integrate many of the functions now belonging to numerous small boards, commissions and committees; and that the heads of the departments be appointed and made subject to removal by the Governor.

It is obvious from the current situation that this overall objective was not accomplished and that this need remains paramount in the new reorganization effort.

New Mexico Laws 1967, Chapter 157, created the Governor's Committee on the Reorganization of State Government. The overall mission of this committee was stated as follows:

The committee shall study the governmental organization of the State of New Mexico with a view to increasing the efficiency, the effectiveness and the quality of the services rendered to the people of the state, without increasing the expenditure of tax revenue. The committee shall recommend changes in the structure and procedures of state government if they are deemed desirable.

The results of this study were released in January, 1970. The plan called for the establishment of fourteen major departments. Unfortunately, only one of the recommended fourteen was ever completely implemented, that one being the Department of Corrections.

The piecemeal approach to reorganization evidenced in the outcome of these earlier efforts failed to address adequately the problems inherent in a still fragmented and unwieldy governmental structure. Furthermore, the proliferation of governmental units continued. In an effort to come to grips with these difficulties and to improve communication and coordination, Governor Jerry Apodaca, in April, 1975, instituted by Executive Order a Cabinet system of government. In early 1976, the Cabinet and its subcabinet components were reorganized to reflect a more functional orientation. The Cabinet and subcabinets serve as forums for the discussion of common issues, the resolution of problems and the development of policy recommendations. However, an entity created by Executive Order cannot affect agencies established and functions assigned by law, and despite the markedly improved communication and coordination the Cabinet has generated, it cannot successfully overcome the waste caused through duplication of activity. Legislative action is required.

In 1976, the Thirty-Second Legislature, Second Session, appropriated funds to the governor's office to develop a comprehensive plan for the reorganization of the executive branch of New Mexico state government. This appropriation was supplemented by grants from the United States Department of Housing and Urban Development, the United States Economic Development Administration and the United States Law Enforcement Assistance Administration.

In compliance with this legislative action and the intent of the grant proposals, a detailed and thorough study of the executive branch has been completed, recommendations developed and the legislation drafted.

METHODOLOGY

There are a variety of general methods by which reorganization can be accomplished. Three of the most widely accepted of these can be loosely defined as "substate regional," "functional" and "structural-functional" reorganizations.

Substate regional reorganization involves the creation of a small number of functional departments at the state level. Each department is internally organized into regional, rather than functional divisions. Considerable policy making and program development activity is transferred to the regional level, with the central department being responsible for coordination and integration of these programs. While improved delivery of services across the state and increased integration

of all levels of government in the policy process have been important objectives, the New Mexico reorganization has not been directed according to the substate regional concept for two major reasons. First, this is a relatively untried methodology. Sufficient data on its effectiveness is not yet available. Second, because of differences in the types of services delivered by various agencies, such a reorganization would involve extensive alterations in the internal processes of many agencies. Such changes would be expensive, time-consuming and unpredictable in their effect.

A purely functional reorganization requires detailed examination of the internal functions of each state agency, board or commission, and the consolidation or elimination of similar activities in accordance with sound management principles. Under this method, existing agencies are considered as wholes and the internal activities of these agencies as parts. To accomplish this type of reorganization effectively, an extensive management efficiency study of the internal workings of each agency would be required. Other states' experiences with this method have proven that a minimum of two years and considerable expense is necessary to undertake such a reorganization. In addition, research suggests that the application of this method can result in a structure which, while theoretically sound, is practically unworkable. Therefore, it is recommended that the streamlining of internal activities of individual agencies be accomplished through efficiency studies conducted by the secretaries of the reorganized departments following implementation of this proposal.

The method chosen was a structural-functional reorganization. This method involves realignment of existing agencies along broad functional lines into several major departments, leaving the internal workings of most of those existing agencies intact. In some instances, where the need was obvious, realignment or transfer of certain activities or functions of agencies has been recommended. The basic intent of these recommendations, however, has been to establish a framework which will improve state government in accordance with the guiding principles outlined later in this introduction. As mentioned above, further refinements can be achieved by application of sound management principles by secretaries who will be familiar with the day-to-day activities of the agencies, and continuing scrutiny by the governor and legislature to ensure ongoing reorganization in response to changing citizen needs.

In addition to this choice of methodology, an initial determination was made to limit the scope of this effort to those functions of the executive branch under the constitutional power of the chief executive. The study did not address other constitutional offices such as the secretary of state, state auditor, state treasurer, attorney general or the commissioner of public lands. Neither did it address the legislative or judicial branches of government. It should be noted, however, that various elected officials do serve on boards or commissions that have been included in the study and that several of these institutions have been recommended for abolition.

