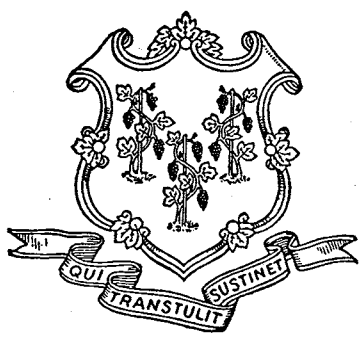
COMMISSION TO EFFECT GOVERNMENT REORGANIZATION



Final Report

March 1992

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* Resigned effective January 23, 1992; unexpired term filled by Sen. Larson

FINAL REPORT
OF THE
COMMISSION TO EFFECT
GOVERNMENT REORGANIZATION

MARCH 1992

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Sen. Joseph H. Harper, Jr.

INTRODUCTION

Judge T. Clark Hull

The Commission to Effect Government Reorganization represents a continuity of effort by Connecticut's legislative and executive branches of government to bring about cost savings and to improve productivity, efficiency, and the delivery of state services. The commission's work builds upon the excellent foundation already established in this area by its predecessor, the Commission To Study The Management of State Government (the Thomas Commission).

The shift in 1989 from four years of budget surpluses to a major deficit, after a protracted period of significant budget growth, challenged state legislators and the governor to bring spending under control. The Thomas Commission was established as one strategy to tackle the problem. Intended as a comprehensive study of all major state agencies, this highly ambitious project was hard pressed to finish its task in one year. By the deadline, some 20 major agencies or programs had been studied, at a cost of $4.5 million, suggesting savings over time ranging from $300 to $500 million. Indeed, this was the most comprehensive project of its type in Connecticut history.

The Commission to Effect Government Reorganization came into being to complete the unfinished agenda of the Thomas Commission and some of its goals left unresolved by the legislature in 1990 and 1991. Whereas the Thomas Commission essentially studied the efficiency of numerous agencies' internal operations and organizations, its successor focused on fewer agencies, with an eye toward cross organizational and coordination issues. The Commission to Effect Government Reorganization was authorized by Sec. 48 (a) of Public Act 91-3 (June Special Session) to "study state government and develop plans for the implementation of organizational and structural changes in order to improve the delivery of services to the people of the state, increase the productivity of service providers, and reduce the relationship of overhead costs to the provision of services." (See Appendix A for the complete text of the commission's enabling legislation.)

Another point of departure from the Thomas Commission concerned the structure of the new commission and the study process. A concerted effort was made here to involve greater and more relevant legislative and executive branch participation, as well as increased public and interest group input. This 30-member commission was equally representative of these two branches of government and

designed through its composition and task force structure to involve the various and numerous stakeholders in reorganizing government. Despite concern that the size and structure might be unwieldy, and given the mixed results of legislative implementation of controversial Thomas Commission recommendations, it was a calculated risk that such expanded and diverse participation would, in fact, enhance implementation of reorganization. In the final analysis, all participants performed admirably in an altruistic and nonpartisan manner.

The Commission to Effect Government Reorganization limited its agenda to eight study areas. It completed those tasks, in what should have been a six- to seven-month study period, within three and a half months and a budget under $50,000 ($500,000 was originally appropriated). The work of this commission is a true testimony to the professionalism and quality of policy analysts who work for the Legislative Program Review and Investigations Committee and the Office of Policy and Management. The work of these dedicated employees makes up the backbone of the substance of this report.

It warrants spotlighting a final intent of the Commission to "Effect" Government Reorganization. Clearly more definitive in purpose than its predecessor, the authorizing statute for the commission presumes the will of the branches of government to enact its recommendations. Such an intent is unprecedented with respect to similar efforts in Connecticut. It speaks to a recognition that to successfully meet the demands of state government in the 90s and the next century, we must redesign our government's organizational culture through modern management, structural, and value systems. Thus, our ultimate goal goes beyond simply the physical and mechanical restructuring of state government. It goes to the soul of government--its people. To this end we humbly present this report as a step in a new direction.

Joseph H. Harper, Jr.
Co-chairman

T. Clark Hull
Co-chairman

ACKNOWLEDGEMENTS

The co-chairmen and members of the Commission to Effect Government Reorganization wish to acknowledge the significant contribution made to the reorganization project by many participants who provided the research, analysis, and recommendations for consideration and action by the commission. Their efforts, energy, and creativity were offered in the highest tradition of public service--that which is given for the good of the people rather than for personal or partisan benefit. A complete listing of the nonvoting commission members and the task force staff is presented in Appendices B and C, respectively, to this report. The members of the Commission to Effect Government Reorganization salute all those individuals who served on this project, including legislators, legislative staff, and executive branch employees.

Sen. Joseph H. Harper, Jr.
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Judge T. Clark Hull
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SUMMARY OF COMMISSION ACTIVITIES

The Commission to Effect Government Reorganization was formally established with the passage of June Special Session, Public Act 91-3 on August 22, 1991. Its purpose was to "...study state government and develop plans for the implementation of organizational structural changes in order to improve the delivery of services to the people of the state, increase the productivity of service providers, and reduce the relationship of overhead costs to the provision of services."

The reorganization project was conceived as a joint effort by the legislative and executive branches of government and structured to provide representation from a broad base of public interests, including government, business, and labor, as well as the general public. The membership of the commission is specified in Section 48(a) of its enabling legislation. T. Clark Hull, retired Connecticut Supreme Court Justice from Danbury, and State Senator Joseph H. Harper, Jr. of New Britain were named co-chairmen; State Representative Reginald L. Jones of Darien and Mr. Timothy J. Moynihan, President of the Greater Hartford Chamber of Commerce, of East Hartford were name vice-chairmen. Other members of the commission were appointed by the legislature and the governor in accordance with the legislative directive.

TASK FORCE STUDY PROCESS

The commission held its organizational meeting on September 30, 1991 and established seven task forces to study the following issues specified in the authorizing legislation:

- Social services, including the possible merger of the Departments of Human Resources, Income Maintenance, and Aging, and the inclusion of the rental assistance programs of the Department of Housing. Also included in this study group were services to persons with disabilities for the purpose of promoting access to government programs and full integration into all aspects of community life.

- Educational services, including a review of the internal structure of the Departments of Education and Higher Education and their constituent units.

- Service provider network to determine whether efficiencies could be achieved by private providers and by the state in its purchase of service activities.

- Substance abuse prevention and treatment services.

- Information technology, including the reorganization of data processing personnel and the elimination of the data processing revolving fund.

- Job creation and training, housing, and economic development, including the possible merger of the Departments of Labor and Economic Development, and the functions of the Department of Housing.

- Standardization of state government agency finance, budget, and purchasing practices.

An eighth task force was organized in November 1991 to study the delivery of services by the Departments of Environmental Protection and Agriculture. Studies were not undertaken for public safety and motor vehicles, the possible merger of the Law Revision Commission and the Legislative Commissioners' Office, and the possible privatization of the Division of Special Revenue's off-track betting facilities due to the shortage of time and resources.

Each task force was comprised of commission members assigned by the co-chairmen and nonvoting members who were named by the legislature and the governor to provide specific expertise. Members of each task force are listed in Appendix D. Representation was balanced evenly between legislative and executive branch appointees. The chairs of the legislative committees that have cognizance over the specific task force studies were selected to participate together with the executive branch commissioners of the various agencies under review.

At its October 31, 1991 meeting, the commission adopted a specified scope of work for the seven task forces. During the months of November and December 1991, the task forces held hearings, gathered information, prepared findings and recommendations, and debated the various options for reorganization. On December 12, 1991, a progress report was made to the full commission by each task force chairman. The task forces developed preliminary recommendations in January 1992, and held hearings to obtain additional comments and suggestions from the public.

MAJOR RECOMMENDATIONS

The commission considered the final recommendations of the task forces in a series of meetings held on: January 31, 1992; February 7, 1992; February 18, 1992; and February 20, 1992. Eight reports, as amended by the full commission, were sent to the appropriate legislative committees with requests to raise legislation. These final reports are presented in the following section. Major recommendations adopted by the commission are summarized below.

Social Services

- Adopted a mission statement for a state health and human services system "to promote the physical, social, and economic well-being of Connecticut's citizens and to empower citizens to achieve self-sufficiency while arranging an appropriate level of support for those who are unable to reach total independence".

- Outlined operating principles supporting the mission to ensure that the health and human services system is accessible, responsive, well-coordinated, consumer- and family- focused, efficient and effective, respectful of the dignity of the individual client, as well as the cultural and ethnic diversity of the state's citizenry, and supportive of shared responsibility and partnerships between clients and providers, public and private providers, and state and local providers.

- Recommended the restructuring of state health and human services under four agencies of government, three of which were formed through consolidation of 10 agencies, as follows:

  - a Department of Social Services to include the programs of the current Department on Aging, Department of Income Maintenance, Department of Human Resources (except for programs serving persons with disabilities and for Head Start, which would be transferred to the Department of Education), and the Commission on Hospitals and Health Care;

  - a Department of Public Health and Addiction Services to include all public health programs of the current Department of Health Services and the Connecticut Alcohol and Drug Abuse Commission;

  - a Department of Children and Families to comprise all the programs of the current Department of Children and Youth Services; and

  - a Department of Developmental and Rehabilitative Services to include the programs of the current Departments of Mental Health and Mental Retardation, Commission on the Deaf and Hearing Impaired, and Board of Education and Services for the Blind, together with the programs in the Department of Human Resources relating

to services for persons with disabilities, including the Bureau of Rehabilitation Services.

Education and Higher Education

- Recommended the reorganization of higher education in the state of Connecticut based on three principles:
  - the need to strengthen the role of a central coordinating authority in developing the mission and goals for higher education, and to improve the accountability for decision making;
  - the need to reduce overhead costs relative to educational programs; and
  - the need to enhance the power of each system to achieve its goals through a more efficient and flexible system of management and resource allocation.
- Recommended the following three organizational entities:
  - a Commissioner of Higher Education/Board of Governors comprising the current Department of Higher Education and a new entity, the Constituents Coordinating Council, whose purpose is to identify and implement administrative savings in the higher education system.
  - the University of Connecticut including the current board of trustees, the Storrs campus, the university health center, and all graduate schools, programs, and satellite facilities. The University of Connecticut would continue to offer the four-year degree programs it currently operates together with a strong emphasis on research and post-graduate programs and degrees.
  - a Connecticut State University and College System--a new entity responsible for all four-year undergraduate programs outside of the University of Connecticut and all two-year college programs, as well as certificate programs. The system would consolidate all existing state colleges outside of the University of Connecticut into four universities: Western, Eastern, Southern and Central. In addition, there would be five regional college

campuses administering the community, technical, and two-year programs within their jurisdiction.

- Recommended that all higher education entities adopt an integrated, education-wide information processing and technology plan and budget, supervised by a chief information administrator within the Department of Higher Education.

- Recommended that legislative oversight of higher education facilities be reduced by repealing Section 10a-6 subsection (6)(B) of the Connecticut General Statutes, which states that "...the general assembly shall have...one year...to accept or reject the recommended merger or closing [of facilities]...."

- Recommended that a special task force be established to develop a strategic plan for vocational-technical education for the state.

Service Provider Network

- Recommended that the Office of Policy and Management develop standard policies and procedures for obtaining, managing, and evaluating the quality and cost effectiveness of human services purchased from private sector organizations. Guidelines would be established for the selection of providers and standards would be prepared for contracting, reporting, payment, and the auditing/ evaluating/monitoring process.

Substance Abuse

- Recommended that the Connecticut Alcohol and Drug Abuse Commission (CADAC) be designated as the lead agency responsible for the state's alcohol and drug abuse program in cooperation with other state agencies.

- Required that CADAC prepare a strategic plan with measurable goals and benchmarks to improve the effectiveness of the substance abuse system.

- Urged CADAC to use Regional Action Councils to mobilize community involvement in the substance abuse area.

Information Technology

- Recommended the aggressive implementation of the Office of Information Technology's strategic plan with support for consolidation of data centers, standardization of systems application development, implementation of the state's information architecture plan, and development of Connecticut data processing personnel.

- Opposed the concept of a chief information officer and recommended that data processing services for the state be coordinated under the joint leadership of the secretary of the Office of Policy and Management and the commissioner of the Department of Administrative Services. The executive director of the Office of Information Technology and the deputy commissioner for the Bureau of General and Technical Services would be designated "chief information technology officer" and "chief information services officer", respectively.

- Supported the continuation of the Data Processing Revolving Fund.

Job Creation and Training

- Endorsed the current effort to establish a statewide economic information system to enhance job creation opportunities and monitor the movement of companies into and out of the state.

- Recognized the substantial progress already made by the Departments of Labor, Economic Development, and Housing to streamline their operations, focus more effectively on the customers and users of their services, and share information.

- Opposed the need for a merger of the Departments of Labor and Economic Development.

- Recommended the creation of common regions for the Departments of Labor and Economic Development in the statewide delivery of their services.

- Recommended that the Department of Housing and the Connecticut Housing Finance Authority continue to identify common activities, eliminate duplication, and consider merging such functions as financing, underwriting, and construction

oversight. Also urged that these agencies actively assist human services agencies involved in specialized housing activities for their clients.

Agency Finance, Budget, and Purchasing Practices

- Recommended the creation within the Office of Policy and Management of an Office of Finance headed by an executive financial officer to establish state financial policies, review agency budgets for financial systems and operations, and coordinate financial systems information and technology among state agencies.

- Required that the comptroller, in carrying out the accounting and financial reporting needs under the constitution, also meet the statutorily defined needs of the General Assembly and the executive branch.

- Recommended the statewide standardization of accounting systems including general ledger and time/attendance reporting systems.

Departments of Environmental Protection and Agriculture

- Opposed the merger of the Departments of Environmental Protection and Agriculture, but urged the Department of Agriculture to prepare a long-term plan for Connecticut agriculture.

- Recommended the consolidation of food inspections at the retail level within one agency, and recommended that dairy plant inspections be consolidated within the Department of Agriculture.

CROSS-CUTTING ISSUES

During the task force hearings and the study phase of this project, certain issues and themes emerged that have relevance for all of state government. These cross-cutting issues include:

- Common regions--the need to review and redefine regional boundaries throughout all of state government to rationalize and standardize the delivery of services through common regions;

- Total quality management--the adoption of the principles of total quality management across all state government organizations, including the executive and legislative branches, the operations of other elected officials, and all quasi-public commissions and organizations;

- Performance measures--the need for state government to establish measurable performance indicators to make government more accountable to the electorate and to assist policymakers in establishing the desired levels of government services; and

- Reform of personnel and merit system--the need for reform of the merit system to make it simpler, more flexible, and responsive to modern management and organizational needs.

IMPLEMENTATION PLANS

The governor will develop plans for implementation of organizational and structural changes after the legislature has taken final action on the commission's recommendations. The committees of cognizance and the Legislative Program Review and Investigations Committee will monitor the progress and success of the reorganization implementation process.

COMMISSION REPORTS

I. SOCIAL SERVICES AND SERVICES TO PERSONS WITH DISABILITIES

II. EDUCATION AND HIGHER EDUCATION
Minority Report by Dorothy C. Goodwin

III. SERVICE PROVIDER NETWORK

IV. SUBSTANCE ABUSE

V. INFORMATION TECHNOLOGY
Minority Report by Rep. Reginald L. Jones

VI. JOB CREATION AND TRAINING

VII. AGENCY FINANCE, BUDGETING, AND PURCHASING PRACTICES

VIII. DEPARTMENTS OF ENVIRONMENTAL PROTECTION AND AGRICULTURE

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I. SOCIAL SERVICES AND SERVICES TO PERSONS WITH DISABILITIES

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SOCIAL SERVICES AND SERVICES TO PERSONS WITH DISABILITIES
FINDINGS AND RECOMMENDATIONS

As approved by the commission on February 18, 1992

INTRODUCTION

The Connecticut health and human services system is a dynamic and complex web of supports and services delivered to a diverse population in a wide variety of settings. The strength of the system is its ability to serve the broad range of needs of Connecticut citizens, some of whom face multiple problems with few resources of their own.

While serving many diverse needs and populations, Connecticut's human services are not always coordinated, flexible, or responsive to the client needs. Indeed, the fragmentation and inflexibility of the system is manifested in its bewildering array of workers, the applications and forms that must be filled out, and the regulations that must be followed in order to obtain even the minimal level of services. The disarray creates and sustains the widespread perception in the public mind that the system is unable to address the real needs and concerns of the state's citizenry in a responsive way. This perception undermines public confidence and willingness to invest in a system so desperately in need of additional support and resources.

In order to address the above concerns about the Connecticut health and human services system, the Task Force on Social Services and Services to Persons with Disabilities of the Commission to Effect Government Reorganization was established to examine how to restructure, reform, and ultimately rebuild this life-sustaining system. The specifications for building a new structure must affect an integration of services that will better respond to client needs and deliver services in a coordinated, unfragmented manner. This integration will also address duplications and inefficiencies in the system that reduce its effectiveness to serve clients and waste valuable resources.

TASK FORCE WORK

As required by Public Act 91-3 of the June Special Session, the task force was charged with determining the feasibility of consolidating human services departments and programs in order to improve service delivery, increase productivity, and reduce the relationship of overhead costs to the provision of services. The state agencies examined by the task force included the Department on Aging, the Department of Human Resources (DHR), the Department of Income Maintenance (DIM), the Department of Housing (DOH), the Department of Children and Youth Services (DCYS), the Department of Health Services (DHS), the Department of Mental Health

(DMH), the Department of Mental Retardation (DMR), the Connecticut Alcohol and Drug Abuse Commission (CADAC), the Commission on the Deaf and Hearing Impaired (CDHI), and the Board of Education and Services for the Blind (BESB).

The task force began meeting in November 1991 and continued meeting biweekly until February 1992. The early meetings of the task force were devoted to developing a scope of work and hearing presentations from human services commissioners on their agencies' current missions, organizational structures, statutory responsibilities, and programs. After gaining an understanding of the current health and human services system, the task force developed a mission statement, goals, and objectives for the delivery of health and human services in Connecticut.

In order to elicit ideas and suggestions regarding the structure of the health and human services delivery system from individuals and organizations involved in the delivery of such services in Connecticut, the task force sent a survey to 250 state employees, clients, client advocates, and nonprofit service providers. One hundred responses were received, which provided invaluable insight into the advantages and disadvantages of the current system. In order to receive more in-depth feedback about reorganization options, the task force held two focus group discussions on December 20, 1991 at which advocacy groups, state employees, clients, and service providers shared their expertise and contributed their ideas for human services reorganization.

After studying various alternatives, the task force developed a proposal for a single umbrella agency organized along functional lines. The task force held a public hearing on January 17,1992 to solicit public comments on this proposal. At the hearing, concerns were expressed by consumers, advocates, and service providers about an umbrella agency creating additional bureaucracy and losing the benefits of the present categorical structure, especially related to persons with disabilities.

The proposal was revised to address concerns voiced at the public hearing and has resulted in the recommendations that follow in this report.

VISION AND OPERATING PRINCIPLES

The starting point of the social services task force's work was to develop a new comprehensive vision for what a health and human services system should do. That vision, encompassed in a mission statement, is:

> to promote the physical, social, and economic well-being of Connecticut's citizens and to empower citizens to achieve self-sufficiency while arranging an appropriate level of support for those who are unable to reach total independence.

Such a vision calls for the services and supports of a health and human services system to be:

- accessible;
- responsive;
- well-coordinated;
- consumer and family focused;
- efficient and effective;
- respectful of the dignity of the individual client as well as the cultural and ethnic diversity of the state's citizenry; and
- supportive of shared responsibility and partnerships between clients and providers, public and private providers, and state and local providers.

Together, the mission and the operating principles form the foundation for rebuilding and restructuring a health and human services system that more directly addresses the needs of Connecticut citizens and more effectively and efficiently delivers the critical services and supports.

OBJECTIVES

The building blocks for the new system are a clear set of objectives to:

- expand the flexibility of services, ensure the provision of personalized and culturally relevant services, and effectively measure outcomes;
- ensure the involvement of consumers, families, providers, and communities in the planning, development, provision, and evaluation of human services;
- support citizens in their families and communities whenever possible;
- link state human services policy to economic development strategy in order to ensure that human services clients benefit fully from growth in the state's economy;

- decentralize authority and reduce the layers of decisionmaking within state agencies;

- channel funding to direct services whenever possible;

- facilitate access to nonstate supports and resources;

- establish uniform regional service delivery boundaries to improve coordination and reduce duplication and client confusion in the delivery of services;

- improve intake and eligibility processes by establishing a uniform system at the community level;

- establish uniform administrative functions related to the purchase of service system and designed to increase efficiency of that system as recommended by the Service Provider Network Task Force of this commission, including, but not limited to, auditing, contracting, licensing, and quality assurance; and

- continue to cooperate with the private sector in the provision of community-based services.

RECOMMENDATIONS

To restructure, reform and rebuild the Connecticut health and human services system, the following recommendations are made:

I. In order to improve the coordination, accountability and cost effectiveness of the health and social services system, the state's responsibilities for health and social services programs, policy, financing, and management should be consolidated into four departments. These four agencies together shall be charged with implementing the single mission of the Connecticut health and human services system, which is to promote the physical, social, and economic well-being of Connecticut's citizens and to empower citizens to achieve self-sufficiency while arranging an appropriate level of support for those who are unable to reach total independence.

A new consolidated Department of Social Services shall include:

- all programs of the Department on Aging and the Department of Income Maintenance, including Medicaid policy and operations;

- all programs of the Department of Human Resources, including day care purchase of service, registration, and training of providers, but excluding:

  - all services to persons with disabilities such as the Bureau of Rehabilitation Services, and

  - the Head Start program, which will be transferred to the State Department of Education;

- day care licensing of the Department of Health Services;

- the state rental assistance program and the federal Section 8 certificate/voucher program of the Department of Housing; and

- the duties and the responsibilities of the Commission on Hospitals and Health Care (CHHC).

A new consolidated Department of Public Health and Addiction Services shall include:

- all programs in the Department of Health Services, including Medical Quality Assurance, Nursing, and Home Health (but excluding day care licensing, see above), Environmental Health, Emergency Medical Services, Hospital and Medical Care, Laboratory Services, Infectious Diseases, Chronic Diseases, and Maternal/Child/Adolescent Health (including Rape Crisis, Genetic Diseases, Community Health Centers, the WIC Program, and School Based Health Clinics); and

- all programs of the Connecticut Alcohol and Drug Abuse Commission, which is currently assigned to the Department of Mental Health for administrative purposes only, including all substance abuse prevention, intervention, and treatment

programs and the statewide substance abuse coordinating function.

A new Department of Children and Families shall include:

- all programs of the Department of Children and Youth Services.

A new consolidated Department of Developmental and Rehabilitative Services shall include:

- all programs of the Departments of Mental Health and Mental Retardation, the Commission on the Deaf and Hearing Impaired, and the Board of Education and Services for the Blind; and

- all programs in the Department of Human Resources relating to services to persons with disabilities, including the Bureau of Rehabilitation Services.

The consolidation of these health and human services agencies is designed to reduce the 11 presently autonomous state agencies into 4 new departments. This change will serve to coordinate the system by improving the ability of the commissioners of these four agencies as well as key personnel in each of the agencies to work collaboratively on the delivery of health and human services. All too often agency lines and turf battles are barriers to communications among and within agencies and impede the integration of services.

These barriers occur not only at the highest level of policymaking, but also at the programmatic level in the delivery of services where staff sometimes have little knowledge of what other independent state agencies could provide or deliver to the same client. As a result, the client may be tossed among agencies until the one, if any, that can help is found.

Each of these consolidated agencies will be held more accountable under the stewardship of a commissioner who is squarely focused on that agency's role in the implementation of the mission of Connecticut's health and human services system, as described above. The commissioner of each consolidated agency will have authority over the program, budgeting, planning, and operations of that agency.

This delineation of authority will reduce the fiscal and programmatic conflicts that previously occurred among independent and autonomous state human

services agencies, each of which pursued its own mission and goals. In each newly consolidated department, priorities among programs and funding would be made in a single, interdepartment forum united under common agency goals.

Each of these consolidated departments will also be more cost efficient given economies of scale and reduced administrative costs. Additional savings can be achieved with the subsequent coordination and uniformity to be achieved in the purchase of services activities in these consolidated agencies as recommended by the Service Provider Network Task Force of this commission.

Streamlined service delivery and the elimination of duplicative programs and services also provide potential areas of savings. Finally, with a more coordinated, responsive system that emphasizes prevention and early intervention, the avoidance of costs of programs and services in the future is certainly possible.

2. The new Department of Social Services shall develop, monitor, evaluate, and contract for or deliver services, in most instances, structured along a "functional" line. In the department, the program areas will be divided into the following divisions, which will be headed, as appropriate, by a deputy commissioner:

- Economic Support
- Community-Based Services
- Employment Services
- Aging Services
- Health Care Financing

Economic Support includes programs that provide clients with cash, vouchers, and direct or indirect payments for goods and services.

Community-based Services includes legal services, information and referral, and food distribution programs as well as other state-funded programs that provide through community organizations and municipalities a wide variety of services such as case management, client advocacy, counseling, and teen pregnancy prevention.

Employment Services includes job training and work programs.

(See Attachment B for a graphic display of the above structure.)

The three programs described above are structured functionally, in contrast to an organization of services along purely categorical lines. Most of the clients to be served by this department are individuals who lack adequate income to

feed, clothe, or shelter themselves or to buy such services as day care or in-home care. The mere fact that many of these clients have a low income is not always indicative of what their individual needs are.

