



Efficiency Study Commissions: Is an Old Idea a Bad Idea?

By Tim Funk

This regular Insight feature focuses on how the executive branch of state government goes about making public policy. In this article, Insight examines the appointment of efficiency study commissions—in North Carolina a recent practice of Republican Governors—as a means of identifying and eliminating wasteful spending.

When prim, scholarly Woodrow Wilson stepped before Cornell University's Historical and Political Science Association in late 1886, he threw out what was then a young idea. Government should be studied, the college professor and future president told the group, to determine how it can do its job "with the utmost possible efficiency and the least possible cost either of money or of energy."¹

Edwin Siegelman, one of the editors of the then-new *Political Science Quarterly*, thought so much of Wilson's address that he asked to publish it in his magazine. The resulting article, "The Study of Administration," is noted today for establishing the confines of American public administration.² Wilson eventually left academia for Democratic politics, taking his ideas about government to New Jersey's executive mansion and later to the White House.

Today, Wilson's "efficiency" banner is still being hoisted in the political arena—but mostly, it seems, by Republicans. President Reagan's Grace Commission recommended cost-cutting measures on the federal level. And, in North

Carolina, GOP Govs. James E. Holshouser and James G. Martin launched "efficiency study commissions" shortly after taking office in 1973 and 1985. Both Governors charged groups of North Carolina business executives with ferreting out waste and proposing ways to run government more like a business.

Do such efforts work? Academics have become skeptical of politicians' highly publicized attempts to make government more efficient by eliminating waste. But politicians still trumpet startling results: millions upon millions of tax dollars saved by the volunteer efforts of a part-time panel of sharp eyed businessmen, guided by a team of consultants.

In April 1988, Martin—like Wilson, an academic-turned-politician—summoned reporters to the state Administration Building to deliver a status report on implementation of his commission's recommendations. "It should be remembered that the commission's study had two goals," said Martin, whose high-minded words sometimes echoed Wilson's. "The first was to pinpoint changes that could be made to save time and money. But the second goal was to infuse an overall attitude of efficiency into state government operations. It has done that, and this is one of the many reasons behind its great success."³

Of the 414 recommendations, state agencies agreed to implement 301, Martin said, although

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some of these would need legislative approval. Four others were to be given "further study." Some of the ideas implemented were small and amounted to little more than common sense; the Lieutenant Governor's office agreed to buy a \$900 "envelope imprinter" so a clerk didn't have to spend her time addressing the envelopes manually. Others were structural and ambitious, although in at least one case the Martin administration claimed credit for a major structural change that did not take place. The 1988 status report claims a savings of \$20.6 million for "reorganizing the office of chief engineer." Jim Sughrue, the department's assistant secretary for external affairs, says the chief engineer's office has not been reorganized. Sughrue says efficiency-related changes such as using private contractors to mow grass along highways and paying entry-level workers an hourly wage with limited benefits account for the \$20.6 million in savings. "We've instituted some of the spirit of the recommendations," says Sughrue. "I don't think it was the direct result of their recommendations."

And some of the recommendations were more like hidden tax increases than efficiency measures. The Revenue Department, which had been charging merchants a one-time registration fee of \$5, boosted the fee to \$20 to "cover related processing costs." The change was to bring in \$465,000.

In his news conference, the Governor said implementing the 301 recommendations would save the taxpayers more than \$127 million a year. He also said there would be an additional one-

time savings of \$22 million—most of it from the sale of surplus property (See Table 1). This bonanza of savings came at minimal cost to the state, Martin administration officials said. Businesses donated the time of 73 loaned executives, and cash contributions covered the roughly \$500,000 in consultant fees and publication expenses. The only direct cost to the state was the time of State Budget Office employees who provided administrative support and other state employees who were interviewed during the course of the study.

