INDEPENDENT REGULATORY AGENCIES IN THE STATE OF DELAWARE

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Delaware is one of the few states in the industrial East that have retained the commission or board system for the administration of state government.

The commission form of government in Delaware had its beginning in the 19th century, but during the World War there was a marked increase in the use of this particular system. Whether the pressure of Amercia's entrance into the conflict was responsible for this is a matter for conjecture.

Beginning in 1915 many states consolidated and combined their various boards, commissions, and agencies into eight, ten, or twelve departments.1 Delaware did not follow this trend because of the insistence in the State upon the geographical and political representation on service and regulatory agencies wherever such representation is possible. With over sixty functioning commissions or boards, including state and quasi-local agencies. Delaware has only seven socalled "departments," and three of these are still of the old "board" type. Consolidation in its real sense is practically unknown in the State. However, by observing the structure and function of the more important regulatory agencies, we may note some of the problems that administration faces in a "commission-minded" state.

It is unnecessary to give in detail the manner of appointment and removal, the powers, and the present status of every agency in the State in order to obtain a fair concept of the problems presented in a commission system of administration. In the main we shall treat only of those independent establishments that exercise either directly or indirectly a strong influence upon the social and economic activities of the body politic in Delaware. It is impossible, of course, to describe the powers of the various boards and commissions without referring at least tacitly to the three traditional bodies of government,

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Beard, C. A., American Government and Politics, 8th ed., 1939, p. 595.

but the emphasis here will be upon the peculiarities in structure and functions of the more important state agencies in Delaware. It is understood that the terms "board," "commission," and "agency" will be used interchangeably in this discussion.

The chief agencies in Delaware are the Highway Department, the Board of Agriculture, the Board of Health, the Board of Education, and the Industrial Accident Board with its co-operative agency the State Labor Commission.

The State Boards of Health and Agriculture are specified in the State Constitution, but the Board of Agriculture can be eliminated by statutory enactment.² The other agencies are legislative creations and exist at the pleasure of the General Assembly. The Industrial Accident Board and the Labor Commission have even less sustaining powers than do the Education and Highway Departments, which fact will be discussed later. Thus the Board of Health is the only bona fide constitutional agency, being in the same legal position as the offices of Insurance Commissioner, Attorney-General, Auditor, and State Treasurer.³

Surrounding these major control boards lies a veritable welter of legislative agencies concerned with housing, old age welfare, unemployment compensation, relief, hunting, liquor, and the examination of the various professions. Most of them are advisory or examining boards empowered to issue, revoke, or deny licenses; to investigate conditions affecting the field in which they are interested; and to make recommendations concerning the same to the legislature. However, some of them—such as the Liquor Commission and the Game and Fish Commission—serve as investigating, supervisory, rule-making, and enforcing agencies with powers similar to those possessed by the major control boards. The Liquor Commission and the Game and Fish Commission are not included in this discussion because their activities extend to a relatively small portion of the citizenry.

II

The Highway Department in Delaware is unique in its origin and development. Its creation was due largely to the work of one man—Coleman duPont.

In 1911 General duPont together with other interested persons constructed the first through hard-surfaced road from Wilmington

² Constitution of the State of Delaware, art. XI, sec. 7. ³ Ibid., art. XII.

southward. His plans called for an extensive highway program to link the down-state areas with Wilmington, and he was well on his way to success when he met with the opposition of the rural areas of the lower counties. The difficulties encountered caused duPont to end his dream of a state-wide road system, and he turned the maintenance of what had been constructed over to the levy courts of the three counties of the State and left only his name to the highway as a reminder to future generations of the vicissitudes progress must endure even in the 20th Century. The counties soon proved incapable of maintaining such an expensive and extensive hundred mile highway system, and it appeared that complete abandonment was in the offing. This was at the moment when America was entering the War of 1914–18, and the State of Delaware, feeling that highways were important to national defense, created the first Highway Department in the State, May, 1917.4

The original law of 1917 called for a commission of four members plus the governor, who served in an ex-officio capacity. The members were appointed by the governor with the consent of the State Senate. They received no salary, but were given adequate travelling expenses. Sussex and Kent Counties had one member each, rural New Castle one, and the City of Wilmington one member. The provision also was made that no more than two members could be from the same political party. These provisions followed closely the scheme set up in the other commissions then existing in Delaware. It was deferential to the basic principles that have obtained in Delaware agency formation; *i.e.* the commission must be plural (the Liquor Commission is an exception), must be divided between the two major parties at least, and must contain sectional representation.

