

**A STUDY OF THE  
HUMAN RESOURCES REORGANIZATION PROPOSALS**

**REPORTED TO  
THE GOVERNOR  
AND  
THE GENERAL ASSEMBLY OF VIRGINIA .**



**HOUSE DOCUMENT NO. 9**

**COMMONWEALTH OF VIRGINIA**

**Department of Purchases and Supply**

**Richmond**

**1978**



COMMONWEALTH of VIRGINIA

Office of the Governor

Richmond 23219

November 29, 1977

Mills E Godwin Jr

TO: Members of the General Assembly

Ladies and Gentlemen:

Pursuant to recommendations of the Commission on State Governmental Management, House Joint Resolution 188 was passed by the General Assembly at the 1977 Session.

This Act required that a study and evaluation be made of the proposals of the Commission on State Governmental Management to reorganize the State-level human resources agencies in the light of the need to consider simultaneous organizational changes in the human resources area at the local level.

This Act further required that the Governor transmit the findings, conclusions, and recommendations in a written report to the General Assembly.

The responsibilities in this matter have been discharged and I commend the report to you.

Sincerely,

A handwritten signature in cursive script that reads "Mills E. Godwin, Jr." with a large flourish at the end.

Mills E. Godwin, Jr.

jyw

Attachment



# COMMONWEALTH of VIRGINIA

Office of the Governor

Richmond 23219

Woodrow W. Wilkerson

November 21, 1977

TO: The Honorable Mills E. Godwin, Jr.  
FROM: Woodrow W. Wilkerson *mm*  
SUBJECT: Study under HJR 188

Under the provisions of House Joint Resolution 188, the Governor is called upon to make a study of the human resources reorganization proposals of the Commission on State Governmental Management (Hopkins Commission) as they may impact local human service delivery as well as the need for local organizational changes to enhance the delivery of such services. In considering the several options available for conducting this study, it appeared that the appointment of a task force to carry out this assignment was most feasible.

Accordingly, the Task Force on Human Resources Reorganization was named by the Secretary of Human Resources. This Task Force consisted of individuals of the Human Resources agencies (State, regional, and local levels), members of local government, private providers, and private citizens. In making its study of the proposals of the Hopkins Commission, it appeared appropriate that the Task Force give consideration also to alternatives, including the present organizational structure.

Also, a study group consisting of representatives from the Human Resources agencies was named to provide valid and up-to-date data, furnish impact analyses, and develop proposals for consideration by the Task Force and its subcommittees. The staff of the Office of the Secretary of Human Resources was utilized to support the Task Force and the study group by formulating ideas, proposing alternatives for consideration, and preparing the necessary documentation of the activities, deliberations and decisions.

The Task Force conducted an intensive study within severe time restraints. Its report, which I am pleased to transmit herewith, represents a constructive and conscientious effort to address overriding administrative, service delivery, and organizational concerns in the Human Resources area.

The Task Force's recommendations are underlined and cited below as they appear in the attached report. The numbers shown in parentheses are provided for purposes of cross-referencing to that document; the comments of the Secretary follow each of the recommendations.

1. (I-1) Keep the Medicaid Program intact with the Department of Health, continuing its use of the most effective method of handling fiscal systems.

This recommendation is endorsed and agreement is expressed regarding the rationale set forth by the Task Force. Virginia does have a nationally acclaimed Medicaid Program with extensive coverage for clients, well-instituted procedures for vendor certification, and a system of checks and balances for the prevention and protection of fraud and abuse. The Secretary would not be in accord with any change which might negatively impact the administration of this high-quality program.

2. (I-2) Maintain the Bureau of Crippled Children (BCC), and its programs, within the Department of Health.

The Secretary is in accord with this recommendation. Since access to this program is through physician referral and local public health screening, and since the service itself is primarily medical, with follow-up provided by local health teams, it would be inappropriate to transfer this cohesive system into another agency. The services provided through the Bureau of Crippled Children are primarily medical rather than rehabilitative. Accordingly, the program is more appropriately conducted through the State Department of Health.

3. (I-3) Merge all functions presently undertaken by the State Water Control Board and the Air Pollution Control Board and place them within the present State Department of Health under a Division of Environmental Management. Further, the name of the Department of Health should be changed to the Department of Health and Environmental Management in order to more appropriately reflect the functions presently undertaken by the Department and those which would be expanded under the proposed reorganization. Under the proposed reorganization and consolidation, there would be a Division of Environmental Management administered by an Assistant Commissioner of Health.

The merger or consolidation of agencies when it can be accomplished through the appropriate reassignment of program functions is in order, but the Secretary does not find this to be the case with respect to this recommendation. The current proposal would create, within the Department of Health, a major division under an additional Assistant Commissioner by bringing together the functions of two independent boards, each with its own mission, distinct and unlike programs, and

staffs of technicians with experience and expertise in their respective fields of specialization.

The Air Pollution Control Board focuses on environmental improvement, especially air quality, promotes the economic and social development of the Commonwealth, and facilitates the enjoyment of its attractions.

The federal government assigns health standards to the Environmental Protection Agency (EPA) which, in turn, sets standards of emission to be enforced by the Air Pollution Control Board. This enforcement is an engineering responsibility and includes functions directed towards transportation, meteorology, land use, and urban and regional planning.

Obviously, health considerations are involved; however, it is not deemed appropriate to reassign the highly technical functions of the Air Pollution Control Board to the Department of Health.

The State Water Control Board has programmatic responsibilities for diverse projects, such as flood control, water power, irrigation, recreation, propagation of fish and wildlife, and water supply. While human health considerations are involved in many water resource issues, those are not paramount except in the areas of water supply and disposal of sewage and industrial waste in surface and ground water. Present statutes vest the Department of Health with primary control over drinking water supplies and with a substantial role, as partner with the State Water Control Board, in the regulation of sewage works. The present division of labor between the two agencies, which provides a desirable relationship of checks and balances, has served the State well and should be continued.

4. (I-4) Initiate a chronic disease hospitalization program, giving consideration to the utilization of the Blue Ridge Sanatorium as an initial State operated facility for chronic disease patients. This facility could be so used with the cooperation of the University of Virginia's School of Medicine faculty and personnel.

This recommendation is supported. There is no doubt that the Commonwealth needs to take a comprehensive look at the type and duration of long-term hospitalization care that is provided by and/or within the State. Significant needs have been identified in the areas of: (1) long-term hospitalization for chronic diseases such as tuberculosis, epilepsy, diabetes, cancer, etc., and (2) long-term care for patients who will never fully recover from a severely debilitating condition such as a major stroke, brain damage from an accident, etc.

In light of those needs, it is appropriate that when State facilities such as Blue Ridge Sanatorium begin to out-live their original purpose, consideration should be given to shifting these State resources to other priority purposes.

5. (I-5) Endorse the efforts of the Commission on Mental Health and Mental Retardation (the Bagley Commission) to study the legislative and administrative mandates of the local Mental Health and Mental Retardation Services Boards (Chapter 10) programs to determine what changes are necessary to clarify lines of authority and facilitate better coordination and joint planning with other human service agencies.

Agreement is expressed with the importance of this recommendation. There has been considerable concern about differing levels in quality and quantity of community-based mental health and mental retardation services statewide. A

part of this concern can be traced to the original legislation for this program, and its concomitant lack of clarification concerning lines of authority, accountability, and joint planning efforts with other human service programs. It is hoped that through the efforts of the Bagley Commission, problems in the local administration of mental health and mental retardation services can be identified and resolved.

6. (I-6) Transfer the State/Local Hospitalization (SLH) program from the Department of Welfare to the Department of Health.

This is regarded as a sound move toward providing a more uniform and a more manageable public health care system to medically indigent individuals.

7. (I-7) Place the Developmental Disabilities Planning Council under the Department of Mental Health and Mental Retardation, and give strong consideration to changing the name of DMHMR to more accurately reflect all the services it provides.

The intent of the Task Force to consolidate the Developmental Disabilities units is respected. The Secretary is unable to concur, however, in the recommendation to move the Developmental Disabilities Planning Council to the Department of Mental Health and Mental Retardation. It would not be in the best interest of the 40% of the DD population with disabilities that are not mentally retarded related (i.e. cerebral palsy, epilepsy) to move this function into an agency that serves only the 60% of the DD population who are mentally retarded.

It is recommended that the Council remain a separate unit, responsible directly to the Secretary of Human Resources. In this way, all of the needs of the developmentally disabled, from education to rehabilitation, to medical care, can be more appropriately addressed from an oversight perspective available outside of a large service delivery agency.



8. (II-1) Merge the Virginia Commission for the Visually Handicapped and the Council for the Deaf into one agency--the Department for the Visually Impaired and the Hearing Impaired (DVIHI). It is further recommended that this Department have a Commissioner as its agency head and that a period of one or two years be allowed to effectuate this merger.

The Secretary concurs with this proposal. By combining services for these two disabilities in a single agency, we are concentrating appropriate emphases upon two major conditions which tend to isolate individuals due to loss of communication. At the same time, we are reducing the number of single agencies. Through skill in designing the new agency and appropriate administrative actions, better services will result for the hearing impaired and high quality services will be continued for the visually impaired.

In order to allow sufficient time for the planning and design of the new agency, it is suggested that this proposal be made effective July 1, 1980.

9. (II-2) Change the name of the Department of Vocational Rehabilitation to the Department of Rehabilitative Services and expand its mandate so that, while retaining its purpose of vocational rehabilitation, it also begins to undertake the broad purpose of total rehabilitation. This change must be accomplished without diluting the high standard of services now available. The new thrust cannot be accomplished without additional resources. For that reason, it is recommended that a period of at least seven years of exploration, planning and development be allowed for full implementation of this recommendation.

While difficulties will be faced in implementing this proposal, it is a forward-looking approach and should be supported. It offers a comprehensive

delivery system for handicapped individuals whose capabilities are limited by loss of function from congenital defect, illness, or injury.

The primary goal of the new agency would continue to be vocational rehabilitation, but other goals (i.e. the facilitation of self care and personal mobility) which are specific to achieving maximum independence, would be established for individuals for whom employment is not appropriate.

Comprehensive rehabilitation would thus be viewed as the process whereby the total needs of the handicapped person are identified and addressed through the mobilization of vocational, medical, educational, social and other professional resources available through all human service delivery agencies. This would be an interagency process coordinated by the Department of Rehabilitative Services that would complement rather than duplicate or supplant other agencies' programs.

Due to the need for expanded services, planning, and program development, activities should be initiated July 1, 1978, but full implementation of the more comprehensive system may not be feasible before July 1, 1984.

10. III-3) Structure the board for the Department of the Visually Impaired and the Hearing Impaired so that it consists of members who would represent the legally blind, the legally deaf, the hard of hearing, and the visually impaired, as well as other citizens from the general population.

This recommendation is endorsed. The proposed composition of the board would allow for representation and input by individuals most familiar with the two handicapped conditions. The Commission for the Visually Handicapped concurred with this recommendation as did the Council for the Deaf. Establishment of this board should occur concurrently with the establishment of the new agency.

11. (II-4) Establish, through a mandate from the Secretary of Human Resources, regularly scheduled meetings to occur at least annually for the purpose of developing a comprehensive approach to rehabilitation needs and for reviewing changes in federal or State law (such as Section 504 of the 1973 Rehabilitation Act) that have impact on all handicapped persons. These meetings would include, at a minimum, the planning staffs of the Department for the Visually Impaired and the Hearing Impaired, the Department of Rehabilitative Services, the Department of Mental Health and Mental Retardation and the Department of Health, Bureau of Crippled Children.

The concept of executive responsibility for long-range planning and comprehensive program development is sound. At this point in time, concerns for the handicapped of all ages, all types of disabilities, and for all areas of vocational and social needs, have come to the forefront requiring a comprehensive approach to issue analysis and program development. Long-range planning must be coordinated among all affected programs to establish priorities for habilitation and rehabilitation and to direct the allocation of resources to meet those priorities through a comprehensive service delivery system.

12. (II-5) Use the majority of new monies which become available in the State for rehabilitation and the handicapped for programs that would extend services to the clients of the proposed Department of Rehabilitative Services and to the legally deaf and the hard of hearing, while insuring maintenance of sufficient funding for services to the visually impaired and the legally blind. This would assure the continuation of high quality programs for those with sight disabilities, while gradually improving services to the other categories of the disabled.

It is appropriate that funding priorities be established to bring the level of services for the hearing impaired in line with that available for the visually impaired. It should be emphasized that the recommendation is intended to govern the allocation of new funds resulting from increased appropriations, or increased availability of federal funds, and is not intended to reallocate existing funds from their high priority purposes. This recommendation should become effective July 1, 1978.

13. III-11 The Department of Welfare and the Virginia Employment Commission should function within their existing structures.

The Secretary fully supports the basic point of view that individuals on welfare rolls must move as rapidly as possible, when employable, to gainful employment. The consolidation of components of the Department of Welfare with components of the Virginia Employment Commission does not offer a viable solution to this problem. On the other hand, maintaining separate departments, under the scrutinizing eye and continuing to coordinate the responsibility of the Secretary, offers the better administrative structure.

It should be pointed out that these two agencies have already begun a series of steps that will result in a more efficient and effective system. Examples of these are as follows:

- 1) The Department of Welfare has recently converted 38,000 of the total 57,000 ADC cases to a centralized computer system. This system will permit the two agencies to exchange information concerning the status of a client, leading to the virtual elimination of duplicate payments, of case benefit errors, and of possible fraud. The computer system will improve the

timeliness and volume of inquiries between the two agencies. Currently, there are approximately 10,000 inquiries monthly that are initiated by local caseworkers. The computer system is expected to double the inquiries and make such inquiries on a daily basis. The automated system is scheduled for full implementation in mid-1978. The system will provide local caseworkers with wage and eligibility information which will enhance the investigation efforts at the local level. Further, the system will be used to assist in locating absent parents, which will assist in the collection of support payments.

2) The two agencies are currently emphasizing the Work Incentive Program (WIN), a program to find employment for welfare recipients. Recent figures indicate a 30% increase in placements over the previous year, which resulted in annual welfare grant reductions of more than \$2.5 million. The WIN Program is administered by the VEC in cooperation with the Department of Welfare for recipients of ADC. Persons who apply for ADC benefits, with certain exceptions, are required to register with WIN for job placement or training assistance. The WIN Program is now operating in all localities across the State. The rate of registering ADC applicants and recipients moving into jobs has also doubled in the past four months. Approximately 20,000 ADC cases are registered in the WIN Program. By early 1978, all current ADC cases who are required to register with WIN will, in fact, be registered primarily as a result of the six-month eligibility review process for financial assistance.