Nobody has come forward to challenge Martin's figures. But according to prevailing opinion among political scientists and public administration professors, claims of saving significant sums of money through efficiency studies are questionable. "In sharp contrast to this optimistic political rhetoric, reorganization for economy and efficiency has been largely discredited in the contemporary academic literature," writes James Conant, an assistant professor in public administration at New York University, in a 1986 article, "Reorganization and the Bottom Line."⁴ Indeed, Conant adds, "modern political scientists tend to think of reorganization as a political rather than an administrative tool."⁵

Efficiency commissions often advise reorganizing and consolidating government operations to save money. Martin's commission, like the Holshouser commission before it, was no different in this regard. But Les Garner, president of North Carolina Wesleyan College and a former business professor at the University of North

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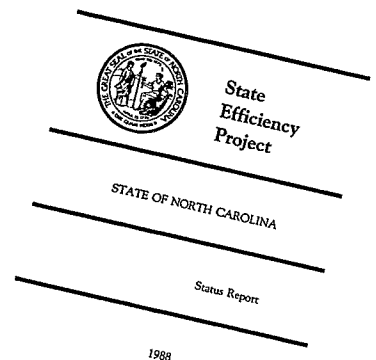
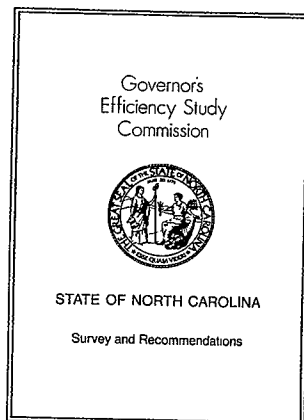
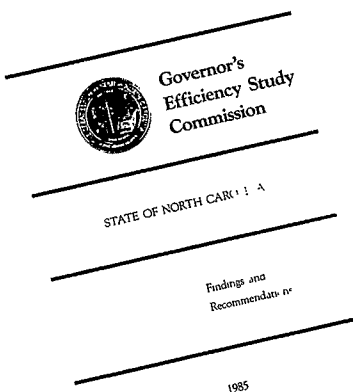


Table 1. Administration Estimate of Financial Impact of Implemented Changes Recommended by Martin Efficiency Study Commission, by Department*

Department/Agency	Savings Estimated in Study Commission Report		Actual or Estimated Savings Through Implemented Recommendations	
	Annual	One-Time	Annual	One-Time
** Administration	\$ 21,114,000	\$ 1,684,000	\$18,522,598	\$ -228,500
Agriculture	2,705,000	46,000	684,000	-450,000
** Commerce	2,214,000	-273,000	2,165,634	-740,000
Community Colleges	11,701,000	8,900,000	196,942	-77,000
** Correction	11,676,000	-16,317,000	3,918,132	-5,084,400
** Crime Control and Public Safety	1,154,000	-10,000	527,946	-12,000
** Cultural Resources	6,462,000	-1,000	265,474	-31,000
Education	10,569,000	-500,000	8,982,778	—
Education-Controller	-32,000	400,000	150,000	200,000
** Governor's Office	240,000	—	40,000	—
** Human Resources	52,240,844	5,346,000	20,495,367	29,832,667
Insurance	3,135,000	-25,000	2,810,083	—
Justice	1,300,000	-2,350,000	2,125,000	-2,505,000
Lieutenant Governor's Office	—	-50,000	—	-4,327
** Natural Resources and Community Development	5,339,000	-383,000	951,864	159,927
** Office of State Budget and Management	124,000	—	124,000	—
** Revenue	4,570,000	885,000	4,702,871	-689,100
Secretary of State	84,000	-121,000	-1,303	-52,675
State Auditor	78,000	3,000	—	—
** State Personnel	690,000	—	222,000	—
State Treasurer	4,376,000	-80,000	104,000	-30,000
** Transportation	38,198,000	11,702,000	39,896,359	2,278,200
University of North Carolina	40,980,000	-8,162,000	20,425,000	—
Total	\$218,917,844	\$ 694,000	\$127,281,781	\$22,246,938

* This chart shows the estimated impact of the study commission's recommendations vs. actual or estimated savings through recommendations that were implemented. The study commission report's annual and one-time savings were adjusted for the 1988 status report from which this chart was taken, based on updated data and assumptions. Negative figures denote a net cost in implementing recommendations for a department.

** Denotes Cabinet-level agencies and other Executive Branch offices under control of the Governor.

Source: *State Efficiency Project, Status Report*, Office of the Governor, March 1988, p. 22.