To devise proposals which are both theoretically sound and pragmatic requires considerable expertise. Consequently, an effort was made to recruit persons with varying backgrounds, all of which would be useful in shaping such recommendations. This is not the usual approach. Most states have had studies performed either by outside consultants or businessmen or state employees. New Mexico's study has utilized the management and reorganization expertise of a professional consulting firm; the objectivity and practical perspective of representatives of non-profit organizations, businesses, and labor; the knowledge and experience of state employees; and the idealism and extensive resources of the university system.

The first step in the research effort was to compile a list of the entities which comprise the executive branch of New Mexico state government. After considerable investigation, a list of some 117 agencies, 176 boards, commissions, committees, etc. and 102 other governmental units was developed. The reorganization staff then proceeded to analyze these 395 institutions according to the following methodology:

- 1.) Research analysts were assigned to the functional categories and given lists of agencies to be considered in each of the categories. The categories and the agencies or functions of agencies comprising such categories were subject to constant revision, based on factual research throughout the duration of the project.
- 2.) Written reports for all the executive state agencies by category were prepared in a manner that included a detailed and thorough analysis of their organization and function; the budget and personnel devoted to these functions; laws, regulations, procedures and practices governing the operation of the agencies; and the relationships of the agencies with other agencies and levels of government.
- 3.) The texts of the staff reports were sent to the agencies involved to be reviewed for accuracy and

completeness, and the agencies were asked to submit corrections, additions or deletions.

4.) Several proposals for reorganization in each area were drafted. These proposals were based on analyses of agency statutory responsibilities, interviews with state and federal agency personnel, and input from other affected organizations. The proposals also incorporated information obtained from studies done in the course of previous reorganization efforts in New Mexico and in other states, from research materials published by a variety of public and private institutions and from studies of management theory.

5.) The proposals, with corresponding justifications, were then subjected to a careful review by the Project Director, Governor's Administrative Assistant, Governor's Cabinet and the Governor himself. Following this, the proposals were either accepted, rejected or modified and a definite recommendation developed for each functional area.

6.) Legislation was drafted to implement the final recommendations for each department. Due to its extreme length the legislation is not contained in this report but will be presented to the legislature under separate cover prior to the commencement of the 1977 legislative session.

This report contains the detailed recommendations that have resulted from the study, including a thorough analysis and justification of each proposed department and an overall implementation plan. Additional materials associated with the reorganization project are presented as a series of appendices to this report. Appendix "A" provides a brief summary of the overall recommendation. Appendix "B" presents detailed descriptions of each of the existing entities of the executive branch of state government. And Appendix "C" sets forth the package of legislation associated with the organizational conclusions.

GUIDING PRINCIPLES

The general principles and objectives of administrative reorganization of government have been subject to intensive study. This has been particularly true since the mid-1960's when state governments found themselves saddled with antiquated structures and procedures which severely limited their ability to meet modern-day problems. In developing the proposals for the reorganization, the staff, while recognizing the unique characteristics of New Mexico state government, has attempted to make full use of the experiences of other states.

The many inter-related problems emphasized previously have been of foremost concern in

conducting the reorganization study and developing recommendations. The staff has attempted to steer a course that would enable the developing structures to avert these difficulties. The effort has been to focus on a number of key principles—principles which have helped shape the development of a modern and rational organizational scheme.

The reorganization staff, however, has been concerned that these principles be utilized as practical guidelines for action, rather than merely as rhetorical tools. Thus, each principle has been defined in terms of a concrete set of actions that can be derived from it. It will be these specific definitions against which the recommendations can and should be tested.

Increased Accountability Accountability in government has become a dominant political theme in recent years. Although rhetoric has too often been substituted for actual change, the need for improved accountability is clear. Thus, the principle of public accountability has been structured into the recommendations contained herein. In fact, the application of the other principles built into these proposals will itself enhance accountability.

Overall, however, the implementation of the reorganization recommendations will restructure the basic dimensions of accountability as they now exist in New Mexico. First, by establishing relatively few departments, it will be possible to pinpoint responsibility to the chief executive. With the scores of agencies and other entities now in place, there is no way the governor can exercise properly his constitutional duties. The supervisory control required to execute the laws, to resolve problems, to coordinate plans and programs and to enhance service delivery is impossible in the existing morass. Effective administration is hindered, and even legislative mandates lose their meaning—and the governor, as the chief executive, is held responsible. This is where the responsibility belongs, but the individual charged by the people with that responsibility should not be denied, by an archaic bureaucratic structure, the tools to assume it properly.

