EXTRACTS FROM
REPORT
OF
Griffenhagen and Associates
(LIMITED)
INDUSTRIAL ENGINEERS, ACCOUNTANTS
AND EMPLOYMENT ADVISORS
TO
THE SOUTH CAROLINA BUDGET
COMMISSION OF 1920
COMPOSED OF
His Excellency Governor Robert A. Cooper,
Hon. Niels Christensen, Chairman, Senate Finance Committee,
Hon. W. R. Bradford, Chairman, Ways and Means Committee,
House of Representatives.

Printed in Compliance with Concurrent Resolution
of the General Assembly of 1924.

BY
The Joint Committee on Printing, General Assembly of S. C.,
Columbia, South Carolina, 1924.
EXTRACTS FROM
REPORT
OF
Griffenhagen and Associates
(LIMITED)
INDUSTRIAL ENGINEERS, ACCOUNTANTS
AND EMPLOYMENT ADVISORS
TO
THE SOUTH CAROLINA BUDGET
COMMISSION OF 1920
COMPOSED OF

His Excellency Governor Robert A. Cooper,
Hon. Niels Christensen, Chairman, Senate Finance Committee,
Hon. W. R. Bradford, Chairman, Ways and Means Committee,
House of Representatives.

Printed in Compliance with Concurrent Resolution
of the General Assembly of 1924.

By

The Joint Committee on Printing, General Assembly of S. C.
Columbia, South Carolina.
1924
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FOREWORD</strong></td>
<td>5</td>
</tr>
<tr>
<td><strong>LETTER OF TRANSMITTAL</strong></td>
<td>7</td>
</tr>
<tr>
<td><strong>PART I—General Organization.</strong></td>
<td></td>
</tr>
<tr>
<td>Present Structure of State Government</td>
<td>13</td>
</tr>
<tr>
<td>The Need for Reorganization</td>
<td>15</td>
</tr>
<tr>
<td>Accepted Principles Underlying the Proposals for Reorganization</td>
<td>17</td>
</tr>
<tr>
<td>Proposed Plan of Organization of the State Government</td>
<td>18</td>
</tr>
<tr>
<td>The Proposed Departments in Detail</td>
<td>19</td>
</tr>
<tr>
<td>Department of Finance—Treasury Council</td>
<td>20</td>
</tr>
<tr>
<td>Present Organization in South Carolina</td>
<td>33</td>
</tr>
<tr>
<td>The Ideal Organization for South Carolina</td>
<td>34</td>
</tr>
<tr>
<td>Immediate Steps</td>
<td>39</td>
</tr>
<tr>
<td>Appendix A—Outline of the Proposed Departmental Organization,</td>
<td></td>
</tr>
<tr>
<td>Indicating the Redistribution of Functions</td>
<td>41</td>
</tr>
<tr>
<td><strong>PART II—Auditing and Accounting.</strong></td>
<td></td>
</tr>
<tr>
<td>The Present Situation with Regard to Accounting and Financial Control</td>
<td>47</td>
</tr>
<tr>
<td>Proposals Regarding General Financial Policies</td>
<td>49</td>
</tr>
<tr>
<td>Appendix—Summary of Constitutional and Statutory Amendments and Executive Orders Involved in Proposals for Centralized Financial Control</td>
<td>54</td>
</tr>
<tr>
<td><strong>PART III—Employment.</strong></td>
<td></td>
</tr>
<tr>
<td>Employment Conditions in South Carolina</td>
<td>60</td>
</tr>
<tr>
<td>Deficiencies in Present Employment Program</td>
<td>61</td>
</tr>
<tr>
<td>Need for Carefully Considered Employment Program</td>
<td>63</td>
</tr>
<tr>
<td>Recommendations for Employment Program</td>
<td>64</td>
</tr>
<tr>
<td><strong>PART IV—Education.</strong></td>
<td></td>
</tr>
<tr>
<td>Present Organization for State Education</td>
<td>71</td>
</tr>
<tr>
<td>Recommendations Regarding Appointment and Tenure of Chief Educational Officers</td>
<td>71</td>
</tr>
<tr>
<td>Salaries of Chief Educational Officers</td>
<td>73</td>
</tr>
<tr>
<td>Educational Qualifications for County Superintendents</td>
<td>74</td>
</tr>
<tr>
<td>Grade Schools</td>
<td>74</td>
</tr>
<tr>
<td>Teacher Supply</td>
<td>77</td>
</tr>
<tr>
<td>Teacher Training</td>
<td>79</td>
</tr>
<tr>
<td>Text Books</td>
<td>80</td>
</tr>
<tr>
<td>Negro Schools</td>
<td>80</td>
</tr>
<tr>
<td>High Schools</td>
<td>81</td>
</tr>
<tr>
<td>Institutions of Higher Learning</td>
<td>82</td>
</tr>
</tbody>
</table>
FOREWORD.

In compliance with a Concurrent Resolution adopted by the General Assembly of South Carolina, the Joint Committee on Printing presents herewith extracts from the report of Griffenhagen and Associates, Ltd., Industrial Engineers, Accountants and Employment Advisors, submitted to the Budget Commission in October, 1920.

This report was submitted in seven different parts, touching upon every phase of the government of the State. In its entirety, the report is a rather voluminous document. This committee has culled from the various sections those portions only which deal more or less in generalities and which contain specific recommendations for changes and improvements in administrative methods and procedure, and particularly those covering consolidation and reorganization of departments, eliminating such parts as are highly technical and which would materially increase the cost of production to the State. The Committee believes, however, that it has not eliminated any part vital to a comprehensive understanding of the recommendations of the efficiency engineers.

For the sake of convenience and in order that the report may appear with part numbers in orderly sequence, the various parts have been given numbers not in accord with the original, but in each case the original part numbers are given in small type in parentheses immediately under the new numbers.

JOINT COMMITTEE ON PRINTING.

Niels Christensen, Chairman.
Thos. B. Pearce,
W. R. Bradfurd,
Jas. O. Sheppard,
W. T. Walker, Secretary.

Note: This report comprises seven parts, as follows: Part I—Units of State Organization; Part II—General Organization; Part III—The Budget; Part IV—Accounting and Auditing; Part V—Taxation and Revenue; Part VI—Education; Part VII—Employment.
LETTER OF TRANSMITTAL.

GRIFFENHAGEN & ASSOCIATES, Ltd.
Industrial Engineers, Accountants, and Employment Advisors.
116 South Michigan Avenue, Chicago.

October 15, 1920.

To the Honorable,
The Chairman and Members of the Budget Commission,
State of South Carolina,
Columbia, South Carolina.

Dear Sirs: In June of this year you commissioned us to conduct a preliminary survey of the several departments, institutions, offices, and other agencies of the executive branch of the government of South Carolina. The survey was begun in early July and completed in September and our report of findings, conclusions, and recommendations is now submitted.

The scope of the study and report is as originally outlined, but acting on the directions given by the Governor, your Chairman, we have shifted the emphasis from questions of detail procedure in the various departments to larger questions of policy—general organization, budget, accounting and auditing control, taxation, and education—consideration of which was not contemplated in the original plan. The report is presented in seven parts as follows:

Part I—Units of the State Organization.
Part II—General Organization.
Part III—The Budget.
Part IV—Accounting and Auditing.
Part V—Taxation and Revenue.
Part VI—Education.
Part VII—Employment.

Each part is preceded by a complete table of its contents.

Part I takes up the individual units of the State organization, each in its turn, explains its work, describes the general condition of its offices and properties, and submits comments and suggestions regarding its organization, methods, and the apparent efficiency of its operations. It is believed that the results of this series of departmental and institutional studies,
brief as they have been, have shown the wisdom of deferring an intensive and detailed study of departmental methods until the more general aspects of the State organization and administration have been covered and given consideration. In only a few of the large departments and institutions would a thorough-going overhauling of internal organization, personnel, and operating procedure yield returns justifying the cost in money and effort.

In Part II, the organization of the State government is considered as a whole and what might be considered an ideal organization is set up to serve as an objective toward which future legislation and constitutional changes may be directed. Many of the changes that are not dependent on a revision of the constitution should, in our opinion, be made immediately. The whole plan, or such modifications thereof as may be adopted by your Commission, should be kept before the public and the General Assembly as the ultimate goal toward which to work.

Part III, entitled "The Budget," deals with the whole subject of legislative direction and control through the exercise of the appropriating power. We believe that the suggestions made regarding the budget procedure will, if adopted, put South Carolina still farther in advance of most other states in the technique of financial planning and the handling of estimates and appropriations.

Part IV has to do with the important subject of central financial control and takes up, in their broad aspects and in their details, the policy, procedure, and record keeping involved. The organization of the financial departments concerned are treated fully in Part II. It is hoped that the many specific, constructive recommendations and the numerous suggestions as to routine procedure, reports, and forms contained in this part will be found immediately useful.

The taxation and revenue problems of the State are taken up in Part V. We are aware that our comments on the shortcomings of the present policy contain criticisms that are not new to you but we hope that the principles and the proposals for change that we advocate will assist you, and the other State officials who are concerned with this fundamental problem, in arriving at a satisfactory solution.

Part VI discusses the educational situation in the State as we see it and contains our suggestions as to the lines along which improvement should be sought. We feel that the subject has been covered as fully as an ordinary "educational survey" would cover it and that the suggestions made should prove valuable. There is no doubt, however, that an intensive study of the conditions, policies, and results in the various educational departments and districts of the State is desirable. Such a study, if properly planned and directed, and if made with the aid of voluntary organizations and the various existing institutions, could be made to cover a great deal of ground at small expense.

The last section of the report, Part VII, deals with certain employment problems which, while they are not acute, should be covered before the plan of State administration can be considered to be complete and modern.

In the discussions prior to the undertaking of this survey, it was stated that the resulting report would give the Budget Commission "a basis for a more intensive program for reorganization and betterment in those instances in which it was brought out that marked improvements were possible." We believe that such a basis has been established.

In submitting our findings and suggestions we feel called upon to express our appreciation of the unusually complete and effective cooperation that we have received from all officials and departments of the State with whom we have come in contact. We desire to make particular mention of your Secretary in this connection.

Yours faithfully,

GRIFFENHAGEN & ASSOCIATES, Ltd.

By E. O. Griffenhausen,
Director.
PART I.
(PART II)

GENERAL ORGANIZATION.
GENERAL ORGANIZATION.

Present Structure of the State Organization:

The constitution of South Carolina provides for three main departments of the State government: the Judicial, the Legislative, and the Executive.

The judicial power is vested in the Supreme Court and in two Circuit Courts, namely, the Court of Common Pleas having civil jurisdiction and the Court of General Sessions having criminal jurisdiction. The General Assembly is given authority to create other courts with the provision that the establishment of County Courts shall be dependent upon the previous majority approval by the qualified electors of the counties concerned.

The legislative power is vested in two branches; the Senate and the House of Representatives. Together they form the General Assembly of the State of South Carolina. The members are elected by the people. The acts of the General Assembly are subject to a limited veto power by the Governor.

The Executive Department, with which this report deals, at present includes the offices of Governor, Lieutenant-Governor, Secretary of State, Comptroller General, Attorney General, Treasurer, Adjutant General, Superintendent of Education—all elective offices and all provided for in the constitution. There are also included in the department forty-seven boards, commissions and offices—all, with the exception of the Railroad Commission, created by statute—whose incumbents are either appointed by the Governor or appointed by the Supreme Court of the State, or chosen by the General Assembly, or hold their office ex-officio, or are self perpetuating.

As in many other jurisdictions, some of these boards, commissions, and offices have been created without due reference to previously existing agencies, either as to form of organization or scope of powers.

The following table sets forth the present organization of the State government:

Responsible to the Electorate:

General Assembly
Governor
Lieutenant Governor
Secretary of State
Comptroller General
Attorney General
Treasurer
Adjutant General
Superintendent of Education
Commissioner of Agriculture, Commerce and Industries
South Carolina Railroad Commission

Responsible to the General Assembly:
Supreme Court,
State Board of Law Examiners
State Warehouse Commissioner
Insurance Commissioner
State Librarian
Chief Game Warden
Board of Directors of State Penitentiary
Joint Committee on Printing
Colleges,
Board of Trustees of the University of S. C.
(Note a)
Board of Visitors of the Citadel (Note b)
Board of Trustees of Clemson Agricultural College (Note c)
Board of Trustees of Winthrop College (Note d)
Board of Trustees of Medical College of S. C.
(Note e)
Board of Trustees of State Colored College
(Note f)

Responsible to the Governor:
The Governor's Office
South Carolina Tax Commission
South Carolina Tax Board of Review
Public Service Commission
State Highway Commission
State Bank Examiner
State Pension Commission
State Board of Conciliation
State Board of Medical Examiners
State Board of Pardons
State Electrician and Engineer
Financial Agent of Catawba Indians
Board of Fisheries of South Carolina

Note a. Four members ex-officio; seven elected.
Note b. Eight members ex-officio; five elected.
Note c. Seven members self-perpetuating; six elected.
Note d. Five members ex-officio; eight elected.
Note e. One member ex-officio; six elected.