An organization whose programs are structured along functional lines is more likely to identify and address the needs of these particular clients for employment services, economic support, and community-based services. This structure also encourages efficiencies by creating more uniform programs that may serve many different clients who have similar service needs. It allows the investment of a critical mass of staff skills and expertise in the nature of the service being provided, resulting in better quality, state-of-the-art programs for the clients who seek those services.

Aging Services in this new consolidated agency will be maintained along a categorical line. In part, this structure is to satisfy federal requirements for an identifiable unit on aging in order to qualify for federal funds for elderly services. The major purpose of setting out Aging Services as a separate division, however, is to provide strong advocacy for the improvement and enhancement of services to the elderly in this state as well as a coordinating function with other state agencies on such issues. The Division of Aging Services will also ensure that the needs of elderly citizens are addressed in a holistic way and that the array of services is effectively managed and accessible to this particular client group.

3. The function of Health Care Financing is a critical and key one in the new Department of Social Services. As the costs of health care and the demands for increased access to health care continue to escalate, it is essential that the new Department of Social Services address this formidable financing dilemma on both the state and national level.

   Placing these critical responsibilities for health care financing in a separate, visible division of this new consolidated department emphasizes the importance of these activities to the department's overall work and integrates it with work of other divisions so that issues of health care financing will be factored into broader human services policy decisions.

   This division will merge the present functions of Medicaid policy development and efforts for maximizing federal revenues in the Department of Income Maintenance and the current rate setting and certificate of need activities of the Commission on Hospitals and Health Care.

4. In order to ensure effective enforcement of child support payments to Connecticut's children, the new Department of Social Services shall be the lead agency in which such efforts will be consolidated and coordinated. There shall

be an implementation plan to combine the child support enforcement efforts of the current Departments of Human Resources and Income Maintenance, the Judicial Department, the Bureau of Collection Services in the Department of Administrative Services (DAS), and the Office of the Attorney General.

This consolidation and coordination of child support enforcement efforts is based on the principle that similar functions in state government should be combined in order to deliver better services to clients. An application of this principle in the child support enforcement arena would address the fact that, for example, currently certain child support enforcement services are located in different agencies depending on whether the client is a recipient or nonrecipient of Aid to Families with Dependent Children (AFDC). This principle is consistent with the work of this task force in its efforts to consolidate and merge similar human services functions in state government.

5. The newly consolidated Department of Developmental and Rehabilitative Services shall develop, monitor, and contract for or deliver services for persons with disabilities in order to coordinate more effectively the delivery of these services in the state. In the department, the program areas will be divided into the following divisions, each of which will be headed, as appropriate, by a deputy commissioner:

   - Mental Health
   - Developmental Services
   - Vocational Rehabilitation
   - Physical and Other Disabilities

   Mental Health includes all programs of the current Department of Mental Health and any other programs that are deemed appropriate.

   Developmental Services includes all programs of the current Department of Mental Retardation and other programs that are deemed appropriate.

   Vocational Rehabilitation includes the Bureau of Rehabilitative Services of the Department of Human Resources. This division shall have such duties and responsibilities as are required by federal law or regulation, and any other programs that are deemed appropriate.

   Physical and Other Disabilities includes services to persons with visual impairment, hearing impairment, traumatic brain injury, autism and learning disabilities, and all other programs deemed appropriate.

   (See Attachment C for a graphic display of the above structure.)

This consolidation of services to persons with disabilities is designed to coordinate these services and to assure that clients with multiple needs will not fall between the cracks of independent, autonomous state agencies, particularly those clients who have dual or multiple diagnoses. This consolidated department will assure that clients are not sent back and forth between state agencies in search of programs that ultimately may not serve their needs.

The structure of this newly consolidated department is designed to assure that all types of disabilities will be addressed. Some programs will be organized along "functional" lines, such as vocational rehabilitation; and others more categorically, such as mental health. This structure will allay possible misperceptions that services are not available in this new agency for certain defined populations. This structure will also allow specialized services to be developed that will promote innovation and state-of-the art advances. Agency personnel will also be more sensitive to and have greater expertise in the services available and needed by the particular client populations served.

6. Maintain in the new consolidated Department of Public Health and Addiction Services, a strong coordinating function for substance abuse prevention, intervention, and treatment programs across agency lines and among the branches of state government. With an identifiable division of Alcohol and Drug Abuse Services, this coordinating function will take place within the department and will involve other human services departments, particularly the Department of Children and Families and the Department of Developmental and Rehabilitative Services and criminal justice agencies in the executive and judicial branches of state government.

   This recommendation is consistent with the work of the Substance Abuse Task Force of this commission, which recognized that Connecticut needs a coordination of substance abuse services in order to eliminate duplications, fill service gaps, and assure efficiency and effectiveness of these critical programs.

7. In each of the consolidated departments, a commissioner, appointed by the governor, will oversee three functions: administration, operations, and programs. Deputy commissioners will head the administration and operations functions and work with the commissioner to assure that each function works in concert to support the day-to-day operations of the department, in particular the delivery of services to clients in the field. As described in recommendations 2 and 5 above, deputy commissioners will head the separate program divisions, as appropriate.

8. The Commissioner's Office in each newly consolidated department shall be responsible for the overall management of the department. The office's focus shall be on developing policies and procedures to guide the department,

coordinating the program divisions and various functions of the department, ensuring compliance with federal and state mandates, and communicating with the public, the governor, and the legislature. The office will have responsibility for strategic planning, advocacy, affirmative action, communications, and legal services. An ombudsperson will also be located there to ensure client access to and availability of services.

9. A Strategic Planning Unit is a critical activity in the Commissioner's Office of each newly consolidated department. This unit will coordinate and centralize policy development and planning among all the administration, operations, and program functions of each department. The unit will also promote interprogram and interagency coordination.

   Interprogram coordination is essential to fully achieve the benefits of the design of programs in each department. For example, in the new Department of Social Services, the full benefits of organizing social services programs along functional lines will only be reached if the program development is coordinated so that links are forged among the program areas. The economic support programs available to a client receiving Aid to Families with Dependent Children need to be linked with employment services that will assist the client to get a job and discontinue their dependence on welfare.

   Interagency coordination is also critical, particularly to bring together health and social services programs with those that serve children and families and persons with disabilities. It is also essential to link other areas such as criminal justice, transportation, and economic development to the delivery of health and human services programs.

10. The administration function of these newly consolidated departments will provide centralized management and support to the programs and operations of the department. This function shall be constructed from a consolidation of administrative functions performed in the merged agencies and should support regional operations, not duplicate or create new layers of bureaucracy in the operations of the department.

    The administration function will be responsible for the financial administration of the agency including budgeting, accounting, fraud and internal audit; human resources including personnel, labor relations, and staff development; support services including general services, materials management, and facilities management; and information services including information technology, records management, and library.

    In preparing and presenting the budget for each newly consolidated agency, the commissioner shall show each program division's budget as a separate item in

order to maintain an identity of programs in each area while managing the budget of each department as a whole.

11. The operations function will consolidate the service delivery systems of the merged agencies into a regional structure that will provide, to the greatest extent possible, "one-stop shopping" for clients in each newly consolidated department. The goal is to have a single point of entry for information and referral, screening, intake, and eligibility determinations and service delivery. The primary purpose of the operations function will be to coordinate the department's regional service delivery system and oversee statewide operations for any client services not delivered through the regional offices.

    This system should provide not only more efficient entry into the services systems, but better management of client access to and use of services. While case management is an important function, it is hoped consolidation of agencies will reduce the number of case managers assigned to each client.

12. Among the critical components of the service delivery system in and among each of the newly consolidated departments will be the development of a single application form for client intake and eligibility determinations. There should be a common client identifier and a commonly linked computerized management information system that has the capacity to track clients and determine eligibility across programs.

13. In each newly consolidated department, the service delivery system will be decentralized into regional administrative offices that will be as autonomous as possible. In most instances, the regional offices should have the ability to contract for services, manage grants, and monitor and evaluate programs delivered in that region. This decentralization of authority to the regions will empower staff in those agencies to respond to the particular service needs of each region. However, centralized control and programmatic direction will remain in the programs function in order to assure consistency and uniformity among the regions in the development and provision of services.

    Some programmatic areas may not lend themselves to regional decentralization. For example, in the new Department of Social Services, the economic support programs may need to be operated in a more centralized manner due to the need for uniformity in interpreting and applying a myriad of federal rules and requirements in such programs as Medicaid, Aid to Families with Dependent Children, and Food Stamps.

14. In the regional delivery of services, the four newly consolidated departments will have no more than six uniform regional service delivery boundaries in order to ensure maximum coordination of services among these agencies, to eliminate

confusion and duplication of effort, and to promote better regional planning efforts. The service delivery offices of these four departments should be co-located to the extent possible.

The fact that many of state's human services agencies use different regional boundaries for service delivery has not gone unnoticed by several commissions in the past 20 years. These commissions have all recommended uniform boundaries: Commission on Human Services (Zimmerman) (1972), Connecticut Council on Human Services (1975), Human Services Reorganization Commission (1978), and Commission to Study Human Services (1986).

The commission reports have generally focused on three concerns that result from non-coterminous boundaries. One is that without uniformity, human services clients served by more that one agency are confused about where to go for services, and they sometimes have to go to more than one office to receive the services they need. This issue can be addressed by uniform regional boundaries and co-location of offices so that clients will have "one-stop" shopping.

Another concern is the difficulty line staff have in negotiating the system for clients when regional service delivery boundaries are not uniform. The referral to another public or private provider agency for services becomes a two-step process -- first, the worker must determine which region the client lives in for that agency, and second, make a referral to the appropriate regional service office. A final concern is that non-coterminous boundaries limit the ability to gather data and plan for services along uniform interagency regions. With uniformity, all agencies will gather data and information about the same geographic lines in order to aid them individually and jointly to plan for services to meet the particular needs of citizens of each region.

15. The newly drawn regional boundaries for the Departments of Social Services, Public Health and Addiction Services, Children and Families, and Developmental and Rehabilitative Services should be drawn in light of criteria that are most important to ensure effective delivery of health and human services to clients. Geographical size is a key criterion. Other criteria, including but not limited to, are:

- general population distribution,
- agency target population distribution,
- agency case load,
- placement of department facilities,

- transportation accessibility for clients to service delivery offices and for workers to clients, and

- any federal requirements as to placement of boundaries.

16. The regional service delivery boundaries of the newly consolidated departments shall coincide to the greatest extent possible with those of other agencies that provide health or human services related programs. These agencies may be state agencies or private providers who receive grants from the state or are federally mandated to deliver services regionally. The state agencies include, but are not limited to, the Departments of Labor, Correction, Education, Economic Development, and Veterans' Affairs. All regional boundaries should coincide, wherever possible, with the current regional boundaries of the previous departments in order to minimize expense and disruption of current regional service delivery.

    The majority of the current human services agencies have either five or six service delivery regions. With the exception of the coterminous boundaries of the Departments of Income Maintenance/Department of Human Resources and the Department of Mental Health/Connecticut Alcohol and Drug Abuse Commission, none of these current boundaries are uniform. Some of these agencies' boundaries are based on the Health Service Areas (HSAs), which were designated by the state in 1975 in response to federal legislation. The Departments of Mental Health and Health Services and the Connecticut Alcohol and Drug Abuse Commission have made some modifications to the HSAs in setting up their regional boundaries. For example, the Department of Health Services made some minor changes in the HSAs for their Emergency Medical Service regions.

    A number of other agencies have six regional boundaries including the Departments of Income Maintenance and Human Resources (whose boundaries are coterminous), and the Departments of Children and Youth Services, Mental Retardation, and Veterans' Affairs, whose boundaries follow the federal Congressional Districts.

17. The programs function of the newly consolidated departments will provide a centralized coordination of the development, monitoring, evaluation, delivery, or purchase of programs and services in each specific area, such as aging services, employment services, and vocational rehabilitation. The primary purpose of this function is to establish uniform departmentwide policies and procedures so that there is consistency and uniformity among the regions in contracting, grants management, and monitoring and evaluation in each

program. Maximum regional autonomy will be allowed, however, to address specific regional needs and empower staff at the field operations level.

This structure will also ensure that information is available on a statewide level on programs that are delivered or purchased in each region.

18. The programs of these new consolidated departments should emphasize prevention and early intervention and be family focused.

Connecticut's health and human services systems must promote and develop programs that will provide prevention and early intervention services of the highest quality and effectiveness. The obvious merits of such programs are that services are more responsive to client needs and will result in cost avoidance for the state in future years.

The Family Support Program in the Department of Children and Youth Services is one example of such program. It provides an important early intervention and preventive component to DCYS' protective services programs.

19. There shall be boards and advisory groups in each newly consolidated department that will provide, in a coordinated manner, input and expertise from consumers, advocates, and other interested parties.

20. Continue a Human Services Cabinet and other interagency coordinating mechanisms for the four newly consolidated departments to work with other state agencies whose programs are critical to the delivery of a complete range of services to clients of the health and human services system.

While the four newly consolidated departments have responsibility for a majority of the health and human services programs in Connecticut state government, other agencies will need to interact and coordinate with these departments. These departments include correction, veterans' affairs, labor, housing, education, higher education, and consumer protection. It is also essential to forge links between human services and such issues as transportation and economic development.

A Human Services Cabinet has been in use for several years in the executive branch of state government, which provides commissioners with an interagency forum to coordinate policy development and to communicate openly on common administrative and programmatic issues. Currently, an Economic Development Cabinet also provides a similar forum on economic development issues for the Departments of Economic Development, Banking, Transportation, Agriculture, Environmental Protection, Insurance, Labor, Housing, Public Works, Revenue Services, Motor Vehicles, and Public Utility Control.

A Human Services Cabinet, under the direction of the lieutenant governor, will need to be reconstituted in light of the consolidations in the above recommendations, but should continue to provide this important interagency forum on health and human services issues and interact with the Economic Development Cabinet on mutual issues of concern.

21. Encourage collaborations that will foster the development and maintain the client-focused structure of a Connecticut health and human services system and that will involve partnerships between clients and their service providers, both state and local, public and private.

    The purpose of the partnerships is to complement state agencies' work with local communities, which provide services as part of their responsibility to their residents, and to ensure the integration and coordination of those local services with state-funded and operated programs. These partnerships are designed to eliminate duplications, address service delivery gaps at the regional and local levels, and promote dialogue between public and private service providers.

22. Implement the structural changes that are required to create the newly consolidated Departments of Social Services, Public Health and Addiction Services, Children and Families, and Developmental and Rehabilitative Services. In the implementation process, provide legislative and executive branch oversight and monitoring to assure that the new departments are set up in adherence to the operating principles, objectives, and recommendations above. The process should also allow for flexibility in fashioning these departments so that they are manageable, become operational with minimal disruption to the system, and are ultimately successful in accomplishing the mission of the health and human services system.

    The recommendations of this task force should be coordinated in the implementation phase with those of the Substance Abuse Task Force and the Provider Network Task Force of this commission.

    Attached to this report are: 1) a summary of these recommendations, and 2) charts for two of the newly consolidated agencies. These charts and program lists are intended to be depictions and displays of the concepts and consolidations recommended in this report. Formal tables of organizations should be developed and specific programmatic decisions should be made in the implementation process of this work.

ATTACHMENTS

ATTACHMENT A
SUMMARY OF RECOMMENDATIONS - Health and Human Services System

DEPARTMENT OF SOCIAL SERVICES

Merger of:

DIM -	all current programs including Medicaid policy and operations
DHR -	most current programs, including day care purchase of service, registration, and training of providers; excluding services to persons with disabilities
SDA -	all current programs
DOH -	Rental Assistance Program (RAP) and federal Section 8 Certificate/Voucher Program
DHS -	day care licensing
CHHC -	all functions

Organize into five Program Divisions: Economic Support, Employment Services, Aging Services, Community-Based Social Services, and Health Care Financing, combining the Medicaid policy and operations of the Department of Income Maintenance and the activities of the Commission on Hospitals and Health Care.

Include Child Support Enforcement consolidation and coordination in DSS.

DEPARTMENT OF PUBLIC HEALTH AND ADDICTION SERVICES

Merger of:

DHS -	all programs including Medical Quality Assurance, Nursing and Home Health (but excluding day care licensing), Environmental Health, Emergency Medical Services, Hospital & Medical Care, Laboratory Services, Infectious Diseases, Chronic Diseases, and Maternal/Child/Adolescent Health (includes Rape Crisis, Genetic Diseases, Community Health Centers, the WIC Program, and School Based Health Clinics)
CADAC -	all programs including substance abuse prevention, intervention and treatment and specifically, statewide coordinating function.

DEPARTMENT OF CHILDREN AND FAMILIES

DCYS - all current programs, including prevention, protective services, juvenile justice, mental health, and substance abuse

DEPARTMENT OF DEVELOPMENTAL AND REHABILITATIVE SERVICES

Merger of:

DMR - all current programs

DMH - all current programs

DHR - all programs that serve persons with disabilities including Bureau of Rehabilitation Services (BRS)

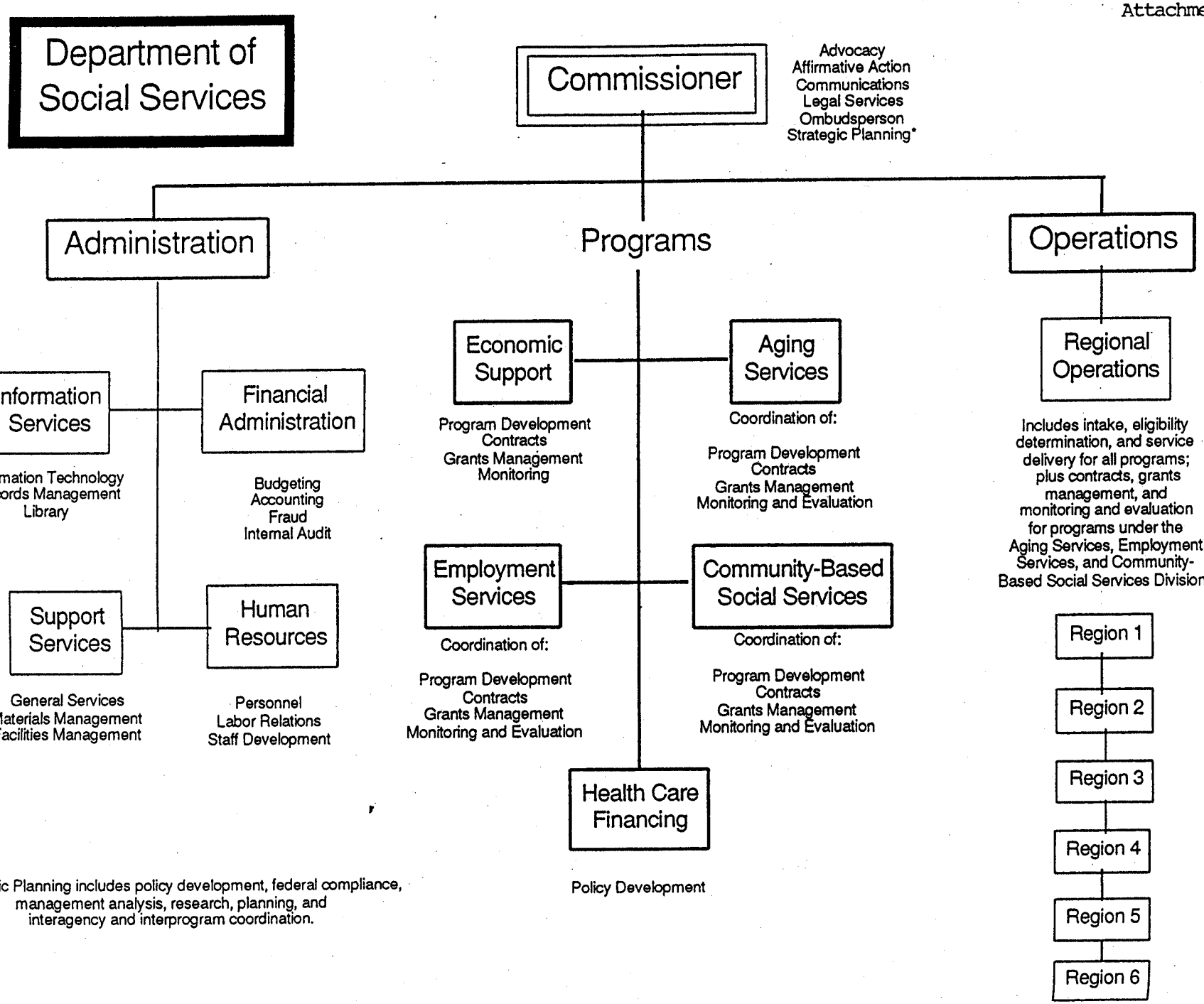
CDHI - all current programs

BESB - all current programs

Organized into four Program Divisions: Mental Health, Developmental Services, Vocational Rehabilitation, and Physical and Other Disabilities.

STATE DEPARTMENT OF EDUCATION (SDE)

- Transfer Head Start from DHR
- Maintain SDE Early Childhood Education Standards/Policy


Department of Social Services
Commissioner
Advocacy
Affirmative Action
Communications
Legal Services
Ombudsperson
Strategic Planning*
Administration
Programs
Operations
Information Services
Information Technology
Records Management
Library
Financial Administration
Budgeting
Accounting
Fraud
Internal Audit
Support Services
General Services
Materials Management
Facilities Management
Human Resources
Personnel
Labor Relations
Staff Development
Economic Support
Program Development
Contracts
Grants Management
Monitoring
Aging Services
Coordination of:
Program Development
Contracts
Grants Management
Monitoring and Evaluation
Employment Services
Coordination of:
Program Development
Contracts
Grants Management
Monitoring and Evaluation
Community-Based Social Services
Coordination of:
Program Development
Contracts
Grants Management
Monitoring and Evaluation
Health Care Financing
Policy Development
Regional Operations
Includes intake, eligibility determination, and service delivery for all programs; plus contracts, grants management, and monitoring and evaluation for programs under the Aging Services, Employment Services, and Community-Based Social Services Divisions
Region 1
Region 2
Region 3
Region 4
Region 5
Region 6
*Strategic Planning includes policy development, federal compliance, management analysis, research, planning, and interagency and interprogram coordination.

Department of Social Services: Programs

This department includes programs currently administered by the following agencies:

Department on Aging (SDA)
Department of Health Services (DHS)
Department of Housing (DOH)

Department of Human Resources (DHR)
Department of Income Maintenance (DIM)
Judicial Department (JD)

Aging Services

Community Services (SDA)
Frail Elderly (SDA)
Ombudsman (SDA)
Elderly Protective (DHR)

Community-Based Social Services

Info and Referral (DHR)
Community Services (DHR)
Legal Services (DHR)
Family Planning (DHR)
Housing Services (DHR)
Domestic Violence (DHR)
Food Distribution (DHR)
Day Care Licensing (DHS)

Economic Support

CONNPace (SDA)
Child Support (DHR)
Child Day Care (DHR)
Fuel Assistance (DHR)
Weatherization (DHR)
Food Stamps (DIM)
AFDC (DIM)
AABD (DIM)
Refugee Assistance (DIM)
General Assistance (DIM)
Energy Assistance (DIM)
Medical Assistance (DIM)
(Eligibility)
RAP (DOH)
Section 8 (DOH)
Support Enforcement (JD)

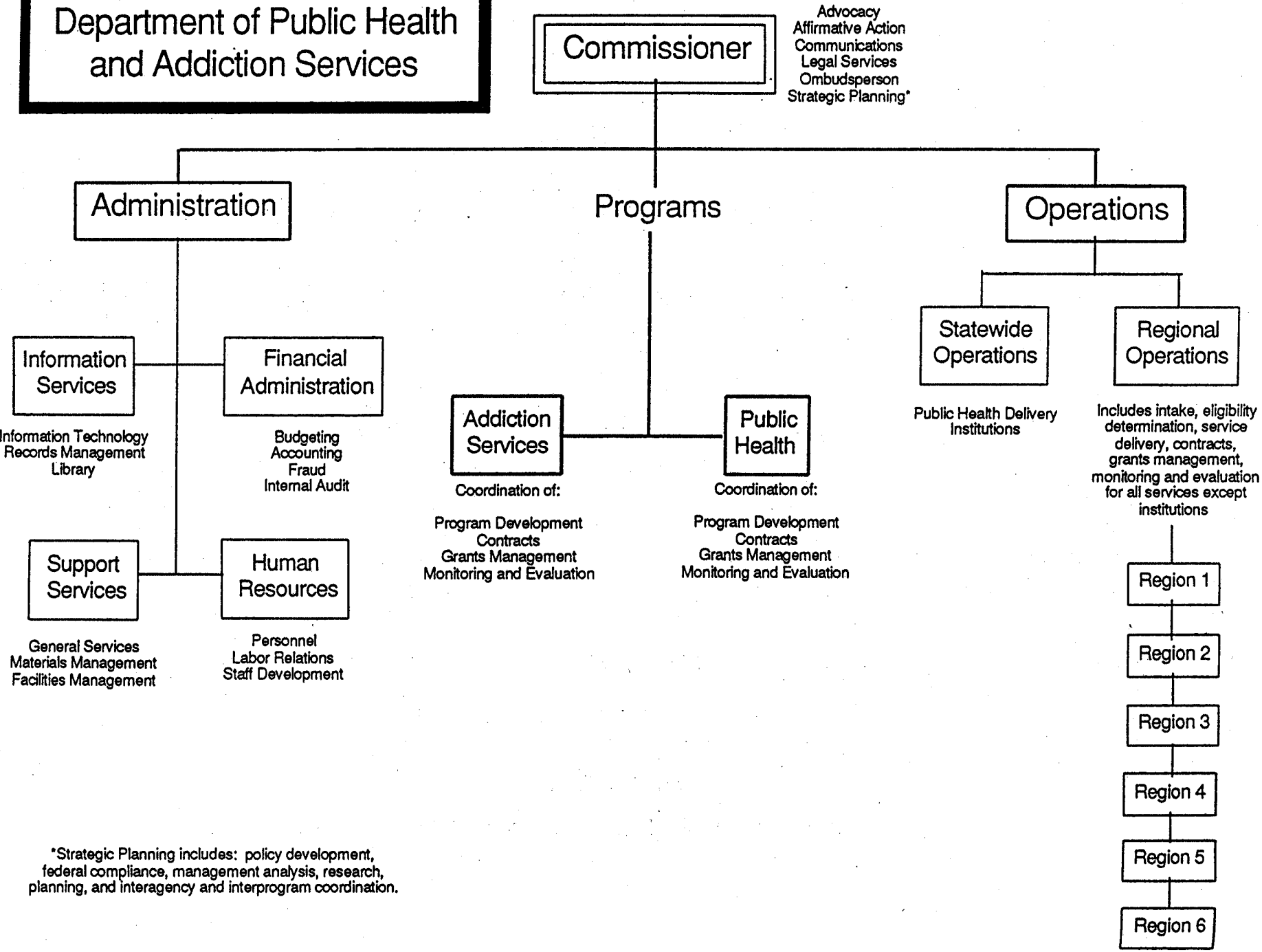
Employment Services

Hispanic Emp. (DHR)
Refugee Asst (DHR)
OIC (DHR)
Job Connection (DIM)

Health Care Financing

CHHC (DHS)
Medical Assistance (DIM)
(Policy)

Department of Public Health and Addiction Services



*Strategic Planning includes: policy development, federal compliance, management analysis, research, planning, and interagency and interprogram coordination.