Furthermore, merger of the two agencies is not supported for the following additional reasons:

- 1) **Span of Control:** A single agency, formed from combining the current Department of Welfare and the Virginia Employment Commission, would be too large with too many varied responsibilities to provide effective management.
- 2) **State/Federal Relations:** At the present time, each of these agencies has clear straightforward relationships and accountability to their federal counterparts and funding sources. In addition, several major federal legislative actions, which could heavily impact these agencies, are currently pending.
- 3) **State Employee Requirements:** At the present time, the Virginia Employment Commission employees are all State employees with their own pay scales, job descriptions, and employment sites at the local level. The Department of Welfare employees are local government employees with varying pay scales and job responsibilities. To mesh these two systems would require the transfer of the Department of Welfare programs to a state-administered system. If this were to occur, it is only realistic to assume that the State would have to bear a greater percentage of existing welfare costs as well as an ever-increasing share in the future.

14. (II)-2) Charge the Virginia Employment Commission to be the lead agency to develop one strong job development and placement activity in the State.

All of the other Human Resources agencies would work with the Virginia Employment Commission to improve the coordination and implementation of these activities

through formal cooperative agreements.

It is agreed that this would be a strong first step toward improving job development and placement activities. With the prospect of receiving additional federal resources for this activity, this will afford the Commonwealth the opportunity to substantially strengthen its manpower services.

15. (III-3) Keep the existing Office on Aging and the Commission for Children and Youth (to become the Division for Children on July 1, 1978) intact as extensions of the Secretary's Office. A loose confederation shall be maintained via the sharing of support services such as financial reporting. Each agency shall retain its autonomy and shall advocate on behalf of its specific client group. Careful study should be made of the delineation of the advocacy concept versus that of grants administration and service delivery.

This recommendation is endorsed. These two agencies are required to conduct planning and perform coordinating and advocacy functions on behalf of children and the elderly. To absorb these functions into service agencies having broader mandates and responsibilities may significantly weaken the ability of the two agencies to conduct their required functions.

16. (IV) Consolidate within the Department of Health all licensing functions for facilities with standard-setting responsibilities being maintained by the appropriate agencies that are most conversant with particular programs. Appropriate staffing and sufficient funding shall be made available in order to carry forth the enforcement of all standards promulgated by the appropriate boards.

Licensure is the process of officially designating a specific type of institution as approved or disapproved in terms of prescribed and applicable standards.

In application, this process has become rather complex. The agencies involved in licensure of facilities are the Departments of Health, Mental Health and Mental Retardation, and Welfare. Also, the Departments of Health and Welfare certify or approve programs if the programs qualify for the purchasing of services for clients by the State with public funds. Often this means that a single facility must comply with the rules and regulations promulgated by two agencies in order to operate and receive public support.

Various agency problems in the field of licensure have emerged and there is general agreement that improvements are clearly in order. The most viable and best solution, however, is not so readily apparent.

It is noted with appreciation that the Task Force has proposed the placement of all supportive administrative activities and procedures in the Department of Health for the licensing of facilities within the Human Resources area. This type of consolidation is indeed one answer; merging the entire licensure function into a new agency may prove to be a better answer. This issue, however, requires more study.

Thorough consideration should be given to such matters as the present legal structure of licensure; establishment of a cohesive and comprehensive licensure policy; comparative benefits of assigning the total licensure function to a new agency, consolidating only the supportive administrative procedures, or assigning to existing agencies the responsibility for licensing certain types of facilities; interagency complexities of licensure; and comparative costs of the several administrative arrangements.



Accordingly, the Secretary of Human Resources should continue the study in depth and conclude his assessment by November 1, 1978, as to the most desirable administrative structure from the stand point of efficiency, effectiveness, and accountability for the licensing of those facilities within the purview of the Human Resources area.

17. (V-1) Introduce legislation to allow for localities, with the approval of the Secretary of Human Resources, to submit plans for the comprehensive delivery of human services in a manner that is best suited to their own specific needs.

This proposal is supported. It is believed that by allowing localities to tailor the administration and delivery of human services to meet local needs, benefits will accrue to the State, the locality, and the individual clients. Experience with local services integration pilot projects designated under S. B. 517, has revealed that each locality has unique needs in the area of human resources and, consequently, that no one system of administration and service delivery should be mandated statewide.

18. (V-2) Continue to emphasize the role of the Secretary of Human Resources as a strong coordinating influence across agency lines.

This is obviously a sound concept. All social programs have some influence on each other and the Administration must be ever watchful that gaps and/or overlaps in the delivery of authorized services do not occur. The Secretary of Human Resources has an essential and a critical role to play in the efficient and effective management of State government.

19. (V-3) Initiate legislative action in the General Assembly to foster the establishment of concurrent fiscal years for the Commonwealth and the major federal funding sources.

This recommendation has obvious merit but may well be impracticable to bring to fruition. The tasks of planning, coordination, and resources allocation could be conducted with greater effectiveness if programs and budgets were constructed according to concurrent fiscal years.

gcf

cc: Mr. Maurice B. Rowe  
Mrs. Joy Margrave

1                   HOUSE JOINT RESOLUTION NO. 188  
2                   Offered January 18, 1977  
3 *Requesting the Governor to study and evaluate the proposals of the Commission on State*  
4 *Governmental Management to reorganize the State-level human resources agencies in*  
5 *the light of the need to consider simultaneous organizational changes in the human*  
6 *resources area at the local level, and to present his findings and recommendations to*  
7 *the nineteen hundred seventy-eight session of the General Assembly.*

8  
9                   Patron—Lemmon

10  
11                  Referred to the Committee on Appropriations

12  
13       WHEREAS, the Commission on State Governmental  
14 Management has presented proposals that would result in a  
15 reorganization of State-level human resources agencies and  
16 programs; and .

17       WHEREAS, the Commission has found that the administration  
18 of human resources programs at the local level is an integral part of  
19 the total organizational and management aspects of the human  
20 service delivery system; and

21       WHEREAS, it is necessary to undertake a thorough analysis of  
22 the impact of any State-level human resources reorganization on  
23 the operation of the local human resources agencies; and

24       WHEREAS, the Governor and the Secretary of the Human  
25 Resources are in the most appropriate positions to undertake such  
26 an analysis as a part of their overall planning and budget  
27 formulation responsibilities; now, therefore, be it

28       RESOLVED by the House of Delegates, the Senate of Virginia  
29 concurring, That the Governor is requested to study and evaluate  
30 the human resources reorganization proposals of the Commission  
31 on State Governmental Management as they might impact on local  
32 human service delivery, as well as the need for organizational  
33 changes at the local level to enhance the delivery of human services.

34       The Governor is further requested to transmit his findings,  
35 conclusions and recommendations in a written report to the General  
36 Assembly no later than November one, nineteen hundred seventy-  
37 seven.



A REPORT  
TO THE SECRETARY OF HUMAN RESOURCES  
IN RESPONSE TO  
HOUSE JOINT RESOLUTION 188

Prepared by:  
Task Force on  
Human Resources Reorganization

October, 1977

MEMBERS OF THE  
TASK FORCE ON HUMAN RESOURCES REORGANIZATION

Mr. Thomas J. Bliley, Jr. - Richmond - Chairman

Dr. Lee H. Albright - Richmond

Mr. Sam Bush - Emporia .

Dr. Charles G. Caldwell - Harrisonburg

Mrs. Elsie Chittum - Staunton

John William Crews, Esq. - Richmond

Mrs. Willie Dell - Richmond

Mr. Richard Diamond - Richmond

Mr. Julian Hammond - Strasburg

Mr. Richard E. Hardy - Richmond

Dr. Mary Tom Long - Radford

Miss Ann Dobie Peebles - Carson

Mr. John Purnell, Jr. - Richmond

Dr. Jacqueline Raulerson - Richmond

Mr. James Snow - Roanoke

Mrs. Hilda Traina - Hopewell

Mr. Wendell White - Hampton

Mr. Frederick Willis - Richmond

Special Resource Persons:

Senator Edward E. Willey - Richmond. Member of the Commission on State Governmental Management

Mr. Kenneth Golden - Richmond. Executive Director, Commission on State Governmental Management

MEMBERS OF THE REORGANIZATION  
WORK GROUP

Mr. Joel Barr - Office on Aging

Dr. Edwin L. Brown - Department of Health

Mrs. Ada Cheung - Developmental Disabilities Planning Council

Mr. Ray C. Goodwin - Department of Welfare

Mr. Dale E. Hanks - Department of Vocational Rehabilitation

Mrs. Lorene Joslin - Council for the Deaf

Mr. Robert G. Lawson - Virginia Employment Commission

Mr. Frank S. Penland - Commission for the Visually Handicapped

Mr. Thomas Sheller - Commission for Children and Youth

Mr. Allen E. Wolfe - Department of Mental Health and Mental  
Retardation

STAFF ASSISTANCE

Mrs. Crichton J. Armstrong

Mr. Ralph G. Cantrell

Mr. George A. Koger

Mrs. Joy T. Margrave

Mr. Paul W. Matthias

Mr. Ronald W. Thompson

Mrs. Ann G. Wiesenburg

SECRETARIAL ASSISTANCE

Mrs. Frances Powell

Ms. Janice E. Simms

Ms. Jo Ann West



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## RECOMMENDATIONS

Adopted by

The Task Force on Human Resources Reorganization

### I. Recommendations regarding the Department of Health, the Department of Mental Health and Mental Retardation, and the Developmental Disabilities Planning Council:

1. Keep the Medicaid program intact within the Department of Health, continuing its use of the most cost effective method of handling fiscal systems.

#### RATIONALE:

A transfer of the Medicaid payments component would not be in the best interests of the program for the following reasons:

- a. An administrative split would undermine program effectiveness. Virginia's Medicaid program is widely recognized as one of the best in the nation and as such has been a model for other states. It has been carefully structured to build on, relate to, and be compatible with other programs and resources of the Health Department, a situation made possible by the fact that administrative responsibility has rested in the same agency. Splitting this responsibility between two agencies would undermine the program's effectiveness.
- b. Federal/State funding would become more complex if an administrative split occurred. The single state agency requirement under Title XIX would necessitate federal funds coming through the Department of Health to the proposed Department of Economic Security.
- c. Health providers would have to relate to two state agencies. There has been a strong history of participation in public health programs by all elements (physicians, pharmacists, hospitals, nursing homes) of Virginia's medical care system. These provider groups would no longer be able to deal with their major State relationship through one department. If Medicaid payments were transferred, there is the likelihood that provider participation would diminish and paper shuffling would unnecessarily increase.

- d. State agencies' relationships would become more complex. Other state agencies with Medicaid agreements would be forced, like providers, to deal with two departments instead of one to get Medicaid funds.

Insuring the most cost effective method of handling fiscal systems might mean at some future date interfacing with other agencies' computer systems. At the present time, however, the computer capability for such an arrangement does not exist and the Department of Health has established within its existing system cost control measures that are designed to insure the greatest possible economy.

2. Maintain the Bureau of Crippled Children (BCC) and its programs within the Department of Health.

RATIONALE:

Transferring the BCC to the proposed Department of Rehabilitative Services would be ill advised because of the following reasons:

- a. The health team approach would be undermined. Most referrals and field follow-up care are provided by the local health departments. They provide the clinic facilities, paramedical personnel and the back-up the physician needs. To transfer a health care program (BCC's services are primarily medical in nature rather than rehabilitative) out of a health agency which is operating very effectively, is to fragment an already cohesive system.
- b. Program costs would increase. The BCC has been extremely successful in securing donated services from private practitioners because of the close relationship between the Health Department and the medical community. To change the program's thrust and transfer it to a vendor-payment type of program under the proposed Department of Rehabilitative Services would increase the expenditure of State dollars.
- c. Program quality could decline. There is an inherent danger that the present outstanding service delivery system would deteriorate due to the lack of a physician lead role in communicating with the attending or consulting physician and the lack of close follow-up and monitoring by medical personnel. These services would not be within the capabilities of the proposed Department of Rehabilitative Services.

- d. Present service gaps are more likely to be addressed with health related funds. While recognizing that there are definite gaps in what the BCC can do for children with some medical problems (e.g. leukemia), these gaps are due to a lack of funds rather than the location of the agency. For the future it appears more promising that these gaps will be filled by Medicaid, National Health Insurance, or Child Health programs than through a Department of Rehabilitative Services.
  - e. Federal/State funding would become more complex. The single state agency requirement under Title V would necessitate the passing of federal funds through the Department of Health to the proposed Department of Rehabilitative Services.
  - f. Local agency responsibility would be unclear. Public health directors and public health nurses would have to deal with two bureaucracies (Departments of Health and Rehabilitative Services) with respect to "crippled" children. This increases the potential for clouding their accountability for services and diminishing their effectiveness.
  - g. BCC funds are more flexible in regard to family income eligibility. The BCC is able to assist virtually any "crippled" child regardless of family income; this is not necessarily true of other service programs, whether medical or rehabilitative.
3. Merge all functions presently undertaken by the State Water Control Board and the Air Pollution Control Board and place them within the present State Department of Health under a Division of Environmental Management. Further, the name of the Department of Health should be changed to the Department of Health and Environmental Management in order to more appropriately reflect the functions presently undertaken by the Department and those which would be expanded under the proposed reorganization. Under the proposed reorganization and consolidation, there would be a Division of Environmental Management administered by an Assistant Commissioner of Health.

RATIONALE:

This proposal to consolidate environmental health responsibilities under the Department of Health is based on the premise that a desirable and meaningful reorganization effort should be directed toward a reduction in the number of State agencies rather than an increase in

them when this can be facilitated through the appropriate reassignment of program responsibilities. Moreover, the soundness of this approach is attested to by the following:

- a. A strong health emphasis should be maintained relative to environmental issues. Public health concerns, which are of paramount importance, remain preeminent in this structure. If they were placed in another agency these concerns seriously risk being subordinated to mandates other than those calling for the protection of the public health and well being.
- b. A holistic approach would be taken to health concerns. The National Governors' Conference has endorsed the placement of environmental health programs in the state public health agencies. Its concensus is that environmental health issues are an integral part of and directly related to a comprehensive approach to protection of the public's health and well being, a position that is supported by the fact that out of 50 States in the nation, only 10 States, or 20%, do not have health agency involvement in their environmental programs. Moreover, three States that initially removed environmental programs from their health agencies have now reversed their actions and consolidated environmental functions within these departments. Here in Virginia, the Health Department sanitarian and the public health nurse frequently work in tandem, especially in rural areas, since it is not unusual for a family with health related problems to also have problems with sanitation, sewage, plumbing and housing conditions that may be contributing to their poor health status. This team approach has been in place and worked well for over thirty years. The proposed reorganization could negate this effectiveness.
- c. Cost savings would be realized through the use of existing statewide local delivery system and personnel. Every county and city in the State of Virginia operates a joint state/local health department that can respond quickly to local needs. To set up a similar system under the proposed Department of Air and Water Quality would be an unnecessary duplication of efforts requiring additional State dollars (there would be no local match as there is now) . With respect to personnel, any proposal which would require shifting of the sanitation and inspection functions from the State Department of Health would require a massive effort on the part of the Commonwealth to employ and train the personnel to perform those tasks that would be solely within the purview of the proposed Department of Air and Water Quality.