A Sampling of Savings Claimed by the Governor's Efficiency Study Commission

—**Secretary of State's Office:** Upgrade the Corporation Division's incoming telephone system. Many of the 200 to 400 callers a day got a busy signal or had to wait a long time. "This creates a negative image to the caller," says the Governor's Efficiency Study Commission. The answer: a call sequencer. Cost: \$2,150. Annual savings: \$1,097. *Status:* in process of being implemented.

—**Insurance Department:** Issue insurance agent license renewals quarterly instead of annually. State to realize \$100,000 annually through interest income and savings from elimination of temporary staff expenses. *Status:* implemented.

—**Administration Department:** Decrease amount paid to state employees for using personal cars on state business, from 25 cents a mile to 20.5 cents a mile. State to save \$1.4 million a year. *Status:* rejected by the General Assembly.

—**Transportation Department:** Use contract housekeeping services at departmental facilities. DOT's General Services Section had been providing in-house cleaning services at the department's 162 buildings. Savings: \$225,000 a year. *Status:* implemented for most buildings.

—**Correction Department:** Raise the per diem paid by work release inmates. These per diems reimburse the state for inmate food and lodging during their participation in the work release program. Per diem was \$6. Commission recommended increase to \$10, picking up \$429,000 a year. *Status:* legislature increased per diem to \$8.

—**Commerce Department:** Sell two department helicopters. That would leave the department with one — all it needs, according to the commission. One-time savings to the state: \$87,000. *Status:* one helicopter transferred to Department of Crime Control and Public Safety; the other sold for \$100,000.

—**Department of Natural Resources and Community Development:** Reorganize department to focus on natural resources, not community development. No savings projected. The 1973 Holshouser study commission recommended that an Office of Community Development be added to what was then the Department of Natural and Economic Resources. *Status:* legislature passed bill creating new Department of Environment, Health, and Natural Resources with part of community development function going to Department of Commerce.

—**NRCD:** Permit credit card use in the North Carolina Zoological Park gift shops. State would gain \$20,000 a year through increased sales. *Status:* implemented.

—**Department of Human Resources:** Sell "several valuable tracts of land" near Cary. One-time gain of \$22.6 million. *Status:* proposal on hold due in part to rising land values.

—**University of North Carolina System:** Increase tuition and fees for out-of-state students. State gains \$13.2 million. *Status:* implemented.

Source: *Governor's Efficiency Study Commission, Findings and Recommendations*, September, 1985. Status of recommendations provided by James Newman, Office of State Budget and Management.

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Carolina at Chapel Hill, concludes in a 1987 article that reorganization also can make government *less* efficient. He cites Florida's efforts in the mid-1970s to streamline its human services delivery system as an example. "Reorganization spawned confusion about program goals and work responsibilities," writes Garner, who served on a 1986 review team assembled by the Florida Governor's Constituency for Children. "It also sparked political brushfires, the resolution of which kept managers from getting back to those basic issues of responsibility and accountability."⁶

Conant argues that while efficiency studies may identify areas of potential savings, these dollars are generally applied toward other purposes rather than returned to the taxpayers.

So whom is one to believe about the latest North Carolina efficiency effort? Martin, who says his commission's ideas saved the state millions? Or the academics, whose articles suggest that such efforts are largely political?

Conant attempted an evaluation of an effort similar to Martin's in his article. Conant sought to calculate the real impact of New Jersey Gov. Thomas Kean's 1982 efficiency study—dubbed the Governor's Management Improvement Program. Kean, like Martin a Republican, claimed that implementation of his recommendations—produced by a corps of business executives—saved New Jersey \$102 million.

Conant sorted through conflicting claims of the Republican administration and the Democratic legislature and found both lacking. The Kean administration based its \$102 million figure on what it labeled "cost avoidance." The administration took a four-year average of department-by-department increases in the state budget to arrive at a projected need for fiscal year 1984. The actual 1984 appropriations then were subtracted from the projected need figures and the total difference was touted as the "cost" avoided by Kean's efficiency panel. Democratic lawmakers used a bottom-line argument; the overall actual budget increased by 5.9 percent in fiscal year 1984; therefore, Kean's commission produced no savings. Conant undertook what he considered to be a more objective review than either the Republican Kean administration or the Democratic legislature. He conducted exhaustive interviews to compile a series of "departmental inventories"—lists of actual savings in five of 20 departments, savings that could be documented.