The powers of the Highway Commission are quite extensive. Supervision and control of the public lands of the state are vested in the Department, including the right (with legislative consent) to sell these lands. The actual supervision of the highways was at first entrusted to a police force under the Department; this force later acquired the duties and powers of a State Police. Timber lands abutting the state roads are purchasable and sale can be forced by court action if the owner becomes arbitrary. Fiscal powers in the form of the right to issue bonds was given the Commission with the consent of the legislature. Allocation of certain state income in addition to that received from vehicular licensing and excise taxes on gasoline and

⁴ See Report on Delaware State Highways, 1919, p. 11.

motor fuels was made to the Highway Fund until all state funds were joined in a General Fund in 1939. In the period from 1917 to 1939 the Department had the right to submit its budget directly to the State Legislature. This procedure was changed during the biennium of 1939,5 and the state-wide budget now includes provision for the highway system. The return from the sale of public lands was set aside for highway use until 1939. Recently control over the manufacture and use of fireworks has been given to the Highway Commission as has been the control over most forms of out-door advertising near or away from the highways. The full authority to institute proceedings in equity before the Chancellor of the State toward the elimination of any grade crossing resides with the Commission. As a general implementation, the statutes have given the Commission the right "to do or perform everything whatsoever incidental and germane to the scope of authority and powers concerned." This has been interpreted by the Commission and by the courts as extending to such activity as that of building jetties and groins along the seashore. The right to restrict removal of sand from the beaches or adjacent shores within the State is another peculiar extension of authority. The operation of all draw bridges (except the federal bridges over the Delaware and Chesapeake canal) which were formerly under the respective levy courts, is now a State Highway Department matter. Any action of a local zoning board permitting the erection of highway signs can be overruled by the Commission, but it may not grant permission to erect a sign if local zoning authorities have previously refused it.

The procedure followed by the Commission in exercising its power is of interest in that it has reflected the prevailing attitude of the State; *i.e.* each county is a small quasi-sovereignty and jealous of its position ⁶ in respect to powers exercised by the State itself. This is also reflected in the activities of the other state agencies whenever there is a question arising in the realm of rural versus particular urban problems.

During the first twelve years of the Commission's existence the presence of the governor as ex-officio member established a close relationship between the executive branch and the Highway Department. The liaison effected through the governor's dual position aided the growth of the Department as a state agency primarily because the work of the Highway Department was a definite evidence of the State's general development. In fact, the position of the chief engi-

⁵ Laws of the State of Delaware, 1939, ch. 204. ⁶ R. G. Caldwell, New Castle County Workhouse, in Delaware Notes, Thirteenth Series (1940), p. 2.

neer (an appointive office under the Commission) bore enough prestige to help place one of its occupants (Buck) in the gubernatorial post. During Governor Buck's two terms (1928–36) the powers of the Commission were augmented, and its place in the administration of the State was assured. The Bureau of the State Police was strengthened, control over county roads extended, and a movement set afoot to bring the Motor Vehicle Commission (then under the Secretary of State) within the Highway Department. This last was not accomplished until 1939. With Mr. Buck as governor, every effort was made toward the establishment of a smooth working relationship between the executive and the Commission. The Commission met more often than it had been meeting, the governor took an active part in policy formation, and during this period many of the working rules of the Department were formulated—one of the outstanding ones being that any extension of the state road system was to be within the discretion of the member from the county affected. With few exceptions this plan has not been overruled. As the state road system prospered and jobs increased this rule of thumb became the basic policy of appointment. Difficulties were encountered, as was to be expected, when curtailment was necessitated during the depression years.