Board of Exports and Marketing (Note g)
Board of Commissioners of Confederate Infirmary
(Note h)
Board of Regents of State Hospital for the Insane
Board of Trustees of the School for the Deaf and the Blind (Note i)
Board of Trustees of the John de la Howe Industrial School
State Board of Public Welfare
State Training School for the Feeble Minded
South Carolina Industrial School for Boys
South Carolina Industrial School for Girls
South Carolina Reformatory for Negro Boys

Ex-Officio Agencies:
Budget Commission
Sinking Fund Commission
Columbia Canal Commission
Commission on the State House and Grounds
Committee on Support of Deaf, Dumb and Blind Children
Committee on Approved Claims
State Board of Health (with South Carolina Medical Association)
Historical Commission of South Carolina (Note j)
Custodian of State Relic Room (Note k)

The Need for Reorganization:
An analysis of the number and arrangement of the units in this list and a consideration of their several functions as set forth in Part I brings out clearly the impossibility of attaining a satisfactory standard of administrative efficiency under existing conditions. Prominent among the many undesirable conditions that accompany this unwieldy and illogical organization of the State's governmental machinery are the following:

1. There is overlapping of functions and activities and consequent duplication of work and multiplication of positions and salaries.
2. There is an improper allocation of functions and activities and a scattering of responsibility which naturally results in lowered efficiency.

Note g. Two members ex-officio; three appointed.
Note h. Two members ex-officio; three appointed.
Note i. One member ex-officio; four appointed.
Note j. Composed of the Professors of History in the University of South Carolina, the Citadel, Clemson Agricultural College, Winthrop College and one member elected by the United Confederate Veterans of South Carolina and one member elected by the South Carolina Historical Society.
Note k. Elected by the Daughters of the Confederacy.
3. There is no way in which unity in administrative policy can be brought about or in which the full responsibility for administrative success or failure can be definitely placed on one chief executive.

4. It is practically impossible to provide for a centralized control of the various transactions and activities that are common to practically all departments, and to secure the economies that would result from such centralization, uniform accounting supervision has not been possible, a uniform employment and salary policy has not been established, purchasing and storekeeping functions have not been assigned to one specialized agency.

Although recently there have been in South Carolina notable legislative attempts upon the recommendation of the Governor to remedy conditions—witness the Budget Act and the creation of the State Board of Public Welfare—there remains much to be done before the State can render the best service at the lowest cost.

Immediate reductions in expense, especially where the State is not giving the full measure of service rightfully expected by its citizens, cannot always be obtained. Retrenchment can, of course, be accomplished by drastic curtailment of service, but retrenchment is not the main objective of the present administration of the State. More complete and more effective service without unnecessary use of funds and effort is the objective.

A simple, clean-cut, logical organization of State activities is the most direct means to this end, and in this part of the report such a plan is set forth.

In view of the practical difficulties of immediately bringing about the following proposed sweeping changes (many requiring statutory changes or constitutional amendments), and in view of the present undeveloped scope and the probable subsequent larger scope of some of the State governmental activities, there have been tendered limited, constructive suggestions for immediate action should the complete plan delay in timely consummation. These suggestions, if put into effect, will create integral parts of the ultimate plan of reorganization as and when that plan comes into full being.

Accepted Principles Underlying the Proposals for Reorganization:

The Short Ballot: The proposed reorganization is designed to meet the following requirements. The number of elective officials is reduced to a minimum. Elective officials, since they have received their election at the hands of the people, tend to feel they are not responsible to the Chief Executive. Furthermore, when the electors are burdened with the selection of a large number of State officials they cannot be expected to know the qualifications and fitness of each candidate for office.

Simplicity of Organization: This simplicity is obtained by a reduction in the number of departments and by placing each department under one head who is appointed by the Governor with the consent of the Senate and who is responsible to the Governor. The result will be in effect a small working cabinet whose members not only hold office at the pleasure of the Governor, but whose members are also responsible to the Governor for the efficient conduct of their individual departments.

It has been argued in some quarters that such a system gives the Governor too much authority. It should be remembered, however, that the Governor is elected for a fixed term by the qualified electors of the State and is subject to impeachment. Furthermore, the expenditure of practically all State revenue in South Carolina is now under the control of the General Assembly, and by the provisions of the plan will be entirely under legislative control by appropriation. In addition, it is recommended in this report that the heads or directors of the departments be appointed by the Governor with the consent of the Senate. By some authorities it is thought this last procedure tends to hamper the Chief Executive. It is believed, however, that the general advantages gained outweigh any disadvantage placed upon the Governor.

Logical Grouping of Functions as a Basis for the Major Departmental Units: Related functions are assigned to the same department. The principle involved, where employed with due regard to practicability of operation, automatically eliminates duplication.
Logical and Definite Assignment of Activities to Divisions within Departments: It has not been attempted to work out in precise detail the internal organization of the proposed departments. However, following the principle of grouping related functions in the same departmental units, it is advocated that the bureaus created in each department be set up along functional lines to insure that similar services are grouped within the same bureau.

Ex-officio Boards Eliminated: Ex-officio boards are largely eliminated. It has been found that such boards generally are not efficient, since the members are not inclined to give adequate time and consideration to their ex-officio duties.

Administrative Boards and Commissions Eliminated: Strictly administrative boards and commissions are eliminated. It has been generally found that such boards seldom function effectively because their authority and responsibility are divided among the members and executive decision, action, and supervision cannot ordinarily be exercised without delay and confusion.

Quasi-Judicial and Quasi-Legislative Boards and Commissions Recommended: In several connections quasi-judicial and quasi-legislative boards and commissions are advocated to serve in an inspectonal and advisory capacity requiring the judgment of more than one person. It has been generally found that such boards when allied to administrative activities are often highly successful since they bring a wider range of experience and a broader viewpoint than does one person. The single executive gets action and the advisory board checks any tendency toward the bureaucratic attitude.

Descriptive Terminology Employed: As far as possible the names or titles of administrative groups and officials are made descriptive, so that these names or titles will express in themselves their functions or duties. Uniformity in title form, to further logic and system as to nomenclature, is also sought.

Proposed Plan of Organization of the State Government:

It is proposed that the constitutional provisions for the election of a Governor and a Lieutenant-Governor shall remain as they are but that existing boards, commissions, and offices shall be consolidated so as to provide in the Executive Department the following thirteen main departments, five of them to have advisory boards or commissions:

- Department of State
- Department of Law
- Department of Militia
- Department of Finance
- and Treasury Council
- Auditing Department
- Department of Agriculture, Commerce, and Industries
- Department of Public Welfare
- and State Board of Public Welfare
- Department of Public Health and
- State Board of Public Health
- Department of Education and
- State Board of Education
- Department of Public Works
- Department of Public Utilities and
- Public Utilities Commission
- Department of Natural Resources
- Department of Labor

The Proposed Departments in Detail:

Department of State: As a part of the ultimate plan there should be created a Department of State whose head should be the Secretary of State appointed with the consent of the Senate by the Governor for his term of office at his pleasure. This will require a constitutional amendment. The duties of the Secretary of State should remain those now prescribed by law save such of his duties as are altered, abolished, or established by the proposals made below.

As recommended in the suggestions following on the Department of Public Works, the registration and licensing of automobiles should be placed in the Department of State, as a part of the ultimate plan. This will require statutory change.

Department of Law: As a part of the ultimate plan there should be created a Department of Law whose head should be the Attorney General, appointed with the consent of the Senate by the Governor for his term of office at his pleasure. This will require a constitutional amendment. The duties of the
Attorney General should remain those now prescribed by law
save such of his duties as are altered, abolished or established
by these proposals.

The Columbia Canal Commission, as stated in Part I, is an
ex-officio commission created for a specific purpose. It is
recommended that this commission during its life be placed
in this department. This will require statutory change.

As a part of the ultimate plan, the State Board of Law
Examiners should be placed in this department and should be
appointed by the Attorney General for his term of office. This
will require statutory change.

Department of Militia: As a part of the ultimate plan,
there should be created the Department of Militia whose head
should be the Adjutant General appointed with the consent of
the Senate by the Governor for his term of office at his
pleasure. This will require a constitutional amendment. The
duties of the Adjutant General should remain as now specified
by law.

The Inspector General, the Property and Disbursing Office,
and the Armorer, should be appointed as now specified by law
and their duties should remain the same as at present.

Department of Finance—Treasury Council:

Auditing Department: Since policies and procedure relat-
ing to finance and audit are so fundamentally important to
the proper conduct of the activities of a state, and since they
are so closely related to the work of the Budget Commission,
they are treated at much greater length and in fuller detail
than the activities of the other major departments. The dis-
cussion of these two subjects has therefore been placed in a
separate section at the end of this part of the report.

Department of Agriculture, Commerce, and Industries:
The present Department of Agriculture, Commerce, and Indus-
tries is charged with the issuing of publicity or propaganda
matter, with the gathering of certain statistics, the inspection
of gasoline and other petroleum products, the inspection of
food and drugs, other materials, the inspection of weights
and measures, the inspection of establishments employing
labor, and with the enforcement of the child labor and other
labor laws.

It is here recommended as a part of the ultimate plan that
the elective Office of Commissioner of Agriculture, Commerce,
and Industries be changed to the office of Director of Agricu-
ltre, Commerce, and Industries. The holder of this office
should be appointed with the consent of the Senate by the
Governor for his term of office at his pleasure.

There should be created in the Department of Agriculture,
Commerce, and Industries the following bureaus with heads
appointed by the Director and responsible to him:

- Bureau of Publicity
- Bureau of Inspections
- Bureau of Warehouses
- Bureau of Exports and Marketing
- Bureau of Banking and Insurance Regulation.

The Bureau of Publicity should be charged with the issuing
of whatever publicity or propaganda matter is decided upon
as necessary or desirable from time to time by the Director,
and should also be charged with gathering the statistics now
required by law.

The Bureau of Inspections should be charged with the ins-
pection of weights and measures, of gasoline and other
petroleum products, of food and drugs and other materials
now required by law, and with the inspection of establish-
ments employing labor and with the enforcement of child
labor and other labor laws. The Chemical Laboratory should
be under this Bureau.

The promulgation of rules and regulations in regard to food
and drugs should be given the head of this Bureau in con-
junction with the Director.

The division of inspection activities between the Clemson
Agricultural College and the present Department no doubt
involves a duplication of effort and in line with the modern
tendency toward consolidation of related functions, it is
recommended that the inspection of fertilizer be taken from
the College and given to the Bureau of Inspections and that
the College be assured of revenue by appropriation to take the
place of the present revenue derived from this inspection.

The State Constables who are now appointed by the Gov-
ernor and who report directly to him should be placed under
the Bureau of Inspections and the head of this Bureau should
be responsible for the enforcement by them of the prohibition
laws. These State Constables should be appointed by the head of the Bureau with the advice and consent of the Director.

The present office of State Warehouse Commissioner should be abolished and the duties of his office taken over by the head of the Bureau of Warehouses.

In Part I in the discussion of the Board of Exports and Marketing, it was noted that the appropriation made the Board in 1919 was turned back to the Treasury and that no appropriation was made this Board in 1920. It was recommended that if the necessity for the Board still exists, the Board should begin functioning at once. As a part of the ultimate plan it is here recommended that if such necessity exists there be created a Bureau of Exports and Marketing which shall be charged with the duties of the Board of Exports and Marketing.

The regulation of banks and insurance companies, apparently financial on its face, is a feature of the control and supervision of the business and industry of a community and should be placed in the department handling such subjects. A number of the recently reorganized states have so placed this regulatory function. The Insurance Department and the State Bank Examiner’s Office should be abolished and a Bureau of Banking and Insurance Regulation be created to take over the powers and duties of the former two agencies.

All the more important recommendations set forth above can be effected by statutory changes only.

Department of Public Welfare: In most of the States attempts have been made to remedy the evils resulting from decentralized control of correctional and charitable institutions and agencies. These attempts have taken shape in the consolidation of control of such institutions and agencies under boards of control or directors or commissioners.

In 1861 the State of Wisconsin first established in the United States centralized control over the management of State correctional and charitable institutions and there has never been any thought in Wisconsin of going back to the old system.

Illinois has a Department of Public Welfare under a director who is responsible to the Governor. This department is charged with the supervision of all state hospitals for the insane, penal institutions, homes for old soldiers and soldiers’ widows and orphans, correctional institutions for delinquent girls and boys, and the Board of Pardon and Parole.

In the State of New York it is claimed the present decentralized system of management of charitable and correctional agencies fails to provide for co-ordination and uniformity in:

- Fiscal methods.
- Handling of labor and industries in the various groups of institutions.
- Recruiting, promotion, retirement and general welfare of the institutional employees.
- Care of delinquents and defectives.
- Institutional expansion and the most economical use of existing facilities.
- Reports of the work, aims, and needs of the various institutions.

In South Carolina a commendable step in the right direction was taken when the General Assembly of 1920 established the State Board of Public Welfare, giving it the duties of the late State Board of Charities and Corrections and the late State Board of Correctional Administration and control of the State Training School for the Feeble Minded, and charging it with duties of supervision, investigation and control. The State Board of Public Welfare controls the appointment of the superintendents and the direction of administration of the State Training School for the Feeble Minded, South Carolina Industrial School for Boys, South Carolina Industrial School for Girls, and South Carolina Reformatory for Negro Boys.

It is understood that it was proposed also to place the State Hospital for the Insane and the State Penitentiary under the control of the Board but that the General Assembly would not enact the proposal into law.

The State Board of Public Welfare at present consists of the Governor, who is its chairman, and six other members appointed by him, subject to the consent of the Senate. As outlined in Part I, the Board has undertaken an ambitious program and while it has not thus far carried out all of its plans, nevertheless, when the short life of the Board is considered, it must be granted that laudable progress has been made.

As a part of the ultimate plan and to further the progress
already made in the State toward consolidated control of cor-
rectional and charitable institutions, it is recommended that
a Department of Public Welfare be created at the head of
which there should be a Director of Public Welfare appointed,
with the consent of the Senate, by the Governor for his term
of office at his pleasure. This Department should carry on
all the duties of the present Board of Public Welfare and in
addition should be charged with the duties hereafter outlined.