The arrangement proposed here allows the delineation of single lines of authority to the top. As noted, the people elect a governor whom they hold accountable for the functioning of the executive branch and for the protection of the public interest; if this expectation of accountability is to be met, then the governor must be able to hold his subordinates accountable. The current structure prevents any reasonable accounting by

offering too large and complex a configuration for any person to supervise.

Increased Accessibility Among the primary concerns of government are the delivery of services and the regulation of the public matter. In the service area, the utility of the service to the citizen is most often determined by whether he or she can avail himself or herself of it. For this reason, meaningful improvements in the provision of services must involve increased accessibility by the citizen-client to the services. Needed services should not be remote or hard to identify. On the contrary, they should be readily available and structured in such a fashion as to encourage their utilization.

The principle of increased accessibility is fundamental to the concept of reorganization. The intent of reorganization is to simplify government and make it understandable to those it serves. A successful reorganization will reduce the confusion about the nature of services available and where to obtain those services.

Whether the function being performed is service delivery or regulation or any other, the location of and responsibility for that function should be clearly defined. The citizen should not have to contend with the obfuscation multiple and duplicative layers of bureaucracy create—nor should he have to pay for the waste they generate.

Increased Effectiveness To improve access alone is not necessarily to improve the quality of services rendered. Consequently, a successful reorganization must also increase the effectiveness of governmental operations; it must allow effective, efficient response to citizens' needs.

One purpose of the recommendations outlined in this document is to create a framework within which, quickly and accurately, needs can be defined, responsible decisions made about addressing those needs and appropriate services delivered. An attempt has been made to simplify the processes used to identify needs, to facilitate the matching of service to need and to streamline the methods of providing the services.

In a second major area of governmental concern, regulation and control, the objective of the study is to enhance effectiveness by providing appropriate checks and balances among the often conflicting objectives pursued by the different state agencies and their clienteles. Simultaneously, the recommendations seek to avoid unnecessary duplication and proliferation of procedural matters. The state should protect its constituents but not waste their time with unimportant procedures and paperwork.

Another method of promoting effectiveness is to provide for input from the citizenry. At the present, there are numbers of boards, commissions, committees, etc. upon which members of the public at large as well as representatives of special interests groups sit. These persons, however, because of the fragmentation of state government—to which the multiplicity of boards and commissions certainly contributes—often find their efforts hindered by the same obstacles which adversely affect the performance of their state personnel counterparts. Agency lines become boundaries beyond which policy suggestions cannot reach. Sound counsel goes unheard because of the limitations of responsibility.

It is crucial that the people have an opportunity to participate in and comment on the workings of their government. For this reason, the recommendations contain a number of specific steps to re-design the nature of public participation. Boards, commissions or policy advisory committees are recommended for each of the new departments where such efforts would be useful supplements to the functioning of the organization. In addition, these entities are structured in each case to insure that areas of specialization within each department have advantage of such citizen input.

Increased Efficiency There is no doubt that the present structure of state government leaves much to be desired in terms of optimizing efficiency. A multitude of opportunities for improving efficiency have emerged in the course of this study.

A major concern of any meaningful reorganization study is to maximize efficiency, but only to the extent possible without jeopardizing the implementation of other principles of reorganization. An efficient program must not only accomplish a job with a minimal expenditure of effort and money, it must also be directed in concert with other programs toward the achievement of a goal. In other words, if government is to fulfill its mandate to serve the people, efficiency and effectiveness must co-exist—both are necessary components of a successfully functioning government.

Government must provide services that are needed, when they are needed and where they are needed. However, those who serve in government have a responsibility to the taxpayer to insure that the money necessary to deliver these services is not wasted. Today, waste is an inevitable product of the repetitiveness of function which exists among the some 390 entities of New Mexico state government. The intent of reorganization is to eliminate unnecessary duplication, to make New

Mexico state government a lean but effective instrument of service.

This is not to argue that reorganization will produce an actual reduction in state expenditures. However, it will offer a better return on the dollars invested in their government by the people of this state. It will result in a government capable of providing better services at the same cost. It is also reasonable to expect that, while reorganization may not effect any immediate dollar savings, it will halt the acceleration of growth and expenditure.

There are several practical ways in which efficiency can be improved through reorganization. First is the application of modern management techniques throughout state government. In developing the recommendations that follow, the staff has sought to use some of these techniques. Each new department is structured consistent with existing management theory. The span of control for each executive is such that he or she should be able to furnish the requisite leadership and assign responsibilities effectively. Additionally, the bringing together of the planning and budgeting functions, both within each department and in the proposed Department of Finance and Administration, should permit each secretary and the governor to develop policies and programs more consistent with needs and resources.