The reason that the present employees of the State Department of Health (not the State level, but the local level) could not be transferred so readily is because of the complexity of the state/local affiliation agreement and the multiple charter provisions in each municipality's charter relative to functions to be undertaken by its Department of Health. Thus, the sanitarians, who are presently employed by the State Department of Health, would have to be retained by the State Department of Health under its affiliation agreement and under its numerous other statutory mandates for various types of sanitation inspections of restaurants, motels, hotels, schools, hospitals, etc. and epidemiologic investigations, rabies and vector control.

- d. With the merger of the State Water Control Board and the State Air Pollution Control Board into a Division of Environmental Management within the State Department of Health, the simplest and most logical of all proposals is effected. From a legislative standpoint, there would be a total shifting of the responsibilities of the State Water Control Board and the State Air Pollution Control Board to the State Board of Health. Thus, from a legislative standpoint this proposal is much preferred over any other proposal which would require very complex legislation by attempting to shift specific functions and programs from one existing agency to a proposed agency.
4. Initiate a chronic disease hospitalization program, giving consideration to the utilization of the Blue Ridge Sanatorium as an initial state operated facility for chronic disease patients. This facility could be so used with the cooperation of the University of Virginia School of Medicine faculty and personnel.

RATIONALE:

There presently is no state program to provide long term hospital care for persons beset with chronic disease, other than those under the mandated jurisdiction of the Department of Mental Health and Mental Retardation. This proposal would address this service gap, utilizing the Blue Ridge Sanatorium facility which has over the past several years witnessed a sharp decline in its tuberculosis patient population as a result of modern medical care.

5. Endorse the efforts of the Commission on Mental Health and Mental Retardation (the Bagley Commission) to study the legislative and administrative mandates of the local Mental Health and Mental Retardation Services (Chapter 10) programs to determine what changes are necessary to

clarify lines of authority and facilitate better coordination and joint planning with other human service agencies.

RATIONALE:

The autonomy of Chapter 10 boards and their lack of accountability to the state and local governments has created a situation which needs to be carefully reviewed. It is anticipated that the Bagley Commission's efforts will address this issue.

6. Transfer the State/Local Hospitalization (SLH) program from the Department of Welfare to the Department of Health.

RATIONALE:

The Health Department has the appropriate linkages with the medical community to handle this program in a more efficient and effective manner. The SLH program could be administered as an adjunct to the Medicaid program.

7. Place the Developmental Disabilities Planning Council (DDPC) under the Department of Mental Health and Mental Retardation, and give strong consideration to changing the name of the Department of Mental Health and Mental Retardation (DMHMR) to more accurately reflect all the services it provides.

RATIONALE:

The DDPC's planning function can be accommodated within the present structure of DMHMR along with the developmental disability grants administration which is already there, while the soon to be created Developmental Disabilities Protection and Advocacy Office, with its emphasis on the protection of individual rights, is slated to be housed in the Secretary's office (it is required by federal law to be separate from service delivery agencies). This will reduce from three to two the number of places where developmental disability functions are structurally located within the Human Resources Secretariat and should improve accountability. The suggested name change would more accurately reflect the population being served by DMHMR since mental retardation is only one of several types of developmental disabilities.

- II. Recommendations regarding the Commission for the Visually Handicapped, the Council for the Deaf and the Department of Vocational Rehabilitation:

1. Merge the Virginia Commission for the Visually Handicapped and the Council for the Deaf into one agency, the Department for the Visually Impaired and the Hearing Impaired (DVIHI). It is further recommended that this department have a Commissioner as its agency head and that a period of one or two years be allowed to effectuate this merger.

RATIONALE:

- a. The new design would allow the deaf access to an already existing district structure and would enable them to gradually extend their services to the district and local levels.
  - b. The new design would keep intact the only current comprehensive rehabilitation program in Virginia, that of the Virginia Commission for the Visually Handicapped, and would retain this system as a goal standard.
  - c. The new design is logical in that it places together two "communication disabilities." Although the sum total of all other disabilities can be far greater than these two disabilities, other disabilities do not produce the devastating effect of total isolation from normal communication channels as do the loss of hearing or the loss of vision. THE DEAF CANNOT HEAR: THE BLIND CANNOT SEE. The largest amount of information transferred to the brain is through hearing and sight.
  - d. The design could be undertaken with minor shifts in personnel and facilities. The designated changes would not have any immediate impact on regional, district, or local structures.
  - e. The designation of this agency as a department is recommended in order to establish the agency as one of equal status with other major departments of human resources, i.e., Health, Mental Health and Mental Retardation, Welfare and Vocational Rehabilitation. The term Commissioner is synonymous with the term currently used to designate the heads of these existing agencies. The task force is amenable to change in either of the titles as long as the concept of equal status is maintained.
2. Change the name of the Department of Vocational Rehabilitation to the Department of Rehabilitative Services and expand its mandate so that, while retaining its purpose of vocational rehabilitation, it also begins to undertake the broad purpose of total rehabilitation. This



change must be accomplished without diluting the high standard of services now available. The new thrust cannot be accomplished without additional resources; for this reason it is recommended that a period of at least seven years of exploration, planning and development be allowed for full implementation of this recommendation.

RATIONALE:

- a. The concept of total rehabilitation is not a new one. It has been voiced by professionals in the field of rehabilitation for many years and the restraints in developing such programs in Virginia have been fiscal, not philosophical. This design would allow the proposed Department of Rehabilitative Services to gradually develop, as dollars are available, the type of service system that would take into account the needs of all handicapped, not just those who have vocational potential.
  - b. The current restraints in both state and federal funds for such programs would make immediate implementation of this recommendation impossible. To effectuate even a name change at this point in time might raise the expectations of the Commonwealth's handicapped citizens, without being able to fulfill them. A period of seven years would allow the General Assembly to investigate sources of state revenue, would allow the Department of Vocational Rehabilitation to investigate additional federal and special project sources of revenue, and would provide the agency sufficient time to plan, develop, and add special programs. Seven years is the period allowed for full implementation, but it is assumed that as programs are developed and new capabilities for client populations are realized, they will be merged into the service delivery system.
  - c. Virginia has used this system of incremental implementation with an anticipated date for full implementation in the past, (e.g., the requirement for kindergartens in all local school systems allowed five years for full implementation), and has in this regard set a precedent which the task force feels it is wise to follow in this instance.
3. Structure the board for the Department for the Visually Impaired and the Hearing Impaired so that it consists of members who would represent the legally blind, the legally deaf, the hard of hearing, and the visually impaired, as well as other citizens from the general population.

RATIONALE:

The attempt with this recommendation is to assure that the clients of this agency have peer representation on the board.

4. Establish, through a mandate from the Secretary of Human Resources, regularly scheduled meetings to occur at least annually for the purpose of developing a comprehensive approach to rehabilitation needs and for reviewing changes in federal or state law (such as Section 504 of the 1973 Rehabilitation Act) that have impact on all handicapped persons. These meetings would include, at a minimum, the planning staffs of the Department for the Visually Impaired and the Hearing Impaired, the Department of Rehabilitative Services, the Department of Mental Health and Mental Retardation and the Department of Health, Bureau of Crippled Children.

RATIONALE:

A part of the Commission on State Governmental Management's rationale used in proposing a "super agency" was that there was "no single place, no organization of state government, in which the needs of the handicapped could be addressed." This is a problem of coordination, not of organization. It is within the power of the Secretary of Human Resources to mandate that joint planning and cooperative efforts occur among the major agencies or divisions serving the Commonwealth's handicapped citizens.

5. Use the majority of new monies which become available in the State for rehabilitation and the handicapped for programs that would extend services to the clients of the proposed Department of Rehabilitative Services and to the legally deaf and the hard of hearing, while insuring maintenance of sufficient funding for services to the visually impaired and the legally blind. This would assure the continuation of high quality programs for those with sight disabilities, while gradually improving services to the other categories of the disabled.

RATIONALE:

It is recognized that there are gaps in the service delivery systems for the blind. The Commission for the Visually Handicapped, however, comes closer to providing a comprehensive rehabilitative services delivery approach (one stop shopping) than any other agency in Virginia. This system should be maintained and serve as a goal standard for the deaf and other disabilities. However,

if the deaf and other disabled individuals are ever to receive comprehensive services, new dollars must be directed to these programs. As these two emerging programs develop over a course of five, ten, or more years, the possibility of merging all rehabilitative services or services for the handicapped may become more of a reality.

III. Recommendations regarding the Department of Welfare, the Virginia Employment Commission, the Office on Aging, and the Commission for Children and Youth:

1. The Department of Welfare and the Virginia Employment Commission should function within their existing structures.

RATIONALE:

The Commission on State Governmental Management's proposal to combine all of the payments programs into one Department of Economic Security, and put all of the non-health related service programs into one large Department of Social and Employment Services would produce more administrative problems than benefits for the following reasons:

- a. The current Department of Welfare and the Virginia Employment Commission are multi-service agencies that address the needs of different client groups and administer different kinds of programs (i.e., the insurance type/employer funded unemployment insurance payment program of the Virginia Employment Commission and the state sponsored income maintenance programs of the Department of Welfare). These differences must be recognized and handled appropriately.
- b. The nature of the services of each agency is very distinct from the other in terms of crisis orientation, type of problem being addressed, type of client financial situation combined with family composition, type of eligibility requirements, and type of service staffing.
- c. The proposed merger would complicate lines of authority to the federal level and perhaps to the local level. The two agencies are administered quite differently now with the Virginia Employment Commission being a totally state administered agency with state employees, and the Department of Welfare having locally administered programs with employees responsible directly to local government.

- d. The two agencies are already working cooperatively to coordinate and improve the delivery structures of both agencies (i.e., WIN program).

If the proposed merger were attempted, major administrative problems involving potential increases in expenses and expenditures of time and energy would be created with no guaranteed assurance of increased efficiency or improved program content and service delivery. A more appropriate approach to sound management and program effectiveness can emanate from the dynamic leadership of a strong Secretary of Human Resources.

- 2. Charge the Virginia Employment Commission to be the lead agency to develop one strong job development and placement activity in the State. All of the other human resource agencies would work with the Virginia Employment Commission to improve the coordination and implementation of these activities through formal cooperative agreements.

RATIONALE:

- a. It has been recognized that many agencies provide job development and placement services for their particular client groups. However, because this is only a small part of what each agency does for its clients, it is often not as strong a service as it could be.
  - b. The Virginia Employment Commission has this function as a major part of its service delivery efforts to a broad spectrum of clients. Furthermore, it has strong ties in the private business community and is in the best position to coordinate the generation of job development and placement opportunities.
- 3. Keep the existing Office on Aging and the Commission for Children and Youth (to become the Division for Children on July 1, 1978) intact as extensions of the Secretary's Office. A loose confederation shall be maintained via the sharing of support services such as financial reporting. Each agency shall retain its autonomy, and shall advocate on behalf of its specific client group. Careful study should be made of the delineation of the advocacy concept versus that of grants administration and service delivery.

RATIONALE:

- a. The Office on Aging and the Commission for Children and Youth, as advocacy agencies, should be closely aligned with the Secretary of Human Resources. As extensions of his Office, these agencies could more

appropriately do long term planning and significant monitoring of all state programs affecting their client groups, with their roles and functions determined jointly by the specific agency and the Secretary.

- b. Any absorption of the advocacy roles of these two agencies into one specific line agency would significantly weaken if not destroy the independence and the broad based approach of these two coordinating agencies.

IV. Recommendation regarding licensing of facilities:

Consolidate within the Department of Health all licensing functions for facilities, while maintaining standard setting responsibilities within the appropriate agencies that are most conversant with particular programs. Appropriate staffing and sufficient funding shall be made available in order to carry forth with the enforcement of all standards promulgated by the appropriate boards.

RATIONALE:

- a. There are three major agencies, the Department of Health, the Department of Welfare, and the Department of Mental Health and Mental Retardation, that do a significant amount of licensing of facilities in the State. Depending on the type of facility, such as a day care center for retarded children, all three agencies may have specific licensing functions. In order to coordinate and streamline these activities and to save staff time and travel, it is recommended that all of the specific licensing visits and inspections be coordinated within one agency.
- b. Because the licensing function itself is not large enough to be located in a free-standing agency, and because the Department of Health currently has by far the most licensing responsibilities, it was determined that all field licensing staff should be the responsibility of the Department of Health.
- c. The appropriate licensing standards and program quality definitions would be promulgated by the appropriate agency boards and program staff. This would negate the need for the Department of Health to hire appropriate psychiatric or social program staff.
- d. With this improved licensing potential, the Department of Health must be provided with sufficient funds and staff to carry out this expanded mandate.

V. Special Recommendations of concern to all Human Resources Agencies:

1. Introduce legislation to allow for localities, with the approval of the Secretary of Human Resources, to submit plans for the comprehensive delivery of human services in a manner that is best suited to their own specific needs.

RATIONALE:

In order to improve the resource allocation and service delivery of the various human resource agencies, local general purpose government must be made accountable for the delivery and management of these services. In order to be held accountable, local government must be given the authority to manage and fund these programs in the way best suited to their own local situation. Minimum state standards for program quality and quantity of service must be assured. Thus a mechanism for state level approval and program monitoring must be implemented along with local flexibility.

2. Continue to emphasize the role of the Secretary of Human Resources as a strong coordinating influence across agency lines.

RATIONALE:

Many of the end results identified as desirable by both the Commission on State Governmental Management and our Human Resources Reorganization Task Force can be realized through administrative action rather than structural surgery. The authority of the Secretary of Human Resources to mandate greater interagency coordination and cooperation toward the resolution of management and service delivery problems has been established. The exercise of that authority in a dynamic and creative manner needs to continue.

- c. Initiate legislative action in the General Assembly to foster the establishment of concurrent fiscal years for the Commonwealth and the major federal funding sources.

RATIONALE:

A number of the preceding recommendations require cooperative efforts, in planning, staffing, or budgeting. The agencies' ability to undertake such cooperative efforts is greatly hindered by the fact that some programs are operated on the state fiscal year while others operate

on the federal fiscal year. It is recognized in making any change, that regional and local counterparts would also have to change in order to insure complete continuity.

## BACKGROUND ON HJR 188

The 1977 session of the General Assumbly passed House Joint Resolution 188 requiring the Governor and the Secretary of Human Resources to examine the feasibility of certain proposals for reorganization of human services. The General Assumbly requested that the report on human service reorganization be presented no later than November 1, 1977, with particular emphasis being placed on assessing the impact of such reorganization on local service delivery.

This resolution was the result of a sequence of events over the past several years which focussed on improved management of human service programs in Virginia. First, the General Assembly established, in 1973, the Commission on State Governmental Management with a broad mandate to study the organization and management of state government and to make such recommendations as were deemed necessary to maximize the efficiency and effectiveness of state government.

While the Commission's focus has been wider than human services, in November, 1975, it released a report which addressed, among other things, the need for reorganization of the human resource agencies. Copies of this report are available from the Commission on State Governmental Management, 6 North Sixth Street, Richmond, Virginia 23219.