The Director should also be Chairman of the Board of Pub-
lic Welfare which should be composed of the Director, the
Governor ex-officio, and six other members appointed by the
Governor with the consent of the Senate. The term of office
of the six members should run for one, two, three, four, five
and six years respectively and thereafter when the term of
one of these members expires, his successor should be appoint-
ed for a term of six years. The Board should act in an
advisory and inspectional capacity only.

The State Hospital for the Insane, the State Penitentiary,
the Confederate Infirmary, the Catawba Indians, and the
Committee on Support of Deaf, Dumb, and Blind Children,
should be placed in this Department.

Until the details of the organization of the Department of
Public Welfare are worked out, and until it should appear
advisable to effect a different procedure, it is recommended
that the Regents of the State Hospital for the Insane and the
Directors of the State Penitentiary and the Commission in
charge of the Confederate Infirmary be appointed as at present
provided for and continue their present duties, but that they
report to the Director.

Eventually, however, if separate advisory boards are neces-
sary for the State Hospital, the State Penitentiary, and the
Confederate Infirmary, a uniform system of appointment by
the Governor should be adopted.

The Committee on the Support of Deaf, Dumb, and Blind
Children should be composed of the Director of the Depart-
ment of Public Welfare, the Director of the Department of
Education and the Superintendent of the School for the Deaf
and the Blind.

The State Board of Pardons should continue to be appointed
by the Governor.

To effect these recommendations various statutory changes
are necessary and a constitutional amendment is certainly
necessary in regard to the State Penitentiary and perhaps in
regard to the State Hospital for the Insane.

Attention is directed to the recommendations for imme-
diate action made in Part I on the various institutions and
agencies mentioned above.

Department of Public Health: South Carolina has an ef-
cient and well organized State Board of Health.

However, as a part of the ultimate plan there should be
created a Department of Public Health whose head should be
a Director appointed with the consent of the Senate by the
Governor for his term of office at his pleasure. The Director
should be a graduate of a reputable medical college and a
physician skilled in hygienic and sanitary science.

The State Board of Health should be continued as the State
Board of Public Health but in an advisory and inspectional
capacity only. The State Superintendent of Education should
take the place of the Comptroller General upon the Board.
When the office of Director of Education is created, the Di-
rector should take this place upon the Board. The Director
of the Department of Public Health should be Chairman of
this Board. The State Board of Medical Examiners should
be placed in the Department. The present agencies of

Administration
Hygienic Laboratory
Child Hygiene and Public Health Nursing
Vital Statistics
Venerable Disease Control
Tuberculosis Activities
Rural Sanitation
Engineering Activities
Water Chemist and Bacteriologist

should be formed into the same number of bureaus and labora-
tories and at their heads should be chiefs appointed by the
Director and responsible to him.

These recommendations can be effected by statutory changes
only. It will be seen at once that the recommendations recog-
nize the present efficient organization of the State Board of
Health. The only changes advocated are those necessary to
bring the organization of this activity into conformity with the organizations proposed for the other activities of the State.

Attention is directed to the recommendations for immediate action made in Part I in regard to the present State Board of Health.

Department of Education: As education is a subject of such immediate and vital importance to South Carolina, it has been thought best to treat it in considerable detail in Part VI of this report. Among the numerous suggestions made there is a proposal to establish a Department of Education and the office of Director of Education.

Department of Public Works: As a part of the ultimate plan there should be created a Department of Public Works to embrace the State Electrician and Engineer, the Commission on State House and Grounds, and the Highway Department. Its head should be a Director appointed with the consent of the Senate by the Governor for his term of office at his pleasure.

There should be created a Bureau of Buildings. The title of State Electrician and Engineer should be changed to Superintendent of Buildings and he should be head of this bureau. He should be appointed by the Director of the department and should possess specified technical qualifications. His duties should be extended to take in the inspection and approval from an engineering standpoint, based on funds appropriated, of plans for the erection or alteration of all public buildings, inspection and approval of their construction, and supervision of their maintenance. If a centralized purchasing agency is established, this agency should take over the purchasing now done by the State Electrician and Engineer.

The Commission on State House and Grounds should be abolished and the Superintendent of Buildings should perform the duties now given this commission. Here again if a centralized purchasing agency is established the purchase of supplies now carried on by this commission should be conducted by the new agency.

The State Highway Commission should be abolished and the State Highway Department made a bureau in the Department of Public Works. A State Highway Engineer with specified technical qualifications to take charge of this bureau should be appointed by the Director of the department. The State Highway Engineer should continue to be charged with the functions of providing systematic highway construction and maintenance throughout the State. The registration and licensing of automobiles should be transferred from the present Highway Department to the office of the Secretary of State or to the proposed Finance Department. It is the practice of most states to have this function performed by the Secretary of State. Inasmuch as it is largely a matter of the collection of revenue, consideration might be given to the placing of it in the Department of Finance. At least one state has recently made a change in the practice of issuing licenses to automobiles and now issues such licenses for a period of three years. It is claimed this new practice has saved a considerable amount of money.

The above recommendations can be effected by statutory changes only.

Attention is directed to the recommendations for immediate action made in Part I on the State Electrician and Engineer’s Office, the Commission on State House and Grounds and the State Highway Department.

It will be of interest to cite here what has been done along these lines recently in several other states.

In Idaho the Administration Consolidation Act provides for a Commissioner of Public Works, appointed by the Governor and serving at his pleasure, who is in charge of the Department of Public Works. This department takes over the duties formerly given to the following agencies:

State Highway Commission
State Highway Engineer
Board of Trustees of the Capitol Building
Heyburn Park Board of Control

In Illinois in 1917 a Department of Public Works and Buildings was created as one of nine administrative departments. The head of this department is a Director appointed by the Governor with the consent of the Senate. The Department is divided into seven bureaus and each bureau has an administrative head. These bureaus are as follows:

Executive Office Bureau
3. To authorize, fix and establish fair and reasonable rates for passenger fares.
4. To make or cause to be made investigation of unused hydro-electric potentiality in the State.
5. To provide a questionnaire to show under oath the capitalization, capital invested, depreciation, maintenance, interest on bonds, dividend on preferred stock, gross income, net income, taxes paid, etc.
6. To examine and approve or disapprove all projected issues of stock, bonds, mortgages, and other securities of public utilities.
7. To provide a uniform system of accounts.
8. To make and to provide rules of procedure in open hearing.
9. To employ such clerical help as may be necessary for the conduct of the office work of the commission, and to engage when necessary such expert accountants and engineers as may be necessary.

In Part I it was recommended that careful consideration be given this bill.

Section 14, Article 9 of the State Constitution provides for the establishment of a Railroad Commission to be composed of not less than three members whose powers, duties, manner of election, and term of office shall be regulated by law.

In Part I it was recommended in regard to the present Railroad Commission:

1. That the law be changed at the next session of the Assembly so as to make the Railroad Commissioners appointive instead of elective.
2. That another clerical employee be supplied at once.
3. That the continuous service of an engineer be utilized in making bridge inspection as well as in other technical work.

It was pointed out that the Railroad Commission should either itself be composed of technical men or should have upon its staff high-grade technical men.

As a part of the ultimate plan, there should be created a Department of Public Utilities whose head should be a technically qualified man to be known as the Director of Public Utilities, who should be Chairman of the Public Utilities Commission described below and who should be appointed with the consent of the Senate by the Governor for his term of office at his pleasure.

The Railroad Commission and the Public Service Com-
mission should be abolished and as a part of the ultimate plan there should be created a Public Utilities Commission of at least three technically qualified men appointed with the consent of the Senate by the Governor for his term of office. The Commission, with the exception of the Chairman, should act in an advisory capacity only.

The department should be charged not only with the regulation of transportation and transmitting public utilities in the State, but also with the regulation of all other public utilities in the State as set forth in the synopsis of the proposed bill and in addition it should be charged with the other duties prescribed in this bill. An act substantially the same as the bill proposed should be enacted save that the act should provide for a Public Utilities Commission appointed as outlined above instead of a Public Service Commission.

Within the department there should be created a sufficient number of bureaus properly to handle the work of the department. These bureaus should probably consist in the beginning of a Bureau of Engineering and Inspection and a Bureau of Securities, Rate Setting, and Accounting. As the work of the department increases it will perhaps be necessary to divide these activities into a larger number of bureaus.

A constitutional amendment and statutory changes will be required to accomplish these recommendations.

It is of interest to add that in the majority of the states the public service or public utilities commissions are appointed by the Governor with the approval of the Senate.

Department of Natural Resources: In Part I it is pointed out that the Chief Game Warden’s Office is charged with the enforcement of the bird, game, and non-migratory fish laws of the State, and that the Board of Fisheries is charged with the enforcement of laws pertaining to migratory and shell fish, shad, sturgeon, oysters, clams, and terrapin.

Of late years the conservation of natural resources has been recognized not only by the Federal Government but also by the various states as a question of growing importance. As the development of the country continues and settlement becomes more intensive, there is no doubt that conservation should and will receive more and more attention.

In Part I recommendations for immediate action are made in regard to the Chief Game Warden’s Office and the Board of Fisheries under their present organization. It is now recommended, as a part of the ultimate plan, that the Chief Game Warden’s Office and the Board of Fisheries and the office of its Chairman be done away with and there be created an office to be known as the Chief Fish and Game Warden. The holder of this office should be appointed with the consent of the Senate by the Governor for his term of office at his pleasure and should be charged with carrying on the duties now given to the several offices that it is proposed to abolish.

The State will no doubt in the future find it of value to consider the question of conservation of the forests, lands and minerals and waterways. When that time comes, there should be created a Department of Natural Resources whose head should be the Director of Natural Resources. He should be appointed with the consent of the Senate by the Governor for his term of office at his pleasure.

The functions of the Chief Fish and Game Warden’s Office will then naturally be assigned to one, or perhaps two bureaus in this new department.

At that time there should also be created in this department a Bureau of Forests, a Bureau of Lands and Minerals, and a Bureau of Waterways. The heads of these bureaus should be appointed by the Director of the department.

In this connection, it should be noted that a bill, mentioned in the proposals on the Department of Public Utilities, provides for an investigation of the unused hydro-electric potentiality in the State. It was recommended that the Department of Public Utilities be given this function. If a Bureau of Waterways is created at some time in the future, the investigation of hydro-electric potentiality should then be placed under this bureau.

The above recommendations can be effected by statutory changes only.

Department of Labor: South Carolina in the main has fortunately been free from labor troubles.

As the industrial development of the State continues, however, it may be that the need for a Department of Labor will arise in the future as it has arisen in the past in other States.

When that time comes, there should be created, as a part of
the ultimate plan, a Department of Labor whose head should be a Director of Labor appointed with the consent of the Senate by the Governor for his term of office at his pleasure.

It is impracticable to endeavor to outline before future industrial development occurs, precisely what should be the internal organization of this department. It is a matter that can safely be left until the problem arises.

For the present it is recommended that the State Board of Conciliation continue under its present method of appointment and that its powers and duties be continued as now set forth by law. When a Department of Labor is created, the Board should be merged with this department.

DEPARTMENT OF FINANCE, TREASURY COUNCIL, AND AUDITING DEPARTMENT.

The financial problem of a public or private institution involves two classes of activities:

1. The primary activities involved in the arranging for, and carrying out of financial transactions as a part of the operation of the business.

2. The independent audit of the affairs of the officials responsible for the financial transactions, this audit serving the purpose both of proving the integrity and the legality of the officials' acts and of giving to each responsible officer a clearance with regard to the transactions audited.

In some organizations it is customary to consider there is also a third distinct class—the custody of the funds of the organization. In fact, some years ago the custody of funds was the only independent factor recognized, the modern idea of audit not having been developed. Today it is generally considered that the custody of funds is one of the simpler problems and that the creation of an auditing office constitutes a sufficient guarantee of the integrity of the Treasurer and at the same time makes possible a far more thorough and valuable scrutiny of the financial operations of the organization than was obtained in the past.

It is advocated by authorities today that independent organization units be set up to take care of the two distinct fields of management of finance and accounting on the one hand and of audit on the other hand.

Present Organization in South Carolina:

The quasi-legislative bodies now dealing with financial matters are the following:

- The Budget Commission
- The Sinking Fund Commission
- The Committee on Approved Claims
- The Tax Commission
- The Tax Board of Review
- The Joint Committee on Printing

The administrative units now employed in accounting and on matters relating to finance are the following:

- The Comptroller General's office
- The State Treasurer's office
- The office of the Secretary of the Sinking Fund Commission
- The Budget Secretary's office
- The Bank Examiner's office
- The office of Clerk of the Joint Committee on Printing
- The Pension Commissioner's office

The present situation tends to bring about an even greater number of administrative units because new functions generally do not fall into any of the heads previously in existence. The functions of the two principal accounting officers, the Comptroller General and the State Treasurer, are not logically divided. The treasurer is definitely understood to be the general treasurer for the State and to a certain extent is understood to be the disbursing agent although his present functions with regard to making disbursements are not those usually considered as essential in connection with the disbursing office. The Comptroller General, however, is not definitely regarded as the auditing official of the State since the auditing function is divided between his office and that of the Bank Examiner. Also, it is not clear whether or not the Comptroller General is the chief accounting officer of the State since his books are duplicated by those of the Treasurer. Both the Comptroller General and the State Treasurer are chosen by election—a method widely conceded to be unsuitable for selecting the chief financial officials of a state.
The Ideal Organization for South Carolina:

In dealing with the problems of organization it is believed that the State should set up for itself two programs, (1) with regard to what should eventually be achieved through the amendment of the constitution and through statutory changes and the adjustment of the details of organization; (2) with regard to the immediate steps which should be taken.

With the idea of clearly separating these two phases of the subject we discuss first the ultimate ideal organization which should be aimed at, giving our recommendations as to the nature of such an organization, and then we present proposals with regard to steps which should be taken immediately.