In 1939 the 107th General Assembly enacted, over a veto, a quasiripper bill that reformed the Highway Department by creating three new positions, excluded the governor from his ex-officio capacity, and actually named the men to be appointed to the new positions. All the terms were staggered so that a majority is now beyond the reach of any one-term governor. Any liaison that formerly obtained between the executive and the Comission has vanished. To-day the Commission is in sole charge of the Highway Department. County representation has been sedulously retained and new powers added. The Commission now elects its chairman, holds meetings about once a month, and runs all the roads in the State. This last power gives the Commission tremendous control over political job-holding in the State, none of which is under any form of regulated civil service.

The Highway Commission does not divide itself into committees for the performance of its work. Rather the body functions as a unit or committee of the whole, tacitly accepting (with few exceptions) the advice of the members from the county or section of the county on all projects affecting that county or section thereof. If a question of general policy is involved, then the Commission votes as a group

and a majority decides. In case of an emergency such as a road shutoff due to weather conditions, one member can order such action or
confirm such action taken by the State Police. Appointments to all
positions, including State Police, are made by majority vote of the
Commission, but fairly strict consideration is given to proportional
county representation. In the case of the State Police positions, a
police school is maintained and a certain number of recruits are kept
in training, appointments being made when the necessity arises, but no
civil service requirements are demanded. Public relations are handled
by a Safety Council which works in conjunction with the Highway
Department to further educational safety programs and to circulate
general highway information.

III

The two oldest state agencies in Delaware are the State Board of Agriculture and the State Board of Health. These are the only constitutional bodies existing among the present agencies being specifically created by the Constitution of 1897. Oddly enough the State Constitution provides for the abolition of the Agricultural Board by action of the legislature whenever that body desires to so act.⁷

Agriculture in down state Delaware was the only important industry there until well into the 1920's. Since that decade industrialization has spread rapidly, not only through New Castle County, but also through the isolated towns to the southward. Agriculture, however, remains the leading industry in the State, and this fact accounts for the privileged position the Department of Agriculture holds in the governmental set-up.

The Board of Agriculture is composed of three pointed for three years each by the governor with the consent of the Senate. They receive ten dollars a day for fifty days each year. This fact might have placed them under the governor completely inasmuch as the Constitution places all officials receiving not more than \$500 yearly within the sole appointive power of the chief executive unless excepted by law. By inference, however, the statute providing for the establishment of the Board placed the appointments, unless in an emergency, under the Senate's consent.

The Board is founded on the principle of county and political representation. Its powers are extensive. It exercises full and com-

⁷ Constitution of the State of Delaware, art. XI, sec. 7. ⁸ Revised Code of Delaware, 1935, sec. 568.

plete "power to abate, suppress, eradicate, and prevent . . . by rule, order or regulation . . . all . . . infectious and injuriously dangerous diseases of fruit trees, plants, vegetables, cereals, horses, cattle, and other farm animals." 9

The Board makes all appointments of its divisional and bureau chiefs and of its inspectors and clerks. It may dismiss any of them at will. The administrative powers of the Board extend to the prosecution of actions to compel farmers to comply with its findings and recommendations. The Board has the sole authority to issue certificates for the shipment of plants, fruits, vegetables, or animals in, into, or out of the State. Common carriers transporting non-certified products are subject to penalty. Much of the revenue of the Board is obtained through the levying of a feed tonnage tax, a lime tonnage tax, and of fees from feed, fertilizer, and lime registration. Milk testers' and samplers' licenses also provide a source of income. These collections are turned over to the State Treasurer and serve as an appreciable offset to the running expenses of the Department.

Licensing of creameries, ice cream retailers, producers and purveyors of feeding stuffs is an absorbing administrative function of the Board and serves well to give the State efficient and unified protection against unhealthful and sub-standard products. The Board also maintains a marketing bureau and supervises the formation of farmer co-operatives.¹⁰ The reforestration of waste lands is also under the Agricultural Board, and in this respect effective co-operation is maintained with the county and local units of government.

The chief work of the Department of Agriculture lies in the service field. All sorts of activities such as the issuance of bulletins covering care of seedlings, crops, livestock, and even information on crating and shipping are engaged in by the Board. The rising importance of the chicken industry in the lower part of the State furnishes evidence of the service function of the Board. Special poultry pathologists are appointed to advise the farmers concerning the modern techniques of the industry, and the Marketing Bureau of the Department co-operates with the Federal Department of Agriculture in furnishing information of an indispensable nature regarding the general and local market conditions.11 In preventing the glutting of markets and the shipment of diseased fowl the Board is performing a function the economic and social value of which is obvious.