Department of Public Health and Addiction Services: Programs

This department includes programs currently administered by the following agencies:

Department of Health Services (DHS)
Connecticut Alcohol and Drug Abuse Commission (CADAC)

Public Health

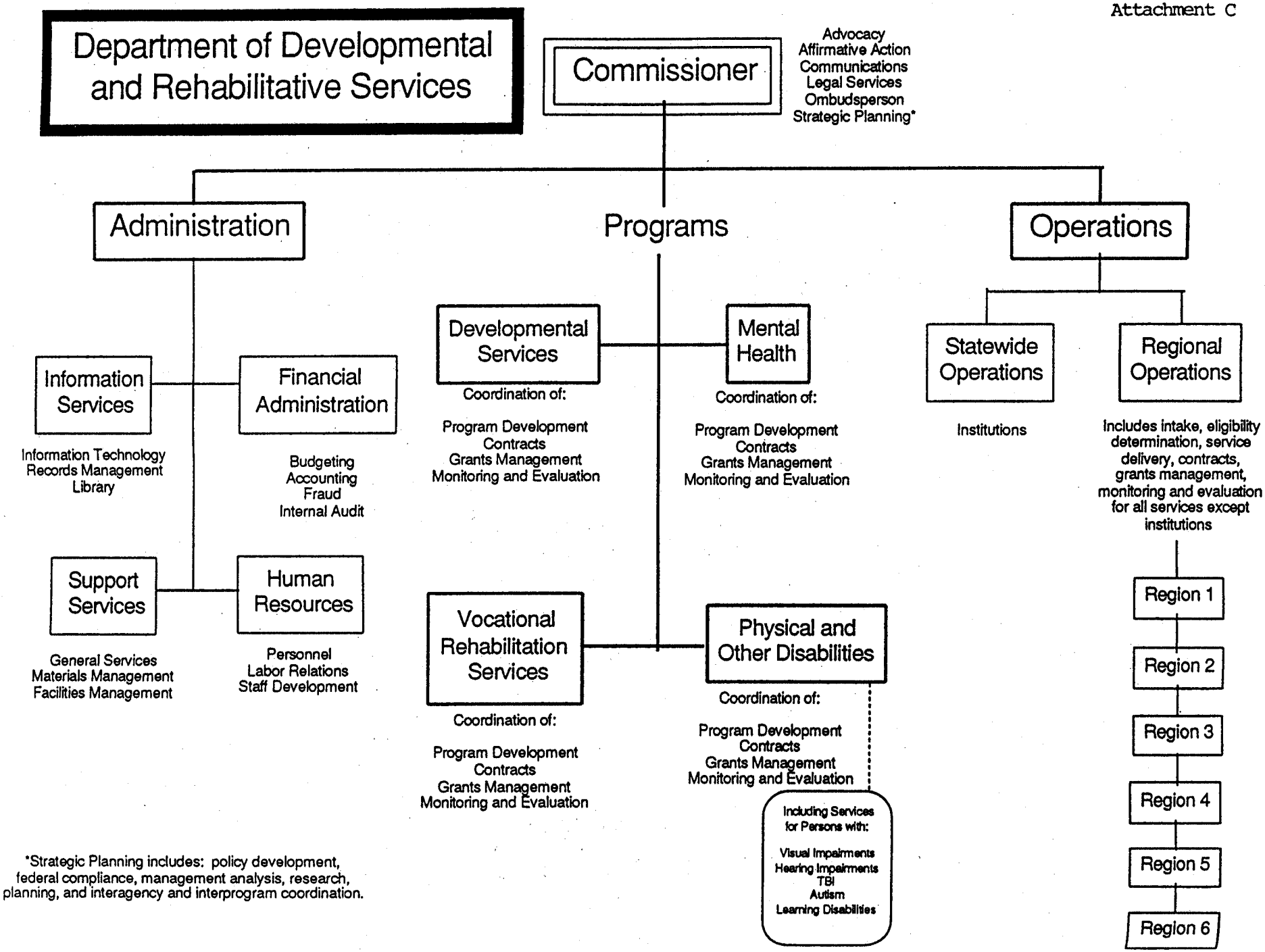
Laboratory Services (DHS)
Environmental Health (DHS)
Chronic Disease (DHS)
Infectious Disease (DHS)
Medical Quality Assurance (DHS)
Emergency Medical (DHS)
Nursing/Home Health (DHS)*
Hospital/Medical Care (DHS)
Maternal/ Child Health (DHS)
Children with Special Needs (DHS)
Health Planning and Statistics (DHS)

Addiction Services

Pretrial Education and Treatment (CADAC)
Prevention and Intervention (CADAC
Treatment and Rehabilitation (CADAC)
Long Term Care and Shelters (CADAC

*Excludes day care licensing, which will be transferred to the new Department of Social Services

Attachment C



*Strategic Planning includes: policy development, federal compliance, management analysis, research, planning, and interagency and interprogram coordination.

Department of Developmental and Rehabilitative Services: Programs

This department includes programs currently administered by the following agencies:

Board of Education and Services for the Blind (BESB)
Commission on the Deaf and Hearing Impaired (CDHI)
Department of Human Resources (DHR)

Department of Mental Health (DMH)
Department of Mental Retardation (DMR)

Mental Health

Inpatient Services (DMH)
Emergency/Crisis (DMH)
Outpatient Clinical (DMH)
Partial Hospitalization (DMH)
Residential Services (DMH)
Vocational Services (DMH)
Social Rehabilitation (DMH)
Case Management (DMH)
Consultation/Educ. (DMH)
Compulsive Gambling (DMH)
Mentally Ill/Deaf (DMH)
Forensic Services (DMH)
Extended Care (DMH)
Research (DMH)
Substance Abuse (DMH)

Developmental Services

Early Intervention (DMR)
Sheltered Emp. (DMR)
Supported Emp. (DMR)
Non-Vocational (DMR)
Older Adults (DMR)
Social Development (DMR)
Training Homes (DMR)
Community Living (DMR)
Campus Units (DMR)
Private Residential (DMR)

Physical and Other Disabilities

Services to Disabled (DHR)
In-Home Care (DHR)
Voc. Rehabilitation (BESB)
Orientation (BESB)
Adult Services (BESB)
Workshop (BESB)
Small Business (BESB)
Interpreting (CDHI)
Job Placement (CDHI)
Adult Ed. (CDHI)
Communications (CDHI)
Counseling Services (CDHI)

Vocational Rehabilitation Services

Rehabilitation Services (DHR)

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II. EDUCATION AND HIGHER EDUCATION

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EDUCATION AND HIGHER EDUCATION
FINDINGS AND RECOMMENDATIONS

As approved by the commission on February 7, 1992

INTRODUCTION

The legislature passed Public Act 91-3 of the June Special Session establishing the Commission to Effect Government reorganization and set out a number of agencies and programs to be studied for possible merger. Specifically the commission was to develop plans for implementation of organizational and structural changes, with respect to, among other topics:

> the delivery of educational services, including a review of the internal structure of the Departments of Education and Higher Education and their constituent units to determine how management and administrative costs within and between the two agencies might be reduced.

The Education and Higher Education Task Force was created to assist the commission in formulating recommendations in this area.

ASSUMPTIONS

With that as its charge, the Task Force on Education and Higher Education makes its recommendations based on the following assumptions:

- Connecticut needs highly educated and skilled citizens, with both secondary and post-secondary competencies, in order to maintain its high standard of living and continued economic vitality.

- Connecticut will need leaders in science, technology, education, and social welfare, who are nurtured by its schools. Moreover, to compete in an increasingly competitive global marketplace, Connecticut's noncollege bound population will also be required to attain an increasingly higher level of technical competency.

- An "assembly line" approach to providing educational services, in which students move from high school to college and then to post graduate work, is becoming increasingly irrelevant. The 1980s "nontraditional student"

is the traditional student of the 1990s. Flexible scheduling, access, and articulation throughout the system are critical.

- Connecticut's budget realities require a choice: either managers of public resources implement sweeping change in service delivery methods, or resulting budget cutbacks will drastically reduce the level and quality of services provided and hamper the institution's ability to meet its mission.

In order to meet the challenges of change, clear leadership and appropriate authority are required. All leaders within the education system must assume "ownership" of the outcomes of the entire system.

The goals of reorganization are to:

- group organizations with similar objectives under the same governance and administrative structure;

- reduce administrative and managerial duplication;

- facilitate the movement of staff and students among institutions to increase educational and professional opportunities as well as maximize the allocation of resources;

- create organizational structures that not only maintain and improve the quality of education in a cost-effective manner, but also to stabilize the tuition for Connecticut's students and their families;

- allow management decisions to be made at the administrative level closest to the operation and within appropriate policy and budget constraints; and

- establish centralized fiscal and management systems, admissions policies, financial assistance programs, personnel systems, and educational programs as defined by each entity's mission.

Connecticut's system of higher education needs to improve the coordination of the missions and goals for its institutions so programs can be effectively offered at least cost to the greatest number of students. Organizational changes need to be made that can reduce administrative costs while maintaining program integrity.

Connecticut's higher education governance structure lacks systematic coordination and authority to ensure accountability to the state's taxpayers.

The Task Force on Education and Higher Education has made recommendations in two major areas: higher education and vocational-technical education. The recommendations and a brief discussion of each follow.

RECOMMENDATIONS

Higher Education Reorganization Plan

The Reorganization Plan establishes three organizational entities with the appropriate constituent units:

1) Commissioner of Higher Education/Board of Governors

- the Department of Higher Education, and
- the constituents coordinating council;

2) The University of Connecticut System

- the Board of Trustees,
- Storrs Campus,
- the University Health Center,
- Graduate schools and programs, and
- Satellite facilities; and

3) The Connecticut State University and College System

- the Board of Trustees,
- the Board of Academic Awards,
- Eastern Connecticut State University,
- Western Connecticut State University,
- Central Connecticut State University,
- Southern Connecticut State University, and
- five Regional Two-year College Campuses (Technical/Community Colleges and University branch two-year programs).

The Reorganization Plan can be found in Attachment A. The proposed structure is based upon three essential principles. The first is the need to strengthen the role of a central coordinating authority in developing the mission and goals for higher education and to improve the accountability for decisionmaking. The second is to develop a system of higher education that reduces overhead costs while improving

educational programs. The third is the enhancement of power of each system to achieve the goals established through a more efficient and flexible system of management and resource allocation. These basic principles guide the development of this restructuring plan.

The Board of Governors and the Commissioner of Higher Education

The organizational plan establishes a Constituents Coordinating Council for higher education composed of the chief executive officer and two board of trustee members from the various units of higher education. The trustees shall be selected by the chairman of each respective board. There shall be co-chairmen of the committee, with the commissioner of higher education serving as a permanent co-chair, and the other co-chair filled by the council members on a rotating basis.

The purpose of the council shall be to identify, examine, and implement savings in administrative functions carried out by the higher education system and its constituent units. The council shall also be responsible for consolidating student loan collection systems within the Department of Higher Education. Staff required to meet the needs of the council shall be provided by the constituent units.

The council shall annually report to the legislature and the governor, through the Board of Governors, on the efficiencies, savings, and implementation of recommendations that it has identified.

Higher Education Information Processing and Data Gathering

The Department of Higher Education shall develop an integrated education-wide information processing and technology plan and budget for all public academic institutions. The plan shall promote single site information processing, resource and application sharing, and the coordination of annual acquisitions.

There shall be a "chief information administrator" created within the Department of Higher Education to develop, coordinate, and implement a common technology plan and standards for all constituent units of higher education.

The Department of Higher Education shall have clear authority to request and receive any and all necessary information required to fulfill its mission and such information shall be based upon uniform data definitions consistent with statewide information coordination requirements. In addition, the commissioner and the Board of Governors shall have sole authority to establish new institutions and campuses, and close or merge existing facilities.

The University of Connecticut System

The University of Connecticut shall maintain four-year degree programs with a strong emphasis on research and post-graduate programs and degrees. There shall be a gradual transition of the two-year university branch programs to the Connecticut State University and College System. This transition shall be handled by the Constituents Coordinating Council. The University of Connecticut would continue to operate satellite facilities for four-year programs and specialized graduate programs.

The Connecticut State University and College System

The Connecticut State University and College System shall be responsible for all four-year undergraduate programs outside of the University of Connecticut system. The system would be also responsible for all two-year college programs as well as certificate programs offered at community and technical colleges. The system would result in a consolidated administrative structure to handle all of the financial, business, personnel, admissions, educational support, and academic functions required of the state university and college system.

The system shall consist of four universities: Western Connecticut State University, Eastern Connecticut State University, Southern Connecticut State University, and Central Connecticut State University. In addition there shall be five regional college campuses that administer the community colleges, the technical colleges, and the two-year university programs within their jurisdiction.

The Board of Academic Awards will be a free-standing constituent unit of the Connecticut State University and College System.

Legislative Oversight of Higher Education Facilities

Section 10a-6 of the Connecticut General Statutes shall be amended by repealing the following language from subsection (6)(B): "The general assembly shall have until one year after the submission of such recommendations or until the end of the end of the next general assembly session then following, whichever is later, to accept or reject the recommended merger or closing, provided if the general assembly fails to act, the recommendation of the board may effect when said time for legislative action has lapsed."

Post-Secondary Proprietary Schools

The administrative responsibility for regulating proprietary schools shall be moved from the Department of Education to the Department of Higher Education.

Vocational Technical Education

The commissioner of the Department of Economic Development and the deputy commissioner of the Department of Labor testified before the Education and Higher Education Task Force that if Connecticut wishes to remain affluent and meet its economic, social, and cultural goals, it must become the premier manufacturing state in the country. Trends in enrollment indicate a substantial decrease in students taking technical education programs related to manufacturing.

The task force also received testimony that the state's technical work force is aging and not enough replacement workers are being educated and trained, if the state is to meet its economic goal of becoming the premier manufacturing state.

Recognizing that substantial new funds will not be available in the foreseeable future, the task force concluded that the state should refocus its education funds to provide more people with needed manufacturing and other technically based skills.

In the area of vocational-technical education, the following recommendations are made:

1. A task force shall be established to develop a strategic plan for technical and technological education. The task force should focus on evaluating educational opportunities in the context of economic development for the state.

2. In fulfilling its mission, the task force shall review and evaluate:

   - the state's economic development goals and strategies;
   - current and projected state and regional work force needs;
   - offerings and opportunities for technical and technological education, training, and retraining at the regional vocational-technical schools, the community and technical colleges and other units of the public and independent systems of higher education, including post-secondary occupational schools as well as private sector employer programs; and
   - alternate models for the coordination and delivery of technical and technological education, training and retraining, including collaboration with private sector employers.

3. The governor shall convene the task force and appoint a chairman by March 1, 1992. The task force shall report to the governor and the legislature by December 1, 1992.

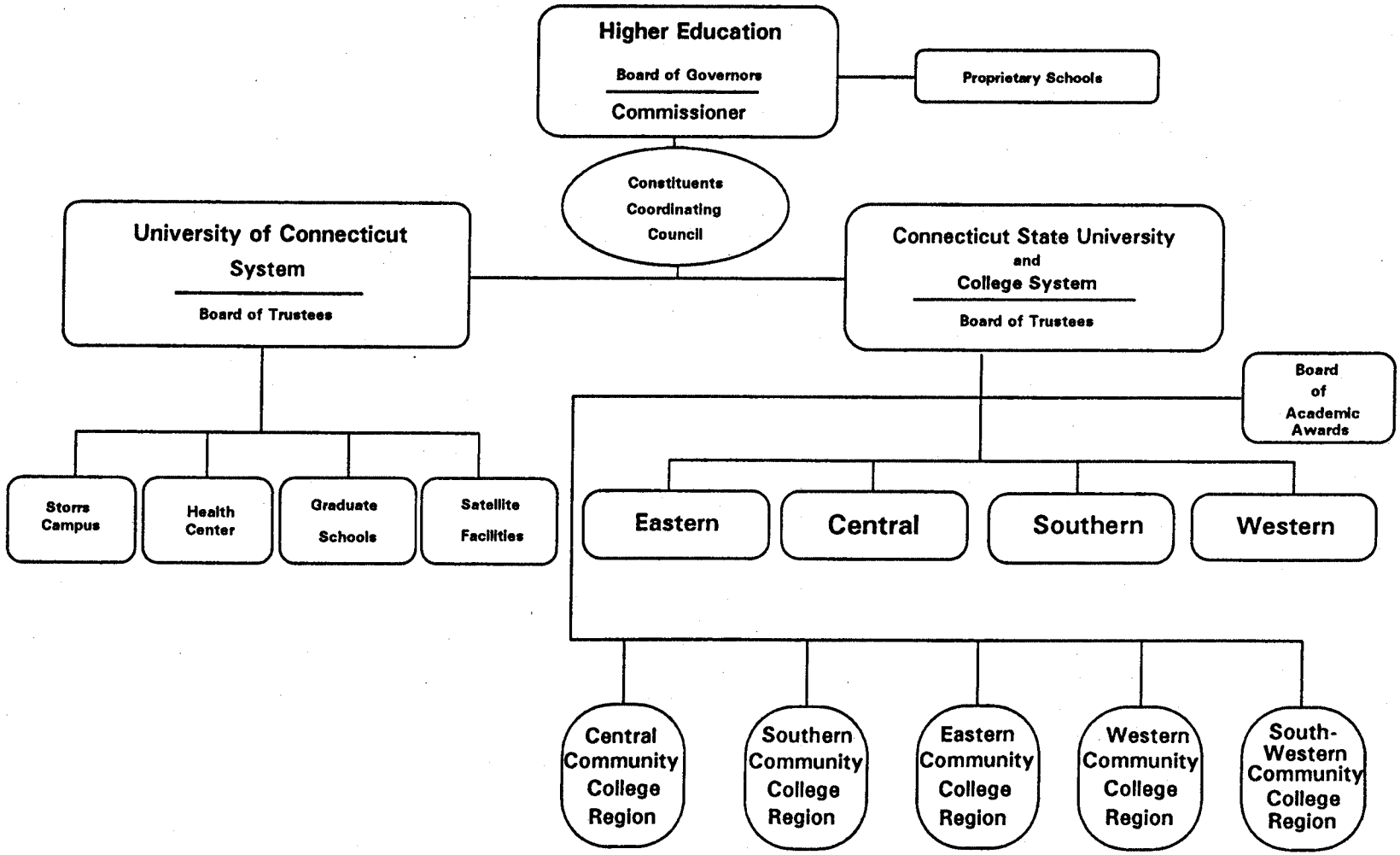
4. The task force shall consist of the following members:

- six representatives of business and industry, four appointed by legislative leadership and two appointed by the governor;
- the co-chairs and ranking members of the education committee and the co-chairs and ranking members of the committee on commerce and exportation;
- a representative from the Connecticut Business and Industry Association;
- the executive director of the State Council on Vocational-Technical Education;
- the executive director of the Connecticut Development Authority;
- the executive director of the University of Connecticut Educational Properties, Inc.;
- the commissioners of education, higher education, economic development, and labor, and the secretary of the Office of Policy and Management, or their designees;
- one representative from the educational community and the director of vocational, technical, and adult education; and
- a representative of labor.

ATTACHMENT

Attachment A

Higher Education Reorganization Plan



MINORITY REPORT TO THE EDUCATION AND HIGHER EDUCATION REPORT

by Dorothy C. Goodwin

I voted against a proposal to restructure Higher Education that is embodied in the Task Force on Education recommendations before you. This proposal would have left intact the University of Connecticut System except for transferring the five present University Branches to a new Connecticut University and College System. This new system would include a Board of Trustees, the existing State Board of Academic Awards, the four existing Connecticut State Universities, and five "Regional Campuses (Technical/Community Colleges and University Branch 2 year programs)" all reporting to the Commissioner of Higher Education and Board of Governors with an advisory Constituent Coordinating Council.

In discussion, the Chairman of the Task Force averred that the proposal did not envisage closing any campuses, but the recommendation as presented, with its reference to "five Regional Campuses" heading the terms "Technical/Community Colleges and University Branch 2 year programs" leaves this matter ambiguous at best.

This memorandum outlines my reasons for my negative vote.

The University Branches. I did not speak to this issue specifically at the January 31 meeting, but I do not support the proposal as made.

Although I have stated in the past the "the Branch question can be argued either way," I believe that the advantages of retaining the present system outweigh the disadvantages, and that shifting management of the existing branch campuses to the new State University System would not lead to cost savings.

It is not widely understood how closely integrated with the work of the main campus the existing branch campuses are. Selection, promotion and tenure of branch faculty are overseen by the several academic departments at Storrs, not by the central or branch administrations. Course offerings parallel course offerings at Storrs as closely as possible, including in matters of course content and especially where a higher level course cannot be handled without specific mastery of material covered in required prerequisites or their carefully evaluated equivalents.

In addition, the identification of branch students and faculty with the Storrs Campus has been so strong that I predict a long period of genuine distress before a merger with the other two-year systems is absorbed and an acceptable degree of re-identification within the new system is achieved. The Branch system is not perfect; the Branches have sometimes felt like stepchildren. But it has worked reasonably well. The administrative aspects of the system have been commended for efficiency

and cost-effectiveness, and the gains from restructure seem to me to be minimal and largely illusory.

The Community and Technical Colleges. The problems of restructure here seem to me to be more fundamental and more important. Let me address first the question of the Community Colleges.

The future role of the Community Colleges. The Community Colleges came into being originally largely to fill the gap left unfilled by the University Branches with their selective admissions policies and their limited geographical accessibility. The Community College mission is to provide an open door to all those willing to try who have met the minimum qualification of a high school diploma or its equivalent, regardless of its formal content, the quality of grades earned, the obsolescence of its content, the age of those seeking admission, or the limited aspiration of their parents.

It allows a first chance to those who thought they had no right to one, and a second chance to those whose failure along the way made such a chance seem out of reach. It is psychologically accessible to some very able students whose backgrounds made the college experience seem an impossible dream.

In a society facing the strains of class and race faced by ours, institutions that can serve this mission are both absolutely essential and very fragile. Such institutions take on the challenges of the most difficult kinds of post-high school teaching of students who come unevenly prepared, who are just finding their aspirations, and who need a wide range of supportive services and professional counseling not needed so intensively by students entering college in the expectation of success in a four year program.

The State University system, on the other hand, deals primarily with a different set of needs and expectations that can be served with a more narrowly academic set of services and a somewhat less intensive level of supports.

None of this is to denigrate in any way the very important if more conventionally academic role of the State Universities. It is only to say that that role is different. I do not believe that the two would fit very comfortably under the same umbrella.

The role of the Technical Colleges. The Technical Colleges for years fervently resisted amalgamation with the Community College system because of difference in mission,admissions standards, curriculum, and the basic nature of the technical programs.

The Boards of Trustees of the two sets of institutions have been recently ostensibly merged, but statutory barriers to efficient movement of personnel and

resources between the two remain, in addition to the turf lines drawn long ago which severely limit the technical and occupational types of programs that Community Colleges may offer. The ostensible merger thus leaves them both together and separate, without the full advantages of either status.

Unlike the Community Colleges, however, the Technical Colleges have been unable to attract increasing enrollments that would have made them truly efficient economic units.

The combined Board of Trustees of the two sets of institutions has recommended full integration of the two systems in the five locations where proximity makes this particularly advantageous: Norwalk, Waterbury, Hartford, Norwich and New-Haven-North-Haven.

Such integration would permit the piloting of freer flow of resources between two institutions, would encourage new shared programs, and most important, would ease movement of students between the two sets of programs as they discover their emerging talents and interests. If successful, this approach could involve the addition of technical programs to other sites as needed. I support this proposal.

The proposed Connecticut University and College System. I urge rejection of this proposal, on the following grounds:

1) It mixes incompatible missions under one authority, to the probable detriment of the Community College system, the University of Connecticut Branches, and possibly even the Technical Colleges.