Need for Two Central Finance Agencies: As a part of the ultimate plan there should be set up for South Carolina a Department of Finance which should comprise all of the staffs now engaged on problems of a financial nature except the staff in the Comptroller General's office. In addition there should be set up an Auditing Department.

To carry out these recommendations there should be provided an office of Director of Finance, the incumbent of this position having charge of the Department of Finance. The details with regard to his appointment, powers and duties are considered later.

The auditing official should be the Comptroller General. He should not be responsible to the Governor but on the contrary should feel that his chief responsibility is to the General Assembly. He should be appointed with a long term of office not corresponding to the term of the Governor and it should be definitely understood that he is not subject to the control of the chief executive. For this reason it is believed that his department should have no functions other than those of audit. The details with regard to his appointment, powers and duties are considered later.

A Treasury Council should be created to take over the powers of a quasi-legislative character now given to the Sinking Fund Commission and to govern by means of formal executive orders to be known as general and special "Treasury Orders" the operation of the financial system of the government. This body should be termed a council rather than a board or commission in order to indicate as clearly as pos-

sible by its name the fact that it is not an administrative agency.

Department of Finance: The Department of Finance should include the following bureaus:
- Bureau of Treasury and Accounts
- Bureau of Taxation
- Bureau of Budget and Investigations
- Bureau of State Fire Insurance
- Bureau of Supplies
- Bureau of Pensions

Bureau of Treasury and Accounts: The functions of this bureau should be to receive, have custody of, and disburse public moneys, to keep accounts of revenues, to keep a general ledger for the State, to keep other State accounts of special funds, etc., which are not of direct interest to the auditing official. The bureau clearly embraces the work now done by the State Treasurer and by the Secretary of the Sinking Fund Commission (excluding State Fire Insurance.)

Bureau of Taxation: This bureau should include the present Tax Commission with enlarged powers as outlined in Part V of this report. The Tax Board of Review should be abolished, as recommended also in Part V.

Bureau of Budget and Investigations: The functions of this bureau should include preparation of the budget after investigation of demands, making investigations as to methods of accounting and finance, making investigations as to organization and system, preparing rules with regard to these matters for the approval of the Treasury Council, passing on claims in dispute (now done by the Committee on Approved Claims which should be abolished), investigating such matters as are referred to it by the Treasury Council, and investigating unusual claims against the State. The chief of this bureau should be the Budget Secretary, and, as recommended in Part VII, should also be the Employment Superintendent.

Bureau of State Fire Insurance: The functions of this bureau should consist of the administration of the present functions of the Sinking Fund Commission in regard to State fire insurance of public buildings.

Bureau of Supplies: The functions of this bureau should consist of central purchase of supplies and maintenance of
such central stores as are required, writing of standard specifications for supplies and equipment, the preparation of standard supply contracts, the securing and recording of consumption data, the securing and recording of price data, and the certification as to the fairness of prices of all classes of articles certifying as to the fairness of prices of all classes of articles purchased. This bureau includes the office of the Clerk of the Joint Committee on Printing.

**Bureau of Pensions:** The functions of this bureau should be to administer the pension laws now administered by the State Pension Department.

**Internal Organization of Bureaus:** As previously stated, this report does not purport to work out the details of the smaller units of organization. It is therefore merely recommended that each of these bureaus be placed under a chief with appropriate title and that each chief be responsible to the Director of Finance.

**The Director of Finance:** The Director of Finance, as head of the Department of Finance, would undoubtedly be the most important administrative officer under the Governor. As such, he should receive a salary nearly equal to that of the Governor but without the inclusion of a residence at the expense of the State.

The Director of Finance should be appointed with the consent of the Senate by the Governor for an indefinite term subject to removal by the Governor alone without recourse to the courts after filing with the Secretary of State and publishing in a daily newspaper charges of inefficiency, willful disobedience of orders, neglect of duty, or undesirable character.

The Director of Finance would occupy a position in certain respects superior to that of any other department head owing to the fact that his functions include the supervision of expenditures, the preparation of the budget, and the preparation of rules with regard to organization and system. The powers of the office, however, should be strictly limited, all action of the Director of Finance in connection with the supervision of other departments being in the name of and through the medium of executive orders from the Governor or from the Treasury Council.

**Treasury Council:** A Treasury Council should be created by statute to consist of the Governor, the Comptroller General, the Chairman of the Ways and Means Committee of the House of Representatives, and the Chairman of the Finance Committee of the Senate. The individual members of the Treasury Council should have no powers as members of this body, all acts of the Council being through the medium of formal Treasury Orders passed at a duly constituted meeting. The members of the Treasury Council should not be given equal voting power owing to the fact that the interests of the Governor should be of equal weight with those of the legislative members. The following voting strength is recommended:

<table>
<thead>
<tr>
<th>Name of Official</th>
<th>No. of Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governor</td>
<td>2</td>
</tr>
<tr>
<td>Comptroller General</td>
<td>1</td>
</tr>
<tr>
<td>Chairman of Ways and Means Committee</td>
<td>1</td>
</tr>
<tr>
<td>Chairman of the Finance Committee</td>
<td>1</td>
</tr>
</tbody>
</table>

The Treasury Council should have powers with regard to the transfer of appropriations, withholding of appropriated moneys, prescribing systems of accounting and reporting, designating official disbursing officers, designating officers qualified to incur obligations, prescribing methods of purchase by designated purchasing officials, approving and imposing upon the administration standard specifications for the purchase of supplies and equipment, regulating the investment of public funds, designating banks to act as State depositories, approving the purchase of new equipment, approving the setting up of new organization units and creation of new positions under the general acts of the legislature, etc., etc.*

**Auditing Department:** The Auditing Department should have at least the first three of the following bureaus:

1. Bureau of Accounts
2. Bureau of Examination and Claims
3. Bureau of County Supervision
4. Bureau of Tests

*Among the matters which would be regulated by Treasury Orders are the following:

**Organization:** Carrying into effect the laws of the State on principles of sound management by assigning duties and responsibilities to the various officers of the State (including administrative officers).

**Forms of Records, Reports, Documents, and Procedures:** Regulating records and procedures to make possible thorough and rapid audit before payment, so as to secure complete financial control, and so as to secure uniformity and efficiency in the handling of the routine business of departments.

**Appropriation:** Making transfers of and withholding appropriated moneys in
a purely auditing office would be immediately recognized as contrary to the basic principles of the system of government.

The powers, duties, and tenure of office of the Comptroller General should be provided for in general terms by a constitutional amendment.

**Immediate Steps:**
The present organization of the accounting and finance offices is such that aside from the necessary statutory changes, consolidation can be obtained without great difficulty. The Comptroller General's office under present conditions does not exercise to any material degree accounting functions beyond those which it is desirable the Comptroller General should retain as chief auditing official. The present scattered financial agencies now doing the work which the Department of Finance will do, should be brought together. This will be an important step toward the realization of the ultimate plan.
The office of the Budget Secretary can easily become the Bureau of Budget and Investigations. The Tax Commission does not have to be changed materially to become the Bureau of Taxation.

The Bureau of Supplies exists in part today in the office of Clerk of the Joint Committee on Printing. The functions of this office can readily be expanded to include all of those pertaining to central purchasing and supply.

The State Pension Department can readily be made the Bureau of Pensions.

In the case of the Bureau of Treasury and Accounts and the Bureau of State Fire Insurance, it is suggested that the first step should be the development of a single consolidated bureau including in its functions those of the present office of the Secretary of the Sinking Fund Commission and of the State Treasurer's office. Pending the time that a constitutional amendment can be passed abolishing the office of the State Treasurer it is not possible to develop this unified bureau fully, but it is suggested that the chief of the bureau be designated immediately and that he extend his influence so far as possible over the work of the State Treasurer's office so that the developments under the new bookkeeping procedure recommended may recognize the unified organization which it is intended shall obtain in the future.
The Comptroller General's office can be reorganized without delaying such action until the passing of the constitutional amendment which makes the office appointive instead of elective.

Attention is directed to the recommendations for immediate action made in the Unit Studies on the agencies covered in this section which are concerned with the proposed Department of Finance and the Auditing Department.

APPENDIX A

OUTLINE OF THE PROPOSED DEPARTMENTAL ORGANIZATION, INDICATING THE REDISTRIBUTION OF FUNCTIONS.

Department of State:
To carry on the present duties of the Secretary of State and in addition to have charge of the registration and licensing of automobiles.

Department of Law:
To carry on the present duties of the Attorney General. The present State Board of Law Examiners is placed under the Attorney General and is appointed by him. The present Columbia Canal Commission is placed under the Attorney General so long as the need for its existence remains.

Department of Militia:
To carry on the present duties of the Adjutant General. An Inspector General, a Property and Disbursing Officer, and an Armorer shall be provided as now set forth by law.

Department of Finance and Treasury Council:
- Bureau of Treasury and Accounts: To include work of present State Treasurer's Office, and office of Secretary of Sinking Fund Commission, excluding State Fire Insurance.
- Bureau of Taxation: To include work of present Tax Commission whose duties are enlarged. The Tax Board of Review is abolished.
- Bureau of Budget and Investigations: To include present office of Secretary of Budget Commission with enlarged duties. The Committee on Approved Claims is abolished.
- Bureau of State Fire Insurance: To include duties now given the office of the Secretary of the Sinking Fund Commission in regard to State Fire Insurance.
- Bureau of Supplies: To include, with enlarged scope, duties of present office of Clerk of the Joint Committee on Printing.
- Bureau of Pensions: To include duties of present State Pension Department.

Auditing Department:
- Bureau of Accounts: To keep the accounting records necessary for the control of accounts kept by other departments.
- Bureau of Examinations and Claims: To audit and pass on documents and accounts.
- Bureau of County Supervision: To handle matters concerning county accounting and finance.
- Bureau of Tests: To test samples.
Department of Agriculture, Commerce and Industries:

Bureau of Publicity: To carry on it found desirable, the issuing of publicity matter and propaganda; to gather and to publish the statistics now required by law.

Bureau of Inspection: To inspect weights and measures, gasoline, and other petroleum products, food and drugs, and other materials now required by law; to inspect fertilizer; to inspect establishments employing labor; to enforce child labor and other labor laws; to promulgate rules and regulations in regard to food and drugs; to operate present Chemical Laboratory; to enforce prohibition laws.

Bureau of Warehouses: To carry on the duties now given the Office of the Warehouse Commissioner.

Bureau of Exports and Marketing: To carry on the duties now given the Board of Exports and Marketing.

Bureau of Banking and Insurance Regulation: To carry on the duties of the present Insurance Department and the State Bank Examiner's Office.

Department of Public Welfare and State Board of Public Welfare:

To carry on the duties of the present Board of Public Welfare and in addition to the State Training School for the Feeble Minded, the South Carolina Industrial School for Girls, the South Carolina Industrial School for Boys, the South Carolina Reformatory for Negro Boys, to include control of the State Hospital for the Insane, the State Penitentiary, the Confederate Infirmary, the Catawba Indians, and to include also the Committee on Support of Deaf, Dumb and Blind children.

Department of Public Health and State Board of Public Health:

Bureau of Administration: To handle administrative matters.

Hygienic Laboratory: To carry on duties of the present laboratory.

Bureau of Child Hygiene and Public Health Nursing: To carry on duties of the present bureau.

Bureau of Vital Statistics: To carry on duties of the present bureau.

Bureau of Venereal Disease Control: To carry on duties of the present agency.

Bureau of Tuberculosis Activities: To carry on duties of the present agencies.

Bureau of Rural Sanitation: To carry on duties of the present agencies.

Bureau of Engineering Activities: To carry on duties of the present agencies.

Laboratory of Water Chemist and Bacteriologist: To carry on duties of the present agencies.

State Board of Medical Examiners: To carry on duties of the present board.

Department of Education and State Board of Education:

To carry on with increased scope duties of the present State Superintendent of Education's Office and the State Board of Education, and to include the John de la Howe Industrial School, the South Carolina School for the Deaf and the Blind, the Historical Commission of South Carolina, the State Library and the State Relic Room.

Department of Public Works:

Bureau of Buildings: To include with enlarged scope duties of the present office of State Electrician and Engineer and duties of the present Commission on Statehouse and Grounds, which is abolished.

Bureau of State Highways: To include duties of present State Highway Department except the registration and licensing of automobiles.

Department of Public Utilities and Public Utilities Commission:

Bureau of Engineering and Inspection: To include present duties of the Railroad Commission and the Public Service Commission with regard to engineering and inspectional functions.

Bureau of Securities, Rate-Setting and Accounting: To include with enlarged scope duties of the present Railroad Commission and the Public Service Commission with regard to these functions.

Department of Natural Resources:

Bureau of Fish and Game: To include present duties of the Board of Fisheries and the Chairman of this Board, and the present duties of the Chief Game Warden’s Office.

Bureau of Forests: Proposed to meet the possible need in the future of conserving the forests of the State.

Bureau of Lands and Minerals: Proposed to meet a possible need in the future of conserving the lands and minerals of the State.

Bureau of Waterways: Proposed to meet the need of investigating and conserving the hydro-electric potentiality of the State.

Department of Labor:

To include the present State Board of Conciliation for the present and to provide agencies in the future as required.
PART II.
(PART IV)
ACCOUNTING AND AUDITING.
ACCOUNTING AND AUDITING.

The Present Situation with Regard to Accounting and Financial Control:

During the last few years steps have been taken in South Carolina toward the centralization of financial management, specifically in connection with budget procedure. There remains, however, as regards other matters than the budget, a large and important field to which should be applied the same principle of the essential unity, of the whole public organization.