Assuming the savings in the five departments were representative of savings throughout state government, Conant postulated that the New Jersey plan did produce some real savings—about half the amount claimed by the Governor. But he also found that these savings did not produce a net reduction in the bottom line because the money saved was used elsewhere in government. "The most important finding of this analysis is that no matter what the size of the savings increment . . . the bottom line will probably go up, not down," he writes. "New programs will be added, costs will increase, and the savings achieved through reorganization will be used to meet unfunded costs or be reinvested in higher priority areas. If government officials want to reverse this trend, if they really want to reduce the bottom line, they must resort to curtailment of public services and programs. Administrative reorganization will not provide the means to get a net reduction in the bottom line."⁷

What Conant said about New Jersey may hold for North Carolina. Martin's commission produced just over \$127 million in recurring, annual savings, or a little more than 1 percent of the overall state budget. This amount, cited by Martin at his 1988 news conference, represents money the Governor says otherwise would have been spent. But an inspection of Martin's own proposed budget for 1989-1990 shows that, if approved by the legislature, appropriations and the number of state employees would go up, not down. The Governor even proposed a 1-cent increase in the state sales tax to raise more money to spend.

Not counting money created from such a tax increase, appropriations would increase by 6.28 percent—from \$10.53 billion to \$11.06 billion—in 1989-1990. (The 1988 inflation rate, based on the Consumer Price Index, was 4.4 percent.) The number of teachers and state employees, meanwhile, would grow by 2.4 percent, from 202,717 to 207,633.⁸ Martin's 1987-1988 budget also showed a modest increase over the preceding year. So it would appear that Martin took savings derived from implementation of his study commission's recommendations and plowed them back into other areas of government. Although many of the recommendations seemed solidly rooted in real savings (about a quarter of the 301 suggestions, for example, involved personnel reductions), the overall bottom line, as in New Jersey, was destined to go up, not down.

Neither Martin's original 1985 report nor a



John C. Brooks
Commissioner

Department of Labor
State of North Carolina
214 West Jones Street
Raleigh 27603

February 13, 1985

The Honorable James G. Martin
Governor
State Capitol
Raleigh, North Carolina 27611

Re: Governor's Efficiency Study Commission

Dear Governor Martin:

It was a pleasure to meet with Tom I. Storrs and representatives from Warren King and Associates, Inc. from Chicago yesterday afternoon in connection with the establishment of a Governor's Efficiency Study Commission concerning the establishment of the Governor's Management Council which is North Carolina. As a member of the Governor's Efficiency Study Commission, I charged with coordinating the various efficiency studies in North Carolina, I look forward to participating in this new study and in the Council's having an opportunity to learn more of the details of the plans for this study in the near future.

Since the last study made in 1973 by Warren King and Associates, Inc., left so much to be desired, I would strongly recommend that their work-product be submitted to the Governor's Management Council for review and approval prior to publication. This would give the managers in state government who possess the real expertise about efficiency in government operations an opportunity to review and correct the tremendous oversimplification of projected savings set forth in the Warren King Associates-type study such as was exhibited in the 1973 work-product for North Carolina.

It may be that the new study might well be directed more helpfully toward reviewing the state budget-making process and personnel classification system rather than duplicating what was done in 1973. Working out the deficiencies reflected in an inadequate budget system and a disorganized personnel classification "system" holds out tremendous opportunity to achieve real savings for the taxpayers of North Carolina. Such a focus could, indeed, provide something of value to the future management of state government.

Sincerely yours,
John C. Brooks
John C. Brooks

JCB/dm



John C. Brooks
Commissioner

Department of Labor
State of North Carolina
214 West Jones Street
Raleigh 27603

May 22, 1985

Mr. William S. Fisher
Team Leader
Governor's Efficiency Study Commission
Caswell Building, Room 110
200 West Jones Street
Raleigh, North Carolina 27611

Dear Mr. Fisher:

Thank you for your letter of May 21, 1985, which you hand-delivered to me on the occasion of our visit together today. I was glad that we again had an opportunity to review the work of the Governor's Efficiency Study Commission. In our conversation you indicated that there was insufficient time for the commission to refine its goals, purposes, agenda items, procedures, and processes in response to my requests for a better definition of what the commission wanted to pursue and what information from the North Carolina Department of Labor would be of value in carrying out the commission's work.