The Commission held public hearings on its proposals throughout the State in December, 1975. In addition, through the Secretary of Human Resources, the Commission was provided comments concerning the effects of the proposed reorganization on each existing state human resource agency. These comments were prepared by the individual agency heads in the spring of 1976.

In the summer of 1976, then Secretary of Human Resources Otis L. Brown appeared before the Commission to present his views on the Commission's proposals and his own analysis of what was needed to improve the effectiveness of the state human resource agencies. Copies of Mr. Brown's alternative proposal are available from the Office of the Secretary of Human Resources.

Based in part on this information and other information presented to it, members of the Commission introduced in the 1977 session HJR 188 and a second piece of legislation, HB 1638, aimed at providing more flexibility in program management and service delivery at the local level. This latter bill was developed in response to certain recommendations contained in the proposal made by Secretary Brown. While HJR 188 passed, the latter "local option" legislation did not.



## METHODOLOGY

In late June, 1977, the new Secretary of Human Resources, Woodrow W. Wilkerson, set in motion two interrelated efforts to address the requirements of HJR 188. First, he established a Task Force on Human Resources Reorganization composed of 18 appointees representing the spectrum of human service disciplines as well as local general purpose government. Representation from diverse perspectives included:

- (1) members of state boards
- (2) regional delivery structures staff
- (3) local service delivery structures staff
- (4) private providers
- (5) local elected and appointed general purpose government representatives

This group was given a twofold charge. First, they were to examine the proposals made by the Commission on State Governmental Management and by former Secretary Brown for their impact on improved service delivery, and second, they were to report their recommendations for change by October 15, 1977. The Secretary indicated that this task force had the latitude, in his view, to accept the Commission's recommendations or former Secretary Brown's proposals in whole or in part, or to make recommendations which deviated from both. Dr. Wilkerson noted that the primary consideration for any reorganization ought to focus on the degree to which it facilitates efficient and effective delivery of services to the citizens of the Commonwealth.

Realizing the short time frame in which he was asking the task force to undertake a rather large and awesome assignment, the Secretary also established a working group of high level state agency personnel to work with the staff of the Secretary's office to factually critique both the Hopkins Commission and Brown proposals. The efforts of the work group were intended to provide the task force with a fact base from which to begin their own efforts.

In order to facilitate the most effective use of the task force and to allow for in-depth consideration of specific issues, three task force subcommittees were established. These subcommittees were: 1) Health and Mental Health Services; 2) Employment, Social and Economic Security Services; and 3) Rehabilitative Services. Each subcommittee dealt with issues and recommendations relating to their specific area, and after careful consideration brought their recommendations to the full task force for deliberation. Issues relating to advocacy and licensing functions were considered by all three subcommittees.

The task force recognized the need for rational criteria to be used in measuring effectiveness and efficiency in analyzing reorganization alternatives. In response to this need, the work group and the staff of the Secretary of Human Resources developed a list of criteria which was ultimately adopted by the task force. These criteria, used in the analysis of reorganization alternatives, are detailed below.

Criteria for Evaluation of Reorganization Proposals

1. To make state government more productive, cost effective, and efficient.
  - more clients receiving services
  - less duplication of services and administrative costs
  - reduction in costs per client
2. To make state government more accountable and responsive.
  - better ability to determine if agency program responsibilities are being met
  - better ability to initiate new programs or linkages to address unmet needs of clients
  - greater program accessibility
3. To improve the quality of state services.
  - more effective needs assessment
  - better standard setting and implementation
  - increased monitoring of service delivery systems
4. To clarify assignments of responsibility and authority.
  - more definitive delineation of program area responsibility
  - authority commensurate with program responsibility
  - services that are better understood by citizens and legislators
5. To enhance state government's adaptability to change.
  - greater flexibility in responding to emerging issues
  - fewer legislative, regulatory and funding constraints
  - consistent local government roles
  - compatible local delivery structures and regional administrative structures
6. To improve communications systems and decision-making.
  - greater allowance for citizen input
  - better interagency communication
  - clear lines of authority
  - clearly articulated roles for boards and commissions

7. To improve the state's planning, policy analysis and program development capability.
  - increased capability for comprehensive human resources planning
  - increased potential for effective and equitable allocation of resources
  - greater sensitivity and responsiveness to special need clients
  - effective advocacy roles
  
8. To foster a more positive management attitude with greater emphasis on results and program accomplishments.
  - improved personnel/budgeting/fiscal management/planning processes
  - improved evaluation processes both within agencies and across agency lines
  - reasonable span of program control

At the conclusion of the subcommittee deliberations, all conclusions and recommendations were presented to the full task force for discussion. Each recommendation was considered, in some instances extensively revised, and ultimately voted on by the task force. Thus, the contents, conclusions, and recommendations of this report have been considered and adopted by the Task Force on Human Resources Reorganization.

## ANALYSIS OF ALTERNATIVES

In the early development stages of the reorganization study conducted by the Secretary of Human Resources, in response to House Joint Resolution 188, it became readily apparent that to fully comply with this resolution would require not only careful scrutiny of the Commission on State Governmental Management proposals, but would also require careful analysis of former Secretary Otis L. Brown's proposal, and the current structure of human resource agencies. The work group and subsequently the task force carefully reviewed each of the ten major human resource agencies. Their reflections took into account these three possible alternatives.

The following agency by agency analysis is a composite of remarks solicited from the agencies, work group remarks, task force remarks, and staff remarks. It is evident in reviewing the analysis that the statements are at times contradictory. This is a natural occurrence when the attempt is to clearly and accurately articulate all positions. Furthermore, some of the rationale is applicable to more than one agency thus may appear in two or more discussions. The final recommendations and accompanying rationale relate directly to the analysis, and are in effect the result of careful analytical review.

Three agencies located under the Secretary of Human Resources did not receive the same degree of analysis. They are the areas of the Health Regulatory Boards, the Commission on the Status of Women, and Developmental Disabilities Protection and Advocacy Office. These were considered in less detail for the following reasons:

- The new agency combining the Health Regulatory Boards was created by the 1977 General Assembly and did not become a free standing entity until July 1, 1977. As such, it did not exist at the time the reorganization study of the Commission on State Governmental Management was undertaken. Even now, it has not existed long enough to be fully tested or evaluated as to its effectiveness or efficiency.
- The Commission on the Status of Women does not have a staff and as such does not provide or directly monitor any service delivery. Under these circumstances, it is extremely difficult to examine it in the same light as the other agencies.
- The Developmental Disabilities Protection and Advocacy Office was not officially created until October 1, 1977. Under federal law it cannot be placed within a service delivery structure. Considering the extensive review

given any new program, it was not considered necessary for the work group and task force to further review this office.

- The remaining human resource agencies are reviewed below under major subheadings consistent with the deliberations of the three major subcommittees of the Human Resources Task Force on Reorganization.

I. Analysis of the Department of Health,  
the Department of Mental Health and  
Mental Retardation and the Develop-  
mental Disabilities Planning Council

DEPARTMENT OF HEALTH

Commission on State Governmental Management

This proposal recommends that the existing Department of Health continue to carry out its preventative and curative public health programs, except for the following:

- Medicaid eligibility (now in the Department of Welfare) and vendor payments component would be transferred to the Department of Economic Security.
- The Bureau of Crippled Children would be transferred to the Department of Rehabilitative Services.
- Environmental Health and Solid Waste programs would be transferred to the proposed Department of Air and Water Quality under the proposed Secretary of Natural Resources.
- Clinical social services supervision (a one person operation at the state level) would be transferred to the proposed Department of Employment and Social Services.
- The Blue Ridge Sanitorium would be transferred to the proposed Department of Rehabilitative Services.

Positive Aspects:

- Medicaid - better quality control.

The consolidation of eligibility and payment components from different human resources agencies might bring about better coordination of quality control efforts, insuring that individuals get the payments for which they qualify and preventing fraud and abuse by both recipients and providers.

- Bureau of Crippled Children (BCC) - central administration for all handicapping conditions; continuum of services for children within one system.

Transference of the BCC to the proposed Department of Rehabilitative Services would give one agency administrative authority and responsibility for all handicapping conditions, and would force that agency to give attention to the rehabilitative needs of children as well as adults. This would eliminate the need for the child with a prolonged handicapping condition to

switch to a new treatment system after age sixteen.

-Environmental Health and Solid Waste - simplified federal/state relationships and accountability.

The Department of Health would no longer be required to maintain relations with the Environmental Protection Agency, thereby simplifying its federal/state lines of communication. The Health Department could also no longer be held accountable for environmental health problems.

-Clinical Social Services - better coordination with other social workers.

Placement of the state supervisory role for clinical social workers in the proposed Department of Social and Employment Services might serve to facilitate better communication and eliminate any duplication of services between them and other social workers.

-Blue Ridge Sanatorium - better utilization of the facility.

The decline in the tuberculosis census has alleviated the need for the sanatorium for this purpose. Its availability to the proposed Department of Rehabilitative Services to treat chronic diseases could ease the strain on the mental health hospitals.

Negative Aspects:

-Medicaid

An administrative split would undermine effectiveness - Virginia's Medicaid program is widely recognized as one of the best in the nation and as such has been a model for other states. It has been carefully structured to build on, relate to, and be compatible with other programs and resources of the Health Department, a situation made possible by the fact that administrative responsibility has rested in the same agency. Splitting this responsibility between two agencies would undermine the program's effectiveness.

Federal/State funding would become more complex. The single state agency requirement under Title XIX would necessitate federal funds coming through the Department of Health to the Department of Economic Security.

Duplication of roles - A health professional competence would need to be built into the new department, thereby duplicating the existing capabilities of the Health Department. Otherwise, the concept of management of health programs by health professionals would be abrogated. Health providers would have to relate to two state agencies. There has been a strong history of participation in public health programs by all elements

(physicians, pharmacists, hospitals, nursing homes) of Virginia's medical care system. These provider groups would no longer be able to deal with their major State relationship through one department if Medicaid payments were transferred, thereby creating more paper work and the likelihood that their participation would diminish.

State agency relationships would become more complex. As indicated with providers, other state agencies with Medicaid agreements would be forced to deal with two departments instead of one to get Medicaid funds.

Client relationships would become more complex. While the Aid to Dependent Children (ADC) recipient is by and large a recipient of Medicaid, he/she is also the client of the Health Department for services and would be a client of the proposed Departments of Economic Security, and Social and Employment Services as well. Thus, for many clients the services they need would be located in three rather than two agencies as at present. This would require close linkages among the three departments in their planning efforts.

#### -Bureau of Crippled Children (BCC)

The health team approach would be undermined. Most referrals and field follow-up care are provided by the local health departments; they provide the clinic facilities, paramedical personnel and the back-up the physicians need. To transfer a health care program (BCC's services are primarily medical in nature rather than rehabilitative) out of a health agency which is operating very effectively, is to fragment an already cohesive system.

Program costs would increase. The BCC has been extremely successful in securing donated services from private practitioners because of the close relationship between the Health Department and the medical community. To change the program's thrust and transfer it to a vendor payment type of program under the proposed department of Rehabilitative services would add to the expenditure of state dollars.

Program quality could decline. There is an inherent danger that the present outstanding service delivery system would deteriorate due to the lack of a physician lead role in communicating with the attending or consulting physician and because of the close follow-up and monitoring which is presently done by medical personnel which would not be within the capabilities of the proposed Department of Rehabilitative Services.

Present service gaps are more likely to be filled with health related funds. While recognizing that there are definite gaps in what the BCC can do for children with certain medical



problems (e.g. leukemia), these gaps are due to a lack of funds rather than the location of the program. For the future, it appears more promising that these gaps will be filled by Medicaid, National Health Insurance, or Child Health programs than through a Department of Rehabilitative Services.

Federal/State funding would become more complex. The single state agency requirement under Title V would necessitate federal funds coming through the Department of Health to the proposed Department of Rehabilitative Services.

Certain local responsibility would be unclear. The public health nurse would have to deal with two bureaucracies (the Department of Health and the proposed Department of Rehabilitative Services) with respect to crippled children; this increases the potential for clouding their accountability for services.

BCC funds are more flexible than rehabilitative funds. The BCC is better able to assist virtually any child regardless of family income, while the Department of Vocational Rehabilitation's programs have essentially become ones for poor people due to limited funding and departmental priorities.

#### -Environmental Health and Solid Waste Programs

Moving these programs would cause the loss of strong health considerations relative to environmental issues. Public health concerns, which should be of paramount importance, run the serious risk of being subordinated to other considerations in an agency whose principal mandate is other than the protection of the public health and well being.

Historically, environmental programs grew out of measures designed for the protection of the public's health. The provision of pure drinking water and the sanitary disposal of sewage were deemed necessary to protect the public from the ravages of the filth - borne diseases: typhoid, cholera, dysentery, hookworm, etc.

Over the years these environmental health programs were so successful the health implications were shunted aside in favor of other environmental considerations. Kepone has put an end to that. The public at large, and governmental agencies in particular, have been jolted into the realization that safeguards against the old diseases must be maintained and, more importantly, that the chemical revolution of recent years has brought about an awesome threat to our health and safety by the introduction of a new group of hazardous materials into the environment. The public will now expect an overriding health relationship in the development of all environmental programs.

Environmental health issues are an integral part of and directly related to a comprehensive approach to protection of the public's health and well being. The public health nurse and Health Department sanitarian frequently work in tandem, especially in rural areas, since it is not unusual for a family with health related problems to also have problems with sanitation, sewage, plumbing and housing conditions that may be contributing to their poor health status. This team approach has been in place and worked well for over thirty years; the proposed reorganization could negate this effectiveness.

The holistic approach to health receives the Governor's support. The National Governor's Conference has endorsed the placement of environmental health programs in the state public health agencies.

Environmental health and licensing are tied together. The environmental health functions of the sanitarians are directly related to the hospital and facilities licensing functions of the Health Department. To effect the proposed transfer would make for a more administratively complex arrangement.

The proposed Department of Air and Water Quality lacks a local base. Unlike the Department of Health, it does not have a system of offices in every locality that could respond quickly to local needs. To set up such a system would be an expensive and unnecessary duplication of effort.

-Clinical Social Services. The clinical social worker required as part of the medical team under Title V would have to relate to two departments instead of one.

-The transfer of the Blue Ridge Sanatorium would ignore current planning with the University of Virginia to utilize this space for chronic disease treatment.

#### Otis Brown's Proposal

Former Secretary Brown's proposal does not make any specific structural recommendations relative to the Health Department other than those that are part of his call for a single licensing agency. His suggestion of local human resource councils could be accommodated nicely by the Health Department's local structure if the funding procedures were worked out.

#### Current Structure

The Department of Health is currently funded by four federal agencies to operate a wide variety of public health programs in Virginia. It's stated goals are:

The promotion of personal and environmental health;

DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION

Commission on State Governmental Management

The revised proposal of State Governmental Management retains the Department of Mental Health and Mental Retardation (DMHMR) as it is, with the additional recommendation that the Developmental Disabilities Planning Council be placed within the Department.