The great weakness under present conditions is the absence of any systematic executive or other central control after the money has been appropriated. So long as the accounting system is as imperfect as it is today such central control is believed to be a practical impossibility. Also so long as the organization for the conduct of the financial affairs of the state is not more definitely centralized and brought under the control of the executive and of a distinct auditing office, it is practically impossible to make progress.

Receipts of public moneys are partially controlled, under the present appropriation act, which requires revenues to be turned over to the Treasurer and does not permit them to be expended by departments and institutions. The system for the control of revenues has not been worked out from the administrative point of view, however, and the inclusion of the provision with regard to the turning over of revenues in the appropriation act seems to imply a lack of permanency and definite decision in this matter.

The greatest need for improved methods is in regard to disbursements. Under the present system every department draws upon the Treasurer at will actually issuing to claimants documents which may be banked and thus become a charge against the Treasurer. Under this procedure there is practically no audit and no supervision and there is no control of the drawings upon the treasury. In the case of institutions the situation is especially bad. No information is secured as to actual expenditures. Some institutions have in their possession moneys over the expenditure of which no satisfactory
central financial control is exercised. In other cases payments are made from the central treasury to the institutions on unsupported documents listing requirements without distinguishing between actual claims and plans for expenditure which may never be carried out. Under this plan there is not the slightest supervision or control.

The central accounting records are an index of the incompleteness of the bookkeeping system. At the present time the law requires the drawing up of statements which cannot be prepared from central records alone and, so far as they are prepared from central records, the information must be brought together by assembling data from several sources. A great number of the essential facts with regard to financial dealings of the government are not obtainable at all without conducting what may be termed an investigation.

The present central bookkeeping system is orderly as regards the method of keeping records and is not unduly complicated, but it is unsuitable for application to the needs of the State under a centralized system of control where a greater volume of business must be handled.

Under the present system it is practically impossible to limit expenditures to the appropriations because the central records do not control the drawings upon the treasury and do not show completely the progress of expenditures under appropriations. The bookkeeping system does not make possible the preparation of statements showing comparatively the appropriations and resources of the government and the extent to which there is an unapplied balance of appropriations in excess of resources or the extent to which borrowing will be necessary. The bookkeeping system is not adapted to showing the progress of the accrual of revenues, the progress of collections of accrued revenues, and the amounts due at any moment. The more essential information required in a modern system of governmental accounts is not produced.

The State at the present time is expending unnecessarily large sums in interest probably largely due to the fact that the accounts have not been adapted to show clearly the facts. No policy has been adopted with regard to either the financing of current operations or the financing of improvements which will make possible the reduction of the present high interest charges or prevent an increase in such charges. No policy has been adopted with regard to the retirement of funded debt.

The State is particularly deficient in regard to audit. Responsibilities for audit are divided between two officials and in the case of both these officials the present procedure permits little more than checking of additions at some time long after the transactions have been completed. The important sources of loss to governmental bodies, for example through inaccurate and exorbitant claims and loose methods with regard to disbursements and purchase, have not been recognized in the audit procedure.

The great need for increased supervision over local finances has only partially been recognized.

Especially as regards the more important points touched upon above, it is well recognized by the officials of the State that present conditions demand prompt attention. It is the purpose of the following pages of this report to indicate definitely how improvement may be brought about. To this end the principles of accounting and control involved are described as completely as practicable, and when necessary the working out of these principles is illustrated by reference to suggested forms and procedure. These forms and procedure, however, must be regarded merely as possible solutions of the practical problems involved which would be subject to such alteration as may seem desirable upon close study in connection with installation.

**Proposals Regarding General Financial Policies:**

Most of the important criticisms which may be applied to the present financial system are related closely to the need for greater unity and central control in the financial management of the State.

**Central Control of Receipts and Disbursements:** For example, central control of receipts and disbursements is of first importance. All public funds of whatever nature should be received into and kept in the custody of the central treasury department until claims are presented which involve their use. Systems of financial management where this rule is widely departed from have repeatedly demonstrated their weaknesses in practical application.

The collection of public funds can be properly safeguarded
only where all public money is paid into the state treasury at as frequent intervals as is at all practicable. At the time payments are received or shortly thereafter complete accounting for such payments should be made.

So also all moneys spent on the mandate of the legislature should be fully controlled as regards their use. The officers making the payment from the treasury have a right to insist upon full information as to where the money goes. The legislature also cannot be justified in supplying the means of support for organizations not required to account fully for the use made of public moneys. In actual practice these principles involve the payment of claims against the State, no matter what office or institution originates the claim, from the state treasury direct, after full examination of the items.

Central Financing: Evidently borrowing money by parts of the organization or purchasing on credit defeats the whole system and permits the creation of liabilities which may or may not be justified.

Also expenditure of receipts directly by offices and institutions takes all authority away from the central administration and the legislature and allows each unit a free hand.

For the benefit of semi-public institutions largely dependent upon the State for support, the same rule might well be applied. The confidence of the State in such institutions can be complete only where their financial management is subject to the same control as that of public bodies which would mean simply that all resources available each year were brought into and expended directly from the state treasury.

Financing Current Operation: The commonest causes of a discrepancy between expenditure and income, whether resulting in a deficit or merely reducing the intended surplus, are
1. Failure to keep within appropriations,
2. Failure to include all authorized expenditures in the appropriations,
3. Charging certain expenditures to the capital account.

The last practice is considered in the next section.

The first two are abuses permitted by the present system of accounting control which it is proposed to eliminate as a result of centralization as considered in full in this report.

Experience has shown that they cannot be eliminated by legislation alone.

The practice of running on borrowed money is a source of waste which deserves consideration. It is usual in public administration to finance each year's operations from the current tax levy and ignore the discrepancy between the total levy and the actual collections during the year. This practice may be partly justified on the grounds of simplicity where the cash deficit is small and of short duration. In South Carolina, however, the cost of borrowing is too large to be ignored.

A system of fund accounting is recommended and outlined below which will not ignore the outstanding fact of a large annual cash deficit. On the basis of the statements prepared under this system of accounting, it will not be difficult for the legislature to take action to provide sufficient funds to wipe out the cash deficit and accompanying heavy loss in interest, within the next few years.

Financing So-called Permanent Works: In order to avoid the possibility of abuses and unnecessary loss of interest, large public administrations are rapidly accepting the principle of "pay-as-you-go" for financing large and small public works. To a large governmental organization the stream of small public works requires no special arrangements for financing. In fact where there are a considerable number of works items, the State can undertake them at such times as it can afford each or all and thus can better afford to pay cash than to pay the same amount of money annually without discretion in sinking fund installments.

When exceptionally large undertakings arise the same principle generally applies because each year the expenditure for the work in question is probably not too great to be met from the available resources of the State.

The adoption of a borrowing policy is likely to result in a gradual accumulation of debt and attending great waste in unnecessary payments of interest. Even under the most rigidly controlled plans the interest charges are wholly unnecessary when the State is not compelled to borrow. Arguments as to the benefits to future generations serve only to cloud the issue which is one simply of the most economical method for the present generation to pursue, since thirty years is a reason-
able maximum term for bonds covering even the most permanent improvements. The present generation has to choose only between payment with or without interest charges. It is only the immediate year’s tax levy, which is benefitted by the issuance of bonds.

The system of accounting recommended in this report provides for meeting all obligations out of income. If any other method is employed, a system for showing deferred charges should be employed that would still avoid the confusion and misrepresentation caused by making charges to assert accounts and carrying public works as assets at cost or any other assumed value. Public properties of the State are in no sense money values to be shown as an offset to debt; even if the analogy to corporation finance and accounting is carried through and depreciation is accurately figured, public properties are believed to be wholly out of place on the financial statements dealing with the surplus or net debt of the State.

Similarly special fund surpluses are not properly regarded as part of the state surplus (except in the case of sinking funds) since their use is strictly limited to special purposes. A consolidated balance sheet as commonly arranged, is, therefore, believed to be a source of confusion.

Retirement of Debt: At the present time certain small sources of income are assigned to the Sinking Fund Commission to be used for the retirement of debt. It is believed to be a far better practice in this regard for the State to adopt a definite policy with regard to redemption of debt, bringing into the budget the amounts proposed to be employed for this purpose just as all other expenditure plans are incorporated in the budget and passed upon by the legislature, and allowing the receipts now assigned to debt redemption to be paid into the general fund. Payments to sinking funds would then be made from the general fund as are other charges of the State. The present procedure permits the debt problem to escape the attention of the legislature and the public and is believed to be without adequate justification.

State Supervision of Local Finances: In many states investigations with regard to the financial systems of counties and municipalities have been made which have shown the imperative need for some form of supervision over local accounting and indebtedness. In fact in no state has the need for such supervision been adequately investigated where it has not been shown that serious abuses occur under the system of independent action. In nearly all of the states where the subject has been investigated some form of state supervision over municipal and county record keeping and issuance of bonds has been established with most note-worthy results. The audits which have been made have shown large sums illegally expended or diverted from the treasury either through accident and ignorance or fraud. The cost of conducting the investigations was generally paid for several times over by the sums recovered.

It is, of course, not for the purpose of recovering misappropriated funds that such control is desirable. The possibility of funds being misappropriated shows the existence of conditions which should not be tolerated in any civilized community and the state supervision which has widely been instituted has been directed toward correcting the fundamental causes and preventing the irresponsible dealings in public property and unintelligent control which so widely exists where untrained men are compelled to handle complex accounting records.

The experience of South Carolina with regard to county records has been such as forcibly to indicate that the need exists for complete state supervision of local accounting and finance.

Central Accounting: The purposes to be served by establishing a proper system of central records and a central procedure in accounting and audit are

1. To permit adequate central control over the collection, custody, and disbursement of public funds, over public property, and over the operating efficiency of the financial administration in all its aspects;
2. To make possible the maintenance of reasonably high standards in the conduct of accounting and financial affairs.

It is especially important to note that under the present system the influence exercised by the chief executive and by other central officials over the business affairs of the departments must of necessity be very limited.
APPENDIX A TO PART II. (Part IV.)

SUMMARY OF CONSTITUTIONAL AND STATUTORY AMENDMENTS AND EXECUTIVE ORDERS INVOLVED IN THE PROPOSALS FOR CENTRALIZED FINANCIAL CONTROL.

To put the proposed financial, accounting, and auditing organization and system into full force and effect as they are outlined in Parts II, III and IV of this report, certain changes in the laws of the State and the constitution are desirable and in some cases necessary and certain executive orders should be issued. The nature of these amendments and orders are indicated in the following pages.

Constitutional Amendments Necessary:
The proposed organization set forth in Part II requires that the constitution be changed—

By striking out the word "Treasurer" from the section providing for the election of this official.

By striking out the words "Controller General," from the section providing for the election of this official and providing for the appointment of a Controller General who shall hold office for an indefinite term as provided by statute and who shall have full power and authority with regard to the audit of accounts and other records of the State and in order to put the plan of centralized accounting and auditing control, set forth in Part IV, into force and effect it will be desirable, and in some respects essential, to amend the constitution by inserting provisions to the following effect:

That the General Assembly of the State shall not authorize any public expenditure, except through the medium of an annual appropriation act which shall cover all expenditures of State Revenue for the year in which the appropriation act applies. That the total appropriations so authorized in any year shall not exceed the available resources and the estimated revenue receipts of the year as indicated by the Governor and Controller-General; except that in cases of unusual emergency the Governor may petition the General Assembly for an emergency appropriation in excess of resources and estimated receipts for a specified purpose stated in such petition and the General Assembly may then grant the emergency appropriation to an amount not exceeding that requested by the Governor. That the General Assembly shall at the time of passing an emergency appropriation provide funds for annual payments to retire the debt so incurred and shall thereafter regularly appropriate moneys to be paid into sinking funds or for the redemption of parts of the debt in accordance with the plan incorporated in the original emergency appropriation act. That appropriations contrary to these provisions shall be void. (It may also be desirable to provide that the executive officials responsible and the Controller General shall be personally liable for payments made in excess of appropriations or under appropriations in excess of the amounts provided in this section.)

Legislation Necessary to Set Up the Proposed Financial Organization:
To set up the financial organization proposed in Part IV of this report, laws must be enacted to have the following effect:

1. To create a Treasury Council consisting of the following officials, each of which shall have the voting power stated:
   - Governor: 2 votes
   - Controller General: 1 vote
   - Chairman of the Finance Committee of the Senate: 1 vote
   - Chairman of the Ways and Means Committee: 1 vote

2. To prescribe the powers and duties of the Treasury Council. These include the right:
   a. To prescribe rules for financial and accounting procedure, such rules to be binding upon any and all administrative officers so empowered, including the Comptroller General, and in conflict with the law. No rule may prevent the Comptroller General from conducting audits deemed by him to be essential to the performance of the duties of his office or to limit the power of the Comptroller General to prescribe additional facts and procedures necessary to ensure the consistency of the audit.
   b. To exercise all powers now vested in the Sinking Fund Commission and in the Joint Committee on Printing except such powers as are of a purely administrative nature, which shall be exercised by the Board of Finance as directed by the Treasury Council.
   c. To borrow money for the State so far as such borrowing is authorized by law, to invest public moneys, and to designate bank and trust institutions as State depositories; no other authority shall have powers in these matters.
   d. To make transfers of appropriations in so far as authorized by the appropriation acts and to withhold any appropriated money and to make sub-allotments of appropriations in any manner deemed necessary in the interests of the State.