2) In contravention of the principles enunciated as guides for the Task Force by its chairman, it removes the point of central decision making further from the operational level instead of bringing it closer.

3) It intrudes a new level of bureaucracy between the Connecticut University and College System Board of Trustees and the individual two year campuses by establishing five sets of regional "somethings" whose nature and purpose is not clear in view of the ambiguity of the question of whether any campuses will be closed, and is simply an added (and more costly and less efficient and unneeded) layer between decision and operation.

4) It will cost more because it will add five regional heads at a level somewhat above president to the existing level of presidents, who would then become something less than president. Some focus of authority will still be needed at each location, which will have to have clerical and staff support, and who should still be coordinating student services as

close to students as possible. The new super presidents will also need staff and information and offices, all of which will be extra, except for the possible downgrading of the salaries of existing presidents. The proposal simply adds a coordinating level to the existing boards of trustees and Board of Governors. The present system functions well, except for the rigidities remaining in the distinctions between community and technical colleges. I see no advantage, and much loss in changing it.

MOTION

I therefore propose the following substitute for any motion embracing the proposal for the Connecticut University and College System:

ACCEPT THE TECHNICAL AND COMMUNITY COLLEGE MERGER PLAN AS PRESENTED BY THE BOARD OF TRUSTEES OF THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM BOARD OF TRUSTEES.

III. SERVICE PROVIDER NETWORK

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SERVICE PROVIDER NETWORK
FINDINGS AND RECOMMENDATIONS

As approved by the commission on February 18, 1992

INTRODUCTION

The Connecticut human services system encompasses an elaborate set of programs delivered by a large number of agencies, both private and public in nature. The Service Provider Network Task Force focused on establishing processes to achieve efficiencies in the private sector component of the system, including the state's approach to purchasing these services. The task force did not address the issue of effectiveness and efficiency in the delivery of human services by public versus private sector agencies. Nor did it examine whether the state should increase or decrease its reliance on private agencies.

Inefficiencies in program administration limit the optimum use of precious service dollars for citizens in need. The redundancies and sometimes burdensome requirements present within the system have developed over a long period of time. Connecticut's experience with the evolving nature of this complicated problem parallels that of other states throughout the nation. Small and large organizations, both for-profit and not-for-profit, have emerged to address a variety of human concerns. The result has been that each state agency has developed different procedures to purchase and monitor services. The demand for increased accountability made by the public and policymakers has precipitated longer and longer reports with greater and greater detail. The result is a complex array of policies, all intended to measure the value gained from the spending of the public dollar.

The Service Provider Network Task Force examined this multilayered problem. There was unanimous agreement on the goal -- efficiency and effectiveness in the delivery of services -- but arriving at unanimity on the means to this end was more difficult. The conclusions reached will establish a locus of responsibility and set in motion a series of steps whereby decisionmakers, professionals, and consumers can systematically streamline the way human services are purchased and monitored.

TASK FORCE WORK

Public Act 91-3 of the June Special Session required the Commission to Effect Government Reorganization to determine whether avoidance of expense or unnecessary effort could be achieved by private providers and by the state in its purchase of service activities. The commission established the Service Provider Network Task Force to conduct this study in order to improve the delivery of services to the people of the state, increase the productivity of the service providers, and reduce the relationship of overhead costs to the provision of services.

The task force held seven meetings plus a public comment session between October 1991 and February 1992. After adopting a scope of work, the task force heard presentations representing a variety of perspectives. Commissioners from five departments reviewed the strengths and weaknesses of their differing approaches to funding, selecting, contracting for, and monitoring the fiscal and programmatic activities of private providers. Eight speakers shared with the task force the problems that private providers face due to such concerns as untimely payments, differing and overly burdensome reporting requirements, and a lack of a common focus and authority in state government to develop a uniformity in procedures.

The task force also reviewed in some depth an extensive purchase of service reform effort in Massachusetts. Dana Roszkiewicz, assistant commissioner of the Massachusetts Division of Purchased Services, described specific areas of progress as well as endeavors that have not met with success, during the four-year life of the reform initiative in that state.

Finally, the task force examined four related reports: one based on a study conducted in Texas and three representing previous efforts in Connecticut to improve various aspects of the system to purchase human services. Summarized in attached charts are the findings and recommendations of these reports, including materials documenting the Massachusetts experience. Most common among all of these studies is the strong focus on the need for standardized procedures across state government. The task force, therefore, felt confident that an emphasis on uniformity in process would result in greater efficiencies in the purchase of human services.

The Task Force on Social Services and Services to Persons with Disabilities also recognized these opportunities for efficiency as some of the building blocks of an integrated health and human service system. The recommendations of the Service Provider Network Task Force will be coordinated with those of the social services and task force during the implementation phase.

The Service Provider Network Task Force enumerated four goals to guide the state in operating a purchase of services system. The goals address the statutory mandate given to the commission and concerns raised in testimony before the task force. The four goals were:

- increase efficiency in the state's overall system (as opposed to an individual agency's system) for purchasing human services;

- increase efficiency in the operation of private service provider agencies;

- develop the state's capacity to analyze conditions in the purchase of service market and formulate policies accordingly; and

- shift the emphasis of the state's administrative efforts from a detailed analysis of providers' operating costs to evaluating the relationship between costs and the quality of the services delivered.

The first two goals could be achieved by requiring greater standardization of the state's procedures governing the use, selection, financial management, and performance evaluation of private providers. Standardization would clearly reduce the administrative burden on providers who currently must respond to multiple state agencies that have differing reporting requirements. It would also make it more difficult for state agencies to change requirements, thus enabling private providers to better plan for and use their own administrative resources. Additionally, after standardized procedures are in place, the state would have an opportunity to consolidate selected aspects of its purchase of service activities.

The third goal could be accomplished by establishing a capacity within state government responsible for conducting periodic analyses of the private service network. The results could be used to formulate policies aimed at improving the state's purchase of service procedures and using private providers more efficiently.

Achievement of the fourth goal will require some technical changes in the state's collection and analysis of data. Better programmatic information would need to be gathered and integrated with existing financial data. However, success in meeting this goal will rest primarily on changing attitudes held by many of the state's policymakers and those directly responsible for state purchasing services. Real progress will not happen until the state abandons the temptation to manage private providers as if they were an extension of a state agency.

RECOMMENDATIONS

The task force adopted nine recommendations to direct the state's efforts toward attainment of the goals specified. The recommendations are intended to apply to the purchase of human services by the Connecticut Alcohol and Drug Abuse Commission, the Judicial Department, and the Departments of Aging, Children and Youth Services, Correction, Health Services, Housing, Human Resources, Income Maintenance, Mental Health, and Mental Retardation. The recommendations are:

1. Indicate in statute that it shall be the policy of the state where possible to standardize procedures for obtaining, managing, and evaluating the quality and

cost-effectiveness of human services purchased from private sector organizations.

2. The secretary of the Office of Policy and Management (OPM) shall develop policies and standardize procedures across state agencies for purchasing human services.

3. The secretary of OPM shall monitor state agency activities and enforce their compliance with statewide policies and standards regarding purchasing human services and managing private providers.

4. Establish a permanent function within OPM to assist the secretary in meeting his or her responsibilities for overseeing the state's purchase of service activities. OPM will receive durational positions to initiate the purchase of service activities herein. On a permanent basis, OPM will staff this purchase of service function from within or will use reallocated staff from other state agencies.

5. Require that the secretary of OPM:

    a. by January 1, 1993, analyze current state agency practices for purchasing human services and identify approaches that could serve as models for developing standards to be applied statewide;

    b. by January 1, 1993, develop standards, in consultation with the Office of the Attorney General, for agencies to follow in selecting and entering into agreements and contracts with private providers, including when to use a regional or statewide approach;

    c. by July 1, 1993, develop standards to insure timely payments to private service providers;

    d. by January 1, 1994, develop standards, coordinated with single audit procedures, to be applied to financial reporting, including a uniform format for automated reporting by private providers;

    e. by January 1, 1994, develop procedures for agencies to follow when setting rates for services and determining funding levels;

f. by January 1, 1993, develop standards for agencies to follow in auditing, monitoring, and evaluating financial and programmatic activities of private providers;

g. by October 1, 1993, develop criteria for agencies to follow in determining whether to use private providers or agency staff; and

h. by October 1, 1993, develop a plan for OPM to maintain and analyze data on the state's use of private providers. (The data shall include, but not be limited to, the number and identity of providers, type of services, cost of services, geographic area of service delivery, agency purchasing the service, number of persons served, and measures of performance.)

To assist the secretary of OPM in meeting the requirements specified in 5a through 5f inclusive, he or she shall appoint task forces comprised of private providers, consumers, staff from the Office of the Attorney General, state agency commissioners and their staff, representatives of the General Assembly, and other knowledgeable parties.

6. The attorney general in consultation with the secretary of OPM shall develop standards that would allow state human services agencies to enter into multi-year contracts with private service providers.

7. The secretary of OPM shall study and issue a report by June 30, 1993, on the feasibility of using a single award approach to purchasing human services on a regional or local level.

8. The secretary of OPM shall study the condition of the state's purchase of service network and issue a report on January 1, 1994, and every two years thereafter. The study shall include an analysis of the relationship between the number of providers of a particular service in a region or local area, and the cost of the service. The study shall also contain an analysis of the impact of the state's purchase of service procedures on private provider costs.

9. The secretary of OPM shall establish uniform regional boundaries to facilitate administration of agreements and contracts with private service providers.

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ATTACHMENTS

Summary of Findings from Previous Studies of Connecticut

TITLE OF STUDY	Purchase of Service System Pivirotto & Bothamley (1987)	Serving Ct's Children (1990) Cmssn. on Children Task Force	Timely Payments Survey (1989) Nonprofit Cabinet
PURPOSE OF STUDY	Evaluate CT's purchasing system Compare rates with other states	Assess private sector service delivery. Recommend priorities for action.	Document nontimely payments Analyze hardships
Funding Process	Inconsistent use of bonding among agencies. Non-uniform rate setting systems among agencies. Agencies have conflicting roles with respect to rate setting and funding. Negotiation of reimbursement is more flexible, responsive to client needs and results in a slower expenditure-per client growth rate in comparison with fee-for-service approach. Inconsistent purchase of service legislation.	Late payments are common problem. Lack of effective state policy to ensure reasonable payment for services. Inconsistent rate-setting.	Frequent late/under payments. Most common provider hardships are borrowing funds and delayed vendor payments.
Selection and Contracting Process	Multiple agencies contract with same provider. Decentralized, unstandardized procedures. Unstandardized approval process for formal agreements and contracts. Provider qualifications vary among agencies.	Inconsistent RFP procedures. Inconsistent contracting procedures.	Contract processing delays caused 2/3 of the problems.
Financial Controls and Auditing	Treatment of capital expenditures varies and impacts client benefits. No database of level of expenditures to private providers. Private provider expenditures are co-mingled with public in state's accounting system. Unable to compare agencies' costs due to inconsistent use of funds, differences in allowable cost policies and unstandardized accounting procedures.	No database to track expenditures. Inconsistent auditing requirements.	
Quality Controls and Auditing	No database to track costs and unit of service. No database to track expenditure level by service type, days of service or client type. No firm linkage between programmatic performance of provider and funding level.	No database to track costs and services. Inconsistent evaluation procedures.	
Provider Reporting Requirements	Unstandardized reporting, monitoring requirements. Non-uniform reporting of provider's costs.	Inconsistent reporting and monitoring requirements.	

Summary of **Recommendations** from Previous Studies of Connecticut

TITLE OF STUDY	Purchase of Service Systems Pivirotto & Bothamley (1987)	Serving CT's Children (1990) Commission on Children	Timely Payments Survey (1989) Nonprofit Cabinet
Funding Process		Centrally develop standards for rate-setting.	No recommendations were made in the report of survey results
Selection and and Contracting Process	Establish interagency action group for policy development and management of purchasing. Track client outcomes with contract decisions. Develop model contract. Form a Technical Assistance Unit for contract management.	OPM or Governor's office should provide centralized oversight of client-focused purchase system. Centrally develop standards for contract administration.	
Financial Controls and Auditing	Standardize the following: data collection; allowable cost policy for agencies; the methods used to analyze provider's costs; tests for reasonable costs.	Establish a database for all agencies. Centrally develop standards for contract monitoring.	
Quality Controls and Auditing	Track client outcomes with funding levels.	Centrally develop standards for contract evaluation.	
Provider Reporting Requirements	Standardize the following: chart of accounts used by all provider, independent audit requirements, documentation of operating costs documentation of revenue from other payors, key documents required during the audit.		

Summary of Findings from Studies of Other States

TITLE OF STUDY	Purchase of Service Reform (1987-Ongoing) Massachusetts	Contracting State Functions - Texas (1986)
PURPOSE OF STUDY	Implement consistent, efficient, accountable system to contract for services.	Analyze issues of contracting Review other states' contracting systems.
Funding Process	o Over 25% of private providers technically insolvent; must survive as business to deliver services. o Rate Setting Commission used historical methodology o Establishing rates is a time intensive and costly process. o Many services had no rates set for them. o Approach has disincentives for cost efficiency; overly constrained spending patterns, and line item inflexibility. o Most providers suffer from undercapitalization and are unable to acquire fixed assets or accumulated working capital.	o Unit rate per diem system does not reflect true cost of service. o Unit rate per diem system has low contract administration cost.
Selection and Contracting Process	o State encouraged advocates to become providers. o Encumbered with bureaucratic procedures and paperwork. o Regulations outdated and a tangled web. o Burden of annual contract cycle reduced time for evaluation. o Contracts formats did not focus on client.	o Contracts are best managed at the local leve.
Financial Controls and Auditing	o Providers treated as subdivisions of state. o Multiple audits which are often duplicative.	
Quality Controls and Auditing	o System's participants unable to describe product. o Little time available for State staff to evaluate services.	o Lack of outcome evaluations.
Provider Reporting Requirements	o Need standardized reporting.	

Summary of Recommendations from Studies of Other States

TITLE OF STUDY	Massachusetts Study (1987-ongoing)	Contracting State Functions-Texas (1986)
Funding Process	-Developed component (e.g. program director), pricing catalogue for current market values and salary standards; feasibility study found implementation costly: at least $200M more for the same quantity of service. -Facilitated debt financing thru tax exempt bond pools. -Need to diversify funding of providers.	-Rate system based on actual service needs will improve quality, flexibility, auditing.
Selection and Contracting Process	-Developed principles, e.g. client comes first. -Updated regulations; now need revisiting. -Shifted from annual to multi-year contracting. -Contract formats revamped to focus on client. -Master agreement (boilerplate) developed. -Developed concept of "Shared Service Corporation" to perform administrative functions.	-Develop clear service definitions. -Develop goals for service. -Develop clear statement of roles and responsibility. -Develop in-home respite care contracts.
Financial Controls and Auditing	-Using Uniform Financial Report. -Argued for advance payments. -Developed independent auditor's report but not yet implementing due to need for more training of CPAs who estimate that audit costs will double.	-Establish database on client, cost, providers.
Quality Controls and Auditing	-Should move toward performance based contracting with incentives for quality; need well developed information systems.	-Develop effective monitoring. -Use trained volunteers, advocacy groups to reduce monitoring costs. -Implement financial incentives for superior services.
Provider Reporting Requirements	-Developed and implemented Uniform Financial reports to free personnel, provide universal financial database, simplify accountability.	

Service Provider Network Task Force

Workplan Task II

Summary of Pivirotto & Bothamley Study

Outlined below is a summary of findings and recommendations from the Pivirotto and Bothamley (1987) study which are relevant to the areas under study by the task force.

Purpose of the study

- *Evaluate current purchasing system.*
- *Compare CT rates with other states.*

Problems with the current purchasing procedures

- *Multiple agencies contract with same provider.*
- *State has dual role as purchaser and provider.*
- *Decentralized, unstandardized procedures among agencies.*
- *Demand for services exceeds supply of providers.*

Conditions required to achieve a centralized, uniform system

- *Supply must exceed demand.*
- *Allow for some procedural differences among agencies; agencies have different goals, objectives; purchasing must reflect differences in program policies.*
- *Switch to uniform system must be incremental.*
- *Changes must enhance management process within agency.*

Summary of agency strengths and weaknesses

see summary in the report

Summary of findings

- *Treatment of capital expenditures varies and impacts client benefit and programs; there is inconsistency in use of bond funds among agencies.*
- *Wage inequities exist and are a problem.*
- *Non-uniform rate-setting among agencies.*
- *Conflicting roles among agencies with regard to rate setting and funding level; an agency may fund a program but have little or no participation in the rate setting.*
- *No database to provide management info on level of expenditures to private providers; private sector expenditures are comingled with public in the state's accounting systems.*
- *Negotiation of reimbursement is more flexible than fee for service, more responsive to client needs. Other states use negotiation approach.*
- *Inconsistent statutes and regulations for purchasing services.*
- *Gatekeeper functions and responsibilities vary among agencies.*
- *Non-uniform definitions of allowable costs.*

Recommendations

- o *First, develop a useable, common database with standardized data collection; establish a standard allowable cost policy.*
- o *Establish an interagency action group; this would be a working group convened by OPM to develop policy and coordinate purchasing management.*
- o *Address compensation issues through the group.*
- o *Standardize method used to analyze providers' costs.*
  Standardize tests for reasonableness of costs.
  Standardize fiscal and programmatic monitoring.
- o *Establish a method for using client outcomes to help determine funding levels and contract decisions.*
- o *Develop model for contract language.*
- o *Establish a Technical Assistance unit for contract management.*
- o *Organizational changes to support more coordinated approach to human service planning and administration; an alternative is an umbrella human service agency or cabinet level coordination.*

Data and procedures that should be standardized

- o *Definition of cost elements.*
- o *Uniform chart of accounts used by all providers.*
- o *Specifications of independant audit requirements.*
- o *Specs for internal audit and reporting.*
- o *Documentation of actual operating costs of provider.*
- o *Documentation of revenue from other payors.*
- o *Key documents (leases, insurance etc) that are required during the audit.*
- o *RFP reviews, program evaluation.*

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Service Provider Network Task Force

Workplan Task II

Summary of Report on Serving Connecticut's Children

Outlined below is a summary of findings and recommendations from the following:

"Serving Connecticut's Children: Toward A Client-Focused System For The Purchase of Services"
October 1990

A report of the Commission on Children's Task Force on Private Sector Service Delivery.

Purpose of the study

- *Assess issues affecting the ability of the private sector to deliver quality services to the clients.*
- *Recommend priorities for action.*

Problems with the current purchasing procedures

- *System has evolved in an ad hoc fashion; lacks centralized planning and oversight.*
- *No shared philosophy across agencies regarding the role of the private sector in the delivery of human services.*

Summary of Findings

- *Lack of centralized, easily accessible data on private sector delivery.*
- *Chronic financial stress due to late payments by the State and rate setting below the cost of providing service.*
- *Inconsistencies in RFPs, contracting, reporting, auditing and evaluation requirements.*
- *Lack of salary parity between public and private sector employees.*
- *Lack of an effective, comprehensive, consistent state policy to insure reasonable payment for services provided by the private sector.*
- *Gaps in service; needs not being met by either the public or private sector.*

Summary of Recommendations

- *Establish a comprehensive database on purchased services across all departments.*
- *Establish a vehicle for the coordination and oversight of agencies invloved in human services.*

  Create an entity within OPM or Governor's office to provide oversight and coordination. This entity would work with agencies, private providers and consumers to develop and implement a client focused system .

- *Centrally develop standards governing rate setting, contract administration, contract monitoring and evaluation.*
- *Survey nonresidential providers regarding salaries and turnover rates.*

Service Provider Network Task Force

Workplan Task II

Summary of Timely Payments Survey

Outlined below is a summary of findings from the "Timely Payments Survey Results" of the Nonprofit Cabinet (12/1989) which are relevant to the areas under study by the task force. Recommendations were not incorporated into this report, per se.

Background: The Nonprofit Cabinet surveyed its constituents in order to document problems nonprofit organizations have with the manner in which payments are made by the State of Connecticut to private providers. Thirty-seven organizations responded to the request for information.

Hardships: Of the 37 organizations

- o 68% reported that borrowing money was necessary;
- o 57% made delayed payments to vendors;
- o 16% had delays in hiring staff;
- o 16% also had a miscellaneous set of hardships (stress, temporary closing, cash flow, borrowing from non-commercial sources, and additional staff time to address cash flow problems);
- o 11% experienced delays in paying staff;
- o 8% reported that services to clients were affected;
- o 5% reported no hardships; and
- o 3% (or 1 organization) had to layoff staff.

Late Payments: Payments more than one day overdue were documented by incident. The average for all late payments was about two months. The average amount of late payments was $30,000.

Underpayments: Half of the payments identified as problems were for less than the full amount billed.

Combined Late and Underpayments: The total of all such payments for the survey participants was $8 million. The number of incidents of problem payments increased from SFY 89 to 90. Almost two-thirds of these payments were under contracts for which there were processing delays. The average number of days late for the incidences reported varied by agency: CADAC, 71 days; DMH, 62: DMR, 59 days; DHR, 51 days; and DCYS, 44 days.

Service Provider Network Task Force

Workplan Task II

Summary of Various Publications of the Office of Purchased Services (OPS) and the Division of Purchased Services of the Executive Office for Administration and Finance, Commonwealth of Massachusetts, 1988-1991

Background: OPS was established in 1987 and closed two and one-half years later. In 1990, legislation was passed to create a Division with "primary responsibility for the implementation and coordination of an efficient and accountable system of procurement, selection, pricing, contract administration, program monitoring and evaluation, contract compliance and post audit for the commonwealth and any department...which procures or pays for social services from providers." OPS operated with six professional staff, and the Division has 11 staff with duties related to pricing, technical support, auditing and data.

Contracting: Regulations covering contracting have been redrafted instituting a five year contracting cycle. A Master Agreement has been endorsed and expanded. This document is a one-time boilerplate agreement between the provider and a principal state agency, executed when the provider does business with the state for the first time. Contracts are used for program specific information. Contract formats have been modified to begin with a client profile and goals/objectives for the target population, in order emphasize a focus on the client. Future concerns include revisiting purchase of service regulations and refinement of the concept of a master contract.

Component Pricing: OPS determined the existing approach, based on historical line item costs plus inflation or negotiated rates, was fraught with problems. A new concept was developed through which program components or resources are identified for the program goals and objectives. The prices attached to the components are based on current market value, for which a Pricing Catalogue was developed. The use of this price fixing mechanism was recommended, but the legislature decided to assess the impact of implementation, first. Among the study results were cost estimates to the State ranging from an additional $200 to $600 million to maintain an existing quantity of services at the new prices. With this new fiscal information, the study concluded that the implications of the component pricing model must be examined further, if it is to be utilized without additional funds, thereby reducing the volume of services.

Uniform Financial Reporting: Uniform Financial Statements were developed and required to be used during 1990. An Independent Auditor's Report has also be designed and is in use. The reports will not be audited in accordance with Generally Accepted Government Auditing Standards until CPA firms receive further training. It is estimated that audits conducted under these procedures will increase in cost.

Fiscal Capitalization: Although not implemented, the component pricing model is the primary method developed to date to address inadequate rates and related problems such as cash flow. The concept of Shared Service Corporations to achieve economies of scale in management for small programs has also been advanced. In addition, debt financing for capital acquisition has been facilitated through tax-exempt bonds pools.

Other concerns to be examined in the future include allowing advance payments to reduce short-term borrowing and diversification of revenue sources beyond the state (sliding fee scales, payments by public and private insurance, fund raising, etc.) supported by incentives.

Creation of a Profession: Recently, an Institute for Community Services was established for policy creation, setting standards, conducting peer review, developing performance objectives, providing continuing education, and a variety of other activities. The Institute is designed to bring together individuals with many perspectives including academics, business, funders, clients and other sectors, such as providers.

Performance-Based Contracting: The Massachusetts' perspective is that the numerous problems in the purchasing system are all symptoms of an undefined product and, therefore, a lack of clarity about what is "effective." It is anticipated that as many other aspects of the reform initiative are implemented, such as client focused contracts, performance measures will evolve. The Division will encourage the expanded development and use of client-based performance outcome measures in FY 1993 contracts.

Administration of the Purchase of Service System: A recommendation was developed to create a centralized capacity to manage the purchasing of services, costing about one million dollars to perform three functions: pricing, creation and maintenance of the data base, and auditing. In response, the Legislature established the Division of Purchased Services in 1990 (see Background above), which absorbed some related activities from a variety of agencies.

Consolidation of Licensing and Program Assessment: A recommendation was developed to centralize standard setting, monitoring, and evaluation---to be implemented within the five year contract cycle for each program. Apparently, licensing is not being addressed by the Division. Program monitoring and evaluation do fall within the purview of the Division, but it is unclear what is and can be done with 11 (total) staff for the complex set of programs.

Service Provider Network Task Force

Workplan Task II

Summary of Report on Contracting Selected State Government Functions in Texas

Outlined below are the conclusions and recommendations from two reports prepared for the Texas Commission on Economy and Efficiency:

> Contracting Selected State Government Functions: Issues and Next Steps; Lyndon B. Johnson School of Public Affairs of the University of Texas at Austin, No. 75, 1986.
>
> Contracting Selected State Government Functions: Legislation and Implementation; Lyndon B. Johnson School of Public Affairs of the University of Texas at Austin, No. 81, 1987.

The first study examined issues in purchasing state government services of five types: community-based homes for people with mental retardation, institutional care for people with mental illness, medical care in certain state agencies, food services, and operating adult correctional facilities.