The work group did not critique this department as a part of its examination of State Governmental Management since it was essentially calling for maintenance of the current structure.

Otis Brown's Proposal

This proposal does not specifically address issues relevant to DMHMR except insofar as it discusses licensing and the concept of local human service councils. The latter issue poses serious problems relative to Chapter 10 programs since all report directly to the autonomous Chapter 10 boards rather than to the local government structures.

Current Structure

Positive Aspects:

- There are presently a sufficient number of mental health hospitals with adequate staffing.
- Relatively high levels of service are provided through Chapter 10 programs, with the exception of services for children.
- The agency has a positive public image and generally good working relationships with other state agencies.

Negative Aspects:

- There is a lack of mental health programs specifically for children.
- The agency has an unwieldy system; it is operating 16 institutions and has 18 budgets.
- The agency information system is weak.
- The Chapter 10 system needs reworking to clarify relationships and authority.

The prevention of disease;

The diagnosis and treatment of any known health problems of the state's population.

Positive Aspects:

- The Department has a strong state/local cooperative plan and budget that facilitates a high degree of fiscal control and standard setting by the State while at the same time insuring significant local involvement.
- Regional and district units are coterminous with Planning District Commissions, Professional Standards Review Organizations and Health Service Areas.
- The Department has a strong history of cooperation with all segments of the State's medical care system.
- A statewide system of effective local health clinics provides high quality care.
- The Bureau of Crippled Children is successful and very cost effective.
- The Department has good working relationships with other state agencies.
- The Department maintains a holistic approach to health care issues.

Negative Aspects:

- The state/local cooperative budget has caused some problems with salary scales (all local health department staff are state employees) and statistical presentations.
- Other agencies' substate boundaries are not coterminous with those of the Health Department.
- There are some significant gaps in services.
- There are only a few strong local health boards.
- Many local health departments rely on oral rather than written agreements with other agencies.
- Stronger regional relationships with the Department of Welfare are needed.
- There is not enough long range health planning for the aged.

DEVELOPMENTAL DISABILITIES PLANNING COUNCIL (DDPC)

Commission on State Governmental Management

This proposal transfers the DDPC to the Department of Mental Health and Mental Retardation.

Positive Aspects:

-DDPC's planning function can be accommodated within the present structure of DMHMR.

Negative Aspects:

-DDPC staff feels it can function more effectively outside of DMHMR.

-There would be no apparent savings in administrative costs that are already being borne by DMHMR.

Otis Brown's Proposal

This proposal does not specifically speak to DDPC's concerns except insofar as it discusses the issue of advocacy. The new Developmentally Disabled Protection and Advocacy program is separate from the DDPC by federal mandate.

Current Structure

Positive Aspects:

-The developmentally disabled population crosses all agency lines, thereby enabling the resources of these various sources to be tapped for the provision of services.

-DDPC provides a good overview of the needs of the developmentally disabled free of any individual agency biases.

-DDPC is developing a strong advocacy planning capability.

Negative Aspects:

-The needs of the developmentally disabled population far outweigh the available fiscal and staff resources of the DDPC.

II. Analysis of the Council for the Deaf,  
the Virginia Commission for the Visually Handicapped, and the Department  
of Vocational Rehabilitation

COUNCIL FOR THE DEAF

Commission on State Governmental Management

This recommendation would move the Council for the Deaf's total program into a proposed Department of Rehabilitative Services. There has been no provision made for the internal design of that department.

Positive Aspects:

- Merger into a Rehabilitative Services Department would give the deaf access to very needed support services (i.e., personnel, accounting, etc.).
- If the deaf were given full division status under the Rehabilitative Services design, there certainly exists the possibility that they could substantially increase their service delivery capability. However it does not seem reasonable to conceptualize that such a small program could gain division status.
- The Council for the Deaf recognizes the need to address issues and concerns of the handicapped "across the board" and to design programs and implement policy in a way that takes into consideration the needs of all handicapped individuals.
- If the deaf could have access to a more comprehensive regional/local structure and still maintain their identity, it would prove beneficial for them to merge with other rehabilitative services.

Negative Aspects:

- The Council for the Deaf is concerned that they will lose their separate identity if merged into a total program of rehabilitation services.
- The Council is concerned over the fact that they provide services from birth to old age and that rehabilitation programs, especially those that are vocational, generally have age restrictions.
- The deaf are concerned that they might lose their advisory board and have no similar group which would be specifically concerned with the deaf.
- Only about one-fifth of the work of the Council for the Deaf concerns rehabilitation specific issues. The Council also deals with general areas such as prevention, older age, and habilitation.

- The deaf are concerned about the division of responsibility in reference to such areas as fiscal management, rehabilitation services, social services, personnel, facilities, etc.

Neutral Aspects:

- The Council for the Deaf is adamant that under any structure of government interpreter services must be maintained. Interpreter services are the only link most deaf people have with other human service agencies, doctors, lawyers, etc.
- The Council would like to be able to expand their services sufficiently to employ persons who can act as advisors to parents of deaf children, and to have social workers to work specifically with the deaf.

Otis Brown's Proposal

These recommendations do not deal very specifically with the Council for the Deaf except to imply that the Council as an advocacy agency would be subsumed into an advocacy office along with advocacy for children and youth, aged, etc.

Positive Aspects:

- The deaf recognize a significant need for advocacy.

Negative Aspects:

- The needs of the deaf in Virginia have never been adequately addressed. Attention to the needs of the deaf has only come about over the past three to five years, and then only as a direct result of the Council's activities. It would be unfortunate to destroy the work that has already been accomplished in this area.

Current Structure

Positive Aspects:

- The Council provides deaf people with an agency of government with whom they can communicate in their own language.
- The Council provides special telecommunication equipment, which enables individuals to find out about other programs and how to address specific needs.
- The Council is capable of understanding the problems of the deaf and is cognizant of their special needs.
- The Council staff has an experience base and knowledge base of existing resources that enables them to match clients with proper resources.
- The Council programs have no age limit on services to meet special

needs.

-Financial eligibility requirements are not restrictive on needed services.

Negative Impacts:

- The Council programs have been significantly understaffed.
- Too much staff time must be devoted to administrative matters, and this greatly reduces the amount of time for services and programs.
- Staff constraints prevent adequate attention to long term projects.
- The budget for the Virginia Council for the Deaf is less than \$100,000 per year. At least twice that amount of funding is necessary for adequate operation of current programs and services that are not offered by other agencies.
- The Council lacks regional centralized offices where a deaf person can easily communicate via sign language or special telecommunication devices.
- The Council has no legal authority to encourage implementation of its recommendations.

Neutral Aspects:

-The fact remains that the deaf have a very significant communication problem. It is not one that can easily be understood by the "hearing" public. Most individuals with normal hearing have never experienced total isolation from sound and cannot relate to what "deafness" actually means. The point that needs to be made is THE DEAF PERSON CANNOT HEAR. He cannot hear anyone behind, in front of, or around him; hear parents, relatives, teachers, doctors, mental health workers, ministers, etc.; hear and participate in political dialogue or other discussion; hear movies or TV or radio; hear friendly or other passing comments; hear news or talk during lunch hour or other times; hear debates, proposals that have impact on life; hear talks by state or federal representatives; hear reactions by the hearing public; hear emergency broadcasts on radio or TV;.... and many other situations. Considering the current situation in terms of services to the deaf in Virginia, this point should emphasize that the deaf not only need maintenance of current services, but most certainly need an improved service system.

VIRGINIA COMMISSION FOR THE VISUALLY HANDICAPPED (VCVH)

Commission on State Governmental Management

The Commission proposed the movement of VCVH's entire structure, with the exception of assistance payments, into a Department



of Rehabilitative Services. There has been no provision made for the internal design of this department.

Positive Aspects:

- The Commission's latest position is perceived as a significant improvement over prior recommendations which would have fragmented service delivery.
- VCVH recognizes the need for better planning "across the board" in order to address the needs and problems of all handicapped groups from a united perspective.
- VCVH recognizes the need to develop services for handicapped individuals that go beyond the scope of vocational rehabilitation, and has in fact been a front-runner in developing such programs through their special services division.
- A Department of Rehabilitative Services, if designed on the current vocational rehabilitation structure, might give the visually handicapped closer linkages to other local level agencies.
- VCVH might be able to take more positive steps toward improving salary scales with the "clout" of a larger agency.

Negative Aspects:

- The impact the changes would have on service delivery to clients would be a potential decline of all types of services for blind children and adults from a long and carefully built historical position of excellence to the lower position which has only reluctantly been provided to others severely handicapped groups in recent years as the result of court orders or new legislation. The reason for this projected deterioration is that the consolidation of services for the handicapped will tend to place them all on a common cost effectiveness basis, and judgements made on this basis will result in the client with a missing finger, simple hernia or other similar disability receiving better, more prompt service. Such disabilities are automatically more "cost effective"; they are "easier"; they produce "better statistics", and don't involve the providing counselor, teacher, or consultant with personal or emotional discomfort. On the other hand, the more devastating disability of blindness involves all of those problems and it will tend to be avoided, especially where the name of the game is "performance". Indeed this "avoidance" problem is so common that from time to time the federal rehabilitation program has had to forcefully direct its expenditure away from the "easy", "cost effective, statistically pleasing" disability groups to the more severely disabled.
- The following difficulties are inherent in a "super agency" concept:
  1. As an agency grows in size and diversity of services, the

- administrative distance between the ultimate decision-makers and the clients becomes increasingly greater. Therefore, unique client needs become obscured. Client concerns are passed up the chain of command and are often lost. The opportunity to change or modify the system to relate more closely to the needs of the clients is usually diminished or becomes nonexistent. This is especially true in the case of blind clients who are relatively small in number, have unique needs and special problems in comparison to most clients of other agencies, and whose problems are not generally understood or appreciated by those in decision-making positions.
2. Because of the additional bureaucratic red tape, clients either drop out of the "system" or become a number rather than an individual, with resultant diminution of the effectiveness of the services provided.
  3. Rather than being more economical to the taxpayers, the need for additional administrators, planners, controllers, and coordinators, coupled with the reduced effectiveness alluded to above, may cause the overall costs to increase substantially. There will be a tendency to become over institutionalized and spend more time on organization than on service delivery.
- Auxiliary Grants--The proposed removal of this program to the economic security agency would create two problems. First, it would eliminate the present situation which allows the Commission to make certain decisions which provide the blind person with supplemental benefit payments somewhat above those approved by the Virginia Department of Welfare for their eligible Virginians. Second, it would necessitate the creation of a referral process to ensure that blind persons approved for auxiliary grants by the economic security agency would be referred for social and rehabilitative services delivered by staff of the Commission for the Visually Handicapped.
- By being placed within a larger rehabilitative services department or agency, the Commission for the Visually Handicapped would encounter many additional problems in providing social, educational and other special services in addition to rehabilitative services to Virginians of all ages.
- Significant problems in budgeting for services to blind and visually impaired persons, in planning service programs and establishing priorities, in completely fulfilling its advocacy role would be encountered if services to this numerically smaller, but at the same time, severely disabled population group were placed within a larger agency.
- As has been demonstrated in reorganization attempts in other areas, placement of services to blind and visually impaired persons within a larger agency complex will result in erosion of the autonomy of leadership, the availability of sufficient numbers of specially

trained staff, and undesirable competition among disability groups for funds with which to render needed services.

- By virtue of serving persons of all ages, and in attempting to meet their educational, social services and rehabilitative needs, the Commission for the Visually Handicapped can presently gain access to many different federal and, at times, private funding sources to supplement general fund appropriations. Placement of the Commission within a larger service complex would make it more difficult to gain access to some of these funding sources and might run the risk of eliminating access to them completely.
- Title XX has had a positive effect on Commission services; the proposed design would make access more difficult, and would very likely wipe out some current relationships with Special Services for the Blind programs.

#### Otis Brown's Proposal

This proposal affects the Commission for the Visually Handicapped by the suggestion of separate advocacy functions, the creation of local human resource boards and commissions, and the removal of all employment counselling functions from other human resources to be placed in the Virginia Employment Commission.

#### Positive Aspects:

- The absorption of VCVH's job placement activities, now a part of their Vocational Rehabilitation Department into the Virginia Employment Commission could prove beneficial if special counselors cognizant of the needs and special problems of the blind were hired to work with "employment ready" blind and visually handicapped individuals.
- A separate free-standing advocacy function could add significant clout in helping VCVH pass legislation and get additional funding. It would also allow clients a grievance arena where there would be no question of conflict of interest.
- If human resource agencies distinguished between services which were available under local contract and which weren't, it would probably be a system which VCVH could blend into.
- VCVH recognizes that their placement efforts can be duplicative in the sense that their staff solicit the same employers as the Virginia Employment Commission, the Department of Vocational Rehabilitation and other public and private efforts.

#### Negative Aspects:

- Job placement and manpower management are the final product of a vocational rehabilitation program, not a separate entity unto themselves. To have a blind or visually handicapped person

"employment ready" frequently requires additional support in the way of special services, training, counselling, etc. To separate these functions might weaken the total rehabilitation process for these individuals.

- The Virginia Employment Commission might have a natural tendency to place the easiest clients first and the blind and handicapped last.
- Taking on additional responsibilities, such as placement of the blind, handicapped, deaf, etc. might weaken the effectiveness of the Virginia Employment Commission.
- Blindness is low incidence and low visibility. An obvious question raised is, could or would localities effectively manage a program like this?
- VCVH has a regional/district structure. In order to access local option, they would have to develop a system for local governments to combine. A multi-jurisdictional structure such as this does not seem to hold with the spirit of local option.
- The number of individuals trained in special skill areas necessary to work with the blind (orientation and mobility, rehabilitation teachers, placement specialist, counselors, etc.) is limited. It would take years to develop a force sufficient for each locality to provide specialized services for the blind.
- VCVH is operating extremely well as a district structure.

#### Neutral Aspects:

- More and better coordination between VEC and VCVH might be a less expensive and more reasonable recommendation. The Secretary of Human Resources has the authority to establish a mechanism for such cooperation.

#### Current Structure

#### Positive Aspects:

- Multiple funding (14 funding sources) streamlines contact with the federal government and leads to positive relationships with federal law makers and other state agencies.
- VCVH has a joint management system; therefore planning for children, adults, and seniors services is well coordinated.
- Title XX planning, done jointly with the Department of Welfare, has been successful and led to program expansions and benefits, both at the state and local levels.
- VCVH has operated as a separate state agency for 55 years. Its

success is a matter of record that cannot easily be challenged. Over the course of these years it has received the support and respect of such agencies as the National Federation for the Blind, Lions Clubs International, American Association of Workers for the Blind, Society for the Prevention of Blindness, and others. It is a recognized national leader in the field of work for the blind.