⁹ Ibid., sec. 570.

¹⁰ Op. cit., sec. 628 ff.
11 Report of the State Board of Agriculture, 1939-40, pp. 32-33.

Farm lobbies have a great influence in Delaware, but much care has been exercised by the Board to date to see that the demands are reasonable. In fact, the greatest champion of the farmer in Delaware is the State Board of Agriculture. It struggles constantly to insure the farmer a hearing in the Legislature and in the press. It sees that he is not made the victim of unconscionable middlemen and large metropolitan jobbers, and above all it provides him with an organized means of information and advice without which he would be at the mercy of conditions about which he would have little knowledge and over which he would have no control.

Working in conjunction with the Agricultural Department of the University of Delaware, the Board has effected a program of seed, fertilizer, and soil testing that has saved the farmer much time and expense. The State Chemist, an appointive official distinct from the Board, aids in this effort.

Delaware has been relatively free from obnoxious supervision on the part of the federal authorities probably because of the rather close control kept over agriculture by the State. Complaints, of course, are heard from various farming groups now and then, but generally speaking the administration of the agricultural laws meets with state-wide acceptance. As a regulatory service agency, the Board has performed its functions with a minimum of friction and a maximum of efficiency. Its greatest handicap has been in understaffing. The tendency at present is not to remedy this, which fact warrants careful consideration by the General Assembly in view of the valuable service the Board offers to the citizens of the State.

IV

The only strictly constitutional agency is the State Board of Health. It is composed of eight persons appointed by the governor with the consent of the Senate for a term of four years each. Four members must be physicians, and three of the Board must be women. County representation as well as political differentiation is maintained, except in the case of the women members who may come from any part of the State. No more than five members may belong to the same political party. The Board receives no compensation, but allowance is made for travelling expenses. Annual meetings are required by law, but the Board usualy meets at least once every three months.

The administrative functions are in the hands of the Secretary, who is empowered to draw up the annual budget of the Board. He

is appointed by majority vote of the Board and receives a yearly salary of \$2500.

In matters involving joint board action, the meeting of the Board is presided over by the president, who is elected annually. Such items as the declaration of the existence of an epidemic or the setting-up of a community or sectional quarantine are decided by the Board; usually the action is upon the recommendation of the physician member resident of the county in which the community or section in question is situated. All matters of policy are determined at a meeting of the entire Board

The work of child and maternal health and tuberculosis control is placed under the women members of the Board. All state clinics concerned with these problems are under the supervision of these members. Supreme authority is granted the Board of Health in the matter of control over food storage, mattress making, and soft-drink bottling establishment; and control over drainage is divided between it and the State Highway Department.

The physician-member from each county has supervision over the general health of the county and works in conjunction with the local health boards. 12 These boards must enforce any general policy or recommendation made by the State Board of Health.18

There is at present a decided tendency to tighten up on the health conditions down state, but much work has vet to be done before effective co-operation is obtained between the Labor Commission and the Board of Health, especially in respect to the sanitation problems found in the canning sections of Sussex County. Efforts are being made to cope with the transient labor situation that has developed there owing to the infiltration of migrants. The growth of labor camps in this section of the State has given rise to serious health problems.14 In respect to this condition the governor of the State should make every effort to bring all the pressure he can to prevent the growth of a migrant labor condition. Close coordination of all the State's agencies of government should be effected in order to forestall the rise of a situation that might readily become a serious menace to the health and social progress of the entire State. The Labor Commission and the Board of Health have already furthered liaison as evidenced in the interchange of information by the Labor Commission and the

<sup>Report of the State Board of Health of Delaware, 1939-40.
Revised Code of Delaware, 1935, sec. 753.
Report of the State Board of Health of Delaware, 1939-40.</sup>

Bureau of Vital Statistics in the Department of Health. This information is used in the enforcement of the child and female labor laws. Excellent cooperation has been effected between the Highway and Health Departments in the matter of eliminating cesspools and in having outlying communities or isolated dwellings connect with local sewer systems. The pollution of creeks by pig sties and other animal runs is checked by both the Board of Agriculture and the Board of Health; the State Police acts as the enforcing agency.