Examination of contracting concerns are objective and broad in nature, including a national overview, as well as specific state experiences related to certain kinds of services.

Many of the recommendations are specific to Texas and range from increasing the use of contracts to determining the viability of contracts.

Connecticut Applications

General issues involved in contracting and are applicable to Connecticut in developing a policy framework: competition, costs, employee relations, services quality, efficiency and effectiveness, supervision, liabiltiy, capital investment, awarding contracts, setting rates, legislation, specialization and community attitudes.

Conclusions and recommendations from section 2 of the first report may be useful in Connecticut's study of the private provider network. Section 2 of the report examined contracting for care in community based settings for the mentally retarded.

Conclusions and Recommendations
Community-based Mental Retardation Services: Texas

Conclusions

- Current rate structure is a unit rate per diem system based primarily on client's level of retardation; it does not take into account the client's service needs.
- Current rate structure does not accurately reflect the cost of serving high-need clients.
- Current rate system is easy to administer and has low contract adminstration costs.
- Savings are gained by increasing the use of leased housing in the community. Houses are leased and licensed by the state, but rent and utilities are paid out of clients' SSI checks and other sources.
- Contracts are best managed at the local level, under guidlines developed by a central office.
- Outcome evaluations are lacking.

Recommendations

- A rate system based on actual service needs would better represent the interests of the client, improve flexibility, improve ability to monitor expenditures and encourage more providers to participate. However, cost of service and contract administration would increase.
- Develop clear service definitions and goals for service.
- Develop clear statement of roles and responsibilities.
- Develop effective monitoring; use trained volunteers and advocacy groups to reduce monitoring costs.
- Implement financial incentives for providers to deliver superior service.
- Establish a database on clients, providers, and services.
- Develop in-home respite care contracts to allow client to stay in his " natural home".

Experiences of Other States With Contracting

The Texas research team surveyed 26 other states for information concerning service delivery; four were selected for on-site review of operations.

Survey Results

Surveys were distributed to other states' mental retardation agencies. General observations based on the survey responses:

- Extent of the use of private sector contracts for MR services varies widely, but almost every state uses private sector to some extent.
- States which contract with the private providers on a large scale usually employ a decentralized service delivery system in the form of regional, district offices.
- In states which contract with private sector extensively , the state offices retain responsibility for overall policy development and quality control.
- States shifting to alternative service delivery approaches, such as private contracting, share several characterisitcs:
  - budgetary revenues are constant or depleting
  - federal court involvement is prevalent
  - shift to community-based services rather than institutional settings
  - client population continues to rise

Observations From On-site Visits to Other States

- Nebraska
  Mostly state operated facilities, only two private providers.
  Seven regions for MR services.

- Minnesota
  Solely private providers.
  County based system; county is responsible for administration and payment.
  Central state office is responsible for program policy and quality oversight.

- North Carolina
  Decentralized into 4 regional authorities and 41 local programs.
  Approx. 75% of services provided by private sector.

- Florida
  Eleven independent regions; regions have option of providing services directly or contracting for services.

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IV. SUBSTANCE ABUSE

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SUBSTANCE ABUSE
FINDINGS AND RECOMMENDATIONS

As approved by the commission on January 31, 1992

INTRODUCTION

The charge of the Substance Abuse Task Force of the Commission to Effect Government Reorganization was the development of plans for the implementation of organizational and structural changes with respect to "the coordination of substance abuse prevention and treatment services including the possible consolidation of funding sources and programs" in order to:

- improve the delivery of services;
- increase productivity; and
- reduce the relationship of overhead costs to the provision of services.

FINDINGS

- Connecticut's population includes approximately 270,000 alcohol abusers and 65,000 drug abusers, and an estimated 24,000 youth who use alcohol or other drugs. Approximately $125 million of state and federal funds is spent annually on programs that are clearly identifiable as substance abuse-related. Of that $125 million, approximately $18 million is spent on prevention programs, $65 million on treatment programs, and $35 million in the criminal justice arena.

- The substance abuse treatment needs of our citizens far exceed our ability to provide treatment for all who need it, now or at any foreseeable time, unless the number of citizens needing treatment is reduced dramatically. Therefore, an increased emphasis on prevention activities in schools, work places, communities and on campuses is essential.

- Substance abuse problems affect all members of our society -- young and old, men and women, minorities, rich and poor. In many instances, substance abuse is only one of many problems faced by an individual.

- Substance abuse prevention and treatment programs are operated by public and private providers. While numerous state agencies fund and operate substance abuse prevention and treatment programs, 75 percent of the program dollars are administered by four government bodies: the Connecticut Alcohol and Drug Abuse Commission (CADAC) -- $63.2 million, the Department of Correction

(DOC) - $13.6 million, the Department of Children and Youth Services (DCYS) - $6.3 million, and the Office of Policy and Management (OPM) - $12.6 million. Other agencies involved in the provision or funding of substance abuse services may be found in Attachment A of these recommendations.

- Law enforcement efforts to reduce the supply of drugs in Connecticut are also undertaken by local and state agencies and involve both the executive and judicial branches of state government. Substantial federal and state grant dollars administered by OPM are currently being directed toward a variety of state and local drug enforcement and prevention activities.

- Substance abuse prevention and treatment services are an integral part of the criminal justice, child welfare, mental health, and education system in Connecticut. The substance abuse services in these systems are provided and funded by various state agencies in the executive and judicial branches of state government. While a state agency may coordinate any of these systems (e.g., DCYS is responsible for the child welfare, children's mental health, and juvenile justice systems), it is essential that input and expertise on substance abuse programs and issues are provided to each system.

- This system of programs needs a clear vision and a coordination of the services provided in order to eliminate duplications, fill service gaps, and assure efficiency and effectiveness of programs. This vision and coordination should drive a service-delivery system that is a managed system of care with quality assurance and effective financing.

- CADAC, as the lead agency for the substance abuse prevention and treatment system, is currently engaged in many coordinating activities. However, a coordinating agency for this system must play a number of distinct roles to develop an interagency and statewide approach to service delivery:

  ROLE 1: Provider of vision for the system through strategic planning and the coordinator of treatment and prevention services and activities. CADAC has the statutory responsibility to: "insure effective coordination among state departments in their activities relating to drug and alcohol problems." [C.G.S. Sec. 17a-636(a)(2)]

  ROLE 2: Expert on substance abuse issues and programs. That expertise should be shared with other systems, such as criminal justice, juvenile justice and child welfare, mental

health, and education to assure that high-quality substance abuse program components exist in each of systems.

ROLE 3: Leader in mobilizing the citizens and organizations of Connecticut in participation with state government in addressing the multiple dimensions of the substance abuse problem.

- CADAC is also currently responsible for direct provision and funding of treatment and prevention services. CADAC operates four state substance abuse treatment facilities, funds more than 250 private and municipal providers in both prevention and treatment, and has responsibilities to monitor, evaluate, and plan for the system it operates and funds.

RECOMMENDATIONS

1. CADAC is established by statute as "the single state agency for alcohol and drug abuse" [C.G.S. Sec. 17a-635] and, as such, has the statutory responsibility to: "insure effective coordination among state departments in their activities relating to drug and alcohol problems." [C.G.S. Sec. 17a-636(a)(2)] Historically, CADAC has been unsuccessful in effecting such coordination or in articulating what such coordination would entail. In addition, other agencies of state government have not always welcomed CADAC's involvement in their substance abuse programs, and CADAC has not had any effective means of coordinating the programs of such agencies. The result has been a system in which clear accountability and effective coordination has been lacking.

   In order to clarify CADAC's responsibility and accountability as the lead agency responsible for the substance abuse system, to assure the cooperation of other state agencies, and to strengthen CADAC's ability to coordinate, modify C.G.S. Sec. 17a-636 to add the following subsection: "(c) In order for the commission to coordinate efforts among state agencies pursuant to Section 17a-636(a)(2), all such agencies shall: (1) identify and report to the commission all programs they fund or operate relating to alcohol and drug problems; and (2) collaborate and cooperate with the commission in fulfilling its coordination responsibilities."

2. In fulfilling its coordination responsibilities, CADAC should collect, maintain, and analyze data on the number, types, and funding sources of substance abuse programs in various state agencies. Recognizing that many programs will continue to be operated by various state agencies with expertise in

providing services to specific populations (e.g., children and the mentally ill), CADAC should assess the current status of the substance abuse system, recommend the consolidation of programs that may be duplicative or inefficient, and assure that programs meet the goals and objectives of the Connecticut Substance Abuse Strategic Plan. CADAC may use its Interagency Coordinating Council (ICC) to do this coordination among state agencies.

3. State agencies and commissions that provide or coordinate services of which substance abuse services are an integral part, should seek from CADAC and CADAC should provide input, expertise, and consultation to the various state agencies and providers involved. Examples of such systems are criminal justice, education, child welfare, juvenile justice, and mental health.

   CADAC's efforts in this area shall include: 1) joint planning with the Departments of Children and Youth Services and Mental Health and officials in both the executive and judicial branches involved with the criminal justice system; and 2) full participation in such coordinating bodies as the Prison and Jail Overcrowding Commission (PJOC), on which CADAC should continue as a statutory member, and the Narcotics Enforcement and Crime Control Committee (NECCC), where CADAC should remain a gubernatorial appointee. Repeal C.G.S. Sec. 17a-643, thereby eliminating the Drug and Alcohol Abuse Criminal Justice Commission found by this task force to be duplicative of other coordination efforts in the criminal justice area.

4. Replace the statutory requirement that CADAC prepare a "Connecticut comprehensive plan for prevention, treatment and reduction of alcohol and drug abuse problems" with a "Connecticut Substance Abuse Strategic Plan" by modifying C.G.S. Sec. 17a-635(1)(A) with the following substitute language: "(1) The commission shall: (A) prepare, in consultation with various state agencies and the public, the Connecticut Substance Abuse Strategic Plan for the prevention, treatment, and reduction of alcohol and drug abuse problems. This strategic plan should include a mission for the system and measurable goals and objectives. This plan should identify benchmarks to be met that indicate the progress made to address the nature and extent of the substance abuse problem in Connecticut and to improve the effectiveness and efficiency of substance abuse treatment and prevention system."

5. Replace CADAC's statutory requirement to prepare an "annual implementation plan" with an annual report by modifying C.G.S. Sec. 17a-635(1)(B) with substitute language: "(1) The commission shall ... (B) prepare an annual report on the substance abuse treatment and prevention system in Connecticut. The purpose of the report is to assure the implementation of the Connecticut Substance Abuse Strategic Plan which is required pursuant to C.G.S. Sec. 17a-635(1)(A) and the coordination of efforts among various state and private

agencies and providers, as required pursuant to C.G.S. Sec. 17a-636 (1) and (2). The report made annually to the governor and the General Assembly shall:

a. describe each substance abuse prevention and treatment program in both the public and private sectors, the dollars expended, and the source of funds;

b. identify duplications, gaps, and opportunities for consolidation in the substance abuse prevention and treatment programs, and recommend how to address these concerns;

c. certify or attest that each current substance abuse treatment and prevention program or the substance abuse component of any broader program:

(1) is consistent with the priorities and goals of the Connecticut Substance Abuse Strategic Plan;

(2) is not duplicative of other efforts; and

(3) has been favorably evaluated by the appropriate entity as to its effectiveness and efficiency or is making acceptable progress in responding to an unfavorable evaluation.

Additional language in C.G.S. Sec. 17a-635(1)(C) could be modified to be consistent with the above recommendations to read: "(1) The commission shall: ... (C) create a state plan steering committee composed of members appointed by the executive director and shall include, among others, representatives of community programs. The state plan steering committee shall advise the commission concerning the statewide need for substance abuse services and shall make recommendations to CADAC concerning the development of the report required pursuant to subsection (B) of this section and the Connecticut Substance Abuse Strategic Plan required pursuant to subsection (A) of this section."

For consistency, C.G.S. Sec. 17a-635(2) could be modified to replace "consistent with the annual alcohol and drug plan," with "consistent with the priorities and goals of the Connecticut Substance Abuse Strategic Plan...."

Also, replace all references to the "Connecticut comprehensive plan for the prevention, treatment and reduction of alcohol and drug abuse problems" with "the Connecticut Substance Abuse Strategic Plan," and replace the "annual implementation plan" with the "annual report," where appropriate.

6. CADAC should assure that models are developed for evaluating substance abuse prevention, information, training, and treatment programs, both public and private, which will determine if programs: 1) comply with the priorities and goals of the system particularly as set forth in the Connecticut Substance Abuse Strategic Plan; 2) are efficient, of high quality, and nonduplicative; and 3) have an appropriate ratio of overhead costs to the value of services provided.

7. Connecticut should capitalize on corporate willingness to participate in and contribute to substance abuse prevention education through DRUGS DON'T WORK! (DDW!), which matches state substance abuse education dollars with corporate contributions. State funding must be consistent and at a meaningful level, demonstrating to the private sector ongoing commitment to the program, thereby encouraging continued corporate participation. CADAC and DDW! should develop protocols to avoid duplication of effort and provide an effective and efficient program coordinated with other substance abuse efforts in Connecticut.

8. Recognizing that the mobilization and involvement of the community to collaborate and cooperate is essential to develop and implement plans for improving the community's response to substance abuse, CADAC should continue to use Regional Action Councils (RACs) as a tool to accomplish this goal. However, given the varied success of RACs to-date to do so, CADAC should clarify the role and purposes of the RACs, improve their operation and function, and evaluate the successes and failures of individual RACs to meet their goals.

   CADAC shall eliminate the Regional Planning Boards. Repeal C.G.S. Sec. 17a-663 establishing the Regional Planning Boards, and amend C.G.S. Sec. 17a-664(e) to establish the commission as the oversight body for the subregional planning and action councils. Such subregional planning and action councils shall be renamed "Regional Action Councils (RACs)." All references to the Regional Planning Boards should be deleted from C.G.S. Sec. 17a-664 and C.G.S. Sec. 17a-635. Delete the sentence beginning with, "In adopting the comprehensive plan ... pursuant to Section 17a-663," from C.G.S. Sec. 17a-635(1)(E).

9. CADAC should examine Connecticut's current substance abuse treatment system with a focus on assuring that there will be: 1) access to services for the indigent and medically indigent, the homeless, and substance abusing pregnant women and their children; and 2) the highest quality of services at the most competitive cost. CADAC should engage an independent entity to prepare, in consultation with various groups such as providers, employers, unions, and consumers, a plan for a comprehensive treatment delivery system. The plan should address and discuss CADAC's role, if any, as a provider in that system.

10. Given the recommendations above, which prescribe an enhanced role for CADAC as a coordinator and lead agency in the area of substance abuse services, the current governance of CADAC under a commission structure may no longer be effective or appropriate. However, CADAC should continue to provide a forum for various groups and individuals to provide input into CADAC's programmatic and policy decisions about substance abuse services in the state.

    The future governance and placement of CADAC should be determined by the social services task force of the Commission to Effect Government Reorganization, which is examining the reorganization of certain human services agencies. In that determination, the social services task force should recognize that CADAC needs to be an equal participant and partner with various state agencies in both the executive and judicial branches of state government in order to fulfill its coordinating responsibilities in state government.

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ATTACHMENT

ATTACHMENT A

Overview of State Agency 1991/92 Expenditures on Substance Abuse Services
by Agency and Source of Funds

STATE AGENCY	SOURCE OF FUNDS		TOTAL	% All Funds
	State	Federal		Per Agency
Commission on Deaf & Hearing Impaired	$0	$40,000	$40,000	0.03%
CT Alcohol & Drug Abuse Commission	$40,725,263	$22,496,317	$63,221,580	50.55%
Department on Aging	$21,000	$0	$21,000	0.02%
Department of Children & Youth Services	$4,193,943	$2,164,585	$6,358,528	5.08%
Department of Corrections	$11,762,023	$1,895,543	$13,657,566	10.92%
Department of Education	$0	$4,755,206	$4,755,206	3.80%
Department of Health Services	$1,560,893	$422,928	$1,983,821	1.59%
Department of Higher Education	$97,750	$2,379,414	$2,477,164	1.98%
Department of Human Resources	$140,000	$115,762	$255,762	0.20%
Department of Income Maintenance	$3,378,372	$3,377,787	$6,756,159	5.40%
Department of Mental Health	$2,462,201	$230,029	$2,692,230	2.15%
Department of Public Safety	$3,405,000	$375,000	$3,780,000	3.02%
Department of Transportation	$78,000	$0	$78,000	0.06%
Department of Veteran Affairs	$428,012	$0	$428,012	0.34%
Judicial Department: Adult Probation	$1,399,905	$617,961	$2,017,866	1.61%
Judicial Department: Bail Commission	$293,036	$0	$293,036	0.23%
Judicial Department: Family Division	$0	$2,125,000	$2,125,000	1.70%
Office of Chief State's Attorney	$93,500	$795,947	$889,447	0.71%
Office of Policy & Management	$12,084,203	$519,985	$12,604,188	10.08%
Public Defender Services Commission	$158,012	$474,035	$632,047	0.51%
TOTAL FUNDS	$82,281,113	$42,785,499	$125,066,612	100.00%
PER CENT TOTAL FUNDS	65.79%	34.21%	100.00%	

SOURCE: State of Connecticut Interagency Coordinating Council on Substance Abuse
"Planned Statewide Expenditures for Substance Abuse Services: State Fiscal Year 1991/92"

V. INFORMATION TECHNOLOGY

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INFORMATION TECHNOLOGY
FINDINGS AND RECOMMENDATIONS

As approved by the commission on January 31, 1992

FINDINGS

Information Technology Policy

Various state sponsored commissions and studies by outside consultants have all recommended that data processing and telecommunications functions be consolidated in a single agency. These studies and other reports have reflected dissatisfaction with the rate of growth and distribution of electronic data processing expenditures, multiple telecommunications networks, diverse mainframe computer platforms and data centers, nonstandardization of hardware/software, and the lack of interconnectivity and interoperability among the then existing systems in use.

Also highly problematic has been the fragmentation of data processing in the state as well as the shuffling of major data processing responsibilities between agencies over the last 20 years. Central data processing has been located in: the Office of the Comptroller (1965); the Department of Personnel and Administration (1973); the Department of Finance and Control (1976); the Department of Administrative Services (1978); and shared between the Office of Policy and Management (strategic planning) and the Department of Administrative Services (operations) since 1989.

The Connecticut General Assembly recognized these difficulties and sought to address problems in the state's use of information technology with the creation of the Office of Information and Technology (OIT) in 1986 (Public Act 86-292). In 1989, the legislature conferred far-reaching authority upon OIT for strategic planning, setting standards, and controlling expenditures (Public Act 89-257).

The major problems that OIT was to address included the following:

- Increasing expenditures
- Imperfect accountability
- Existing systems unable to meet new demands
- Data access and sharing difficult to achieve
- Inconsistent data definitions/uneven integrity
- Lack of interoperability of applications
- Lack of interconnectivity of hardware
- Lack of trained personnel to manage this effort

OIT has moved swiftly over the past two and one-half years to address these problems. Solutions to the state's information technology predicament include the creation of a statewide Strategic Plan for Information Technologies; development of an infrastructure for telecommunications; design of an enterprise information architecture for the whole state; implementation of an agency information technology planning and budgeting process; and development of the enterprise group concept to enable interconnectivity and interoperability.

The results have been dramatic. Total expenditures for information technology were between $300 and $400 million in FY 90. The growth in expenditures, measured in terms of the trend in agency data processing requests, has declined rapidly since then, from almost $60 million to approximately $25 million in FY 90 alone. Concurrently, use of information technology has proliferated in state agencies. This improvement has been made possible by the dual effects of: (1) the OIT information technology request exception process, which limits budgetary outlays; and (2) the OIT review of agency requests in light of the state's strategic directions towards standardization of software and hardware. Thus, both reduced expenditures and more effective utilization of technology have been the result.

In recognition of OIT's continuing success in rationalizing Connecticut's utilization of information technology resources, in 1991 the General Assembly: strengthened its authority, and extended it to all executive branch agencies and funding sources (Public Act 91-387); enabled OIT to develop freedom of information guidelines and oversight procedures (Public Act 91-347); and clarified OIT's role concerning development of agency information technology plans, as well as the state's overall information technology inventory (Public Act 91-12). According to the National Association of State Information Resource Executives, these recent additions to OIT's jurisdiction make it one of the most powerful central information technology agencies among the 50 states.

In general, the Information Technology Task Force finds that the thrust and direction of information technology policy in the state of Connecticut has been and continues to be appropriate in terms of the need.

Computer Operations

Although over 11 separate data centers are currently in use in state government, the Bureau of General and Technical Services (BGTS) in the Department of Administrative Services (DAS) is the state's central information services site. Approximately 25 percent of total statewide data processing capacity is serviced by BGTS. BGTS also provides detailed planning and systems development support for agencies through the operation of the Data Processing Revolving Fund.

The mission of the Bureau of Technical Services of BGTS is "to plan and implement information technology solutions in order to increase the efficiency and effectiveness of those functions necessary to operate the government of the state." The task force finds that this mission is appropriate in view of the current and ongoing needs of state government. The task force also finds that no other data center in the state provides so comprehensive an array of information technology services to state departments and agencies, including:

- computer operations - provides utility computing to all state agencies with a safe, reliable, and high quality profile;
- systems development services - provides state agencies with application development/technical support on an "as needed" basis; and
- management support services - delivers "turnkey" business office solutions to agencies.

To provide these services, BGTS operates the Connecticut Administrative Technology Center (CATER), which provides statewide computing capacity and operational support 7 days a week, 24 hours per day. CATER maintains a statewide network of over 6,000 computer terminals. CATER also provides customized facilities management services to agencies, where appropriate.

BGTS personnel also design, develop, implement, and provide ongoing support for computer-based systems of various sizes and capabilities. Through its Business Office Support Services (BOSS) division, BGTS also provides agency accounting capabilities via the State Agency Appropriation Accounting System (SAAAS), which include interfaces to the Office of the Comptroller, the DAS Personnel System, and the OPM Automated Budget System. A time and attendance system also is available through BOSS.

The long-term vision of BGTS as regards computer operations is to compete vigorously in order to become the agencies' computer "vendor of choice," well-recognized by the private sector, possessing an intimate understanding of clients' needs, and capable of providing all levels of automated solutions for their clients.

To fulfill this vision of its future, BGTS's short-term objectives include: developing project management capabilities; implementing a formal project development life cycle methodology; expanding application systems development capacity (to be achieved through better utilization of existing staff, installation of appropriate platforms, and development of prototype systems in small teams); implementing a disaster recovery program; and upgrading the physical facilities of the data center.

The task force finds that the technical services provided by BGTS to departments and agencies is a valuable state resource, whose utilization should be encouraged insofar as the longer term strategic direction for the state is towards reducing the fragmentation and redundancy of computer operations that have characterized Connecticut's information technology organization for several decades. Certain efficiencies may also result from more concentrated use of the Data Processing Revolving Fund.

Data Processing Revolving Fund Operations

The data processing services provided by the Bureau of General and Technical Services are made available to state departments and agencies on a "charge-back" revolving fund that is a fully self-supporting, nonappropriated financial entity which provides flexibility in meeting agencies' systems support needs. To carry out its activities, the revolving fund expended $19.7 million in FY 90, approximately $24.8 million in FY 91, and plans to spend $26.1 million in the current fiscal year.

Advantages of the Data Processing Revolving Fund (DPRF) include: flexibility, scale economies, "economies of scope," and the ability to apply business management principles to an important area of government expenditure. The DPRF attains optimal levels of efficiency where large volumes of frequently used services are employed by agencies. Consolidation of similar services that are used extensively by the agencies results in the allocation of fixed costs over the largest possible number of users. In addition, the focused provision resources permits "learning curve effects," whereby DPRF personnel become the most knowledgeable staff concerning the specialized needs of particular agencies. They are thus better positioned to fulfill them.

The range of services provided through DPRF is quite broad. BGTS employs a highly developed and rigorously managed "charge-back" reimbursement process to recoup expenses. Charges are based on actual utilization levels. However, forecasting utilization levels for rate-setting purposes has proved to be a difficult task. Agencies are not required to use DPRF services. Therefore, uncertainty as to actual future utilization has resulted in various rate reductions and rebates in recent years, a practice that is common in many states.

Financial control over DPRF is tight. Monthly and year-to-date expenditures are monitored closely, and financial statements are prepared in accordance with good accounting practice. A six-fold increase in fund equity since 1982 has resulted from growth in the corresponding assets of DPRF, especially data processing equipment (computers and related hardware). An important indication of how tightly managed the DPRF has been is the cash balance, which generally fluctuates within a reasonable 30 to 60 days worth of expenses. (Standard practice in private industry for funding this kind of fund is 45 to 60 days.)

Overall, the major finding is that DPRF has been well-managed from an administrative standpoint. However, certain issues remain open:

- Concerns have been raised regarding the growth in DPRF staff and expenditures. Management oversight of DPRF operations has not taken place in a manner that ensures a close scrutiny of agency-level transfers to DPRF. Therefore, the task force finds that wider use could be made of accountability standards for expenditures and operating performance.

- Competition from certain other funds (e.g., the Capital Equipment Purchases Fund) may reduce the operating efficiency of DPRF, and result in suboptimal cost-benefit comparisons between hardware financing alternatives.

- Greater utilization of BGTS'S capacity -- and, therefore, attainment of the lowest possible unit costs -- may be obtained by granting DPRF the "right of first refusal" in meeting agencies' information services needs.

- Developing policy guidelines in order to maximize the flow of information systems activity supported by federally reimbursable dollars through DPRF would increase utilization levels and tend to minimize rates for all users of the fund.