Also, reorganization will encourage the continued utilization of new and emerging technological capabilities to support the operations of all aspects of state government. The state already has a substantial capacity in this area, but better employment of this capacity will both improve operations and limit escalating costs.

A third method of increasing efficiency is through better inter-agency cooperation. Simply because of the complexity of modern government, it is neither possible nor desirable to construct entities which operate in vacuums. Cooperation among departments will always be essential if effectiveness and efficiency are to be enhanced. The current statutory structure of New Mexico state government does little to advance agency cooperation and coordination. The new organizational mode outlined in this report, with its relatively few departments, well-defined lines of authority and cabinet system, will, it is felt, prove much more conducive to improvements in this area.

Lastly, it should be emphasized that this improved efficiency does not entail lay-offs of state employees. There will be some changes in assigned responsibilities under a reorganized

structure. Also, as a result of simple attrition, the total number of employees may be reduced. However, it is in no way contemplated that the implementation of these proposals will result in the termination of any state employees. Like any large employer, the state experiences a significant annual turnover as well as the frequent re-assignment of job responsibilities. This will more than offset any shifts resulting from the recommendations of this study. Just as important, existing state personnel can and will contribute the experience and talent required to attain any real improvements in the conduct of state business.

Improvement of Inter-Governmental Relations A final guiding principle is the betterment of inter-governmental relations. The linkages between the federal and state and state and local governments have increased dramatically in recent years. Much that the state does is in response to either federal mandates or local needs, and the need to facilitate cooperative inter-action between and among these levels of government is critical. The reorganization plans attempt first, to improve access by the state to federal funds and programs and guarantee that the use of these funds and involvement in these programs are in the best long-term interests of New Mexico and second, with regard to state-local relations, promote a process through which local needs clearly beyond the resources of local government can best be translated into state programs.

Summary The guiding principles for reorganization discussed above can be expressed in the following specific statements of intent:

1. Eliminate the buffer zone between the governor's office and agencies to provide direct accountability in the office of an elected official.
2. Provide standardized means for creating and monitoring agencies, boards, commissions, etc.
3. Establish centralized location for recording and maintaining pertinent documentation on agencies, boards, commissions, etc.
4. Provide for periodic review by the legislature of all state agencies, boards, commissions, advisory committees, councils, etc., by adopting sunset clauses (automatic termination clauses) for all such entities.
5. Provide automatic termination clauses for all entities created by executive order.
6. Provide for improved inter-departmental evaluation and coordination to eliminate duplicative functions.

7. Relocate governmental bodies into functional groups, thus providing easier accessibility.
8. Create central units to perform planning, budgeting and administrative services for related agencies, thereby freeing personnel to move into active program and service-delivery roles.
9. Promote and implement **effective** and **realistic** planning by integrating the planning process with the ongoing operations of the bureaucracy. To insure that planners are cognizant of practical realities and that the development and implementation of specific programs is consistent with long-term objectives.
10. Make possible the relocation of state agencies, boards, commissions, etc., in order to provide convenient accessibility to New Mexico's citizens.
11. Recommend review, evaluation and recodification of New Mexico State Statutes.
12. Provide for an ongoing process of reorganization that will allow for management of the evolution of governmental structures to meet changing needs in such a way as to avoid haphazard and costly growth.
13. Encourage the use of administrative checks and balances to assure that workable options are presented for consideration by policy-makers, while avoiding wasteful and unnecessary conflicts.

The primary motivation which led to this formulation of goals and intentions can be simply stated: to make the structures of state government more responsive, sensitive and attentive to the modern needs of New Mexico.

CRITERIA APPLIED TO BOARDS, COMMISSIONS, ETC.

A major factor contributing to inaccessibility and lack of accountability in New Mexico state government has been the existence of numerous appointed boards and commissions interposed as policy-making bodies between the elected governor and the executive agencies which he is directed by the Constitution to administer.

As a result, the reorganization staff has devoted considerable effort to researching the functions of and need for these boards and commissions. It is recognized that many of these bodies perform valuable public services as avenues for citizen participation in government services or as mechanisms for fair and objective decision-making in quasi-judicial matters.

On the other hand, many of these entities tend to serve special interest groups, taking advantage of their independence from effective oversight by elected officials to spend tax dollars in ways which may not be in the interest of the general public. There are also cases where a board or commission may serve as a useful vehicle for citizen concerns where broad policy decisions are involved, but where its involvement in the day-to-day activities of the agency generates inefficiency and confusion.