Unfortunately, the staff of the North Carolina Department of Labor is already greatly overextended as a result of having insufficient positions and budget with which to fulfill its statutory responsibilities to accommodate a request for purposeless interviews with more than a dozen staff members this week as is proposed in your letter of May 21st. Moreover, since I am charged with setting the agenda for the staff of the Department of Labor for the next three and a half years, I do not propose to follow an agenda-setting process in which I am not a partner.

Fortunately, however, the North Carolina Department of Labor, unlike any other agency in North Carolina's state government, has an outstanding "Industry Advisory Board" composed of persons in industry who have special familiarity with the activities of the department who serve on a standing board to review the administration of the department and to recommend ways in which improvements might be made. The other advisory boards in the North Carolina Department of Labor similarly advise and meet at least quarterly and apply their expertise to designated areas of the department's responsibilities.

So while the Governor may envision a need for a special commission to review those government activities under his jurisdiction once during his administration, the commissioner of labor has established a permanent board to do the very same thing with regard to the North Carolina Department of Labor.

I am glad to have talked extensively with several members of your staff and you and other commission members about the work of the North Carolina Department of Labor. Be assured that I stand ready to continue to talk with additional commission members and staff when requested to do so.

Sincerely yours,
John C. Brooks

March 1988 status report on implementation of the commission's recommendations indicates by what budget year all of the claimed savings will have occurred. A department-by-department comparison of savings claimed through the commission's work and Martin's 1989-1990 budget proposal shows Martin requested more money for almost every department. Martin had claimed efficiency-related savings in 15 of 20 departments and offices listed as separate entries in the summary volume of his proposed budget. These savings ranged from a high of \$50.4 million in the Department of Human Resources to a low of \$40,000 in the Governor's Office. Only in Correction, Justice, and the offices of Lieutenant Governor and Secretary of State did the commission recommend spending more than the savings Martin claimed through the efficiency measures. But in Martin's 1989-1990 budget proposal, he recommended *increased* appropriations for 16 of these 20 departments and offices. (See Table 2.) Martin administration officials caution these increases represent more than just expansion. They say inflation and federally mandated increases in state spending for various programs also contributed.

The Martin administration did not claim a savings for the one study commission recommen-

dation implemented by the State Auditor's Office. In addition, the commission maintained Democratic Labor Commissioner John Brooks would not cooperate in the study.⁹ Brooks says he did offer to cooperate and in fact met with members and staff of the commission four times, but the Labor Department was not evaluated. In a Feb. 13, 1985, letter to Governor Martin on the study, Brooks blasted the "tremendous oversimplification of projected savings" claimed in the 1973 Holshouser efficiency study commission report and outlined what he thought might make for a more fruitful study. The same consulting firm, Warren King and Associates, directed both studies. Three months later, Brooks fired off another letter to William Fisher, a study commission member, in which Brooks balked at making Labor Department employees available for interviews and complained he was "not a partner" in the commission's agenda-setting process.

On the whole, however, the commission got the cooperation of Council of State agencies headed by Democratic elected officials and thus beyond the direct control of the Governor. And with one or two exceptions, these agencies were as likely to implement the recommendations as were agencies headed by Martin appointees. (See Table 3.) But Martin did not follow up on this

Table 2. Efficiency Commission's Estimated Savings, Compared to 1989-1990 Martin Budget Proposal