Consideration of these factors leads to the dominant finding that, although DPRF has been well-managed, certain policy changes would tend to increase the fund's efficiency levels, to the net benefit of the whole state. These policy changes would involve granting DPRF a virtual monopoly over new business and/or future systems changes made by departments and agencies.

RECOMMENDATIONS

In keeping with the legislative intent, major and minor recommendations will be grouped into: (a) considerations on the desirability of further consolidating all information technology functions under a single chief information officer; and (b) determining the feasibility of eliminating the Data Processing Revolving Fund, which currently resides within the Bureau of General and Technical Services of the Department of Administrative Services.

Chief Information Officer Concept

The concept of a chief information officer (CIO), having responsibility for all aspects of information technology in the state, is a somewhat outmoded concept. Developments in technology have rendered the idea of a highly centralized information technology authority -- an "information czar" -- moot. In the future, decentralized (or "cooperative") processing will be the norm, with a great deal of highly inexpensive computing power available at decentralized sites, linked together in information networks. Thus, the "CIO of the future" is more likely to be a network manager than an information czar.

What is more important is that the State of Connecticut ensure that responsibility for the traditional information technology functions is clearly assigned, and that these functions are performed well. These functions include:

- Strategic information planning
- Information architecture design and development
- Telecommunications
- Network design and management
- Systems applications development and maintenance support
- Information technology professional development
- Data integrity/security
- Data center operations
- Outside procurement procedures

While the Office of Information and Technology and the Bureau of General and Technical Services share responsibility for many of these functions, they tend to be highly fragmented. (See Attachment I.) The result has been that certain functions -- such as systems development project management -- have not been done well, necessitating outside consultant support; others -- such as coordinated professional development for information technology personnel -- have not been done at all. Clearly, closer coordination between OIT and BGTS would address those functions that require strengthening. Also, of increasing importance is the need to enhance inter-branch cooperation in the information technology area; especially as between the legislature and the executive branch.

In summary, then, major recommendations to improve the organization and management of Connecticut's information technology resources are:

1. Implement aggressively the OIT Strategic Plan for Information Technologies, placing particular emphasis on consolidation of data centers, standardization of systems application development, implementation of the state's information architecture plan, and development of Connecticut's information technology people resources.

2. Combine the OPM Office of Information and Technology and the DAS Bureau of General and Technical Services into a "Coordinated Information Technology Service Organization" under the joint leadership of the OPM secretary and the DAS commissioner. The executive director of OIT and the deputy commissioner for BGTS would be designated "chief information technology officer," and "chief information services officer," respectively. (See Attachment II.)

3. Move the DAS Data Processing Procurement Division from the Bureau of Purchases to the Bureau of General and Technical Services, under the leadership of the DAS deputy commissioner for General and Technical Services ("chief information services officer").

4. Develop an implementation plan to address any deficiencies that may exist for each Information Technology Function in Attachment I, including specific action steps, time lines, deliverables and task assignments. (See Attachment III for a preliminary roster of some of the necessary tasks and implementation plans.)

5. Ensure that the state's institutions of higher education are in compliance with the Strategic Plan for Information Technologies, as regards their administrative support systems.

6. Provide an annual report at the close of each fiscal year to the governor and legislature concerning progress made in implementation of the tactical plans referred to in Recommendation 4 above. The report will be prepared and delivered jointly by the chief information services officer and the chief information technology officer, but no later than October 1 of the ensuing fiscal year.

Advantages of the new organizational arrangement are that it:

- enhances coordination between two essential information services agencies;
- does not result in creation of a new bureaucracy;
- many of these recommendations can be accomplished administratively, without new legislation;

- agencies will view OIT and BGTS as a team working together to lead the state in the cost-effective use of technology; and

- strengthens the information management process.

Advantages of the strengthened information management process are that it:

- ensures that all critical information technology functions are assigned and managed well;

- provides a comprehensive array of information services to all state agencies;

- permits the state to begin to reduce the expense for outside consultants; and

- the new OIT/technical services arrangement will become a model for other states to follow.

Data Processing Revolving Fund Operations

Advantages of the Data Processing Revolving Fund are numerous. The task force review of DPRF operations does not support a recommendation to eliminate this fund -- quite the contrary. However, efficiency of the fund may be enhanced through the following recommendations:

1. Eliminate the 45.6 percent overhead load currently included in the hourly rates charged agencies for DPRF data processing professional staff time.

2. Grant DPRF a formal "right of first refusal" in meeting agencies' information services needs, where appropriate, subject to review by the secretary of OPM and the commissioner of administrative services. Application of the "right of first refusal" in the case of procurement and development of new technology and/or application system development will be considered on a case-by-case basis. In cases where BGTS exercises its "right of first refusal" to provide the service that has been requested, BGTS will assist the agencies by recommending alternative means of providing or procuring the necessary technology or service, in accordance with the provisions of Public Act 89-257.

3. Limit and carefully control competition from other funds for hardware procurement in order to enhance the cost-benefit analysis of alternate financing arrangements.

4. Develop guidelines to maximize the flow of information technology activity supported by federally reimbursable dollars through DPRF.

5. Vest oversight authority over DPRF jointly in the secretary of OPM and the DAS commissioner, so that the appropriate level of policy and budgetary review may take place. Develop appropriate review procedures, accountability standards, and performance measures in accordance with Public Act 89-257 and Public Act 91-387.

6. Pursuant to Recommendation 5, in order to ensure that the proper degree of higher level oversight takes place, implement a set of accountability standards for DPRF expenditures and operating performance.

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ATTACHMENTS

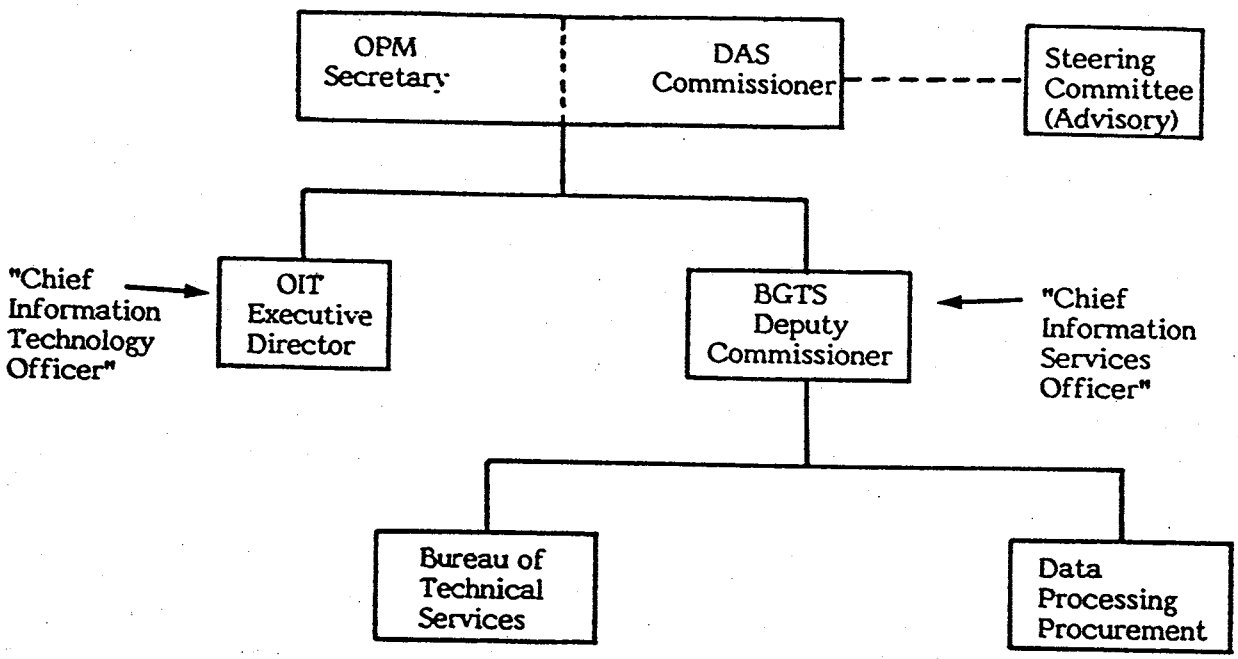
ATTACHMENT I

STATUS OF TRADITIONAL INFORMATION TECHNOLOGY FUNCTIONS IN STATE GOVERNMENT

Traditional Function	Where Performed Today In State Government
1. Strategic Planning	OIT Shares responsibility with agencies
2. Information Architecture	OIT - plans only exist today
3. Telecommunications	OIT - Contracting, etc. BGTS - Billing only
4. Network Design and Management	OIT - Design BGTS - Management
5. Systems Applications	
(a) Applications Planning	Fragmented among the agencies
(b) Portfolio Management	OIT Strategic Plan addresses the need
(c) Cost-Benefit Analysis	OIT (Individual projects only; no rank-ordering of projects takes place)
(d) Project Management	Fragmented; no professional project management expertise is available
(e) Applications Development	Fragmented among agencies
(f) Post-Audit	Not performed in any systematic way
6. Information Technology Professional Development	
(a) Recruitment & Selection (b) Training & Certification (c) Career Development (d) Performance Evaluation (e) Promotion (f) Continuing Education/Recertification	- No coordinated approach to information technology professional development currently exists in state government
7. Data Integrity/Security	Fragmented among the agencies
8. Data Center Operations	
(a) Service delivery	Fragmented; CATER + other platforms
(b) Revolving Fund Management	BGTS only
9. Outside Procurement	OIT shares responsibility with agencies; exception request required for major purchases; DAS-Purchasing writes RFPs.

ATTACHMENT II

Recommended State Information Technology Organization Structure



ATTACHMENT III

COMMISSION TO EFFECT GOVERNMENT REORGANIZATION

TASK FORCE ON INFORMATION TECHNOLOGY

TACTICAL IMPLEMENTATION PLANS/TASK LIST

CONSOLIDATION:

Key Initiatives Required	Current Status	Next Steps/Additional Information Required/Task Assignment
1). Consolidate Major Data Centers.	- Fragmented: - Multi Vendor - Implementation Plan not Developed for consolidation - Data Center functions relatively unautomated - No Clear Strategy for distributed processing. - Current Costs are not delineated.	* Identify Agencies most appropriate to consolidate in first phase. * Prepare Alternatives and recommendation for new physical Center facility. * Complete Strategy for distributed processing. * Determine costs associated with current environment. * Develop model of Consolidated Data Center facility: - Short and long term cost options - Short and long term benefits TASK RESPONSIBILITY: OIT (Overall Project Management Responsibility) /BGTS (VAlidation of plan, and Execution)
2). Evaluate Potential Benefits Associated with Consolidation of Application System Development Resources * New Development Efforts * Systems Maintenance	- Resources are Decentralized	* Complete Strategy and Policies for Development and reengineering at the enterprise level. * Identify Advantages/Disadvantages for centralizing Development resources. * Enterprise Level * Agency Level * Do same for maintenance resources. * Enterprise Level * Agency Level TASK RESPONSIBILITY: OIT

STANDARDIZATION:

3). Extend new Fiber Optic Communications Infrastructure and consolidate local network facilities	- OIT Performs planning, Design and Contracting Functions - BGTS performs billing & equipment installation - Network management Roles are function of individual data centers. - Excellent progress has analog circuits with digital technology.	* Define Network Management functions at the Backbone level and at the local level. * Define areas where planning and design overlap with network Implementation functions. * Determine roles and responsibilities between OIT and BGTS on billing functions. * Continue to implement STATENET II as planned. TASK RESPONSIBILITY: BGTS/OIT

ATTACHMENT III (continued)

	Key Initiatives Required	Current Status	Next Steps/Additional Information Required/Task Assignment
4).	Implement Information Architecture Plan	- Strategic Plan has been completed and accepted. by Executive Branch, Legislature, and endorsed by private sector organizations. - Requires specific tactical implementation plans to be developed. - Enterprise architectures have been defined.	* Condense plan into summary directions that show where/how agencies need to comply. * Develop communication plan. TASK RESPONSIBILITY: OIT (Planning)/BGTS (Implementation)
5).	Implement Agency Enterprise groups	- Policies for systems development/reengineering systems and use of data at the enterprise level are not yet established.	* Establish Policies. * Finalize identification of enterprise groups and overlapping Information Technology Functions. * Develop strategy for new development/reengineering. TASK RESPONSIBILITY: OIT
6).	Improve Data Integrity/ Security	- Fragmented among the agencies.	* Define what it means. * Develop plan. * Define relationship between this initiative and initiative #1 - consolidate major data centers.
7).	Standardize Systems Applications Development Process:		TASK RESPONSIBILITY: OIT
	* Applications Planning	- Fragmented among the Agencies	* Develop plan to implement each of these segments of Systems Development. * Project Development/Life Cycle Methodology, Cost Benefit Analysis, Project Management should receive highest priority.
	* Portfolio Management	- OIT Strategic Plan addresses the need.	
	* Project Development/ Life Cycle Methodology	- Requirements developed by OIT. - Evaluating a product on the market. - Ready to pilot the product.	TASK RESPONSIBILITY: - Applications Planning - OIT - Portfolio Management - OIT - Project Life Cycle - BGTS (Implement) - Cost-Benefit Analysis - OIT
	* Cost-Benefit Analysis	- Required by OIT (Individual Projects only; no rank-ordering of projects takes place).	

ATTACHMENT III (continued)

Key Initiatives Required	Current Status	Next Steps/Additional Information Required/Task Assignment
7). Standardize Systems Applications Development Process: (continued)		
* Project Management * Application Development * Post Audit	- Fragmented among Agencies. - Professional project management expertise is not available. - Fragmented among Agencies. - Not performed in any systematic way.	- Project Management - BGTS - Application Development - BGTS/Agencies - Post-Audit - OIT
8). Improve IT Professional Development * Recruitment & Selection * Training & Certification * Career Development * Performance Evaluation * Promotion * Continuing Education/ Recertification	- No coordinated approach approach to IT Professional Development currently exists in State Government.	* Assign someone from State Personnel to assess current Development environment and to develop a proposal for improvement. TASK ASSIGNMENT: BGTS/DAS Personnel
9). Define reporting relationships between BGTS/OIT and agency IT personnel.	- currently ill-defined, fragmented. - Little or no coordination exists.	* Develop a Recommendation concerning centralized versus decentralized development and maintenance of information systems. TASK ASSIGNMENT: Chief Information Technology Officer and Chief Information Services Officer.
10). Review Outside Procurement	- OIT shares responsibility with the Agencies. - Exception request required - for major purchases. - DAS Purchases writes RFP's.	* Document current process flow and procedures. * Determine opportunities for Improvement. * Develop Improvement plans. * Implement Improvements. TASK ASSIGNMENT: OIT (approval), BGTS (RFP's)
11). Implement Architecture Standards	- Standards have been defined. - Implementation scheduled for January 1, 1992.	* Condense Standards into summary directions; show where and how. * Conduct brief workshop seminars with IT Managers. * Prepare and distribute letter to Commissioners. TASK ASSIGNMENT: OIT
12). Disaster Recovery Plan; Back-up Power;Back-up Hot/Cold site	- Does not exist anywhere today. - Fragmented responsibility - among the Agencies.	* Release RFP that has been prepared. * Combine with decision to consolidate Data Centers. TASK ASSIGNMENT: OIT (Plan) BGTS (Implement)

MINORITY REPORT TO THE INFORMATION TECHNOLOGY REPORT

by Representative Reginald L. Jones

The report of the task force provides much useful information both in reviewing failures in the history of data processing and information services in our state, and in citing the direction and trends of improvement in the management and organization of this vital state function. The recommendations in the final report, however, fall short of the desired overall outcome in two particular areas: (1) organizational control over information services personnel and hardware/software resources, and (2) the future of the data processing revolving fund.

In addition, the report needs to be followed up with a timetable for executing its recommendations and the cost reduction goals to be expected.

Organizational Control

The report introduces three interesting organizational concepts:

1. We do not need a chief information officer ("czar") because the use of computer resources (both data access and analytical modelling on personal computers or workstations) will be widely distributed. Yet to achieve these goals, we need system and architecture compatibility; thus a high degree of standardization in software and hardware and control over systems development and modification (both planning and implementation) must be achieved. The conclusion - distribute information and analysis and centralize policy making with respect to technology planning and operations services.

In effect, the "czar" concept is associated in the report with central processing, a large computer in a large room. But we also know that dispersal of resources requires central control over policy and standards.

2. To accommodate this new environment and resolve an apparent paradox of distribution and centralization, a dual structure is proposed with a planning and technology function and an implementation and operations function. This top-level structure is depicted in Attachment II.

3. A concept of "enterprise grouping" is introduced suggesting that information architecture and resources could be designed and clustered to service multiple agencies with similar missions.

Changes of the significance described above require more central control over personnel and information resources. While the organization depiction in Attachment II defines the top-structure, the report does not comment on the reporting relationships of some 1,000 data processing professionals now working in agencies.

To assume that they will continue to take their direction from non-data processing managers jeopardizes many of the objectives sought.

By referring to Attachment I and specifically items 2, 5, 6, 7 and 8 we can see the prevalence today of the lack of coordination, standard, methodology and fragmentation. The correction of those frailties requires strong management control over personnel recruitment, deployment, training and career progression. Further, if personnel assigned to an application in our agency are needed to develop a new application elsewhere, they not only must be assignable by central management, but must have been trained in standard methodology documentation, and common project management skills. "Enterprise grouping" would accelerate these situations and the need for flexibility.

Therefore, in my opinion, the organizational responsibilities of data processing professionals in agencies should be to the Chief Information Services Officer. A "dotted-line relationship" could be established to agency management to reflect administrative control (i.e. agency rules, office hours, etc.)

Data Processing Revolving Fund

It is my opinion that this fund should be abolished and the staff and resources place under traditional general assembly appropriations control. Two reasons support this view:

(1). The philosophy of agency/data center negotiation and competition choice in system development and operation no longer has relevance in the new environment. In fact it is so counter-productive to the objectives of enterprise architecture, information sharing and standard methodology that the task force is recommending a "right of first refusal" for BGTS in "meeting agencies' information services needs." That "right" essentially vitiates the original philosophical purpose.

In the "new" environment, agencies information needs will be defined and coordinated with "similar interests users" through the annual strategic plan development with OIT. The result is a set of specifications that should be implemented under the control and performance accountability of BGTS management. Revolving fund negotiations are superfluous and the bookkeeping involved an unnecessary cost.

(2). The most basic right of the General Assembly to appropriate funds for the operations of government is clouded by the revolving fund concept. While one could argue that the appropriations are voted to agencies to pay the "fee" for revolving fund personnel and processing. The "route" is indirect and denies direct legislative review of revolving fund staffing and operations.

I recommend that the DP Revolving Fund be abolished and the traditional general fund accounting be applied to the BGTS. Statistical data can define their level of effort for particular agency applications if one wants that information.

VI. JOB CREATION AND TRAINING

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JOB CREATION AND TRAINING
FINDINGS AND RECOMMENDATIONS

As approved by the commission on February 7, 1992

INTRODUCTION

The Job Creation and Training Task Force was charged with reviewing the state's efforts in regards to job creation and training, housing, and economic development. The task force developed a scope of work calling for consideration of the issues related to the Departments of Labor and Economic Development first, followed by issues related to the Department of Housing (DOH) and the state housing authorities, the Connecticut Housing Finance Authority (CHFA) and the Connecticut Housing Authority (CHA).

SUMMARY OF ACTIVITIES

After development of its scope of work, the task force held two working meetings devoted to labor and economic development. The first meeting consisted of detailed presentations from both departments covering their responses to Thomas Commission recommendations, their missions and functions, and their respective recent reorganizations. The second meeting focused on follow-up questions concerning regional boundaries, mechanisms to facilitate partnerships with municipalities, agency needs for successful reorganization, and organizational, structural, or statutory impediments to operation and coordination.

The task force next moved to the issues of housing. An initial meeting on this subject consisted of a presentation by the Department of Housing, including information on CHA and CHFA. The Department of Housing described its response to Thomas Commission recommendations, its mission and functions, and recent reorganization efforts. The second meeting on housing focused on follow-up questions concerning the impact of the Davis-Bacon Act on construction projects run by DOH and CHFA, coordination with housing activities in social service agencies, and specific activities that might be shifted to other agencies.

A review of organizational structures in other states was conducted by staff.

FINDINGS

<u>Labor and Economic Development</u>

- Both the Department of Labor (DOL) and the Department of Economic Development (DED) have responded well to the need to reorganize their operations in a manner that meets customer needs more efficiently.

- The Department on Economic Development has streamlined its central organizational structure, and is moving to a regional service delivery system that will put knowledgeable development agents in direct contact with local development resources and local companies.

- The Department of Labor is reorganizing its offices to deliver services to clients in a more direct manner. Field staff are being trained to provide a variety of services to an individual, rather than sending that individual to the next desk, the next program, or the next office. DOL is also reducing layers of management and empowering front line workers to provide better service.

- The Departments of Labor and Economic Development have begun working together in significant ways, avoiding duplication.

  - DOL staff and DED staff are involved in a joint visitation program with key employers across the state.

  - DOL and DED share data on a frequent and ongoing basis, including shared access to an employer database. Both agencies are involved in developing a proposal for creation of an Economic Information System (Public Act 91-226).

  - Joint staff meetings are held.

- Research on organizational structures in other states found only one instance of a single agency (Maryland) performing the functions of economic development and labor.

  - Prevailing structures in most states recognize the need to separate the functions of protecting workers rights from advocacy for economic development.

  - Economic development agencies in most states either directly provide or have access to customized job training for new and expanding companies. Across the nation, about 50 percent have modest amounts of funds directly available for training from the development agency. In Connecticut, customized job training is available from the Department of Labor, with a referral relationship existing with the Department of Economic Development.

Housing

- The Department of Housing has conducted a reorganization to respond to the need for reduced spans of control by managers. Thirty positions have been dropped over the last three years, and the number of executive assistants has gone from four to one, with this position now functioning as chief of staff.

- Several significant efforts have been made to assure that the Department of Housing works closely with the Connecticut Housing Authority and the Connecticut Housing Finance Authority:

  - The commissioner of housing is now chairperson of the Connecticut Housing Authority and the Connecticut Housing Finance Authority.

  - An interagency liaison committee composed of staff from DOH and CHFA has begun work on common issues such as eliminating developers shopping between agencies, and streamlining tracking and coordination of joint projects.

  - The liaison committee is also pursuing a standard appraisal process and system, using common resources and joint evaluation of underwriting criteria, to insure conformity and consistency.

- The Department of Housing is a significant user and producer of data, including demographics, construction data, sales prices, housing statistics, etc.

- There are differences between DOH and CHFA in terms of flexibility and efficiency, given that CHFA is a quasi-public agency, not always bound to the regulations and procedures that DOH must follow as a state agency. The respective missions of the agencies must be considered when reviewing the differences between the agencies.

- CHFA has authority over about 80 percent of the tax exempt bond amount for Connecticut.

- The Department of Housing has not been involved with the housing related activities of state human service agencies such as the Departments of Mental Retardation or Mental Health.

- The Department of Housing recently produced a Comprehensive Housing Affordability Strategy (CHAS), which is now in a public comment period, that establishes targeting criteria for housing programs and housing related

programs in other state agencies, aiming to deconcentrate subsidized housing and increase the amount and locations of affordable housing.

RECOMMENDATIONS

- Efforts to establish an Economic Information System, as described in Public Act 91-226 are supported. Such a system will allow access to and sharing of data among several agencies key to successful job creation. It is also recommended that the Department of Housing actively participate in the design and eventual operation of such a system.

- Matching regional boundaries for the service areas of the Departments of Labor and Economic Development should be created. Current boundaries are close, but not exactly the same. Consideration should also be given to creation of matching boundaries with human services agencies as well, facilitating an integrated delivery system.

- The Department of Economic Development should develop a mechanism to track the movement of companies in, out, and within the state of Connecticut.

- Agency reorganization efforts that streamline service delivery at the local level for the Departments of Labor and Economic Development are supported. To make these reorganizations most fruitful, two changes in the state personnel system are recommended:

  - creation of flexible job descriptions and reduction of job classifications, allowing movement of personnel to needed and more varied tasks; and

  - revision of the state personnel/accounting system to allow for tracking positions on the basis of full-time equivalents, enabling better cross training and service delivery across categorical funding sources.

- The Department of Housing and the Connecticut Housing Finance Authority should continue to identify common activities and shared functions, and eliminate duplicate efforts wherever possible, while maintaining the unique capabilities of each agency. Included in this should be a serious attempt to merge such functions as financing, underwriting, and construction oversight under one responsible agency.

- The Department of Housing and CHFA should actively assist human service agencies (e.g., DMR and DMH) that are involved in specialized housing activities for their clients. DOH assistance and expertise in technical areas such

as appraisals, site evaluation, and funding could lead to efficiencies and cost savings.

- Continuing efforts in the study and coordination of employment training activities, in collaboration with education, vocational education, and higher education activities are recommended.

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VII. AGENCY FINANCE, BUDGETING, AND PURCHASING PRACTICES

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AGENCY FINANCE, BUDGET, AND PURCHASING
FINDINGS AND RECOMMENDATIONS

As approved by the commission on February 20, 1992

FINANCE AND BUDGET

Findings

1. Repeated state-sponsored studies over the last 50 or more years have recognized the growing cost and complexity of state government. They have resulted in several consolidations of agencies and establishment of new organization structures, most notably the Office of Policy and Management (OPM) and its predecessors, in an effort to improve financial control of state government. However, many recommendations remain unimplemented. For instance:

    - development of statewide computer-based accounting was recommended 20 years ago;
    - shifting from an elected comptroller to an appointed one to eliminate conflicts was also recommended 20 years ago; and
    - the need for budgeting and appropriation on a program or project basis was recognized in studies 15 years ago, as was the need for "Management by Objectives."