- VCVH has a comprehensive statewide orientation and mobility program designed to work with individuals of all ages, a statewide vocational rehabilitation program, a statewide rehabilitation teaching program designed to assist the blind and visually handicapped in their adjustment to daily living functions, a statewide library system which is supplemented by subregional libraries and a statewide educational program serving visually impaired children from pre-school to completion of high school, with special itinerant programs in 45 local school districts. These programs are supported by staff trained in special needs of the blind.
- Department heads within the Commission currently have well developed legislative support specific to their program areas.
- The Virginia Rehabilitation Center for the Blind is the only place in Virginia where a blind or visually handicapped person can receive comprehensive training in areas that help to overcome the disabling effects of blindness and to assume or reassume an individual's place in society.
- Prior to the time that the Center was opened in February of 1972, clients had to be sent to Pennsylvania, Arkansas, or North Carolina. The cost of continuing this practice would probably exceed the cost of operating the Center.
- The Commission has recognized the increasing needs of the aged blind, and has established a special broker advocate unit for the aged. Although currently, this service is provided only in Planning District 15, it has the potential to go statewide in two years if funds are available. The program has been effective in reducing the number of aged blind who are institutionalized.
- VCVH operates two very successful industries for the blind located in Richmond and Charlottesville. The industries annually provide employment for a substantial number of blind Virginians.
- The Vending Facilities Program operated by the VCVH is one of the most successful in the nation. It usually ranks first or second among all such programs. In 1976 the average income per individual stand operator exceeded \$15,000.00. This program brings a substantial amount of dollars back into Virginia's economy through sales tax revenue and income tax from the individual operator.

## Additional Data:

Professional workers serving blind persons must possess a body of knowledge so unique that it is not found elsewhere in the field of human services, including:

1. the rehabilitation implications of medical information concerning vision,
2. the meaning of blindness to the individual,
3. the psychosocial implications of blindness,
4. the effect of blindness on the use of other senses, and the techniques of developing and using the residual sensorium,
5. the potential values and limitations of various types of residual vision,
6. problems of mobility, self-care, and communication generated by the blindness experience and the means of overcoming them,
7. special legislation and rehabilitation resources designed to minimize the handicap of blindness,
8. the social aspects of blindness, including its effect on inter-personal relations and group interactions in the family and the community,
9. special vocational barriers and opportunities for the blind,
10. the potentialities of low vision rehabilitation services for blind persons with residual vision, and hearing services for blind persons with problems in this area, especially in sound interpretation and localization.
11. the use of new electronic aids and devices to reduce the handicap of blindness,
12. special placement problems concerned with blindness,
13. the special training for pre-school and multi-handicapped blind children and their families,
14. supplemental special education services for blind and visually handicapped children of school age, and
15. specialized training and skills to meet the multiple problems of the large population of the older blind person.

In order to ensure that the diverse needs of blind and severely visually impaired persons of all ages will be addressed by workers who are trained and committed to work with this disability, the workers and specialized programs should be assigned to a single administrative unit of state government.

Negative Aspects:

- Scar Tissue Syndrome - VCVH is a small agency, of which parts of, or the whole, have frequently been targets for reorganization. This has built up a certain amount of defensiveness.
- VCVH does not have a comprehensive system of direct service delivery for all of its major components.
- The low vision program of VCVH needs to be "beefed up". Approximately 80% of VCVH clientele have some useful vision, but not all of these have access to low vision screening and clinics. (VCVH is currently attempting to upgrade this program through project LUV-Learn to Use your Vision, a program designed for children and enlisting to aid of out-of-state experts for training. Although the initial program impacts children, the future potential through staff training, clinic development, etc. will be beneficial to all ages of blind individuals.)
- As a small agency VCVH suffers in terms of salary structure; it is not always competitive with other state agencies or localities, and sees the resulting effects in staff turnover.
- VCVH has a weak information or public relations unit. This is due in part to inadequate funding. The 1978-80 biennium budget reflects this need and makes specific requests including the use of a toll-free line for individuals with sight problems.
- The continued growth and expansion of services to the blind has pointed out the necessity for a separate planning function directly responsible to the Director. This need has not yet been adequately addressed by the agency.
- Without VCVH and the Department of Vocational Rehabilitation being together there is a potential waste of resources. They should share the cost of administration and outreach. Potential for duplication exists in the support systems.
- Some other agencies feel that it is not necessarily good to have two agencies administering Title XX, especially when forms for field workers and vendors are different.
- There exists the possibility for savings in support and administration but once a program is "gobbled up", it gets only that visibility which the larger agency gives it.

## Neutral Aspects:

- Cooperation among personalities is the key. If such cooperation existed, duplication would be avoided and gaps would be filled regardless of the organizational structure.

## DEPARTMENT OF VOCATIONAL REHABILITATION

Commission on State Governmental Management

The Commission on State Governmental Management recommendations would place the Department of Vocational Rehabilitation (DVR) intact in a large department called the Department of Rehabilitative Services. It makes no provision for the internal design of this new department.

## Positive Aspects:

- DVR recognizes the growing need to provide services that go beyond the realm of vocational services. They agree in this respect with the rationale that was used by the Commission in proposing the Department of Rehabilitative Services.
- DVR is appreciative of the fact that the Department was left basically intact in the latest recommendations, and not dwarfed by a huge agency such as DMHMR as they were in earlier proposals.
- Although DVR has interagency agreements with the Virginia Commission for the Visually Handicapped, the Council for the Deaf, and the Bureau of Crippled Children, they are cognizant of the need to plan, evaluate, and monitor services to this group across the board, in a more structured and formal fashion.
- Increasing public awareness, strong advocacy, and federal legislation are all working to bring about a more aware and demanding handicapped citizen, who will not be satisfied to have only the "vocational" part of his life dealt with in terms of rehabilitation. The emerging handicapped citizen will want services that help him to overcome the disabling effects of his handicap in a manner in which he can return to society as a productive member in his own regard, whether or not he chooses to pursue a vocational career.
- There is an ever increasing need for "habilitation" to work with individuals who are born with crippling or disabling diseases or conditions.

## Negative Aspects:

- While recognizing the philosophical motives behind reorganization, DVR is quick to point out that the idea of "comprehensive rehabilitation" is not a new one, but one which has been philosophically



debated for a number of years. The major pitfall to the creation of such services has not traditionally been in the purposes or attitudes of the vocational rehabilitation agency, but has stemmed from the lack of funds, both federal and state, to support such a program.

- As an agency DVR receives constant pressure to provide rehabilitation services on a broader scale. But the reality of the situation is that DVR services are limited, by federal regulations, funding, and resources to a very narrow range of categorical clients who cannot be too old, or too young, or even too handicapped (spinal cord injuries, leukemia, etc.) that they cannot reasonably be expected to enter gainful employment.
- DVR does not have funds to handle people outside of their mandate, and the Commission recommendations skillfully avoid any reference to how changes would be financed. As it is set up now, the Commission recommendations risk the possibility of raising citizen expectations without providing the tools (i.e., money, staff, etc.) to meet them. There is something to be said for the proposition that if you raise citizen expectations, then the General Assembly will be pressured to allocate more state dollars to rehabilitation needs. But DVR does not want to be caught in the middle and thinks that the General Assembly ought to be aware of what it is buying if it supports the Commission's proposals.
- DVR does spend a lot of rehabilitation funds on basic subsistence such as room and board for clients. This function should be handled by an income maintenance type program. These expenditures are certainly justifiable and necessary for the rehabilitation of DVR clients, but this spreads rehabilitation resources very thin. If nothing better is devised, DVR should keep this function because it is the "lubricant" that makes its service system work better.

#### Neutral Aspects:

- Over the past few years, the DVR program has become more and more for the poor and not the disabled. This requires that the middle class disabled impoverish themselves before getting assistance. At some point in time the State is going to have to develop a consistent philosophy concerning its rehabilitative programs.
- The Department of Vocational Rehabilitation was very much concerned that the basic elements as agreed upon by its Board be retained under any reorganizational structure. These are:
  1. vocational objective as the primary focus of the program,
  2. an individualized approach to evaluating all handicapped persons to serve eligible individuals,

3. responsibility for advocacy and opportunities for the handicapped,
4. a full-time vocational rehabilitation administrator and trained specialized staff devoting themselves to vocational rehabilitation programs with a clear line of supervisory and administrative authority,
5. built in accountability,
6. direct access to legislative, budgetary, and executive processes, and
7. preservation of integrity of the vocational rehabilitation program with the direct responsibility for funds, staff, and client eligibility.

#### Otis Brown's Proposal

These recommendations suggest the relocation of DVR's placement and manpower functions in the Virginia Employment Commission (VEC) and raise the idea of a separate advocacy function. The issue of "local option" is important to DVR which has a regional rather than local structure.

#### Positive Aspects:

- DVR recognizes that one of their weakest areas is the area of job placement. There are definite benefits to transferring this responsibility to an agency which has as its primary responsibility job development and placement, but only if that agency could provide staff that were knowledgeable of the special needs of the handicapped.
- There are advantages to be seen in having a separate advocacy function. Primary benefits of such a system would be additional clout in areas such as legislative matters and funding. Creation of such a system also implies more integrity and removes the possibility of conflict of interest when a client has a grievance which is directed toward the service delivery system.
- The concept of having local human services boards is a good idea. The Department of Vocational Rehabilitation recognizes this and has for years worked closely with localities through both purchased and direct services such as: local workshops, placement of personnel in local school divisions, and attempting to place individuals in jobs back in their own communities.

#### Negative Aspects:

- Job placement and manpower management are the final product of a vocational rehabilitation program, not a separate entity unto themselves. A handicapped individual does not generally become "employment ready" until he has gone through the rehabilitation

process which includes such things as adjustment counselling, training to overcome the handicapping condition, therapy, psycho-social counselling, and job training. If, these functions were separated, it would in effect weaken the whole rehabilitation process.

- The Virginia Employment Commission might have a natural tendency to place the easiest clients first and the handicapped last.
- Taking on additional responsibilities, such as placement of the handicapped, might weaken the effectiveness of the Employment Commission.
- DVR clientele are not traditionally a high priority of local governments. A question is raised as to how much attention the handicapped will receive in a local option situation.
- DVR does not have staff in all localities. A methodology would have to be developed which would allow some localities to merge together. Would this be in the spirit of local option?
- Where localities choose to administer human services locally, there might not be qualified staff to operate rehabilitation programs.
- DVR regional structures operate extremely well now.
- The advocacy function already exists within DVR through such programs as the Client Assistance Program established in 1973. DVR is now and has always been cognizant of the rights of the client. Advocacy can be done either within or outside of an agency, but there are definitely some advantages to retaining it within an agency.
- A state advocacy agency, another government agency, is not outside the system. Consolidation of state advocacy agencies into appropriate service agencies would probably allow more mileage for the same funds.
- There is a need for advocacy for the handicapped. Who do you include as the handicapped?
- Laws and regulations for the provision of services restrict the use of most funds to vocationally eligible individuals.
- Emphasis placed, by the Rehabilitation Act of 1973, on the severely disabled, obligates major portions of funds to these groups to the exclusion of other less severely but equally needy disabled groups.
- DVR could use improvement in their programmatic budgeting at the local level.
- DVR needs to develop an automated method of sharing information

with other agencies.

-DVR is weak in their placement efforts. Not enough handicapped individuals are placed in high pay, high security jobs: The number of individuals placed is not always evidenced by the number of individuals trained.

-Counselors are generally young and do not have work experience themselves. They are not familiar enough with the world of work to feel comfortable talking to prospective employers or advising a person as to careers to pursue.

-The vocational rehabilitation program in Virginia has become a program for the low income groups over the past ten years. Middle class families cannot benefit any longer. Federal and state dollars are too tight, and dollars which are released are very restricted as to their use. DVR once was able to operate like public education; services were available to everyone, but now they have "drifted off" and essentially serve only the poor.

#### Current Structure

-DVR has a very effective management and planning process. The agency is small enough that it is easily manageable. The DVR program is discrete; there is clearly a beginning, middle, and end, and this allows for clear, logical, planning. DVR adds to the effectiveness of its management, by practicing participatory management. Through the use of advisory boards and councils made up of service delivery staff, clients, consumers, and providers, DVR attempts to hear the concerns of all parties involved.

-DVR has a good internal auditing capability, and routinely monitors its fiscal system to insure accountability and maintain credibility.

-Program evaluation is a continuing practice. Supervisors routinely review staff work and programs are periodically reviewed to insure compliance with federal and state laws and regulations. Periodic program review also ensures that the agency is up-to-date in terms of direction and purpose.

-DVR has quarterly reviews of its goals and objectives.

-DVR has established a vendor evaluation, and a list of approved vendors is circulated monthly to all counselors. The list is periodically reviewed and updated.

-The Department funds, either totally or in part, a fairly complex network of vocational evaluation centers and sheltered workshops across the State. These centers and workshops are located for the most part in a reasonable distance from the client's home, so that the individual can remain in his home area if at all possible.

-DVR maintains close relationships with both public and private

agencies that are beneficial to the client. They have close relationships with and are supported by such organizations as the National Rehabilitation Association, the National Rehabilitation Counselling Association, etc.

- DVR has strong cooperative agreements and maintains interagency linkages with the Department of Welfare, the Virginia Commission for the Visually Handicapped, the Council for the Deaf, the Department of Health and the Department of Mental Health and Mental Retardation. DVR is both the benefactor and beneficiary of these collective agreements, and the sum total of all agreements is that the handicapped citizens of Virginia receive a high quality of service.
- The rehabilitation process is a well structured logical process. Using this system not only makes it possible to chart the progress of an individual recipient of service, but is an extremely good tool for case management.
- DVR continually seeks to upgrade service for specific categories of disabled individuals through the use of special projects or grants. The use of special projects and grants reduces the drain on state dollars.

III. Analysis of the Department of Welfare,  
the Virginia Employment Commission, the  
Commission for Children and Youth and  
the Office on Aging.

DEPARTMENT OF WELFARE

Commission on State Governmental Management

This proposal basically recommends that the Department of Welfare be divided into two major parts: 1) the income payments programs would be moved together with the Unemployment Insurance program to form the new Department of Economic Security; 2) the social service and protective service programs would be moved together with the employment services of the Virginia Employment Commission (VEC) to form a new Department of Social and Employment Services.

Positive Aspects:

- If we have a new welfare reform package our assistance payments programs will be overhauled. As the major focus of a new agency, it is possible that the implementation of welfare reform will go more smoothly.
- It is possible that the new Department of Social and Employment Services will provide better employment linkages for social service recipients, and better social services for people looking for employment. By policy making being controlled by one agency, it is possible that these two systems will be dovetailed more carefully.
- This new Social and Employment Service Department could provide "a home" for new federal funds for target groups and emergency situations. For example, the employment program for the elderly could be placed here. Likewise, the emergency fuel assistance payment program could have been handled by a Department of Economic Security.

Negative Aspects:

- The current VEC and Department of Welfare clientele do not overlap to a great extent. Both of these multi-service agencies were designed to handle the related needs of a particular clientele. In the State of Virginia there is even less overlap than in other states that might have an AFDC unemployed parent component in their welfare structure. Thus rather than treating the client as one whole entity, this system would require two agencies to be responsible for the same client, whereas only one is responsible now.