Note: The Treasury Council shall have power to designate consolidations of agencies under single administrative heads pending complete development of the new functions, for example, putting the Tax Commissioner's office under the Director of Finance, but the independent duties of the Tax Commissioner to remain; creating the office of Superintendent of Supplies as chief of the Bureau of Supplies; placing the duties of the secretary of the Joint Committee on Printing in the office of the Controller-General, providing that the Treasurer Council shall pass such regulations as may be necessary with regard to the detailed duties of the Director of Finance and the Bureau of Investigation; providing that the administrative officials of the Sinking Fund Commission shall be transferred to the Department of Finance.

3. To change the powers and duties of the Controller-General providing that the Controller-General's function shall be that of chief auditing officer of the government and that the organization and procedure of his office and the books and records to be kept therein shall be determined by the Treasury Council subject to appeal by the Controller-General to the Legislature; providing also that the Treasurer-General shall report to the Legislature directly with regard to the system of financial control and the needs for legislation and other changes; providing that the Comptroller-General shall collect no taxes; providing that no monies shall be paid from the public treasury except upon documents approved by the Comptroller-General.

4. To create the Department of Finance, and office of Director of Finance, the Board of Finance including the following bureaus:
   - Treasury and Accounts
   - Taxation
   - Budget and Investigations
State Fire Insurance
Supplies
Pensions

Legislation Necessary to Authorize the Proposed Accounting and Auditing Procedure:

If the system of accounts and the auditing procedure described in the part of report to which this Appendix is attached (Part IV) is to be given the effect of law it will be necessary to enact statutes covering the following subjects:

That the responsible administrative officials in charge of expending appropriations and the disbursing officials shall be personally liable for expenditures in excess of appropriations or other illegal expenditures and that the Comptroller General may be held personally liable for approving illegal expenditures where the question of legality of expenditure is not debated.

That no public moneys shall be disbursed except by authorized disbursing officers designated by formal executive order and that all such officers shall be adequately bonded (definition of public moneys to be made by executive order).

That all revenues and other public moneys received by administrative officers shall be turned into the public treasury in the manner prescribed by executive order and that no moneys shall issue from the treasury other than by payment of claims or to authorized disbursing officers without approval by or for the Comptroller General.

That all administrative officers shall report to the Comptroller General all claims against the government known to them, such reports to be made in the manner prescribed by executive orders and that officials failing to so report claims shall be personally liable for the amount of these.

Executive Orders Needed to Authorize the Proposed Accounting and Auditing Procedure in Detail:

It is recommended that formal executive orders on the following subjects be passed if it is desired to set up the accounting and auditing procedure proposed in Part IV.

With regard to the sending of duplicate bills to the Comptroller General and to the depositing of public moneys with accompanying statements at regular intervals.

With regard to the issuance of advances to disbursing officers.

With regard to the use of standard invoices and vouchers or invoice-vouchers, purchase orders, requisitions, and payrolls, and their completeness as regards the detail called for including certificates.

With regard to what officers are qualified to incur obligations against appropriations, make purchases, and make disbursements.

With regard to the content of financial reports.

With regard to the central approval of orders involving the purchase of lands, buildings, equipment, printing, and new appointments.

With regard to standard specifications for purchase of supplies and equipment.

With regard to the bonding of disbursing officers and other officers who hold public money.

With regard to the forwarding of vouchers for all claims to the Comptroller General immediately except in case of non-discount invoices where the consolidation of several invoices is possible.

With regard to the personal liability of administrative officers for purchases on credit.

It is also recommended that the Comptroller General and the Chief Executive agree upon a procedure for auditing, and that rules be adopted providing for:

- Inspection of deliveries;
- Checks upon prices and the reasonableness of all claims;
- Certification of the amount to be paid by the Comptroller General before any payment is made;
- The sending of a duplicate copy of the order to the Comptroller General whenever the government incurs an obligation through authorizing any service or supply to be furnished;
- The current notification of the Comptroller General by telephone or messenger of the receipt of all deliveries in Columbia or in the vicinity and the notification of the Comptroller General's representative if there be such a representative in other localities.
PART III.
(PART VII)

EMPLOYMENT.
EMPLOYMENT.

The previous parts of this report have dealt with questions of policy, of organization structure, and of procedure—with those administrative problems involved in determining what the state's functions shall be, how they shall be distributed, how they shall be carried out, and what records shall be kept.

While government can never be efficiently administered unless its machinery is simple and effective, this is by no means the only requirement. Unless capable men occupy the places of authority, and the employees in the rank and file are chosen because of their fitness and paid on a basis of equity and uniformity and are offered incentives for the faithful performance of their duties, the most carefully planned organization will not be operated efficiently, nor can the maximum return be secured by the state for its expenditures. In the last analysis it is the human element which is the controlling factor in the successful functioning of an organization and the problem of personnel is therefore one of the most important in any jurisdiction. This section of the report deals briefly with the personnel problem of the state of South Carolina.

Employment Conditions in South Carolina:

The State of South Carolina has approximately 1,750 employees whose annual salaries and wages amount to approximately $1,900,000. The State's employees are hired as they are needed by the department, branch, or institution heads; the compensation is either a statutory salary, an appropriated salary, or a salary or wage determined by the department, branch, or institution head and paid out of a lump sum appropriation. Employees are given salary or wage increases when the General Assembly makes increases in specific salary items or at the discretion of the department head, provided the money is available. When vacancies occur in the higher positions, promotions are made by the department head. There is no bonus paid nor any provision made for pensions or annuities upon retirement. Each department or institution makes its own rules with regard to vacations and sick leave. Department and institution heads have absolute authority to remove employees under them, there being no appeal from such department action.

Until recently the employment problem has not received much consideration. Increases in the cost of living due to the war, however, brought about an acute situation with regard to compensation and called attention forcibly to inequalities and inadequacies in the salaries of employees.

Deficiencies in the Present Employment Program:

Some of the outstanding conditions that call for remedy are described in the following paragraphs.

Low Salaries for Elective Officials: A scrutiny of the appropriations for the executive departments shows that the elective officers are paid very low salaries. The practice of giving such officers as the Secretary of State, the Comptroller General, the Attorney General, the State Treasurer, and the Adjutant General a small salary dates back to the old system under which elective state officers were expected to give only a small part of their time to the affairs of the state and to devote the remainder to their own private business. With the growth and extension of state activities, however, the state officers have been compelled to give more and more of their time to the public business. The State Treasurer, to be sure, is connected with a local bank and gives part of his time only to the state. The Comptroller General, however, only recently resigned because he could not afford, for the $2500 state salary he was receiving, to give the amount of time required to his official duties. His successor, appointed to fill out the unexpired term, declined to run for the office because of the meager salary.

Lack of Uniformity in the Designation and Pay of Similar Positions: The following examples, selected almost at random, show the varying rates of pay for positions with the same title in different departments:

<table>
<thead>
<tr>
<th>Department or Institution</th>
<th>Title of Position</th>
<th>A.</th>
<th>B.</th>
<th>C.</th>
<th>D.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Register</td>
<td></td>
<td>165.00</td>
<td>145.83</td>
<td>224.27</td>
<td></td>
</tr>
<tr>
<td>Asst. Prof.</td>
<td></td>
<td>150.00</td>
<td>145.83</td>
<td>224.27</td>
<td></td>
</tr>
<tr>
<td>Instructor</td>
<td></td>
<td>120.00</td>
<td>115.33</td>
<td>208.33</td>
<td>100.00</td>
</tr>
<tr>
<td>Librarian</td>
<td></td>
<td>100.00</td>
<td>95.00</td>
<td>170.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Secretary</td>
<td></td>
<td>90.00</td>
<td>85.00</td>
<td>160.00</td>
<td>139.50</td>
</tr>
<tr>
<td>Steno.</td>
<td></td>
<td>65.00</td>
<td>60.00</td>
<td>120.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Janitor</td>
<td></td>
<td>50.00</td>
<td>45.33</td>
<td>90.00</td>
<td>55.00</td>
</tr>
<tr>
<td>Cook</td>
<td></td>
<td>40.00</td>
<td>35.00</td>
<td>70.00</td>
<td>45.33</td>
</tr>
<tr>
<td>Laundry Wkr.</td>
<td></td>
<td>30.00</td>
<td>25.00</td>
<td>50.00</td>
<td>35.00</td>
</tr>
<tr>
<td>Carpenter</td>
<td></td>
<td>25.00</td>
<td>20.00</td>
<td>45.00</td>
<td>30.00</td>
</tr>
<tr>
<td>Farm Mgr.</td>
<td></td>
<td>20.00</td>
<td>15.00</td>
<td>35.00</td>
<td>20.00</td>
</tr>
<tr>
<td>Maids.</td>
<td></td>
<td>25.00</td>
<td>20.00</td>
<td>35.00</td>
<td>20.00</td>
</tr>
</tbody>
</table>
Without question in some cases the positions listed above are not really similar even though the same titles are used to designate them. It is obvious, however, that there is wide disparity in compensation for positions substantially the same; and it is equally obvious that because titles carry no common, definite meaning, the Budget Commission has an exceedingly difficult task before it when it takes up consideration of department requests for appropriations. The disparity apparent in the figures is probably accentuated in some cases by differences in allowances such as meals, lodging, laundry, medical treatment when sick, fuel or heat, and transportation. No analysis of the value of these factors has ever been made.

One outstanding reason for inequalities in compensation was the practice formerly prevailing of allowing departments to retain their own earnings and to expend such revenues at the will of the department head. Departments with a revenue of their own were thus able to pay higher salaries than others which had to secure their appropriations from the General Assembly. The budget law of 1919 put an end to this practice by requiring departments to turn into the state treasury all their earnings but of course did nothing to lessen the inequalities that had already grown up.

*Unequal Salaries for Men and Women doing the Same Work:* In the state institutions as well as in the executive departments the compensation for the men is almost without exception higher than for women doing the same work. Many examples could be cited showing that men doing only routine clerical work receive considerably higher pay than women doing difficult stenographic and secretarial work. In the institutions male attendants who are not required to have previous experience or any great amount of education are paid as much for performing routine tasks in the care of mental and other patients as are female trained nurses. This anomalous condition, it is asserted, is due to the higher rates for all male labor in the vicinity of institutions during the war. It is difficult if not impossible, however, to justify, simply on the basis of sex, as high rates for unskilled male labor as for skilled female labor.

---

**Need for Carefully Considered Employment Program:**

Enough has been said to show that at present the state has no definite employment policy. The state can ill afford to take advantage of the necessities or ignorance of its employees and still less to allow the efficiency of its civil service to deteriorate through failure to give due attention to the employment problem. Under existing conditions it will be increasingly difficult to recruit the state service with employees of the type desired, to retain in the service the more competent and ambitious employes, and to secure from employees that come in or remain the loyal, faithful work that might be expected under better conditions. In other words the State of South Carolina, like other large employers, public and private, has passed the stage where the employer's personal knowledge of the capabilities, ambitions, needs, and circumstances of each employe will secure for him substantial justice, and has entered upon the stage where, because of the number, variety, and geographical distribution of employes, some other method must be substituted. In view of the fact that the state is constantly extending its activities into fields hitherto untouched, it may be confidently predicted that the employment problem will become larger and more complex.

The ideals to be sought in handling the employment problem can be simply stated, though the means of realizing them offer many practical difficulties. Some of the most desirable features of an ideal system are as follows: (a) equal pay for the same work; (b) compensation properly related to work performed, with due consideration given to such factors as the cost of living, prevailing rates in the industrial field, the conditions of work in the state service, and the opportunity for promotion; (c) selection of the best fitted from all available candidates when vacancies occur; (d) sufficient training of new employes to enable them to understand their place in the scheme of things and to render intelligent, efficient service; (e) rational policies, as nearly uniform as may be, with regard to holidays, vacations, sick leave, and transfer; (f) some means of discovering the efficient employe, of rewarding him at suitable intervals with salary increases and, when vacancies occur in the higher positions, not only with higher compensation but also with more important duties and greater respon-
sibilities; (g) some equally effective means of discovering the inefficient and of weeding out ruthlessly the drones, the incompetent, and the shiftless; (h) adoption of a retirement scheme which will enable the older employee who has given his best to the service to retire at the proper time without haunting fears as to how he will eke out an existence and which at the same time will allow the younger and more vigorous employe to assume responsibility before his prime is past. These and other ends are worth seeking zealously not only because they express the right relation between employer and employe but also because they are worth while in dollars and cents.

Recommendations for Employment Program:

As is stated above, it is no easy matter to realize in practice the employment principles generally accepted, and any large employer making a sincere effort to put into effect a well considered employment program is at once confronted with a number of very complex and difficult practical problems. In this respect the State of South Carolina is no exception. The following recommendations for an employment program are made with the knowledge that the practices advocated have been successfully used in other jurisdictions, and with the confident belief that if they are intelligently carried out in South Carolina they will prove not only entirely practicable but also well worth while because of the improvement in employment conditions.

Recommendation 1: That the entire state service be classified.

Modern classification requires the ascertaining and recording of the duties of each position in the service; the placing together in one group of all positions substantially similar as to duties and responsibilities, regardless of department or geographical location; the assigning of a descriptive title to each group, indicative as far as may be of the duties and responsibilities; a statement of the kinds of tasks required of each employee occupying a position in the group, not only as a guide to department heads and employees but also for use in classifying new positions legally created and in re-classifying existing positions whose duties are materially changed; and a statement of the education, experience, and other qualifications new appointees should be required to possess. Such a group-

ing and naming of positions is essential in order that the department officers may clearly, briefly, and unmistakably make known their needs, that the appropriating authorities may intelligently pass upon department requests, that the employing officers may understand and comply with requests for new employees, and that the interested citizen and taxpayer may understand how the public business is transacted.

Recommendation 2: That proper compensation schedules for each group be determined and employees in the group be paid in accordance therewith.