2. Despite these earlier efforts in the legislature and the executive branch, dissatisfaction with the effectiveness of financial control over expenditures and revenues, budget development, and financial reporting remains widespread.

3. Computerization, revered for years as the great hope for financial control, has floundered with incompatible hardware and incompatible and incomplete software developed at huge expense due to poor management. For instance, as late as 1990, the Thomas Commission found that within the state organization:

    - eight different time and attendance systems had been developed with three more planned;
    - seven different payroll systems had been developed with four more planned; and

- nine different accounting systems had been developed with seven more planned.

Even today an electronic linkage between the comptroller's accounting system and the State Agency Appropriation Accounting System (SAAAS), developed four years ago, remains unused because of policy barriers. This results in a vast number of transactions having to be entered at least twice by hand, at a large cost in wasted human resources and potential errors. A linkage permitting agencies to have "read only" access to the comptroller's accounting data base remains similarly unavailable for the same reason.

In the last several years, significant progress has finally been made on correcting the deficiencies, but a cost-effective consolidated statewide computerized accounting system is still not in hand.

4. Organizational conflicts inherent in a system where responsibility for financial matters is divided between the executive branch and an independent, elected comptroller continue to be a major stumbling block to achieving the desired financial system. Presumably, for this reason, the comptroller is an elected position in less than one-third of the states.

5. Budgeting and appropriation by program or project has been tried and effectively abandoned (at least in the legislature), reportedly due to its added complexity, but probably due to the lack of commitment by the agencies, the executive branch and the legislature.

6. Management by Objectives has been recommended, tried, and abandoned in the past, reportedly because of the difficulty of finding appropriate "performance yardsticks." However, lack of attention and commitment in the legislature and at all levels of management is also apparent.

7. The financial labor costs of Connecticut's state government are very high as presently practiced. Financial staff is spread widely throughout state government. Counting all staff in the comptroller's and treasurer's offices along with those in fiscal/administrative, budget, accounting, payroll, and purchasing positions, state financial staff number about 2,000. That figure could be about another 1,000 higher (a total of 3,000), if data processing and other staff related to financial functions were counted. The total payroll including benefits appears to fall between $100 and $150 million.

   Bureau of the Census data suggest that the state's financial staff grew dramatically in the 1980s, almost doubling from 1982 to 1989.

Connecticut's state payroll costs and staffing appear to exceed that of companies in private industry by a factor of two.

8. Communication related to computer systems and plans among agencies and between agencies, OPM, and the Office of the Comptroller has often been poor to almost nonexistent. Relationships seem frequently to be dominated by "turf considerations" and the ubiquitous "not-invented-here" factor.

9. Agencies frequently have their own constituencies in the legislature and yield to the temptation of using these constituencies to try to bypass normal channel financial controls.

10. Consideration of this past history leads to the following dominant finding:

> While useful recommendations can again be made that could both reduce the cost of finance administration and substantially improve the control of state finances, effective implementation of these recommendations will only come about if stronger centralized management control of finance is first established.

If the recommendations of this report are carried out substantially as set forth herein, manpower reductions of 700 to 1,000 employees with an annual cost saving of $30 to $50 million could potentially be realized. The timetable for savings is indeterminate until an implementation plan can be developed. This finding is made on a judgment basis considering the fragmentation and duplication currently existing and the experience of other cost saving programs in the private sector. The limited comparisons cited in Finding 7 support but, of course, do not prove this estimate.

Recommendations

1. To the extent not already established by statute, give the designation and duties of chief financial officer to the secretary of the Office of Policy and Management. Have the secretary create an "Office of Finance" headed by an executive financial officer.

   a. Except as otherwise provided by the state constitution, and subject to the approval of the secretary, the executive financial officer should:

      (1) establish the state's financial policies;

(2) review and approve, amend, or reject all agency or department budget requests for financial systems and operations, and act to correct any deficiencies in such systems or operations; requests for new or significant revisions to existing information management systems also must be approved by the Office of Information and Technology (OIT);

(3) review and advise agency heads regarding agency financial staff needs;

(4) in cooperation with the Bureau of Personnel, review the performance evaluations of agency financial management personnel made by the agency head, recommend career development programs for key managers, and coordinate interagency financial manager transfers; provide advice to agencies on personnel policies and salary scales for financial management personnel, which will be determined by the Bureau of Personnel in accordance with statute;

(5) monitor financial reports of all state organizations;

(6) organize and effect programs to exchange financial systems information and technology among agency and other state financial personnel; and

(7) direct the operations of the Office of Finance.

b. In each agency that does its own accounting, the accounting and budget function shall be directed by an agency chief financial manager, which shall be a classified position. The agency chief financial manager shall:

(1) report administratively and for work direction and priorities to the agency head;

(2) direct the accounting and budget operations of the agency, using the methodology and

procedures established by the executive financial officer; and

(3) carry out at the agency level the functions of the executive financial officer.

2. The comptroller, in carrying out accounting processes and financial reporting that meet constitutional needs, shall also meet the statutorily defined needs of the General Assembly as well as the requirements of the executive branch as specified by the governor or his or her designated agent.

3. Under the chief financial officer's general responsibility for financial systems:

a. The comptroller shall develop a centralized accounting system that accepts information already available from SAAAS and the Business Office Systems Support (BOSS) Time and Attendance system and that meets the interface needs of the Automated Personnel System (APS) and the Automated Budget System (ABS).

b. SAAAS will become the standard statewide agency accounting system and BOSS Time and Attendance will become the standard statewide time and attendance system. The Department of Administrative Services (DAS) will continue to provide SAAAS to agencies, and OPM shall extend its use to other agencies. The existing interface between SAAAS and the comptroller's accounting system shall be activated with all due speed.

c. Authorized personnel of the agencies and the executive and Legislative branches shall be provided electronic access to appropriate financial data bases.

d. Using unified project management, DAS with the cooperation of OPM and the comptroller will implement the "core systems" enterprise architecture as defined in the OPM/OIT Strategic Plan for Information Technology (1991) and will include SAAAS, BOSS Time and Attendance, APS, ABS, Central Accounting System (CAS), and other such systems as deemed appropriate to support the financial and administrative functions of the state. Such systems shall be able to be directly integrated to provide consolidated reports and shall provide the degree of detail and

organization required for effective control of expenses at the program or project level within the agencies.

e. All information hardware and software technology projects executed by the comptroller's office shall continue to be reviewed and approved pursuant to Public Act 91-387.

4. Institute a "Management by Objectives" approach to facilitate effective expenditure control. Each budget project or program should include concise long-term objectives and objectives to be achieved with the current year's proposed budget expenditure. Each prior year's actual achievements versus original objectives should be reviewed by OPM as part of the budget review for the subsequent year's proposed budget.

5. Require that agency or department operating and capital budget requests and budget reviews be on a program, project, and organizational basis.

   In order to handle the large number of agency budgets and modifications thereto arrived at during the budget process, a computerized consolidation of agency budgets must be fully implemented. A program to do this, as well as compare actual program expenditures with the budget and facilitate program analysis, is currently being implemented for all agencies. This Automated Budget System ought to be implemented statewide with all due speed.

6. For the smaller agencies provide a variety of financial services on a centralized basis as determined by the chief financial officer.

7. Subject revenue producing agencies and agencies financed by funds other than the General Fund to the same cost control discipline as nonrevenue generating agencies financed by the General Fund.

PURCHASING

Findings

The purchasing of goods and services by the state is a large undertaking, comprising $520 million of the $6.6 billion FY 91 General Fund budget and virtually all of the annual $1 billion capital budget. About 160 state employees are engaged in the purchasing activity at an annual cost of about $8 million.

Past state-sponsored studies of the purchasing activity have recommended greater centralization and this has led to the establishment of the purchasing function in the Department of Administrative Services. Based on the very limited review

carried out, the methodology for purchasing used by DAS and the agencies appears in line with good industry practice.

The cost-effectiveness of the purchasing function depends not only on the methodology used, but also on the correctness of the underlying make/buy decision. The term "make/buy decision" is used here to include all decisions to provide a product or service from internal state sources rather than to purchase the product or service from the private sector or vice-versa.

Consciously or unconsciously, most organizations frequently will hold a biased opinion that they can do a given job better than someone on the outside. Thus, a key top management function is to see to it that the proper make/buy decisions are made. In an organization with the complexity of state government, this is best done by a periodic "make/buy audit" of each agency by an audit team reporting to top management of the executive branch. This audit team would both review make/buy decisions already made by the agency and analyze the agency operations for other potential make/buy decisions.

Recommendations

1. Complete the development of the computerized purchasing systems in the Department of Administrative Services, and adopt these systems as approved in the Office of Information and Technology for use in agencies that do much of their own purchasing.

2. For major agencies, continue to limit the purchasing scope by DAS to areas where there is commonality of purchased items among most agencies (e.g., office supplies).

3. When DAS does purchasing bid solicitation and evaluation, it should complete the activity through the issuance of a purchase order to the supplier.

4. For smaller agencies, have DAS provide total purchasing service.

5. Establish a "make/buy audit" function in OPM that will periodically review the operations of each agency to review make/buy decisions about the purchase of goods and services actually made by the agency and make/buy decisions that possibly should have been considered, but were not.

GENERAL RECOMMENDATIONS

1. The executive branch should consider the following areas for possible study, pursue those that appear most promising as its resources permit, and report to the legislature on its efforts and results by the end of 1992.

    a. The internal organization of the Office of Policy and Management after the establishment of the chief financial officer concept.

    b. An evaluation of all major financial and purchasing work flows.

    c. Intra-agency consolidations of finance functions.

    d. The consolidation of payroll functions into one central division, with the possible exception of higher education units.

    e. An evaluation of the implementation of this task force's recommendations.

2. A time frame for carrying out these recommendations should be set.

AREAS FOR POSSIBLE FURTHER STUDY

1. Evaluation of the effectiveness of the present audit system and a study of the merits of broadening the audit function under an elected or appointed "auditor general."

2. Evaluation of systems and agencies related to the income side of operations.

3. Evaluation of Capital Budget and Bonding Commission systems and procedures.

4. Evaluation of legislative support functions.

ATTACHMENT

ATTACHMENT A

Presentations Made Before the Agency Finance, Budget, and Purchasing Task Force

DAS Purchasing Policies & Procedures	Peter Connolly
DAS Purchasing Revolving Fund	Robert Granquist
Prior Study Findings	Robert Kravchuk
SAAAS Operations & Procedures	Josephine Fox
Automated Budget System	Robert Kravchuk Serre Murphy
Budgeting Process	Ted Barchauski
State Financial Information Systems	Dan Colarusso
Department of Transportation: Financial Process	Edmund Mickiewicz
Department of Transportation: Financial Management Information System	James Gaston
State Comptroller: Accounting	Raymond Girard
State Comptroller: Information Processing	Ernest Shepard

VII. DEPARTMENTS OF ENVIRONMENTAL PROTECTION AND AGRICULTURE

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DELIVERY OF SERVICES IN THE DEPARTMENT OF AGRICULTURE AND THE DEPARTMENT OF ENVIRONMENTAL PROTECTION FINDINGS AND RECOMMENDATIONS

As approved by the commission on February 7, 1992

INTRODUCTION

The Delivery of Services in the Department of Agriculture and the Department of Environmental Protection Task Force concluded the majority of its work in the very short time frame established, and the results to date are contained in this report. There are several longer-range issues that the task force believes need to be addressed, and it will be continuing to examine those areas.

The task force met with the Department of Agriculture (DoAg) and the Department of Environmental Protection (DEP) several times to discuss material provided by the departments related to the scope of study. The task force also met with the Department of Consumer Protection (DCP), the Department of Health Services (DOHS), and the Department of Public Utility Control (DPUC) to discuss overlapping functions. In addition, the task force held a public information session at which several organizations gave input about the delivery of services in the departments.

The task force makes a number of recommendations including that the Department of Agriculture and the Department of Environmental Protection be maintained as separate state agencies as currently organized. The task force also believes that several issues, like the regulation of water supply, need further examination and has proposed continued review of those areas.

FUTURE ROLE OF THE DEPARTMENT OF AGRICULTURE

Findings

The task force finds that the lack of a more clearly defined constituency, sense of mission, and strategic plan for the future have made the Department of Agriculture vulnerable to budget reductions in critical programs. The department needs to make changes, if it is to make a compelling case in the future to the legislature for funds and responsibility.

The legislature has not allowed the department to grow, and, in fact, has been cutting department funding as the competition for state funds has increased. The task force believes that the primary reason for this has been that the department has not been aggressive in diversifying the state's agriculture, nor in seeking new agricultural opportunities. In addition, the department needs to make a much better

case for the worth of its programs to the legislature and policymakers, and mobilize its constituency among part-time farmers and others not traditionally viewed as part of agriculture in Connecticut.

While the department has not made a strong case for some of its programs, the task force wishes to compliment the Department of Agriculture for its work in the Special Supplemental Food Program for Women, Infants, and Children (WIC).

The task force finds that the department provides some valuable services to the state, but could be doing more. Making the department more responsive to the present and future of agriculture is critical.

Recommendation

Therefore, the Department of Agriculture should be continued as a separate state agency, but it must:

1. **more clearly define its constituency;**

2. **engage in strategic planning; and**

3. **expand marketing and economic development programs for agriculture.**

While these issues do not directly address organizational and structural changes that may be needed in the department, these recommendations and the proposals for implementation that follow, seek to improve the services of the agency and thus bolster the task force's recommendation for maintaining the Department of Agriculture.

Who is served. The task force finds that the department needs a clearer definition of its constituency, who the department is serving, and who it should be serving. The department looks at farms in terms of $1,000 per year of products sold (USDA) or $2,500 of products sold (Connecticut tax laws). However, the task force received no information as to what services the department offers these smaller operations, nor what percentage these small operations are of the state's agriculture overall. In sum, the department needs to more adequately portray what is happening with agriculture in Connecticut, and what it foresees for the state's agriculture in the future.

Based on agency personnel allocations and proposals it has made to the legislature, much of the department's effort seems to be aimed at dairy farming, even though the number of dairy farms has declined. Further, given the land-intensive nature of dairy agriculture and the high average age of dairy farmers, the department

may wish to rethink this emphasis. The department might also consider assisting those farmers in shifting to other forms of agriculture that may be more profitable, while allowing them to preserve the land base.

The department may also wish to consider increasing technical, marketing, and other forms of assistance to the large number of part-time farmers producing high value, high quality products on less land. The nature of agriculture appears to be shifting in an increasingly suburban environment, and the department needs to recognize that and arrange its priorities accordingly.

Strategic planning. As a result of the changes occurring in agriculture, the task force finds there is a need for strategic planning for the future of agriculture in Connecticut in which all state agencies involved in agriculture work together. **It is, therefore, recommended that the Department of Agriculture in cooperation with the cooperative extension service, the University of Connecticut College of Agriculture and Natural Resources, the Connecticut Agriculture Experiment Station, vocational agriculture interests, and farmers develop a strategic plan for the next 50 years of agriculture in Connecticut.**

This plan must take into account the trend to greater suburbanization and fragmentation of the state's agricultural land base. It should also recognize the increasing part-time nature of farming and, in some agricultural areas, the growing productivity of Connecticut farmers, including those working smaller plots. The plan should recommend methods to augment the purchase of development rights program in protecting the state's agricultural land base. The plan should also consider development of a food production strategy for the state. Emphasis should also be on technical assistance and economic development strategies to improve the viability of agriculture.

Marketing and economic development. **Based on its refined sense of mission and a strategic plan, the Department of Agriculture should give renewed emphasis to marketing of agricultural products and economic development for agriculture.** The task force recognizes that fulfilling these goals may take legislation in some cases, and in others increased or redirected staff. The task force also recognizes that the legislature has cut the department's marketing efforts and has not always favorably received economic development proposals. But, a major problem is the failure of the department to present a compelling case to the legislature, due to lack of a clear mission, long-range plan, and aggressive existing programs to point to as models.

The department should look at ways to augment the Connecticut Grown and Quality Seal Programs, including improved marketing aimed at consumers, restaurants, and retailers. Other strategies should also be examined for expanding markets of Connecticut agricultural products, including direct sale. Community-supported agriculture, whereby consumers buy shares in crops and contribute labor, should be

explored. Linking agriculture with tourism, as has been done to some extent with wineries, is another possibility. Sugarhouses, orchards, and some dairy operations may also be suitable tourism sites.

Economic development for agriculture should be twofold. The department should try to attract food processing and storage facilities to the state that will provide a steady outlet for farm products and stimulate increased agricultural production. Second, an economic development program should offer technical and financial assistance to those who wish to begin or expand profitable agricultural production. This may involve special set asides in existing Connecticut Development Authority (CDA) programs or a new assistance program. Such programs should be geared to agricultural needs and provide smaller assistance amounts where necessary.

AQUACULTURE

Finding

Both the Department of Agriculture and the Department of Environmental Protection have responsibilities for the Aquaculture Program. DEP conducts the harvesting inspections and enforcement, while DoAG monitors the shellfish habitat to ensure that the product is safe for consumption, and is also involved in its promotion and marketing.

Recommendation

In keeping with the focus of making the Department of Agriculture a more viable agency, the task force recommends that any programs that deal with the promotion, marketing, or expansion of agriculture and agricultural activities remain in the Department of Agriculture. **Thus, the current regulatory and promotional aspects of the Aquaculture Program implemented through the Department of Agriculture staff should remain in DoAG, and efforts to expand this industry should be encouraged.**

RETAIL FOOD INSPECTIONS

Findings

The task force identified overlapping food inspection activities among the Department of Agriculture, the Department of Consumer Protection, and local health departments. The Consumer Protection Department has 10 staff who conduct inspections of retail food stores. These inspectors examine general sanitation of the stores, the labelling of products, and check to ensure proper temperatures in coolers, display cases, etc. The Department of Agriculture also sends inspectors to retail food stores to examine: 1) the quality, grade, and condition of produce; 2) most milk products; and 3) any fertilizer, seeds, and feeds that are sold at retail stores. The

local health departments also have authority under the public health code to inspect foodstuffs and sanitation at retail food establishments, although the task force did not focus on how often this is actually done or what these inspections entail.

The task force concluded that the responsibility for retail food inspections at the state level ought to be merged into one agency. The areas that the state agency would examine should include:

- inspections for product labelling and other economic violations;
- retail milk storage and display inspections;
- inspections of feed, seed, and fertilizer at retail stores;
- produce inspections; and
- general sanitation inspections at retail food stores.

To assess which agency should assume responsibility for these functions, staff to the task force accompanied inspectors of both departments on routine inspections of retail food stores. The field visits confirmed that duplication and overlap in the food inspection program exists. Based on the information gathered on those field visits, and on material provided by the agencies in December and January, the recommendations below are made.

Recommendations

The food inspection programs at the retail level should be consolidated within the Department of Consumer Protection, as outlined below:

- **transfer produce inspection and labelling enforcement responsibilities from the Department of Agriculture to the Department of Consumer Protection;**
- **transfer retail milk storage and display inspection and licensing from the Department of Agriculture to the Department of Consumer Protection; and**
- **transfer the licensing and inspection of feed, seed, and fertilizer at retail stores from the Department of Agriculture to the Department of Consumer Protection.**

These proposals will incorporate all retail inspections of agricultural products into one agency, and will eliminate the need for inspectors from more than one state agency to conduct inspections at food stores.

The commissioner of the Department of Consumer Protection, Gloria Schaffer, testified at the task force public hearing that these inspection responsibilities could be carried out without significant staffing changes. A copy of the commissioner's testimony is contained in Attachment A.

While the current responsibilities in the two agencies' inspection programs may not be identical, the task force concludes the Department of Consumer Protection's inspections of retail food stores are thorough and comprehensive, and that the department can adapt its focus and procedures to include all of the regulatory aspects that need to be addressed.

There is also overlap between the Department of Consumer Protection and the Department of Agriculture in the inspections of processing beverages (for example, juice) if that occurs at a dairy processing facility. The Department of Consumer Protection examines the nondairy processing and products, while the Department of Agriculture examines the dairy products.

It is recommended that responsibility for all dairy plant inspections be consolidated within the Department of Agriculture. The current staff at the Department of Agriculture would be responsible for inspecting other beverages and products now inspected by the Department of Consumer Protection. This should be carried out with the existing Department of Agriculture staff.

LAND ACQUISITION PROGRAMS

Finding

The task force finds that both the Department of Agriculture and the Department of Environmental Protection administer land acquisition programs. The Department of Agriculture administers the Farmland Preservation Program whereby the state purchases the development rights in order to preserve property as farmland. The Department of Environmental Protection also administers a land acquisition program for various purposes, including access to fishing and hunting areas, or for recreation and conservation purposes.

Recommendation

The land acquisition programs have different purposes and little cost savings could be realized if the programs were consolidated in one agency. **Therefore, the Farmland Preservation Program should continue to be implemented in the Department**

of Agriculture, and the Department of Environmental Protection should continue to administer the land acquisition programs currently under its jurisdiction.

DEP REGULATION DEVELOPMENT

Findings

The task force finds that the Department of Environmental Protection currently has 107 sets of regulations waiting to be developed; some of them have been required since 1985 and 1986. About 40 of the pending sets of regulations are mandatory, while the remainder are discretionary. Most of these regulations are required by state legislation, while 17 are mandated through federal law or EPA directive. According to the department, it would take five or six years to clear the backlog. Based on department data, the task force estimates that costs to develop a set of regulations range from $117,000 to $324,000.

Recommendation

The task force believes that the Department of Environmental Protection should make every effort to reduce the backlog of regulations. **The department should introduce legislation that eliminates the requirements for those regulations that are no longer necessary. Secondly, DEP ought to develop a priority system for regulation development.**

DEPARTMENT OF ENVIRONMENTAL PROTECTION PERMITS

Findings

The DEP has a current backlog of 2,868 permit applications. The lack of automation of the permitting process hampers the department's ability to issue permits quickly. The department lacks a mainframe computer, has no single automated system in place to develop permits, and the current systems do not interface with each other.

Engineers assigned to permit development are responsible for calculating the permit fees. The task force estimates that function consumes about 68 days of engineering time. In addition, each bureau has a processing technician and at least two clerical staff.

Currently, the department has not developed standards for how long it should take DEP staff to develop various types of permits.

Recommendations

The task force believes that DEP is taking steps to reduce its significant permit backlog. The department worked to obtain legislative authority to issue "general permits," and to extend the permit issuance period from 5 years to 10 years. In addition, the department has established a permit ombudsman to assist with certain permits, and to work with businesses and other applicants to coordinate the process. The department is also developing a priority system for permit issuance, and has had an independent consultant review its permit processing program.

The task force finds that DEP is certainly trying to improve its permit processing, but several areas still need to be improved.

First, the department must strengthen its efforts to develop one automated system for development and tracking of permits. The automated permit system should also be able to calculate permit fees. The task force believes such a system would be much more cost-effective, greatly reducing the amount of engineering time that must be spent on calculating permit fees. The development of such an automated system is absolutely critical to efficient permit processing, and thus the department must make it a top management priority. The task force recognizes that implementing this system does hinge on external factors, such as the location of DEP into a single office space and acquiring the computer hardware capable of accommodating such a system. Therefore, the task force impresses on the department and other agencies controlling department office space and purchasing the importance of acting upon these issues as quickly as possible. If delays in relocating or in obtaining computer hardware are experienced, the backlog in permitting will persist, if not worsen.

Second, the department should also attempt to establish standards for how long various permits should take to develop. If these standards are developed, the department will have a clearer idea of staffing and resource needs, and DEP staff will recognize the permitting workload expectations. With such measures in place, DEP should better be able to avoid backlogs, and when they do occur explain the reasons for them.

Third, the Department of Environmental Protection should expand its current "general permit" program to include other types of minor projects in water-related permits as well as other areas. These "general permits" would be subject to the same requirements as are currently incorporated with the general permits legislation in Public Act 91-263.

ADMINISTRATIVE HEARINGS AND ADJUDICATION FUNCTION

Finding

The Department of Environmental Protection has an adjudications function, including holding hearings on permits and orders issued by the department. According to DEP, there are five attorneys working in the Adjudications Unit, but they also work on other department matters. In 1990, DEP issued 217 administrative orders, and 108 of those were appealed. In those cases where a hearing was scheduled, 78 percent were settled without a hearing in 1989 and 41 percent in 1990, although the department notes that settlement talks may still be underway in some cases.

The task force did not have time to evaluate whether it would be more cost effective or result in better services, if there were a statewide adjudications office, but understands this issue is being examined further by the Law Revision Commission and the legislature's Judiciary Committee.

DEP FEE-BASED FUNDING

Findings

The Department of Environmental Protection has been funded increasingly through separate fee-based funding. Since FY 89, DEP's total budget has increased only slightly -- from $57.9 million to $58.4 million. The General Fund portion has in fact declined, the Federal Fund portion has increased about one-third, and the Other Funds portion has just about doubled -- from $5.6 million to $10.2 million.

The task force believes that the intent of the separate fee-based funding was to supplement overall department appropriations so that DEP could operate the increasing number of programs it has been mandated to implement. However, as the General Fund increases have declined in recent years, these special funds have actually substituted for state appropriations. The task force concludes that these special funds have hampered the DEP's ability to fulfill its mandates, because the department must respond to what the fees are paying for rather than what the department establishes as priorities. Further, even the programs that the fees have supported appear to have suffered under these special funds.