To provide a framework within which to make decisions regarding the proper role for these boards and commissions, the following alternatives were developed:

1. The board or commission is left unchanged;
2. The board or commission remains as a policy-making body, but its role is limited to specific policy decisions or purely quasi-judicial duties;
3. The board or commission is changed from a policy-making to an advisory status with or without changes in membership; or
4. The board or commission is abolished, and the agency is left with the authority to create, if need arises, an advisory body, with the approval of the governor.

In determining the most appropriate option for each board or commission, the following criteria were applied:

1. Do the members represent local government?
2. Do the members have special technical knowledge?
3. Do the members represent special interest groups?
4. Is the board or commission active?
5. Is its existence mandated by federal law?
6. Is its existence mandated by the New Mexico Constitution?
7. Is it legally bound by the provisions of an interstate compact?
8. Does it perform a quasi-judicial function?
9. Does it handle special funds (other than general funds)?
10. Would the agency's ability to perform its duties be harmed by changing the entity's status from policy to advisory?
11. Would the agency's ability to perform its duties be harmed by abolition of this entity?
12. Is its composition primarily legislative or judicial?
13. Is its size and composition optimal?
14. Will a change in its status cost the state more money?

15. Is it of general benefit to have the agency staff appointed or recommended by a special entity?

These criteria were used as a means of assuring that due consideration was given to major factors affecting the disposition of these entities.

OVERALL STRUCTURE

The foregoing observations are not an exhaustive treatment of the governmental problems confronting the State of New Mexico. Taken together, however, they do present an accurate picture of a compelling need for comprehensive action if government is again to become the effective instrument for public business it was intended to be. If there is an explanation for the failure of responsible people to act on the many recommendations for reorganization, it must lie in the inability of the proponents of change to impart to them a sense of need and urgency. Drastic change which amounts to a reconstruction of the greater segment of the executive branch of state government is a formidable task. Experiences in other states have shown that the forces resisting reorganization are legion. They run from clientele and special interest groups who fear a disruption of their working arrangements with favored agencies through reformers who want to keep their special functions separate to professional groups who resist direction from above. Yet many state governments have recently responded to the challenge with considerable success, and substantial progress toward effective reorganization has been made.

It is imperative to recognize the relationships among the various problems that confront state government and to avoid an approach to their solution which seeks important objectives on an isolated and piecemeal basis. The appointive, coordinative and decision-making powers of the governor must be enhanced to give effect to administrative processes. Related activities of government must be grouped rationally into relatively few departments based on common functions, the segment of the population being served, similar training and qualifications necessary for employees and the existence of similar or duplicative field services. To do otherwise would perpetuate legislative and administrative confusion. These concepts and suggestions are set forth in general below and are presented in the form of specific recommendations in subsequent sections of the report.

GENERAL RECOMMENDATIONS

It is recommended that a cabinet system of government be formally established by statute for the administration of executive policy. The cabinet system would vest administrative powers for each department in a single department head (secretary) appointed by the governor, subject to senate confirmation. Administrative functions are defined as directing, supervising and staffing departments; administering appropriated funds; and planning and developing programs for the department.

Entrusting administrative authority to the department secretary and requiring each department secretary be appointed by the governor are considered vital to insure: (1) the accountability and responsiveness of the bureaucracy to the public; (2) effective policy coordination between the departments; and (3) the effective and uniform application of modern management principles in the executive branch.

It is recommended that the cabinet consist of twelve line departments. Those departments are (See Figure 1):

1. Department of Agricultural Affairs
2. Department of Commerce and Industry
3. Department of Criminal Justice
4. Department of Educational Finance and Cultural Affairs
5. Department of Energy and Minerals
6. Department of Finance and Administration
7. Department of Health and Environment
8. Department of Highways
9. Department of Human Services
10. Department of Natural Resources
11. Department of Taxation and Revenue
12. Department of Transportation