- When an individual comes into the Welfare Department, he is in a desperate situation. Aside from the emotional trauma of being in such a condition, the usual first requirement is emergency assistance in such forms as food, housing, and money. The current sections concerned with social work and financial assistance can work quickly and efficiently with the typical client. Although his financial assistance check will not be available for a month, emergency needs can be met. On the other hand, the typical Unemployment Insurance claimant is not in a crisis situation. He has just lost a job, but his standard of living has not yet been reduced. Crisis orientation is not a part of VEC's normal routine. These different types of human resource problems should be considered before an organizational structure is designed.
- The current structure allows for direct communication with the federal government; that is Welfare reports to the Department of Health, Education and Welfare and the Department of Agriculture, and the VEC reports to the Department of Labor. We will be confusing the administrative channels if DOL and HEW have to have significant linkages with two state level agencies. This is why federal legislation often requires "a single state agency" for the administration of an entire program; for example, the Older Americans Act.
- Although the local delivery structures could remain the same, we will be asking each local agency to report to two different state agencies, with different boards, and perhaps conflicting policies.
- The concept of a client record with all pertinent information kept at the state level, simply is not realistic to consider at this point. The Department of Welfare is even rethinking with its own programs that an all encompassing record may not be feasible.
- At this point in time, the VEC is on a federal fiscal year starting October 1, while Welfare is on a state fiscal year starting July 1.
- At this point all VEC employees are state employees while all local Welfare employees are employees of local government. It would be difficult for a state agency to handle the administrative responsibility for two different types of merit systems, pay scales, and coordination problems.
- The computer system envisioned by the Hopkins Commission is so sophisticated that only top notch people could design and run it. It is highly unlikely that the State of Virginia would pay salaries competitive with private industry.

- The concerns that the citizens might see about the lack of coordination between the current Department of Welfare and VSC are largely national concerns and not a phenomenon of the organizational structure in Virginia. In fact, Virginia has gone a long way in developing the necessary linkages between the two current structures. The state is on the right track, while still remaining in harmony with federal procedures.
- The Department of Welfare agrees that advocacy functions cannot be housed in large departments, because they eventually become advocates of vested interests of the large department.

#### Otis Brown's Proposal

This proposal recommends that the Department of Welfare remain intact, but take on the additional grants functions of the Office on Aging and other special grants as they come from the federal government.

#### Positive Aspects:

- This proposal might provide better coordination of all social service monies coming into the State.
- This proposal would consolidate at least two state agencies into one in their dealings with local government.
- This proposal might provide more flexibility for all social service funds, and a more consistent resource allocation process.
- The proposal might reduce some duplication of services that could potentially arise in the current system by consolidating accountability for these programs.
- This proposal would allow localities flexibility to organize human services to fit their own needs. It would permit the abolition of the many local boards and commissions of the human resource agencies, in order to form one accountable local Human Resource Council. The State would contract with that Council for the delivery of all or some human services. The State would monitor and evaluate programs that were administered by local government.

#### Negative Aspects:

- The question of funding is critical for "local option". It would have to be a very sophisticated procedure, and it may cost more state money if any local fiscal relief is involved.
- Rather than a Department of Licensing as recommended by Secretary Brown, the Department of Welfare would prefer the administrative linkages and policy making procedures worked



out by the Resource Allocation Panel on Licensure. (Copies of this panel's report are available from the Office of the Secretary of Human Resources)

- If the grants functions of the Office on Aging are transferred, they should be established within the Department of Welfare as a "grant division". This is necessary so that these programs will not lose their visibility.

#### Current Structure

The Department of Welfare currently handles assistance payments programs (basically eligibility at the local level) for Aid to Dependent Children, Medicaid, Food Stamps, General Relief and State/Local Hospitalization. The Department also handles social and protective services financed through the federal Title XX and Title IV (B) programs.

#### Positive Aspects:

- The Department of Welfare has a local delivery structure that is accountable to local government and allows for some flexibility in administrative techniques depending on the needs of the locality.
- For clients who are eligible for welfare services, the Department is pretty much of an all inclusive agency. It provides case management internally and referrals to outside services.
- The local social service bureau is becoming the core of social service delivery within each locality, with Title XX flexibility filling in unique gaps within each area.
- Welfare financial assistance programs are administratively sound and are constantly improving and changing to comply with new federal mandates.
- Welfare relationships with VEC are sound, and both agencies are continually seeking improvement. Virginia's WIN program has been relatively successful when compared to the other states in the nation.

#### Negative Aspects:

- Within the Department of Welfare there often exist insufficient communication linkages among programs. This is a characteristic common to large bureaucracies.
- Title XX planning falls short in the areas of interagency linkage and planning at the local level. The Department of Welfare recognizes this problem and is seeking to develop a method to address it in the future.

THE VIRGINIA EMPLOYMENT COMMISSION (VEC)

Commission on State Governmental Management

This proposal divides the VEC into two parts, 1) the Unemployment Insurance Program would be moved to a new Department of Economic Security, and 2) all other employment services would be moved into a new Department of Social and Employment Services.

Positive Aspects:

-The planning and coordination between social service and employment service programs may increase.

Negative Aspects:

-The current VEC and Department of Welfare clientele do not overlap to a great extent. Both to these multi-service agencies were designed to handle the related needs of a particular clientele. In the State of Virginia there is even less overlap than in other states that might have an AFDC unemployed parent component in their welfare structure. Thus rather than treating the client as a whole entity, this system would require two agencies to be responsible for the same client, whereas only one is responsible now.

-When an individual comes into the Welfare Department, he is in a desperate situation. On the other hand, the typical Unemployment Insurance claimant is not in a crisis situation. He has just lost a job, but his standard of living has not yet been reduced. Crisis orientation, a necessity in the social service bureau, is not a part of VEC's routine. These different types of human resource problems should be considered before an organizational structure is designed.

-The current structure allows for direct communication to the Department of Health, Education and Welfare and the Department of Agriculture, and VEC reports directly to the Department of Labor. Administrative channels will be confused if DOL and HEW have to have significant linkages with two state level agencies. This is why federal legislation often requires "a single state agency" for the administration of an entire program.

-Although the local delivery structures could remain the same, each local agency would be asked to report to two different state agencies, with different boards, and perhaps conflicting policies.

-The concept of a client record with all pertinent information kept at the state level, simply is not realistic to consider at this point. The Department of Welfare is even rethinking with

its own programs that an all encompassing record may not be feasible. At this point in time, the VEC is on a federal fiscal year starting October 1, while Welfare is on a state fiscal year starting July 1.

- At this point all VEC employees are state employees and Welfare employees are employees of local government. It would be difficult for a state agency to handle the administrative responsibility for two different types of merit systems, pay scales, and coordination problems.
- The computer system envisioned by the Commission on State Governmental Management is so sophisticated that only top notch people could design and run it. It is highly unlikely that the State of Virginia would pay salaries competitive with private industry.
- The concerns that the citizens might see about the lack of coordination between the current Department of Welfare and the VEC are largely national concerns and not a phenomenon of the organizational structure in Virginia. In fact, Virginia has gone a long way in developing the necessary linkages between the two current structures. The state is on the right track, while still remaining in harmony with federal procedures.
- The VEC has reporting systems that are working well and respond directly to federal requirements.
- The VEC must submit all administrative activity to the Department of Labor, while the Department of Welfare is basically a state designed system.
- Only administrative approval from the Secretary of Labor can permit the separation of Unemployment Insurance and Employment Service programs.

#### Otis Brown's Proposal

This proposal would seek to make the VEC the single state agency for the initiation and coordination of contact with employers for the purpose of developing jobs for all citizens, including the handicapped.

#### Positive Aspects:

- Employers are now constantly bombarded with independent job development and placement activities from a myriad of state and local agencies. In Richmond, for example, you might be solicited by the VEC, the Comprehensive Employment and Training Act (CETA) Consortium, the CETA Henrico Consortium, the Department of Vocational Rehabilitation, the Commission for the Visually Handicapped, the Richmond Public Schools, the Richmond Community Action Agency, and a host of other public and private sources. Each program has different features, and employers

frequently become angry when they see what appears to be duplication of effort with no one agency charged with coordinating vocational placement activities.

- This proposal could be especially effective if the other agencies subcontracted with the VEC to do job placement, provided funding, and monitored and evaluated this activity from the point of view of their own client group.

#### Negative Aspects:

- Specialized agencies know the special abilities and needs of their own client population.
- The VEC cannot concentrate on any one minority group because of having so many clients.
- The VEC's job development and placement skills, although better than most other agencies, are not outstanding at this point in time especially as the efforts relate to special need groups such as the disabled, aged, youth and other minorities.
- It will be very difficult for the VEC to participate in the "local option" to permit local governments to organize and administer services. The rules and regulations come basically from the federal government, and there is no local or state money involved in these services.

#### Current Structure

Currently the VEC is a state agency with total federal funding. The VEC coordinates and works with other state agencies, but it basically takes its administrative direction from the federal government.

#### Positive Aspects:

- VEC's organizational structure is consistent with the other 49 states and U.S. territories.
- The monitoring and reporting structures of VEC are well developed and efficient.
- The VEC has traditionally not had the "welfare stigma", and thus has been more acceptable to private employers.
- Employers pay taxes to support the VEC effort. If it is merged with "welfare" programs, employers may resent such a merger.
- Handicapped people will not want to use an employment service that they feel is tainted with a "welfare" image.

Negative Aspects:

- In the past, VEC's linkages with other local/state agencies may not have been as strong as they should be.
- The job development and placement activities of the VEC could be even better than they are now.
- The VEC has always had an employer orientation to select the best job applicant for a job rather than making a special effort to place specific people.
- The VEC needs to balance its philosophy concerning loyalty to its employers and loyalty to its clients.

COMMISSION FOR CHILDREN AND YOUTH (CCY)

Commission on State Governmental Management

This proposal recommends putting the functions of the Commission for Children and Youth which are purely advocacy within a large service delivery agency, the proposed Department of Social and Employment Services.

Positive Aspects:

- This move would help reduce the need for administrative support functions for small advocacy agencies.
- The span of control of the number of agencies reporting directly to the Secretary of Human Resources would be reduced.
- It is possible, under this structure, that the Commission for Children and Youth would have an easier time accessing Title XX funding.
- It is possible that the Commission for Children and Youth would have more influence over programs that are delivered by the Department of Social and Employment Services which affect or could potentially affect children and youth.

Negative Aspects:

- True advocacy in the sense of criticizing current efforts and recommending priority shifts would be extremely difficult to do from within a large service delivery agency. That is, it is difficult to criticize how the Title XX program is being handled for services to children and youth when your own job is totally dependent on support from the agency that administers Title XX.

- As a small subdivision of a large service delivery agency, it is difficult to monitor and evaluate programs that are in other human resource agencies, or across Secretarial lines in the Department of Education and the Department of Corrections. The administrative protocol of this process would be very difficult to handle.
- The administrative agency head would have no choice but to devote the lion's share of his attention to the dollar consuming line agency services.
- This move would add an extra layer or two of state bureaucracy above the advocacy function, thus stifling and subordinating the advocacy role.

#### Otis Brown's Proposal

This proposal recommends putting the purely advocacy functions of the Commission for Children and Youth within an Office of Advocacy reporting directly to the Secretary of Human Resources.

#### Positive Aspects:

- This proposal would formalize and streamline the programmatic advocacy input to the Office of the Secretary.
- This proposal could provide more and better administrative support to the small advocacy agencies.
- The advocacy agencies might work more closely together and present a coordinated effort at monitoring, evaluation, etc. of other state and local programs.
- If specific skills are needed, for example those of a lawyer, these specialized skills could be shared among the advocacy agencies.

#### Negative Aspects:

- The Commission would lose its direct access to the Secretary because of an additional layer of bureaucracy.
- By definition, the Commission for Children and Youth would be advocating to gear state spending one way, while the Office on Aging would be advocating the opposite way. How can one Director adequately represent both points of view since it will appear that he is being inconsistent?

#### Current Structure

The current structure is a free-standing Commission reporting directly to the Secretary of Human Resources.

Positive Aspects:

- The Commission for Children and Youth can operate in a free manner to look into any programs or problems throughout the State that might affect children and youth.
- The Commission is free to apply for any federal or state funds that become available to do studies or develop policy in regard to children and youth.
- The Commission is free to organize itself as it sees fit to get the job done, and it can select what its own emphases and priorities will be.

Negative Aspects:

- The Commission is a small agency and administrative concerns do impinge on staff time that could be more fully devoted to advocacy.
- As one of relatively many agencies (and a small one at that) it is sometimes difficult to get Secretarial attention.

OFFICE ON AGING

Commission on State Governmental Management

This proposal recommends splitting off the service delivery (grants administration) functions of the Office on Aging and putting them into a new Department of Social and Employment Services. It is also under consideration that the advocacy functions would be advisory to or housed within this new Department.

Positive Aspects:

- It seems apparent that more and more resources will be coming from the federal government ear-marked for services for the elderly. As these resources grow, we are beginning to develop a completely separate service program for the elderly. It may be a good idea to try and meld the services offered by the Office on Aging with those offered by the Department of Welfare in order to streamline both.
- With a specific focus on the elderly placed with the other social services, it is possible that the elderly will get a larger share of the social service dollar that is currently being concentrated on families and children.
- This proposal may make it easier for localities to handle the social service funding streams and match requirements if they

are handled in a coordinated manner.

- If an entirely new agency, the Department of Social and Employment Services, is created, smoother coordinative linkages may be developed among social service programs. However, if little or no comprehensive planning precedes implementation, the result may be an even worse structure (large and unwieldy).
- The growing service delivery functions of the Office on Aging make it very difficult to maintain its advocacy role. In fact, as these services grow, an outside monitor may be necessary to see that they are being properly administered.

#### Negative Aspects:

- The current service delivery system that the Office on Aging has developed works very well. In fact, when the State got emergency fuel relief funds, the Office on Aging was selected as the best service delivery mechanism to handle this program for all ages, statewide. The Office on Aging has done an excellent job with this crisis program and has proven its value to the Commonwealth. It would be unfortunate to lose this flexibility in search of an ideal that may never come about.
- The funding streams and service delivery orientation of the Older Americans Act funds and Title XX are completely different. The Assistant Secretary for Human Development in HEW is quoted in a Policy Overview Paper for Human Services as saying, "The difference in statutes governing Title XX supported services for the aging and OAA supported programs for the aging preclude maximum effective cooperation, simplicity of administration, and reduction of costs in delivery, monitoring, and evaluation; e.g., Title XX programs require means tests, OAA programs do not."
- Older citizens are loathe to use any service delivery system that is "tainted" with the "welfare stigma". There is no question that this separate service system has been gaining acceptance among older citizens. We must be careful not to destroy the rapport that has been developed. In an effort to give the elderly more and better services, we may be making it unacceptable to them.
- The Older Americans Act and federal regulations keep advocacy and service delivery together at the local level.