The task force also believes that designated funding may also raise the expectations of those who pay for the fees that they will receive prompter or better services from the department. However, the department is hard pressed to deliver better services since the designated fees are offsetting declining increases in General Fund revenues from the state. The continuing permit backlog is a prime example of where fee-based funding has not been successful in improving programs.

The task force also finds that DEP has also had to add administrative and clerical staff to handle the increased billing and processing functions.

Recommendation

Therefore, the legislature and state agencies should proceed cautiously with further reliance on designated fee-based funding. The task force believes that greater dependence on designated fees does not result in bolstering agency programs, and may also compromise policymaking in the legislature as well as the executive agencies implementing these programs. The task force recognizes that federal laws and regulations will require additional fees, but the task force encourages the legislature to use revenue generated from those fees to augment programs, rather than substituting the fees for other funding.

The task force did not have the opportunity to examine fully which programs were affected by fee-based funding and, as a result, the impact on those programs. This is an issue the task force believes warrants continued examination.

ADMINISTRATIVE TO DIRECT SERVICE COSTS

The legislation establishing the Commission to Effect Government Reorganization requires the commission to develop plans to reduce the proportion of overhead to service delivery costs. The task force had hoped that this might be an area that could be explored by the entire commission so that similar definitions would be used and comparable conclusions reached. Given the compressed time frame for this study, the task force was unable to fully explore the administrative versus direct services functions and costs, and thus makes no recommendation at this time.

The task force determined that, based on available personnel data, DEP has 59 managers -- including both appointed and classified personnel from assistant directors up to the commissioner -- which translates to 5.6 percent managerial staff in the department. This ratio does not appear out-of-line with expected ratios in other state agencies or with organizations outside of government.

Additionally, "snapshot" data provided by DEP on its Waste Management Bureau shows that about 30 percent of its available person hours are spent on administrative tasks. This does not include those administrative functions performed for the overall department, like payroll, personnel, and budgeting. The task force cannot reach any conclusions from these preliminary data, but believes examination of these issues should continue.

ADMINISTRATIVE COSTS AND BONDING PROGRAMS

Finding

Bonding programs exist in both the Departments of Agriculture and Environmental Protection. Of the bonding funds administered by DEP, approximately $2.2 million (1 percent) of the Clean Water Funds pay for administrative expenses.

Recommendation

In other bonding programs -- for example, in the Department of Housing and the Department of Transportation -- it is not unusual to allocate administrative costs to the bond funds. **It is recommended that the Department of Environmental Protection examine where further use of allocating administrative costs for major bonding programs -- for example the Land Acquisition Program and the Recycling Program -- could be accomplished.**

The task force believes that where administrative expenses are incurred with bonding programs, it is only appropriate that these expenses be charged to the bond funds. The percentages customarily charged to the programs for administrative costs are between 2 and 5 percent, and the task force believes there is sufficient oversight of bonding funds to ensure that this administrative expense allocation will not be abused.

REGULATION OF SUBSURFACE SEWAGE DISPOSAL SYSTEMS

Finding

The current responsibility for regulating subsurface sewage disposal systems is split between two agencies. DEP has responsibility for reviewing plans for systems over 5,000 gallons per day, those that service more than one dwelling, or those that use innovative technology. The Department of Health Services has authority over the systems under 5,000 gallons per day. DOHS certifies local sanitarians who are responsible for reviewing the actual system plans, although DOHS does review plans of those systems between 2,000 and 5,000 gallons. DOHS reviewed 706 such plans during FY 91. DOHS indicates that, since the department has responsibility for certifying persons qualified to review subsurface sewage disposal plans, and since DOHS also licenses subsurface installers and cleaners, the jurisdiction for the smaller systems should not be transferred.

Recommendation

The regulation of sewage disposal systems should be consolidated in one agency. Since DEP has the expertise to review larger systems and already conducts those plan reviews, the responsibility for all subsurface sewage disposal systems

should be consolidated in DEP, and the appropriate staff should be transferred from DOHS to DEP. Despite the concerns of DOHS about transferring this activity, the task force believes that the benefits of consolidation outweigh the liabilities.

REGULATION OF WATER SUPPLY

Findings

The regulation of water supply is split among four agencies -- the Department of Environmental Protection, the Department of Health Services, the Department of Public Utility Control, and the Office of Policy and Management (OPM). The Department of Health Services has primary responsibility for setting and enforcing all state and federal drinking water standards and also reviewing adequacy of supply and the quality of the water. The Department of Environmental Protection examines the overall environmental impacts of water supply, including aquifer protection. The Department of Public Utility Control reviews water supply plans to assess their potential rate impact, while OPM has a coordinating role.

Recommendation

The task force believes that with this number of agencies involved in a single regulatory area, it is difficult to coordinate and manage the state's water supply efforts, and it makes the regulatory process more cumbersome. While these agencies may have tried to coordinate efforts through a Memorandum of Understanding, this may not go far enough, and further consolidation should be vigorously pursued. The task force is currently in the process of reviewing the 1985 legislation (Public Act 85-535) concerning a coordination plan for water supply regulation, and how it has been implemented.

At this time, some streamlining and consolidation of the plan review function can be achieved by transferring the water engineers currently in DPUC to DOHS. These engineers would continue to be paid by DPUC, and would remain DPUC employees with a primary focus on rate review, although their plan review function would be broad based, simultaneously evaluating water quality, water supply, and rate adequacy.

ATTACHMENT

Attachment A

GLORIA SCHAFFER
COMMISSIONER OF CONSUMER PROTECTION
STATE OFFICE BUILDING, HARTFORD, CONNECTICUT 06106

January 7,1992

The Honorable David Lavine
Task Force Chairperson
Commission To Effect Government Reorganization
State Capitol
Room 501A
Hartford, Connecticut 06016

Dear Representative Lavine:

Per your December 23rd directive, department staff have carefully reviewed the activities of our Food Division program in an effort to identify those programmatic areas which might be consolidated or streamlined. Specifically the department has reviewed those aspects of the department's programs which interface with similar programs administered by the Department of Health Services/Municipal Health Inspectors and the Department of Agriculture. We would respectively make the following recommendations:

Department of Health Services/Municipal or Regional Health Inspectors

Department of Consumer Protection and Department of Health Services have begun the process of preparing a Memorandum of Understanding relative to our responsibilities for retail food safety. Both departments intend to consolidate retail food inspection within the Department of Consumer Protection Food Division. Such a consolidation will enable Connecticut towns and municipalities the opportunity to devote limited resources to other public health priorities. The Department of Health Services and Department of Consumer Protection have reached an agreement in principle as regards consolidating retail food inspection and will work together in the coming months on finalizing the specifics of this agreement. We do not believe at this time that the streamlining of retail food inspection will require any change to the General Statutes.

Department of Agriculture -- It appears from a brief review of the Department of Agriculture's annual report and their testimony of December 23rd that they have several manufacturing or retail programs which necessitate the Department of Agriculture's deploying inspectors to the same retail outlets or manufacturing plants where Department of Consumer Protection food inspectors are also

conducting far more comprehensive inspection and enforcement programs. The transfer of several such Department of Agriculture programs to Consumer Protection would consolidate the regulation and inspection of food manufacturing and retailing within the Department of Consumer Protection and and it would eliminate the traditional practice of sending inspectors from both departments to the same location.

For example: while Department of Consumer Protection Food Inspectors are conducting a comprehensive inspection of a retail food outlet, a Department of Agriculture inspector may come into the same retail outlet to inspect the milk, or soft cheese storage, display and labelling. Another Department of Agriculture inspector may also visit the same retail outlet to inspect produce labelling and still another Department of Agriculture inspector may visit the same retail outlet to inspect the feed, seed, and fertilizer package display. These three inspection tasks could easily be incorporated into the comprehensive storage, preparation, sanitation, labelling and economic inspection conducted by the Department of Consumer Protection Food Inspector during the course of a single store inspection. Keeping in mind the committee's directive to recommend alternatives to this kind of overlap, I would recommend the following changes to the current division of responsibilities between the Department of Consumer Protection and the Department of Agriculture:

1. Transfer produce labelling enforcement responsibilties from the Department of Agriculture to the Department of Consumer Protection. This change would require amendments to Chapter 423 CGS and could be absorbed by the Department of Consumer Protection within existing staff resources.

2. Transfer retail milk storage and display inspection and licensing from the Department of Agriculture to the Department of Consumer Protection. This transfer would require amendments to Chapters 423 & 430 CGS. Again existing food inspection staff could absorb this new responsibility. However, absorbing the milk permit issuing functions would require the transfer of one clerical position from the Department of Agriculture to the Department of Consumer Protection.

3. Transfer dairy plant inspection from the Department of Agriculture to the Department of Consumer Protection. This change would require amendments to Chapter 430 GCS and the transfer of one dairy plant inspector from the Department of Agriculture to the Department of Consumer Protection.

4. Transfer the responsibility for licensing and inspection of feed, seed, and fertilizer at retail. This transfer would require amendments to Chapters 427a and 428a CGS. In addition such a consolidation would require the transfer of two Department of Agriculture staff positions (one clerical and one inspector).

5. Through a Memorandum of Understanding between the Department of Consumer Protection and the Department of Agriculture, the Department of Consumer Protection food inspectors could conduct the Department of Agriculture's quality seal inspection when conducting our routine licensing and sanitation inspection of cider mills. Such an arrangement would again eliminate the need for a Department of Agriculture inspector to also visit a cider mill for a "quality seal" inspection. Such an arrangement would not require additional staff on the part of the Department of Consumer Protection and would not require any statutory change that we are aware of at this time.

6. Transfer the Department of Consumer Protection's participation with the Connecticut Natural Organic Farmer's Association (CNOFA) organic farm certification program from the Department of Consumer Protection to the Department of Agriculture, thus consolidating regulatory activities on the farm within the Department of Agriculture. This transfer does not require a statutory change and can be accomplished through a Memorandum of Understanding between the Department of Agriculture and the Department of Consumer Protection.

In summary, the most cursory review of the overlap between the Departments of Consumer Protection and Agriculture reveals that Department of Agriculture inspectors, pursuant to the existing division of statutory responsibilities, are required to perform narrowly focused inspections at retail food stores and food manufacturing locations which are also comprehensively inspected by the Department of Consumer Protection. With minimal disruption of the existing staff of both agencies, manufacturing and retail food enforcement programs can be consolidated within the Department of Consumer Protection's food enforcement program. Thus allowing Department of Agriculture resources to devote full attention to the production and marketing of farm products throughout the state.

Thank you for allowing me the opportunity to make recommendations to your committee. As usual I am available to provide whatever additional information or input the committee deems helpful as you continue this process.

Sincerely,

Gloria Schaffer
Commissioner

cc: Susan Addiss, Commissioner
John Herndon, Commissioner

APPENDICES

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APPENDIX A
LEGISLATIVE AUTHORIZATION

Section 48 of June Special Session, Public Act No. 91-3
(as amended by June Special Session, Public Act No. 91-14)

(a) There is established a commission to effect government reorganization which shall consist of the following members:

> The chairpersons and ranking members of the joint standing committees on appropriations and government administration and elections, and the chairpersons of the legislative program review and investigations committee or their designees, the secretary and deputy secretary of the office of policy and management and the commissioner of administrative services or their designees, two representatives of the state employees bargaining agent coalition (SEBAC) appointed by the governor, two representatives of the business community appointed by the governor, and fourteen members appointed as follows:
>
> Eight public members appointed by the governor and six members appointed as follows: One appointed by the president pro tempore of the senate,one appointed by the speaker of the house of representatives, one appointed by the majority leader of the senate, one appointed by the minority leader of the senate, one appointed by the majority leader of the house of representatives, and one appointed by the minority leader of the house of representatives.

Appointments by legislative leaders may be public members or legislators. The governor shall appoint a cochairperson who is not a legislator from among the members appointed by him. The other cochairperson shall be a legislator elected by the legislative members of the commission.

All appointments shall be made on or before September 4, 1991. Each cochairperson may appoint a vice cochairperson from among the members of the commission to preside in his absence.

The cochairpersons shall appoint such task forces as they deem appropriate to develop proposed implementation plans for consideration by the commission. The members of such task forces may include, but need not be limited to, commission members and representatives of the executive branch and shall include the cochairpersons of the joint standing committee and the appropriations subcommittee having cognizance of the agencies included in each such plan.

All state agencies shall cooperate fully with the commission.

(b) The purpose of the commission shall be to study state government and develop plans for the implementation of organizational and structural changes in order to improve the delivery of services to the people of the state, increase the productivity of service providers, and reduce the relationship of over head costs to the provision of services.

The commission shall also examine the specific areas of financial management, personnel administration and information systems development and management to determine the most appropriate functional organization for improved efficiency, coordination, training, career advancement opportunities, and systems support for agencies.

In the development of its recommendations and implementation plans, the commission shall examine the agencies under consideration in terms of the commonality of clients served, the skills required to deliver such services, the use of similar information and data bases in carrying out agency missions, and the use of common facilities.

The commission shall examine the savings and revenue potential to be derived from reorganization and shall develop plans and cost estimates for implementation of its recommendations.

The commission shall review the state's service provider network to determine whether efficiencies can be achieved by private providers and by the state in its purchase of service activities.

(c) The commission shall develop plans for implementation of organizational and structural changes, to be effective during the fiscal year ending June 30, 1993, with respect to the following:

(1) Social services, including the possible merger of human resources and income maintenance and the department on aging and the inclusion of rental assistance programs in the new agency;

(2) Job creation and training, housing and economic development, including the possible merger of the departments of labor and economic development, and the functions of the department of housing related to the development and construction of housing which is affordable to the full range of low and moderate income families;

(3) The coordination of substance abuse prevention and treatment services including the possible consolidation of funding sources and programs for such prevention and treatment services of (A) the Connecticut alcohol and drug abuse commission; (B) the departments of mental health, veterans' affairs, human resources, education, children and youth services, correction,public safety and labor; (C) The University of Connecticut; (D) the division of criminal justice; (E) the judicial department; (F) the public defender services commission and (G) the office of policy and management;

(4) Public safety and motor vehicles, including matters concerning emergency communications and response, civil preparedness, municipal police and military services,and the possible merger of the departments of public safety and motor vehicles;

(5) The delivery of services by the departments of environmental protection and agriculture, including a review of the internal structure of said departments;

(6) The delivery of educational services, including a review of the internal structure of the departments of education and higher education and their constituent units to determine how management and administrative costs within and between the two agencies might be reduced;

7) Services to persons with disabilities for the purpose of promoting access to government programs and full integration into all aspects of community life;

(8) The consolidation of bill drafting and other legislative legal services to the general assembly, including the possible merger of the law revision commission and the legislative commissioners' office, and

(9) The possible privatization of the division of special revenue's off-track betting facilities.

(d) If the commission finds that the implementation of any of the above organizational and structural changes pursuant to this section is not feasible for any reason, it shall provide the governor and the general assembly with a statement of its reasons for so finding.

(e) The commission shall also study the standardization of agency finance, budget and purchasing practices and the reorganization of data processing personnel under a chief information officer and the elimination of the data processing revolving fund in the department of administrative services.

(f) The commission may examine any other area of state government organization or structure and may make such recommendations as it deems necessary.

(g) The commission shall begin its work not later than September 23, 1991, and shall submit implementation plans, including drafts of legislation necessary to implement its recommendations, in a report to the governor and the general assembly not later than March 15, 1992.

APPENDIX B
NONVOTING COMMISSION MEMBERS

Legislators

Rep. Joseph A. Adamo
Co-chairman
Labor & Public Employees Committee

Rep. Anthony V. Avallone
Co-chairman
Commerce & Exportation Committee

Rep. Naomi K. Cohen
Deputy House Majority Leader

Rep. Joseph Courtney
Co-chairman
Human Services Committee

Rep. Doreen DelBianco
Assistant House Majority Leader

Rep. Patricia A. Dillon
Co-chairman
Public Health Committee

Rep. Barbara M. Ireland
Vice Chairman
Appropriations Committee

Sen. George Jepsen
Co-chairman
Planning & Development Committee

Rep. Martin M. Looney
Co-chairman
Planning & Development Committee

Rep. Thomas S. Luby
Co-chairman
Commerce & Exportation Committee

Sen. James H. Maloney
Co-chairman
Labor & Public Employees Committee

Executive Branch and Public Members

Susan Addiss
Commissioner of Health Services

Jon Alander
Commissioner of Human Resources

William A. Bevacqua
Vice President - Government Relations
Bridgeport Regional Business Council

Marilyn Campbell
Acting Commissioner of Education

Reverend David Cannon
Chairman, Board of Trustees
Community-Technical Colleges

Nicholas A. Cioffi
Commissioner of Public Safety

Daniel M. Colarusso
Executive Director - OIT
Office of Policy & Management

Andrew G. De Rocco
Commissioner of Higher Education

Robert F. Granquist
Deputy Commissioner, Department of
Administrative Services

Beverly P. Greenberg
Member, State Board of Education

John J.C. Herndon
Commissioner of Agriculture

John C. Higgins-Biddle
Executive Director, Conn. Alcohol &
Drug Abuse Commission

Timothy R.E. Keeney
Commissioner of Environmental
Protection

Nonvoting Commission Members, cont.

Sen. Cynthia Matthews
Co-chairman
Public Health Committee

Sen. Michael P. Meotti
Co-chairman
Transportation Committee

Rep. Mary M. Mushinsky
Co-chairman
Environment Committee

Rep. Jonathan Pelto
Deputy House Majority Leader

Rep. Peter C. Smith
Vice Chairman
Commerce & Exportation Committee

Sen. Steven Spellman
Co-chairman
Environment Committee

Sen. Kevin B. Sullivan
Co-chairman
Education Committee

Rep. John W. Thompson
Vice Chairman
Human Services Committee

Rep. Nancy Wyman
Co-chairman
Education Committee

Valerie Lewis
Assistant Commissioner, Department of Higher Education

Joseph J. McGee
Commissioner of Economic Development

Lawrence R. Meachum
Commissioner of Correction

Ronald F. Petronella
Commissioner of Labor

A. Searle Pinney
Senior Partner - Pinney, Payne et al

Edith G. Prague
Commissioner on Aging

Toni Richardson
Commissioner of Mental Retardation

Lewis B. Rome
Partner - Rome, Case et al

Audrey Rowe
Commissioner of Income Maintenance

Henry S. Scherer, Jr.
Commissioner of Housing

Rose Alma Senatore
Commissioner of Children and Youth Services

Alfred Smith
Attorney - Murtha, Cullina et al

Albert J. Solnit
Commissioner of Mental Health

Chip Ward
Consultant, Office of Policy and Management

APPENDIX C
TASK FORCE STAFF

Social Services and Services to Persons with Disabilities

Staff Leader

George W. McKee	Program Review and Investigations Committee

Staff Members

Robin Cohen	Office of Legislative Research
Terry Cote	Department of Mental Retardation
Maryellen Duffy	Program Review and Investigations Committee
Brenda Farrell	Legislative Commissioners' Office
Anne Foley	Office of Policy and Management
Mike Gilbert	Office of Fiscal Analysis
Anne Gnazzo	Legislative Commissioners' Office
Cliff Hamilton	Office of Legislative Research
Joan Hubbard	Office of Policy and Management
John Kasprak	Office of Legislative Research
Luane Lange	University of Connecticut
Susan Omilian	Office of Policy and Management
Lisa Secondo	Office of Policy and Management
Lee Voghel	Office of Fiscal Analysis

Education and Higher Education

Staff Leader

Spencer Cain	Program Review and Investigations Committee

Staff Members

Joyce McSweeney	Office of Fiscal Analysis
D'Ann Mazzocca	Office of Legislative Research
Alan Shepard	Office of Fiscal Analysis
Cathy Wright	Legislative Commissioners' Office

Service Provider Network

Staff Leader

George W. McKee	Program Review and Investigations Committee

Staff Members

Maryellen Duffy	Program Review and Investigations Committee
Mike Gilbert	Office of Fiscal Analysis
Joan Hubbard	Office of Policy and Management
Susan Omilian	Office of Policy and Management
Lisa Secondo	Office of Policy and Management
Saul Spigel	Office of Legislative Research

Task Force Staff, cont.

Substance Abuse

Staff Leader

Susan Omilian	Office of Policy and Management

Staff Members

Mike Gilbert	Office of Fiscal Analysis
Anne Gnazzo	Legislative Commissioners' Office
John Kasprak	Office of Legislative Research
Anne McAloon	Program Review and Investigations Committee
Lee Voghel	Office of Fiscal Analysis

Information Technology

Staff Leader

Robert Kravchuk	Office of Policy and Management

Staff Members

Chris Gellman	Office of Fiscal Analysis
Mary Janicki	Office of Legislative Research
Ed Sederquest	Office of Policy and Management

Job Creation & Training

Staff Leader

Dennis McNeil	Office of Policy and Management

Staff Member

Diane Smith	Office of Policy and Management

Agency Finance, Budget & Purchasing

Staff Leader

Ed Sederquest	Office of Policy and Management

Staff Members

Brian Beisel	Program Review and Investigations Committee
Mary Janicki	Office of Legislative Research
Mike Wambolt	Office of Fiscal Analysis

Task Force Staff, cont.

Environmental Protection/Agriculture

Staff Leader	
Cathy Conlin	Program Review and Investigations Committee
Staff Members	
Jeffrey Beckham	Legislative Commissioners' Office
Elyse Gittleman	Office of Fiscal Analysis
David Leff	Office of Legislative Research
Judith Lohman	Office of Legislative Research
John Radasci	Office of Policy and Management

Assistance with Final Report Preparation

Jill E. Jensen	Program Review and Investigations Committee
Anne E. McAloon	Program Review and Investigations Committee

APPENDIX D

COMMISSION TASK FORCE ASSIGNMENTS

	Commission Members (Voting)		Other Members (Nonvoting)	
	Legislative	Executive	Legislative	Executive
I. Social Services and Services to Persons with Disabilities	Chairman - Sen. Kenneth Przybysz	Lorraine Aronson	Rep. Naomi Cohen	Jon Alander
	Sen. Joseph Harper	Vincent Laudone	Rep. Joseph Courtney	Edith Prague (Thomas Corrigan)
	Rep. David Lavine	Carol MacElwee	Rep. John Thompson	Toni Richardson
	Sen. Judith Freedman	Robert Rinker	Rep. Patricia Dillon	Audrey Rowe
			Rep. Doreen Del Bianco	Henry Scherer
			Sen. Cynthia Matthews	Albert Solnit (David Crompton)
II. Education and Higher Education	Chairman - Rep. Shaun McNally	Badi Foster	Rep. Jonathan Pelto	Marilyn Campbell
	Sen. Edward Munster	Dorothy Goodwin	Sen. Kevin Sullivan	Beverly Greenberg
	Lawrence Davidson	Lorraine Aronson	Rep. Nancy Wyman	Andrew DeRocco
				William Bevacqua
				Lewis Rome
				Rev. David Cannon
				A. Searle Pinney
III. Service Provider Network	Chairman - Sen. Judith Freedman	Lorraine Aronson	Rep. Doreen Del Bianco	Lawrence Meachum
	Sen. Marie Herbst	Ronald Cretaro	Rep. Patricia Dillon	Toni Richardson
	Sen. Edward Munster	Carol MacElwee	Sen. Cynthia Matthews	Rose Alma Senatore
	Sen. Kenneth Przybysz	Steven Perruccio		Albert Solnit (David Crompton)
	J. Yancey Brame	Reginald Smith		Edith Prague (Thomas Corrigan)

	Commission Members (Voting)		Other Members (Nonvoting)	
	Legislative	Executive	Legislative	Executive
IV. Substance Abuse	Sen. Louis DeLuca	Chairman - Scott Moser	Rep. Doreen Del Bianco	Susan Addiss
	Lawrence Davidson	Vincent Laudone	Rep. Patricia Dillon	Marilyn Campbell
			Sen. Cynthia Matthews	Nicholas Cioffi
				John Higgins-Biddle
				Lawrence Meachum
				Rose Alma Senatore
				Albert Solnit
V. Information Technology	Rep. Reginald Jones	Chairman - Robert Rinker	Rep. Barbara Ireland	Robert Granquist
	Sen. Marie Herbst	William Cibes	Sen. Michael Meotti	Daniel Colarusso
	Rep. Robert Bowden	George Ward		
	Rep. William Kiner	Reginald Smith		
VI. Job Creation and Training	Rep. Shaun McNally	Chair - Timothy Moynihan	Rep. Joseph Adamo	Joseph McGee
	Rep. J. Peter Fusscas	Scott Moser	Sen. George Jepsen	Ronald Petronella
	J. Yancey Brame	Steven Perruccio	Rep. Martin Looney	Audrey Rowe
	Rep. William Dyson	Badi Foster	Sen. James Maloney	Henry Scherer
			Sen. Anthony Avallone	
			Rep. Thomas Luby	
VII. Agency Finance, Budget, and Purchasing Practices	Rep. Robert Bowden	Chairman - George Ward	Rep. Barbara Ireland	Chip Ward
	Rep. J. Peter Fusscas	William Cibes	Rep. Peter Smith	
	Rep. Reginald Jones	Ronald Cretaro	Sen. Michael Meotti	
	Sen. Louis DeLuca	Wilhelm Meya		
	Rep. William Kiner	Reginald Smith		
VIII. Delivery of Services in Department of Agriculture and Department of Environmental Protection	Chairman - Rep. David Lavine	Wilhelm Meya	Rep. Peter Smith	Alfred Smith
	Rep. William Dyson	George Ward	Sen. Michael Meotti	Timothy R.E. Keeney
			Rep. Mary Mushinsky	John J.C. Herndon
			Sen. Steven Spellman	