The compensation may be a flat rate for each employee in the group performing substantially the same duties and exercising approximately the same responsibilities: this automatically brings about equal pay for equal work. A better plan, however, at least for most groups of positions, is a graduated scale with a minimum rate to be paid the new appointee, one or more higher rates to which the employee may be advanced from time to time as he increases in usefulness in his position, due to the experience he has gained, and a maximum rate beyond which the employee cannot advance unless he performs more difficult and important work or exercises greater responsibilities.

If the compensation schedules are properly determined, not only will the employees in each group be compensated properly with regard to each other, but the relative compensation for different groups will be right and the absolute level, as based upon industrial and economic conditions, will be fair. Moreover, in working out the schedules, due attention will be paid to the hours of work, the comparative freedom from discharge and worry in the public service, the chances for advancement, the amount of vacation and sick leave allowed, the opportunity for retirement on an annuity or pension, the dignity and prestige attaching to the employment of the state, and other lesser factors.

The principle of equal pay for equal work is not made fully effective until the hours of employment for employees in any group are made equal. Two employees doing the same work and receiving the same amount of money per year, for instance, are not equally compensated if one works forty or forty-four hours per week and the other eighty-four hours. The hours need not be the same for all groups but unless they are the same for all employees in a given group there is sure to be a feeling of injustice owing to discrimination. After standard hours for any
group are once determined, overtime pay or compen-
satory time off for those working a longer time can be
provided.

**Recommendation 3:** That new employees be appointed only
after they have proved their fitness by suitable tests.

After grouping together positions substantially similar
as to duties and responsibilities, determining the experi-
ence and other qualifications needed to perform the
duties, and adopting a minimum rate of pay that should
be given any employee assigned the tasks of the group, it
naturally follows that applicants for places in the group
should be required in suitable fashion to show that they
are able to do the work before being appointed and given
the pay that goes with the position. The tests may be
of any kind suitable in the particular case—an oral inter-
view; an investigation of the past record of the applicant;
a test to determine whether the applicant has the knowl-
dge, skill, and proficiency requisite for the proper per-
formance of the duties; tests of strength and agility;
intelligence or psychological tests, used with great success
during the war to determine the natural aptitudes and
abilities of large numbers of men; or any combination of
these and other tests. In any case the interests of the
state should be served by requiring first that the appli-
cant show his fitness to do the work for which he is appli-
ating, and second that he prove he is the most fit of all
available applicants for that particular kind of work.

**Recommendation 4:** That standards of performance and
output, wherever practicable, be determined for employees of
each group and records of performance and output be kept as
a basis for making or withholding salary advances and pro-
motions and for removing inefficient employees.

**Recommendation 5:** That definite policies with regard to
holidays, vacations, leaves of absence, demotions, transfers,
and other matters affecting employees in the state service be
determined and that the practice be made uniform, at least
for employees in each group.

**Recommendation 6:** That similar definite policies be deter-
mined and observed with regard to temporary separations
from the service, such as sick and other leave, lay off, and sus-
pensions, and that permanent removals be made only for cause
after the employee removed has been given an opportunity to
be heard in his own defense.

The matter of separations, whether temporary or per-
manent, is one of the most vexatious, in the employ-
ment field. Whether sick leave with pay should be allow-
ed and if so for how long and under what circumstances;
whether an employee should be allowed a long leave with-
out pay for purposes of study and his position held open
for him; what employees should be laid off in case forces
must be reduced for lack of work or funds and in what
order they should be re-employed—these are only a few
of the problems demanding a solution in a large and
changing service. Fully as difficult is the problem of
determining what offenses justify the summary removal
of an employee and what offenses can best be dealt with
by a suspension or merely a reprimand. Department and
institution heads should not arbitrarily deprive the state
of the services of competent employees carefully trained
in the performance of their duties; on the other hand,
they should not keep in the service insubordinate or
inefficient employees giving no good reason for the money
they receive.

**Recommendation 7:** That a central employment agency be
established to cooperate with and coordinate the activities of
department and institution heads as regards personnel to the
end that uniformity be secured and high standards observed.

It is too much to expect that any considerable number of
department and institution heads, each having little or no
knowledge of what the others are attempting and doing,
will independently arrive at the same decision, for
example, on such a relatively simple matter as leaves of
absence. Examples have already been cited to show the
wide variations in the use of titles and the lack of uni-
formity in compensation for the same work. Department
officers, engrossed as they must be in their own operating
procedure, cannot reasonably be expected to become
experts in employment matters and to give to employment
problems the time and study necessary to bring about
uniformity and adherence to carefully thought out poli-
cies. It is not too much, however, to expect that when
employment policies have been formulated and adopted,
and methods have been determined for handling the
various transactions (such as selection, transfers, leave
of absence, and lay off); then the heads of departments
will gladly cooperate, both because employment conditions
will be vastly improved and because they will be able to
devote to other duties time which before they have been
compelled to give to the many vexing problems of per-
sonnel. In both public and private employment it has
been found that a central employment agency, when properly managed, not only secures better results for the employer but also relieves department heads of a large amount of work having little relation to their main problems.

The composition of the central employment body is always an important matter. In South Carolina there seems to be little doubt that the Secretary of the Budget Commission should be a member in order to combine in one place three important employment functions: (1) determination of the need for the job; (2) consideration of the amount and adequacy of the salary; and (3) ascertaining of the fitness of the appointee. In other jurisdictions it has been found wise as a rule to have also two or four other members to assist in determining and formulating policies as to employment matters. Department and institution heads would of course be expected to co-operate closely with the central agency; without such cooperation as is given in budget matters, for instance, it would be impossible to realize fully the possibilities of any definite employment program.

Recommendation 8: That appropriate legislation be enacted to make possible the carrying out of a modern employment program.

PART IV.

(PART VI)

EDUCATION.
EDUCATION.

Present Organization for State Education in South Carolina:

The general supervision given by the State to its schools is exercised by a State Superintendent of Education, the State Board of Education, and the respective County Boards and Superintendents. The existing situation as to the appointment and terms of these officers is as described in the following paragraphs.

The State Board of Education: The State Board of Education is composed of the Superintendent and seven persons appointed by the Governor every four years. The whole State Board of Education may be changed every four years, thus making possible a complete and sudden reversal of the policy of the entire school administration.

The State Superintendent of Education: The State Superintendent of Education is elected for a term of two years. He is, therefore, subject at frequent intervals to the hazards of practical politics. Although the present highly competent Superintendent has served for a long period, there is little doubt that upon several occasions his educational policy has been embarrassed and energy which he would have preferred to give to educational work has been dissipated by his dependence upon election results.

County Boards of Education: Every second year two members of the County Boards of Education are appointed by the State Board. The third member of the County Board, the County Superintendent, is an elective officer, standing for election every two years. The dangers of the spoils system are thus extended to the most remote corners of the educational system of the State.

Recommendations Regarding Appointment and Tenure of Chief Educational Officers:

It is apparent that the educational welfare of the State may in the future be threatened by political changes. It would be wise to consider the advisability of providing now for the maintenance of the future continuity of competent educational administration and for freeing the educational system from the current dangers of political influence.
State Board of Education: Appointment by the Governor of the members of the State Board of Education for a term of eight years, with two members retiring every two years, would insure continuity. The Board could then become thoroughly familiar with its duties and the educational needs of the State.

This would be in line with the practice in other states. For instance, in Alabama members of the Board are appointed for a term of twelve years, two retiring every four years; in Arkansas the term is seven years, one retiring each year; in Connecticut the term is six years, three retiring every two years; in Georgia the term is four years, two retiring every two years; in Louisiana, term five years, one retiring each year; Maryland, term seven years, one retiring each year; New Jersey, term eight years, one retiring each year; Oklahoma, term six years, two retiring every two years; in Tennessee and Utah, the term is six years, two retiring every two years; Wisconsin, five years, one each year.

Director of Education: As a part of the ultimate plan described in Part II, it is proposed there be created a Department of Education whose executive head shall be a Director of Education. The Director might be appointed by the Governor with the consent of the Senate or might be elected by the State Board of Education. We would be inclined to favor the latter of these alternatives. He should serve during good behavior and be removable only through a majority vote of the State Board of Education. He should be chosen for his educational and administrative qualifications without reference to residence or political affiliations and he should be paid an adequate salary. The continuity given to the State Board through the adoption of a plan of appointment that would give the members overlapping terms will, if the Board selects the Director, make for continuity in the office of the Director.

County Boards of Education: The County Boards should be appointed by the State Board, or certain members should be appointed and others be elected, with retirement so arranged as to preserve continuity. This arrangement might necessitate an increase in the size of the County Board and a lengthening of the term of office. In Kentucky, the County Board is elected upon a non-partisan ballot, and in many states

County Boards are elected. In view, however, of the conditions in South Carolina, it would probably insure better County Boards if the State Board of Education were to continue, as at present, to choose the majority of each of the County Boards with the minority locally elected.

County Superintendents: The County Superintendents should be chosen by the County Board for their educational and administrative qualifications.

Practice in regard to choosing the County Superintendents is rapidly changing and the tendency is toward selection by the County Boards of Education. In at least nine States the County Superintendents are appointed by the County Boards. The strength of local pride in the local control of schools may make the plan impracticable but there is no doubt that high standards can best be enforced by vesting the power of appointment of County Superintendents in the State Board.

Salaries of Chief Educational Officers:

Salary of Present Office of State Superintendent of Education: The compensation of the State Superintendent is by law now fixed at two thousand five hundred dollars per year with a travel allowance of six hundred dollars. This salary is obviously inadequate. The present Superintendent has been able to continue in office only by great personal sacrifice and expense. The State cannot afford to depend upon the generosity and self-sacrifice of an individual to maintain its most important educational office. Regardless of the proposal to create the office of Director of Education, the present office of State Superintendent of Education should be paid an adequate salary. Inadequate salaries close the State service to men without personal fortunes and tend to fill the positions with incompetents.

Salaries of County Superintendents: The success of the educational policy of the State administration and of the school system of the State are dependent upon the administrative and educational qualifications of the County Superintendents. Inadequate compensation of County Superintendents, dependent upon their political activities for office, tends to fill these positions with men who are unfit to act as educational leaders in the Counties. County Superintendents should be freed from political dependence, and the compensation should
be made sufficient to secure men who are educationally qualified.

An investigation of the salaries of County Superintendents made by the United States Bureau of Education shows an average salary for the United States of one thousand seven hundred and forty dollars. In South Carolina the average salary is barely twelve hundred dollars per year which is the sum fixed by law in Kentucky as the minimum. The legal minimum in Maryland is eighteen hundred dollars and the State pays half the salary up to three thousand dollars.

In South Carolina salaries are fixed by the local delegation in the General Assembly and paid from County funds. A general minimum salary law for County Superintendents should be passed or some form of State aid should be rendered Counties unable to pay salaries sufficient to secure properly qualified men for the position.

**Educational Qualifications for County Superintendents:**

A minimum salary law or State aid should be supplemented and made to serve their purpose by regulations established by the Legislature or the State Board of Education in regard to minimum educational qualifications for the office of County Superintendent. A minimum of at least four years of education beyond high school graduation and from four to six years of practical experience should be required.

Maryland requires graduation from a standard college or university, one year of graduate work in education including school administration, supervision and methods of teaching, and two years' experience as a teacher.

**Grade Schools:**

*Importance of Grade Schools:* For the whole United States only five hundred and eighty-three out of every thousand who enter school reach the last year of grammar grade work, and only one hundred and thirty-one graduate from high school. Of every one thousand who enter high school four hundred and eighteen graduate and one hundred and seventy-six continue their education beyond high school. In South Carolina but a little over one-fiftieth of the school children attend high school; consequently, ninety-eight per cent of its children do not get beyond the grammar grades. South Carolina has the lowest rank among the States in the proportion of the population enrolled in high school. The exact figure is fifty-three hundredths of one per cent as against an average of one and fifty-six hundredths per cent for the whole United States.

These facts are presented for the sole purpose of emphasizing the relative importance of grammar grade and high school work in so far as numbers are concerned. It is obvious that the State should be most interested in the character and standards of the schools in which practically all of its children receive all the formal education they ever obtain.

**Financial Support in Relation to Support of Other Schools:**

This logical interest in grade schools is not reflected in South Carolina nor in the United States as a whole, in the financial support given to grade schools and high schools. The average cost per high school student for the United States is eighty-four dollars and forty-nine cents per year; per elementary school pupil, it is thirty-one dollars and sixty-five cents per year. In other words, two and sixty-seven one-hundredths times as much is given for each high school pupil as is given for each elementary pupil. New high school buildings and equipment for the year 1918 in the United States cost twenty-two dollars and fifty-eight cents per student; while for elementary schools four dollars and fifteen cents per pupil was spent on buildings and equipment. In other words, five and one-half times as much was spent in 1918 for permanent improvement of high schools as was spent for permanent improvement of elementary schools. In South Carolina for the year 1918-1919, ninety-seven thousand six hundred and sixty dollars State aid was extended to high schools serving but a little more than two per cent of the school population, while only twice as much money was extended to grade schools serving almost ninety-eight per cent of the school population.

It may be assumed safely that the grammar grades should provide at least the minimum education required for intelligent citizenship and the maximum assistance which will enable the State's children to become self-supporting adults. At present throughout the country high school subjects and standards are in large part determined by college requirements, and grammar grade work has been directed too exclu-
ively toward the single end of preparation for high school. Communities boast of their high school buildings and courses; they seldom are greatly interested in or informed about the schools which, from the community standpoint, are most vital. South Carolina is no exception. It has lost sight of the fact that its grammar schools are of first importance and that more attention should be given to raising their standard and to adapting their courses to actual needs than should be given to all the rest of the school system combined.