It is in connection with the maintenance of sanitary conditions in industrial places that the most noticeable collaboration between the State's agencies exists. In the problem of unsanitary situations arising in a place of industry, be it a large plant or a small, town laundry, there is joint supervisory control by the Labor Commission and the Board of Health, either of whom could cite the wrongdoer before the General Sessions of the county and prosecute an action. There is evidence, therefore, that some effort has been made to effect cooperation among several of the more important state agencies with a view toward the improvement of the general labor and health conditions in the State. Much remains to be done, but the initial effort has been made; the furtherance of this work depends on vigilant and intelligent leadership in the Executive Department. If this is not forthcoming, Delaware's administration will tend to remain uncoordinated and disintegrated with resultant loss in effectiveness.

V

In education is found the most outstanding example of centralized agency control in the State. Since 1921 the public school system has been placed under the control of the State Board of Education. This is a governor-appointed body of six, apportioned among the counties. The members received twenty-five dollars per day, but can serve only twelve days a year for pay. Political representation is not required as it is in the case of most other state agencies. The Board meets always as a unit and conducts all its affairs as a unit, with majority vote out of a quorum of five determining. The executive power is in the hands of a secretary elected annually by the Board. The Secretary serves as State Superintendent of Education and receives a yearly stipend.

All local boards of education in either the special or the state school districts may be compelled to conform to the rulings of the State Board on matters of educational policy, curricula, and instruction.

In other respects the special boards (those in the special districts) have authority over their own schools. The Board makes its own budget, submits it to the Budget Commission, and has the sole right to sell all school property if the local citizenry concur. The Board may purchase lands, and create, amalgamate, or abolish state districts with the consent of the local citizenry affected. The State Board can permit local boards to issue bonds after authority from the electorate within the district has been obtained. The results of all school elections must be certified to the State Board, and all disputed elections are settled by the Board.¹⁵

The usual powers over curricula, teaching standards, teacher qualifications, and textbook selection are found in the State Board. It also exercises full authority in disputes between teachers and local boards, and it has the power to dismiss any teacher in the State for cause.¹⁶

The Board shares with the Board of Health the power to make all building regulations and rules covering sanitary conditions in all school buildings in the State, and any disregard of these rules by a local school official is a cause for action against the official by either Board. Under a 1939 statute the State Board of Education is required to purchase and furnish light and power for all public schools in the State except those in special districts.¹⁷ It is hoped that this will result in material saving owing to centralized purchasing.

It is hard to understand, however, in view of the sweeping powers of the Board why no authority has been vested in it to establish commercial and vocational courses in the schools. To do this requires a special act of the legislature.¹⁸ The reason for placing these specific courses in the hands of fifty-two legislators and a governor remains a mystery—one of the phenomena of state government. In general, however, the results of centralized public instruction have been most gratifying, and Delaware holds the distinction of being one of the few states to adopt this plan for the administration of its school system.

VI

In discussing the role of the Industrial Accident Board, we should bear in mind two rather significant facts. The first is that Delaware has been one of the last of the eastern states to change from the old-

¹⁵ Revised Code of Delaware, 1935, sec. 2726.

¹⁶ Ibid., sec. 2629.

17 Laws of the State of Delaware, vol. 42, ch. 122.

18 Ibid., vol. 42, ch. 124.

master service rule in industrial relations between employer and employee; and, second, this change seems to have been fraught with an overdose of politics. With this situation as a background it is evident that the Industrial Accident Board has had difficulty in setting up an efficient system for the administration of the State's Workmen's Compensation Law.

The Board is appointed by the governor with the consent of the Senate for six years, each member receiving \$3000 yearly. The governor may remove any member with or without cause. The political nature of this tenure extends to all the appointees under the Board. The Board, which is composed of three members, appoints the secretary and several investigators working under the secretary. At present there are only a few persons who handle the actual investigations, and these also aid in the filing of reports which entails much office procedure. The secretary of the Board, working directly under the Chairman, does the bulk of the investigatory work. Almost all cases evidencing recalcitrance on the part of the employer in "readjusting" injured workmen are handled by him.