Department/Agency	Total Savings Claimed	Proposed Martin Budget Increase/Decrease
* Administration	\$18,294,098	\$ 2,613,099 (+05.90%)
Agriculture	234,000	-382,481 (-00.98)
* Commerce	1,425,634	7,984,362 (+14.40)
Community Colleges	119,942	1,204,738 (+00.37)
* Correction	** -1,166,268	104,836,593 (+33.79)
* Crime Control and Public Safety	515,946	485,114 (+01.96)
* Cultural Resources	234,474	378,068 (+01.01)
Education	8,982,778	127,661,156 (+05.30)
Education-Controller	350,000	***
* Governor's Office	40,000	-27,209,863 (-77.00)
* Human Resources	50,328,034	94,719,354 (+09.90)
Insurance	2,810,083	67,118 (+00.50)
Justice	-380,000	467,860 (+01.04)
Lieutenant Governor's Office	-4,327	-57,711 (-09.30)
* Natural Resources and Community Development	791,937	7,328,584 (+09.84)
* Office of State Budget and Management	124,000	****
* Revenue	4,013,771	817,541 (+01.72)
Secretary of State	-53,978	198,406 (+06.30)
State Auditor	0	13,765 (+00.30)
* State Personnel	222,000	****
State Treasurer	74,000	-3,655 (-00.09)
* Transportation	42,147,595	35,394,277 (+03.87)
University of North Carolina	20,425,000	22,801,169 (+02.20)

* Denotes cabinet-level agencies and other executive branch offices under control of the Governor.

** Minus signs indicate commission recommended net spending increase.

*** This office is included in Martin's overall budget proposal for education.

**** These offices are included in Martin's overall budget proposal for the governor's office.

Sources: *North Carolina State Budget: Summary of Recommendations*, Gov. James G. Martin, January 1989, pp. 26-62, and *State Efficiency Project: Status Report*, Office of the Governor, March 1988, p. 22.

apparent across-the-board success in implementing the recommendations by pruning back agency budget requests. As noted above, he asked for *more* money for most departments and agencies, not less.

The closest correlation between savings identified by the commission and proposed spending came in the Department of Agriculture. The department agreed to changes that would save

\$234,000. Martin, in his budget proposal, recommended that Agriculture's budget be slashed by \$382,481 in 1989-1990. More typical was the Department of Human Resources. The efficiency commission identified savings of about \$50 million, but the department's 1989-1990 budget went up by about that much in Martin's recommendation to the legislature.

Still, no one would deny the merit of putting

Table 3. Status of Recommendations from Efficiency Study Commission, by Department

Department	Total Number of Recommendations	Total Number of Recommendations Accepted	Percent Accepted
* Administration	43	37	86 %
Agriculture	14	5	36
* Commerce	11	10	91
Community Colleges	24	18	75
* Correction	31	23	74
* Crime Control and Public Safety	17	13	76
* Cultural Resources	18	12	67
Education	8	6	75
Education-Controller	4	2	50
* Governor's Office	5	4	80
* Human Resources	58	41	71
Insurance	11	7	64
Justice	3	3	100
Lieutenant Governor's Office	3	3	100
* Natural Resources and Community Development	32	21	66
* Office of State Budget and Management	8	7	87
* Revenue	39	30	77
Secretary of State	6	6	100
State Auditor	4	1	25
* State Personnel	6	6	100
State Treasurer	6	4	67
* Transportation	53	33	62
University of North Carolina	10	9	90
Total	414	301	73 %**

* Denotes cabinet-level agencies and other Executive Branch offices under control of the Governor.

** Mean of percentage of recommendations accepted by departments.

Source: *State Efficiency Project: Status Report*, March, 1988, p. 21

wasteful spending to more productive use. And Administrative Deputy Attorney General John Simmons says the commission's endorsement may have helped the Justice Department win appropriations for efficiency-related changes the department already had intended to make. "They didn't suggest anything new," says Simmons. "Essentially, they agreed with our proposals for

changes."

But what about the 109 recommendations rejected as "not feasible" by state agencies? Some of the most publicized called for privatization of public entities. Proposals to turn traditional government functions over to the private sector have been on the upswing in recent years. The Martin administration's unsuccessful bid to initiate pri-

vate prisons is one example. A more recent example is a study recommending that the state sell its ports and railroads to private entities.¹⁰ Such proposals produced a substantial pool of projected savings in the Martin efficiency commission report but also provoked an outcry from groups more interested in keeping public entities public than in saving the state money.¹¹ The arts community, for example, panned proposals to convert the state's art museum and symphony into private facilities, proposals that would have accounted for more than \$6 million in annual savings. A *Raleigh Times* editorial said the idea should be "laughed to oblivion," hardly the reception one seeks for a serious proposal to save money.¹² Even Secretary of Cultural Resources Patric Dorsey, a Martin appointee, joined the chorus of criticism. Today, the museum and symphony remain public entities.