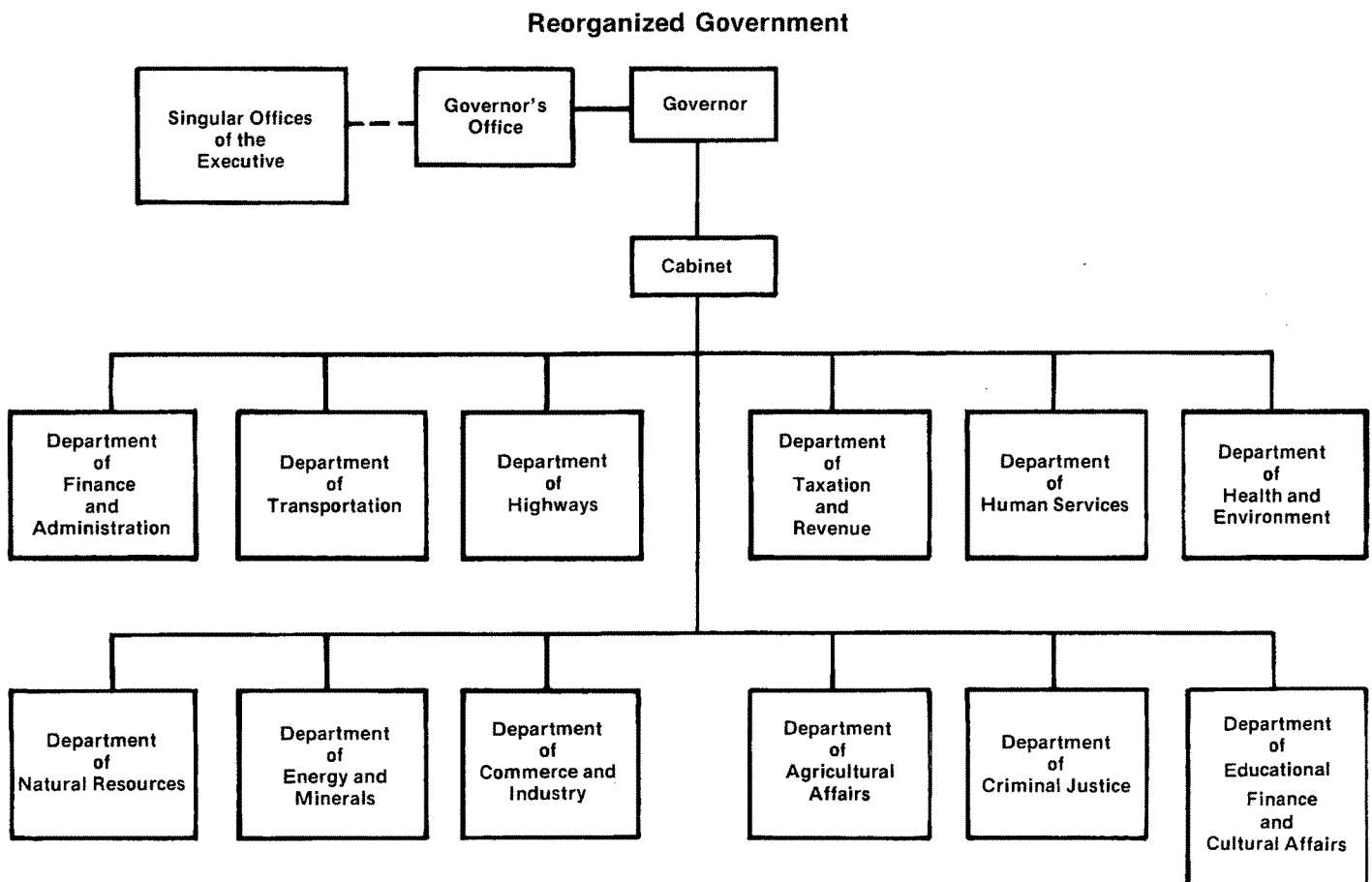


Figure 1
Recommended Cabinet Structure

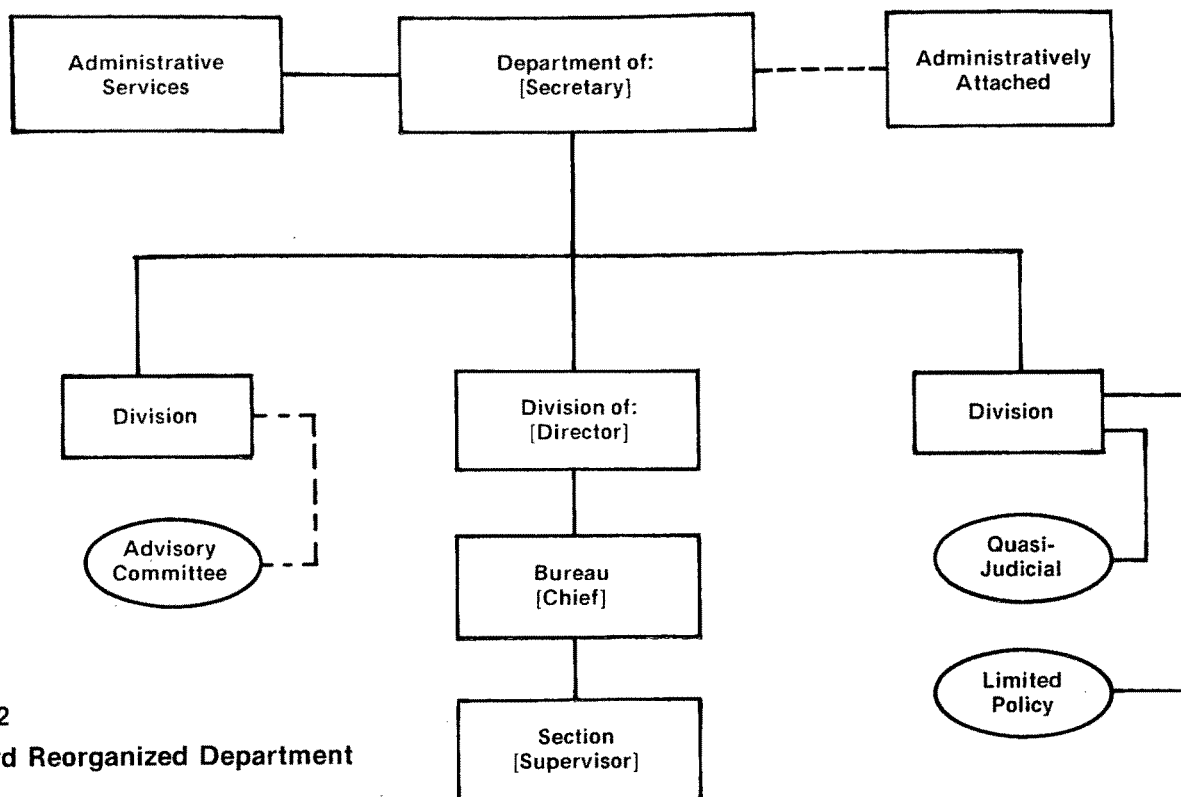


Figure 2
Standard Reorganized Department

In order to maintain continuity throughout state government, the following departmental organization is recommended (See Figure 2):

1. that the principal unit of a department be a division under the leadership of a division director;
2. that the principal unit of a division be a bureau under the leadership of a bureau chief; and
3. that the principal unit of a bureau be a section under the leadership of a section supervisor.

Except as noted elsewhere in the report, it is recommended that all existing executive and administrative offices, boards, commissions, agencies and instrumentalities of the executive branch of state government and their functions be divided among and within the aforementioned departments. It is further recommended that no board or commission exercise administrative authority but rather be limited to quasi-legislative, quasi-judicial, advisory and/or other specified policy powers. It is recommended that the following action be taken on the 176 boards, commissions, advisory committees, councils, etc.:

24 Professional and occupational licensing boards, commissions, etc.

Basic structure unchanged; however, central clearing house established to insure accessibility, improved coordination and effective handling of inquiries.

68 Boards, commissions, etc., attached to agencies

Abolished

15 Boards, commissions, etc., attached to agencies

Status changed from policy to advisory

69 Boards, commissions, etc., attached to agencies, and others

Unchanged because of their quasi-judicial nature, because they are federally mandated or because they perform functions requiring special expertise or knowledge.

This configuration is detailed in the following sections of this report.

To enable department secretaries to administer fully their respective departments, it is suggested that the following specific responsibilities be assigned to each secretary:

1. Supervise, direct, account for, organize, plan, administer and execute the functions vested in the department;
2. Develop and establish policy to be followed by the department;
3. Compile and submit reports and budgets for the department;
4. Provide the governor with any information requested on the operation of the department;
5. Represent the department in communications to the governor;
6. Prescribe rules consistent with law for the administration of the department, the conduct of employees, the performance of business and the custody, use and preservation of records, documents and property pertaining to the operation of the department;
7. Unless prescribed by law, establish the internal organizational structure of the department pursuant to the organizational structure outlined above and assign the functions of the department to sub-units to promote economic and efficient administration and operation of the department; and
8. Review all laws involving the respective department so as to identify any laws which are inconsistent with the language or intent of the reorganization legislation. Upon discovery of any inconsistent laws, the department secretary would recommend corrective legislation to the governor and the governor would then submit the legislation to the legislature for action. This would occur within two years following the effective date of the reorganization and thereafter, each session following discovery of any further inconsistencies.