One of the chief efforts of the Board is to see that all cases are treated with as little tension between employer, insurer, and worker as possible. Also they strive to keep the workers from pretending illness or injury in order to realize on the insurance. This is especially the case when the Board senses a spirit of laziness or a desire on the part of the worker "to run the limit" of compensation to which he might be legally entitled. Close cooperation is effected between the insurance companies and the Board with respect to rate studies and other actuarial data. Rates are submitted yearly, and the Board uses the statistics furnished by the companies to point out relative costs over a period of years to firms not signed up. This has brought many employers, especially in the smaller firms, to accept insurance.

Supervision of factory safety is another function of the Board, but in order that this may be done more effectively the powers of the Board should be enlarged to permit more control and adequate staffing. Some factory inspection is done by the Labor Commission, but here again no real enforcement power has been given. The Board has no direct control over safety conditions in industrial plants, being authorized only to make recommendations for legislation to the General Assembly; it confines itself to making suggestions to the employer at the time of inspection. The insurers, of course, through their safety de-

¹⁹ Ibid., vol. 29, ch. 233.

partments also keep a close watch on factory conditions and require that policy provisions be maintained. Thus the Board is furnished with an indirect means of control through the insurance companies whose interest dovetails with that of the Board inasmuch as the lowering of the accident rate reduces compensation payments. This also works to the advantage of the careful employer by way of the reduced premium payments on his policy. Although this means of control is successful in many instances, the Board should, nevertheless, be given adequate, forceful measures of coercion in order to effect a definite program of industrial safety and health. Delaware has much work ahead of it in respect to the elimination of unsatisfactory labor conditions, and the only remedy lies in a forthright, effective legislative policy establishing adequate administrative controls over the safety, health, and general working conditions in all industrial places.

The Board performs its functions as a unit, sitting periodically and approving usually the recommendations of the secretary. In case of dispute by either workman or employer, the Board holds a formal hearing and makes its decision. Appeals may be taken to the Superior Court of the county. The Board is permitted great latitude in carrying out the provisions of the compensation law, the courts holding that "if there is any evidence that supports the decisions of the Board, the court should not reverse it." 20 Commutation is entirely in the hands of the Board.21

Much of the work of this agency, by its very nature, is concerned with providing adequate compensation for those injured so that they do not become a burden to themselves or to the community. In order to do this the Board must see that the injured worker receives sufficient to keep his family's and his own expenses at the subsistence level or better. Under the present law this is often impossible, especially when the worker is laid up for a long period. Greater coverage should be given.

The State Labor Commission in Delaware is an advisory body. It is primarily occupied with making general recommendations concerning the enforcement of the women's ten hour law. The Commission is composed of five members appointed by the governor for terms of five years. No compensation is given. All appointments of inspectors of child and female working conditions come under a majority action of the Commission, and removal can be effected at any time by vote of the Commission.

Report of the Workmen's Compensation Law, 1939, p. 25.
 Laws of the State of Delaware, vol. 29, ch. 233, sec. 113.

In the last named agencies one finds a decided deterrent to sustained policy and the laying down of a stable administrative procedure. It would be well if either the governor himself were made responsible for executing the industrial accident compensation requirements or a permanent board were established with power to enforce its findings.

VII

In conclusion it can be said that much of the present tendency toward integrated state administration has not touched Delaware. There is no real effort to place control over administration in the hands of the governor.²² Surveys have been made and recommendations forwarded to the legislature, but they have fallen generally upon barren ground. The present setup in Delaware, however, does not appear predestined for the chaotic administrations found in many plural-executive states. Liaison and collaboration can be effected if the executive is given responsibility for administration. There should also be an adequate civil service program, and amalgamation of several of the lesser advisory and examining boards should take place. The commission system can be retained, but the carrying out of the laws should be coordinated under the governor. This is possible at the same time that the democratic procedure of board findings is retained. The chief criticism of Delaware's commission system lies in the overlapping and duplicated functioning of a veritable myriad of control and advisory agencies. If there were to be a re-allocation of function into a group of seven or eight central regulatory and service agencies constituted under the executive department of the State, administration would be tremendously simplified. The governor would then serve as the guide to collaboration and coordination of all administrative functions within the State.

²² A. E. Buck, Reorganization in State Government, 1938, pp. 74-6.