#### Otis Brown's Proposal

This proposal recommends that the service programs of the Office on Aging go to the current Department of Welfare, and that the advocacy functions be placed in an Office of Advocacy in the Office of the Secretary of Human Resources.



Positive Aspects:

- It seems apparent that more and more resources will be coming from the Federal government ear-marked for services for the elderly. As these resources grow, we are beginning to develop a completely separate services program for the elderly. It may be a good idea to try and meld the services offered by the Office on Aging with those offered by the Department of Welfare in order to streamline both.
- With a specific focus on the elderly placed with the other social services, it is possible that the elderly will get a larger share of the social service dollar that is currently being concentrated on families and children.
- This proposal may make it easier for localities to handle the social service funding streams and match requirements if they are handled in a coordinated manner.
- The growing service delivery functions of the Office on Aging make it very difficult to maintain its advocacy role. In fact, as these services grow, an outside monitor may be necessary to assure that they are being properly administered.

Negative Aspects:

- The current Department of Welfare delivery structure contains 123 local agencies. Thus there would be several local welfare offices to one Area Agency on Aging (AAA). These local aging programs are sometimes delivered by private non-profit organizations. Over the years aging programs have developed strong local citizen support, and this administrative change may be politically unpalatable to local government and to local aging boards. Local government will have particular problems dealing with welfare as a local service delivery unit, and aging services on a regional basis. If these services are to be together, they should be organized one way or the other to be manageable.
- If the service delivery mechanisms at the local level are not to be changed, there seems to be no advantage in moving the grants programs of the Office on Aging into the current Welfare Department.
- The Office on Aging feels that it has made significant strides in encouraging other agencies to focus on the problems of the elderly. The elderly will be becoming a bigger and bigger segment of our population in the future. Thus programs and services for the elderly should be at the forefront of our long range planning efforts.

### Current Structure

Currently the Office on Aging is a free standing agency of about 20 employees at the state level. It has both grants administration and advocacy roles. The local Area Agencies on Aging are totally local structures, most of which are private non-profit in nature. They tend to cover several localities and not to report to any one local government but several. Because the agencies are small, this has proven to be an efficient local delivery mechanism.

#### Positive Aspects:

- The current delivery structure has proven to be effective, efficient, and flexible.
- The current advocacy role has been much stronger in this organizational structure than in others.
- The staff is large enough to handle the necessary administrative duties.
- The agency has built a good reputation with the citizens and with the General Assembly.
- The funding is almost totally federal, thus these programs are a bonus for the state rather than a financial drain.

#### Negative Aspects:

- The local AAA's seem to have a problem coordinating with or tapping into other social service programs.
- A need for case management for the elderly has been identified and this need cannot be met by the AAA's alone.
- It has been difficult, as a peer agency, to do monitoring and evaluation of programs of other state agencies, especially across Secretarial lines.

## IMPACT OF REORGANIZATION PROPOSALS ON LOCAL SERVICE DELIVERY

The local counterpart to state human resource agencies have been the traditional delivery agents of state-sponsored human services. It is at the local level where all of the rules, regulations, and policy decisions from the federal and state levels are implemented and impact upon the client. It is at the local level that all of the planning, research, management, and resource allocation decisions either prove to effectively reduce human service needs, or to be simply a bureaucratic exercise. It is only at the local level that the state can evaluate what it has done, be held accountable for what it has done, and find ways to improve what it has done. The system works only if it works at the local level.

### Current Structure

Traditionally, local human service delivery agencies have consisted of a number of public agencies representing local counterparts to state agencies, local responses to federal initiatives, and local responses to meet locally identified needs. Each agency by necessity has tended to respond up to its own chain of command from the local, to the regional, to the state, and even to the federal level, serving its own specific clients in its own specific service specialty. Although these are local agencies responding to specific clients, they seem to be only secondarily community agencies in the sense that they are primarily responsive to their own bureaucracy and only secondarily responsive to the needs and concerns of the community as a whole.

Local counterparts to state agencies are all unique in their administrative and decision making relationships with their counterparts at the state level. This means that each local service counterpart has a different degree of accountability to the community government in which it is situated, and a different potential for flexibility at the local level.

The Departments of Health and Welfare have the largest numbers of local counterpart agencies (123 local welfare departments and 36 local health districts)\* and they also have the strictest guidelines for the activities, reporting, and accountability of their local counterparts. This has occurred because these agencies are among the oldest, the biggest, and the most comprehensive in client

\*Local Department of Welfare employees are local government employees, in a locally administered/state supervised system, whereas local Health Department personnel are employees of the state.

and service dollars. Federal regulation and state policy have caused these agencies to be administered in a common manner across the state.

The Department of Vocational Rehabilitation and the Commission for the Visually Handicapped, on the other hand, have a very specialized clientele and a broad range of services to help those with special handicapping conditions. Because their clients are so geographically dispersed, these two agencies have found regional delivery structures to be the most appropriate. Thus these agencies have traditionally had very little communication with the localities from which their clients come. Counselors are given a rather free rein in determining how much to spend on each client and to purchase any service that the client might need. This flexibility has lessened the need for these agencies to develop strong cooperative linkages with other human service agencies in a local jurisdiction.

The local Mental Health and Mental Retardation Services Boards and the local Area Agencies on Aging (AAA) are relatively new social service entities. At the local level, they tend to cover several local jurisdictions. These local agencies are relatively free to select the mix of services and treatment modalities that are appropriate for their localities. However, because of the consortium nature of these local agencies, a particular priority of a specific locality may or may not receive the emphasis that the locality might have chosen on its own.

The Virginia Employment Commission delivers services through area field offices. These offices are state entities, accountable only to the state VEC commissioner, and are located throughout the state as operations independent of other agencies and of local government. All decisions relating to priorities, programs, etc, are responsive to policies and priorities established by the state and federal governments. The location of VEC local offices and the location and frequency of itinerant offices are established at the discretion of the VEC and are dependent solely on the most effective location and schedule for meeting mandates established by VEC and the Department of Labor.

Traditionally, local governments have had no regular method of dealing with local human service agencies in a comprehensive manner. Thus the individual agencies within a locality have tended to run their own course and look after their own best interests. In the past, a comprehensive management loop among the three participants in human service delivery (state government agencies, their local counterparts, and local general purpose government) has simply not materialized. This is the basic problem that need to be addressed.

#### The Potential Local Impact of Recommendations Made by the Commission on State Governmental Management

The Commission on State Governmental Management's proposal to create five major departments (The Department of Economic Security, The Department of Health, The Department of Rehabilitative Services,

The Department of Social and Employment Services, and the Department of Mental Health) is not easy to evaluate as to its effect on local service delivery structures.

It would seem reasonable to assume that to insure continuity once a structure was designed at the state level, regional and local levels would need to follow the same structure. This is not necessarily what the Commission intends. In addressing the sub-committee on Social, Employment and Economic Security Services of the Reorganization Task Force, the Executive Director of the Commission indicated that state level changes would not necessarily affect local structures, and that in fact you could retain a local welfare office which carried out its current functions but would be responsible to two state agencies, the proposed Department of Economic Security and the proposed Department of Social and Employment Services.

It would appear on the one hand the Commission proposals could cause massive and widesweeping changes at a local level, affecting clients, personnel, and facilities. The cost of massive shifts in personnel and facilities would take a significant administrative bite from already diminishing state and local service delivery dollars. On the other hand, acceptance of the Commission's proposal at the state level, with no intention to effectuate change at the local level, could cause administrative nightmares. Some agencies would be put in the position of reporting to two or more state level agencies, and this would seem certain to create more forms, more paperwork and increase the difficulties of administrative flow, in addition to creating a proliferation of interagency contracts. It also weakens the argument for reorganization at the state level if it is not the intention to provide some consistency with regional and local structures.

If the Commission's proposals were accepted in total, it does not appear that there would be significant impact on local service delivery provided by Mental Health and Mental Retardation programs, as these programs remain basically unchanged. It is hoped, however, that the Commission would encourage the General Assembly to further evaluate the structure of local Chapter 10 boards, a system which is sometimes ineffectual, as it currently exists, in addressing either state or local government priorities.

As indicated above, the effect on welfare, employment, and rehabilitative programs could be devastating, and attempts at total reorganization of the programs could lead to service delivery gaps, or even in extreme instances temporary shut down of the service delivery system. Effectuating change at the state level, with no change in local structures of these programs, would increase administrative workloads and create more complex reporting, evaluation, monitoring and planning functions.

It is unclear what the effect on Area Agencies on Aging would be if the Office on Aging were subsumed into the proposed Department of Social and Employment Services. This issue is further

clouded by the fact that the Commission does not make any specific recommendations as to the placement of the purely advocacy functions of this office. The AAA's might have state contacts with two different state entities; one for grants management and service delivery and one for advocacy functions.

Transfer of the Bureau of Crippled Children from the Department of Health to the proposed Department of Rehabilitative Services could very likely interrupt a smoothly run and efficient local system that has operated well. One of the key elements making this system a smoothly operating function has been the active participation and coordination role of the local public health nurse in providing case management and follow-up services to the individual client. The local public health nurse's role, if maintained by a contract, would become one of being outside the system and the impact of his/her role would be reduced. A decline in the participation of local physicians and other health specialists might also be a reaction to the changes.

The recommended proposal to place clinical social workers under the Department of Welfare rather than the Department of Health would require additional contracting between departments and lines of authority would be further obscured.

The removal of Environmental Health from the Department of Health and the placement of the functions under the proposed Department of Air and Water Quality, ignores the health needs currently recognized in this program. Air and Water Quality would have to either develop a contract for the services of sanitarians or train staff to carry out these functions. If Air and Water Quality chooses to deliver these services through its own staff, a new delivery system would have to be implemented in each locality.

The roles and responsibilities of local agency boards would become confused. For instance, the local Welfare Board would have jurisdiction over one-half of each of two agencies, the proposed department of Economic Security and Social and Employment Services, while the other halves of these agencies would not be accountable to any local board.

The intent of the Commission's proposals was to make services more accessible to the client. If all services were available in a single location in each locality, this might eventually be accomplished; however, the increased accessibility would not be as a result of state reorganization but rather as a result of expanded services and one-stop delivery locations. In the short run, due to the inherent confusion of massive administrative overhauls, many clients would have less accessibility to services, while others, because of incompatible controls, might receive an overabundance of financial services.

The Potential Local Impact of Recommendations Made by Former Secretary Otis L. Brown

The basic thrust of former Secretary Otis L. Brown's proposal would be to provide a state level administrative mechanism to allow individual localities a "local option" to organize any or all of their human service efforts in a way that best suits their own local needs. This effort could be initiated regardless of the organizational structure of the human resource agencies at the state level. The issues involved basically concern state and federal laws and regulations, as well as the assurance of a good administrative structure at the local level.

Such an option for local flexibility is much more of a drastic change for service delivery than it may appear to be. Currently, local general purpose governments, for the most part, tend to ignore their human service programs, which are not only complex and controversial, but are basically paid for and controlled by the state and federal governments. Because of this lack of accountability to the local taxpayer, local human resource agencies have had little coordinative direction from local general purpose government. On the other hand, local general purpose managers have felt that their hands were tied in masses of red tape from Washington and Richmond, such that their human resource programs were beyond their control. This local option approach is a sort of partnership agreement between state and local government. That is, if local managers are interested enough to access the management flexibility offered, then the state government will be flexible enough to provide the management latitude required, and the proper monitoring and evaluation based on performance of the local programs rather than organizational conformity. Quite frankly, this is a unique approach, and it will require a considerable amount of good planning, maturity, and fine administration from both state and local decision makers. This is not the type of responsibility that should be thrust on every locality, but it should be made available to those that want to do it and prove that they can handle it.

Former Secretary Brown has also recommended that all "job development" activities that are currently being performed by many human resource agencies be consolidated into one effective unit within the Virginia Employment Commission. This proposal could potentially involve the moving of some staff from one agency to another or the subcontracting of positions from other agencies to the VEC.

The impact of this move on service delivery could be significant. It would require the Virginia Employment Commission to become more responsive to the needs of hard to place citizens, as well as the needs of employers who are seeking qualified minority and handicapped employees. Former Secretary Brown felt that it would be more efficient to have a single agency responsible to administer this effort, whereas others have felt that a cooperative arrangement would provide more accountability and innovativeness.

Thirdly, former Secretary Brown recommended that the grantsmanship functions of the State Office on Aging be transferred to the State Department of Welfare. It is not clear whether this transfer would have any impact on local Area Aging Agencies. It is possible that these funds would be distributed through local Welfare Departments, or on the other hand, they could be handled the same way as they are currently, that is, a state grant to local aging agencies.

Depending on how these grants would be administered, it is possible that better planning and coordination among social service programs at the local level could result. The nutrition program sponsored by Title VII of the Older Americans Act might be more carefully dovetailed with the Department of Welfare social services programs, and the small allocation of social services money from Title III of the Older Americans Act might serve to be the lubricant for accessing all services for the elderly, rather than setting up separate service programs for the elderly.

The Potential Local Impact of Recommendations made by the Task Force on Human Resources Reorganization

Recommendations made by the Task Force on Human Resources Reorganization contain only two specific revisions in current local human service delivery systems. These are as follows:

1. The creation of a Department for the Visually Impaired and the Hearing Impaired.

As a result of this recommendation, services for the hearing impaired could be expanded without having to create a new delivery system. The already existing system of regional service delivery to the visually impaired could easily be adapted to also provide services to the hearing impaired. Thus, expansion of services for the deaf client would not add to the proliferation of delivery systems.

2. Change the Virginia Employment Commission to be the lead agency to develop one strong job development and placement activity.

By establishing a single coordinated approach through VEC, the development of specialized jobs for particular clients, especially the handicapped, should be more effective. Rather than several agencies in search of specific types of jobs individually contacting local employers, a range of jobs can be developed and a single contact with the employer can be made to develop jobs for the entire range. At the same time, a single job bank for special needs clients can be maintained and made available to all agencies providing placement services. By coordinating these activities, thus reducing the number of employer contacts and maintaining a "special



needs job bank", the effectiveness of placing handicapped individuals in appropriate jobs should increase.

In addition to these two specific recommendations, the task force recommends that localities be afforded the opportunity for local reorganization of human resource agencies. By virtue of not recommending extensive state changes which would result in significant local changes, the task force is in essence allowing for locally initiated reorganization. If, on the other hand, state level reorganization is of major proportions, local changes will be necessary in order to administer and manage the new agencies. This ripple effect of state reorganization will effectively mandate local organizational changes and consequently stifle locally initiated reorganization proposals.

Many changes are needed at the local level in order to allow localities optional reorganization approaches, but these changes should be made in response to local plans, not in response to state designs. Thus, the recommendation providing for local reorganization proposals should have far reaching, but as yet indefinable, impacts upon the delivery of services at the local level.