Transportation Secretary Jim Harrington, another Martin appointee, ruled out another recommendation—which would have saved \$662,000—to end the free ferry service between Currituck County and Knotts Island. Such a move could sink the Governor's political standing in the coastal county, Harrington decided.

Proposals such as privatization of the museum and symphony and dry docking the free ferry ran into trouble in part because the commission drifted from issues of efficiency and into areas of policy. Clearly, the most efficient art museum is no public art museum at all. And providing a ferry for a rural coastal county likely would not meet the efficiency standards of business, where unprofitable services are eliminated. But, as the *Winston-Salem Journal* pointed out in an October 1985 editorial, "Whether or not North Carolina shall, for all its citizens, support an art museum and a symphony orchestra is a policy matter. The issue, it should be added, was settled in the affirmative years ago."¹³ Government, after all, is not about efficiency in the business sense of the word. Government must concern itself with fairness, openness, and equitable or need-based distribution of services—all of which can hurt efficiency.

Then there was resistance by those most affected by the proposed changes—the bureaucrats. "It was no more than I expected," says Robert Brinson, chief of management in the State Budget Office and one of those who monitored implementation of the efficiency measures. "But anytime a consulting group goes into an agency—public or private—it's really taking a strike

against the way some people have been doing things. You naturally expect them to resist somewhat."

Take the efficiency recommendations that begin with those two words most dreaded by bureaucrats—"eliminate" and "transfer." Of the 25 proposals calling on agencies to "eliminate" something, almost half of them—12—were rejected as "not feasible." Nine of the 14 recommendations that called for transferring a division, office, or function were rejected. This compares to the overall 73 percent implementation rate claimed by the Martin administration.

Agriculture Secretary Jim Graham, a Democratic politician of the old school who favors Stetsons and cigars, rejected all but five of the 14 recommendations made about his department. He said no, for example, to a proposal to reorganize the department. The commission said the current setup "results in fragmented lines of authority and poor communications." Graham had heard such stuff before. He got the same recommendation to reorganize 12 years before—from Holshouser's efficiency study commission. □□

FOOTNOTES

¹Woodrow Wilson, "The Study of Administration," *The Papers of Woodrow Wilson*, Vol. 5, p. 359. Appeared first in *Political Science Quarterly*, July 1887.

²The details of the Siegelman connection and how the speech became an article are explained in *The Papers of Woodrow Wilson*, Vol. 5, p. 358.

³Remarks prepared for Gov. James G. Martin, "Efficiency Study Status Report," delivered at April 29, 1988 news conference, p. 3.

⁴James Conant, "Reorganization and the Bottom Line," *Public Administration Review*, January/February 1986, p. 48.

⁵*Ibid.*

⁶Les Garner, "Managing Change Through Organization Structure," *State Government*, July/August, 1987, p. 194.

⁷Conant, p. 55.

⁸See Gov. James G. Martin's "Summary of Recommendations for the N.C. State Budget, 1989-1991," pages 14, 15, and 104.

⁹The Associated Press, "Panel Says Study Thwarted by Brooks," published in *The News and Observer* of Raleigh, p. 3C, Oct. 30, 1985.

¹⁰Philip E. Fixler Jr., "The Privatization of North Carolina's Ports and Railroads: A Bold Step for North Carolina's Future," *The Reason Foundation*, Santa Monica, Calif., Local Government Center Policy Study No. 103, April 1989, revised edition published in June 1989.

¹¹For more on the issue of privatization of previously public functions, see Bill Finger, "Privatization," *North Carolina Insight*. Vol. 8, No. 2, November 1985, pp. 5-11.

¹²"Laugh It to Oblivion," *The Raleigh Times*, Oct. 14, 1985, p. 4A.

¹³"Policy Questions," the *Winston-Salem Journal*, Oct. 6, 1985, p. 12A.