A major recommendation of the study is that each department establish an administrative services division attached to the Office of the Secretary. This division will be responsible for all personnel record keeping, budgeting, fiscal transactions, legal functions, grants management, planning and management evaluation. It is recommended that administrative support personnel be transferred from existing agencies making up the new department to the administrative services division of the department. The concept here is that such transfers will result in a lower aggregate number of required administrative support personnel. Those persons no longer required for support functions can be transferred to program areas resulting in improved services to the citizenry.

It is further recommended that, subject to law and the provisions of the State Personnel Act, the secretaries establish and fill necessary subordinate positions, abolish unnecessary positions, transfer employees between positions and change the duties, titles and compensation of employees within the department. In addition, to promote administrative efficiency, it is recommended, where possible, that the funding for any additional management staff for the new departments come from the existing budgets of the agencies transferred into that department. Further, whenever possible, the positions of additional management staff are to be taken from within the existing positions in the entities being absorbed. Moreover, it is recommended that each department secretary report back to the Thirty-Third Legislature, Second Session, on all administrative as well as functional changes that have occurred within the respective departments and recommend to the governor any additional legislative changes required to manage the department in the most efficient and effective manner.

Due to the unique duties performed or specific clientele served by several agencies, it is recommended that these remain essentially unchanged. Six agencies fall in this category, and, in the reorganization plan, they are titled "singular offices of the executive". Each of these agencies is denoted as an "office" to establish a clear distinction between such "offices" and cabinet "departments". It is also recommended that the duties and responsibilities of such offices be coordinated through an administrative assistant to the governor.

To insure accountability of state agencies to both the public and the legislature, it is recommended that an automatic termination date for each department, commission and advisory committee be established. It is suggested that one year prior to the automatic termination date the legislature conduct an inquiry into the performance of that instrument of government and determine the need for the continuation of its services. Should the legislature determine the past performance of the department and its subordinate units efficient and necessary, it is suggested that the legislature continue or re-establish that entity for a period not to exceed ten years. It is also recommended that the automatic termination dates of major departments be staggered to permit adequate time for analysis and to forestall re-evaluation of all departments during a single administration.

TYPES OF TRANSFER

There are three types of agency transfers utilized throughout the reorganization recommendations.

A type I transfer places all powers, duties and functions of the transferred department, institution or agency, or part thereof, in the secretary of the principal department to which it is transferred. The Type I transfer has been used frequently throughout the study.

A Type II transfer (frequently referred to in these recommendations as "administrative attachment") transfers an existing department, institution or other agency, or part thereof, to a principal department for administrative purposes only. Administrative responsibilities are defined as budget administration, personnel record keeping, reporting and such related clerical functions as might be required. All statutory powers, duties and functions, budget preparations and personnel actions of such a transferred unit would be exercised independently of the department secretary. The Type II transfer has been utilized infrequently and primarily in cases involving quasi-judicial responsibilities. One example of a Type II transfer is the disposition of the public service commission.

A Type III transfer, as in a Type I transfer, places all powers, duties and functions in the hands of the secretary of the principal department to which transferred. However, it abolishes the existing unit so transferred. There are very few Type III transfers recommended.

In a similar fashion, three types of transfers are also utilized throughout the study with regard to boards and commissions. Type "A" transfers all policy making power of a board or commission to the newly created department and abolishes the original board or commission. Type "B" likewise results in all policy making power being transferred to the new department, but the original board or commission is retained as a policy advisory committee to the department or to a division or bureau within the department. A Type "C" transfer places all administrative powers in the departmental secretary and defines the specific areas in which the board or commission will retain policy making functions.

EXPLANATION OF CHARTS

The charts in this report are intended to provide a picture of the structure of each department as the recommendations have delineated it. The statewide reorganization chart defines all line cabinet level departments and singular offices of the executive. The more detailed departmental charts display the following factors:

1. The governing structure of each department is shown at the top of each chart in a rectangle

which includes the office of the secretary of the department;

2. The administrative support services of the department are contained in a rectangle and attached to the left side of the governing structure by a solid line;
3. All divisions within the department (Type I and III agency transfers) are depicted by rectangles and attached to the department by solid lines;
4. All bureaus and sections of the divisions are indicated by rectangles and attached to those divisions by solid lines;
5. All administratively attached agencies (Type II agency transfers) are contained in rectangles attached to the right of the department by broken lines;
6. All policy making boards or commissions (Type "C" board or commission transfers) are shown in ovals attached to the right of the respective departments, divisions or bureaus by solid lines; and
7. All technical advisory committees (Type "B" board or commission transfers) are illustrated by ovals to the right of the respective departments, divisions or bureaus by broken lines.

Individual considerations and specially treated circumstances are footnoted on the charts where they occur.