Length of Course and Daily Session: In South Carolina seven years is the standard length of the grammar grade course. In every State whose educational standards are even average, the course is eight years in length. In South Carolina the regular daily session extends from nine A. M. to two P. M. or five hours. In practically every state with high educational standards the pupils are in school at least an hour longer each day. It is desirable that both the daily session and the school course in South Carolina be lengthened.

Length of School Term: In this connection it is also desirable that the yearly term be extended to nine months which is the term regarded as standard by the United States Bureau of Education. The average length of term for the United States is one hundred and sixty and seven-tenths days, or eight months. In South Carolina, for country schools, which constitute the most important educational force in the State, the average is one hundred and eighteen days for the white schools, and sixty-two days for the negro schools; while in Louisiana, the average for whites is one hundred and fifty-five days and for colored eighty-eight; and in Maryland, for white, one hundred-eighty and seven-tenths days and for colored one hundred and twenty-one and eight-tenths days. Six States have established minimum school terms of nine months, six of eight months, ten of seven months, and nine of six months. The law in North Carolina requires that school be maintained for the minimum term and the local authorities are subject to indictment if they fail to enforce the law. Practically all the states provide that state appropriations shall be withheld for non-compliance with the term requirements and, in one state at least, no school is entitled to the county taxes unless school is maintained for one hundred and twenty days.

Compulsory Attendance: The date of the school term should be regulated by State law instead of being left to the County Board or District Trustees. The compulsory attendance law in South Carolina now provides for eighty days' attendance. Twenty-eight states require attendance for the full term provided. The law of South Carolina should be amended to regulate the school term by State law instead of leaving it to the County or District Trustees as at present. Attendance for the full term should be required, attendance to date from the beginning of the session, and careful, continuous enforcement of the law should be maintained. Forty-two states require consecutive school attendance and South Carolina may well bring her system into harmony with this practice.

Quarterly Terms: Industrial and agricultural conditions which require the employment of children during certain portions of the year may be met by an arrangement which divides the year into quarters or sixths and gives local educational authorities the option of keeping school open during any of these periods provided the total equals the minimum established by law. Summer sessions have been run with great success in several places in South Carolina.

Teacher Supply:
One of the most serious problems in connection with the grammar schools is that of providing a sufficient number of adequately trained teachers.

The Financial and Population Handicap of South Carolina: Recommendations in regard to increased salaries and more liberal expenditures for school purposes must be conditioned by the financial resources of the State, and by the size of the school population as compared with the total adult population. In 1912 the estimated taxable wealth to each pupil enrolled in the schools of the United States was nine thousand six hundred and ten dollars. In South Carolina the valuation was but two thousand four hundred seventy-one dollars. In the number of children for whom each one thousand male adults must provide education, South Carolina is also at a disadvantage
in comparison with the other states. For eleven southern states one thousand male adults must on the average provide education for twelve hundred and seventy-nine children; in South Carolina, there are fifteen hundred and ten children for every one thousand male adults. The corresponding average in the northern states is seven hundred eighty-nine and in the western states five hundred ninety-six.

The only way in which this handicap in South Carolina of low per capita wealth can be removed is by provision of such general and vocational education as will raise the productive capacity of every child in the State. This will make necessary for some years to come an expenditure for education much larger than that of other states in proportion to present per capita wealth. A comparatively large immediate investment in education is the only thing that will enable South Carolina to realize upon its potential natural and human resources.

It is only by comparison with the inadequate and short-sighted educational appropriations of other more wealthy states that the sum demanded of South Carolina appears large or generous. When compared with the actual wealth of the State and with the expenditures in the State for tobacco, pleasure automobiles, and motion picture theatres, the additional sum needed to place South Carolina educationally in the front rank of the States is small.

The immediate necessity for increased expenditures for salaries and for training of teachers is obvious. Expenditures under these heads are closely related and will pay larger dividends than any other investment in the school system.

**Teacher Supply and Salaries:** In South Carolina the present average yearly salary paid white teachers is four hundred and ninety-one dollars and eighteen cents; negro teachers, one hundred and forty-six dollars and seventy-nine cents; both races, three hundred seventy-two dollars and twenty cents. Adequately trained teachers, teachers of even average native ability, irrespective of training, cannot now be secured at these figures. Indiana has a minimum salary law which insures eight hundred dollars per year to every teacher. Iowa, Kansas, and other states have similar laws.

**Minimum Salary Law for Rural Schools:** It is recommended that a minimum salary law for rural schools be passed at once in South Carolina in order to meet the distressing situation. It is in the rural districts containing six-sevenths of the population of the State that the most pressing need exists.

**Classification of Teachers:** The law should provide for a classification of teachers according to experience and training, and a minimum salary for each class should be determined. The minimum salary for the lowest grade permitted to teach in the schools of the State should be determined by an impartial investigation of the cost of living. The minimum salaries for each of the higher grades should be determined by taking into consideration the cost of the further training required, compensation in other employments after similar apprenticeship and experience, and individual success and length of experience in teaching.

**Teacher Training:**

**Schools of Education:** Teacher training should be made a part of the State's system of higher education. Schools and colleges of education, established in such locations as to serve the whole state conveniently, should be brought under the unified and central authority of the State university which could then deal consistently with the whole problem of professional training for teachers.

**Six Weeks Summer Courses:** Short educational courses of at least six weeks duration should be encouraged for vacation periods, and the attendance of certain teachers should be required at regular intervals.

**Extension Courses:** Extension courses conducted by the State University should be established and so adequately financed as to permit teachers on the minimum wage to take advantage of them. Extension classes for teachers conducted in Ohio, Indiana, Wisconsin, Massachusetts, Illinois, Virginia, Florida, and many other states are assisting in the training of teachers who are financially unable to attend normal schools or universities during their regular or summer sessions. Over thirty state universities are conducting correspondence courses for teachers in rural districts who could in no other way secure additional general and professional training.

**Revision of High School and Elementary Courses of Study:** The elementary and high school courses of study should be
revised with the purpose of assisting the teachers to improve their teaching. Emphasis is now being placed upon subject matter to be covered with practically no suggestion as to how the teacher may best do the work. Methods of teaching particular things, suggestions on reading, presentation, and illustrative material should form the greater part of the outline.

Teacher Standards: The standard of teachers now employed should be raised by credit on renewal of certificates, for extension courses, attendance at summer sessions and reading courses, until every teacher in the grades has the equivalent of a high school education and two years of professional training. Provision for leave of absence, insuring re-employment with credit for the work as the equivalent of teaching experience, should be made for teachers who wish to attend college or professional schools. New teachers should be rated in accordance with the standards of the minimum salary classifications.

Text Books:

Revision of Text Book Code: The attempt to secure higher standards and greater uniformity in the schools of South Carolina through better salaries and teacher training will be hampered unless the text book code is thoroughly revised. Special text book legislation for various districts has brought such confusion in the State that practically no uniformity exists.

Free Text Books: Free text books in the State should be mandatory instead of being left, as at present, to local determination. In localities where the least need for free books exists, there is the most willingness to provide free books. A uniform requirement on this point would tend to promote uniformity in the kind of books used.

Negro Schools:

Present Condition of Negro Education: No extended figures are required to show that negro education has been sadly neglected in South Carolina. In the whole State there are one hundred and forty-seven two-teacher negro schools, twenty-six three-teacher schools and only fifty-nine schools for negroes with more than three teachers. The per capita expenditure is two dollars and thirty-one cents for each negro pupil; the average annual salary is one hundred and seventy-one dollars and ninety-one cents for negro men and one hundred and thirty-nine dollars and fifty cents for negro women teachers. The average session in the negro schools of the State is sixty-five days.

Support of Negro Schools: The distribution of county funds for the maintenance of white and colored schools is now left to local authorities. In practice it is possible, and it usually happens, that these authorities take care of the white schools and devote only the small remnant of the funds to the negro schools. This practice is sometimes based upon disbelief in the wisdom of educating the negro population. Under old time conditions before the Civil War, the negroes performed a large proportion of the common and skilled manual labor required, and were trained and instructed in their work. Investigators of the question believe that under present day conditions the negro has become less productive. Potentially, the negro today presents one of the greatest productive resources of the South. Changed industrial conditions make it possible to develop this productive resource far beyond that of past times. The requirements of present industrial conditions are a common school education and elementary trade and agricultural training. A certain proportion of the county funds, together with State funds, should be devoted to the establishment of these elementary, vocational schools for negroes. Compulsory attendance in these schools would return to the local communities and to the State, by increasing the efficiency of colored labor, wealth out of all proportion to the amount invested in the training.

Training of Negro Teachers: Teacher training for work in the colored schools should be provided through methods similar to those employed in training white teachers; namely, schools of education, summer sessions, extension classes and correspondence courses.

High Schools:

With the development of better grade schools more dependence may be placed upon local initiative to provide proper high school training. At present the tendency to over-emphasize the importance of having a high school is shown in the
creation by the school districts of low quality schools which they call high schools. This tendency has hindered the formation of consolidated high schools and has handicapped the development of good grade schools. It shows, however, that local pride can be counted upon to exert itself to provide high school training.

Restrictions on the Unwise Development of High Schools of Low Quality: All high schools except those in city districts should be brought under the jurisdiction of the County Board of Education, and District Trustees should be allowed to establish high schools only with the approval of the County Board, or perhaps only with the approval of the Department of Education. Up to the present time encouragement has been given to the establishment of low grade high schools by the rivalry and unwise action of the institutions of higher learning, which have led to their accrediting such schools in order to increase their own enrollment. For institutions which are permitted by the State to grant collegiate degrees, the standards of admission, at least as to amount and quality, should be determined by the State, and the State Board of Education should have sole authority to accredit high school work for admission to such institutions.

Institutions of Higher Learning:

Closer Connection Between Public Schools and Higher Institutions: Under present conditions there is practically no administrative connection between the public school system of the State and the institutions of higher learning which are supposed to represent the capstone of that system. These institutions are required to make a report to the State Superintendent of Education, but his function is merely to transmit these reports. No method of harmonizing or co-ordinating exists. It would promote a better understanding if the State Superintendent or the proposed Director of Education, were, ex-officio, a member of the administrative boards of the State institutions of higher learning.

State Board of Control: Educational administrative functions of the State institutions of higher learning are exercised by individual boards and commissions and committees without much regard to the activities and policies of the other boards, commissions and committees. Duplication, conflict of policy, and confusion result without any one administrative body and exceeding its authority or intentionally encroaching upon the sphere of the others.

Other states have found, for instance, that the agricultural college, the State university, and the State normal schools often compete with one another in certain lines of work, in stead of co-operating to render the best service. A detailed study of the academic aims, activities, and results of the institutions of higher learning in South Carolina and the relationships existing between them should determine the advisability of creating a State Board of Control, and if the advisability exists, such a study should determine what form the Board should take.

Community Centers in the Schools:

Special provision should be made to promote the organization of the social life of rural communities about the school houses. Teachers and County Superintendents, should be supplied with literature on the organization and functions of the School Community Centers and should be encouraged to assist in their development. The State University should be encouraged to provide further material, such as lantern slides, motion pictures, and lectures for such school house meetings. Local organizations should be permitted and encouraged to hold their meetings in the school houses. Neighborhood clubs, agricultural, cooking, sewing, and debating societies should be organized about the school house. These community activities may be made the means of highly important educational work which cannot be carried on during the regular school session. The school house will then become the meeting place for the community, and interest in the school plant, in its work and welfare, will develop naturally and effectively.

Other Agencies:

The John de la Howe Industrial School and the South Carolina School for the Deaf and Blind are essentially educational and should be placed in the proposed Department of Education.

The Historical Commission of South Carolina, the State Library, and the State Relic Room should also, because of
their educational character, be placed in this proposed department.

Summary of Recommendations Regarding State Education in South Carolina:
The more important suggestions made in this Part of the report are as follows:
1. That the members of the State Board of Education be appointed by the Governor for a term of eight years, two members retiring every two years.
2. That a Department of Education and the office of Director of Education be established, the Director to be appointed by the State Board of Education or the Governor; and that this Department include certain institutions and agencies hereinbefore mentioned.
3. That the majority of the members of each County Board of Education be appointed by the State Board of Education.
4. That the County Superintendents be appointed (not elected by popular vote) by the State Board of Education or the respective County Boards of Education upon the basis of qualifications determined by the State Board of Education and required by Act of the General Assembly.
5. That the salaries of the State Superintendent of Education and the County Superintendents be increased with a minimum salary law for the latter.
6. That the length of the elementary course be increased from seven to eight years; that the school term be lengthened to nine months and that the daily sessions be lengthened to six hours.
7. That the compulsory attendance law be amended to provide for consecutive attendance for the full term and that consideration be given to the question of dividing the year into sixths or quarters.
8. That a minimum salary law for rural school teachers be passed carrying with it provision for the classification of teachers according to experience and training.
9. That Schools of Education, conveniently located, be established as part of the State University.
10. That immediate provision for teachers training be secured through six week summer courses and extension courses.

11. That the high school and elementary courses of study be revised to afford assistance in teaching to the untrained teacher.
12. That provision be made to raise the standard of teachers to the equivalent of a high school education and two years of professional training.
13. That the text-book code be revised and consideration be given to making free text-books mandatory.
14. That a certain proportion of county funds and increased state aid be devoted to the establishment and maintenance of elementary vocational schools for negroes, with compulsory attendance rigidly enforced.
15. That high schools, except those in city districts, be brought under the jurisdiction of the County Boards of Education.
16. That a special investigation be made to determine the desirability of organizing a State Board of Control for the purpose of harmonizing and co-ordinating the work of the higher institutions of learning with each other and with the public school system.
17. That community centers in the schools be encouraged.
18. That definite local and state programs of educational progress be formulated.