
Administration

W

hen the Department of Public Welfare was established in 1939, its responsibilities encompassed child welfare, old age and relief assistance.

For 50 years, the department has continued to administer changing and expanding financial assistance programs financed by federal and state funds and to offer social services for families and children and elderly and disabled people. In fiscal year 1989, the department provided services to more than 2 million Texans. The year's budget was \$3.5 billion, and the staff numbered 14,446.



Russell Lee, 1949

Administration

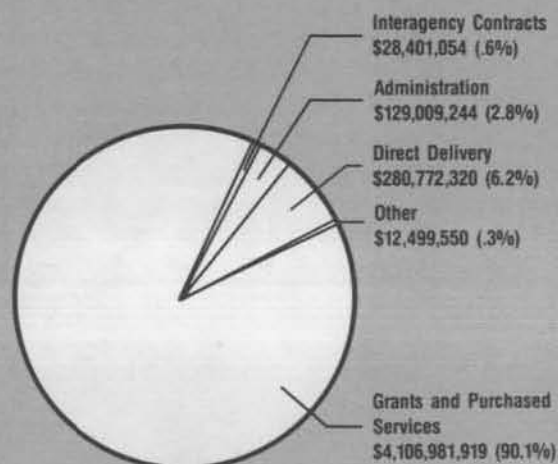
During fiscal year 1989, the department disbursed, in state and federal dollars, more than \$4.6 billion, including the value of food stamps and distributed food. A

significant portion of that total, or \$3 billion, came from federal sources.

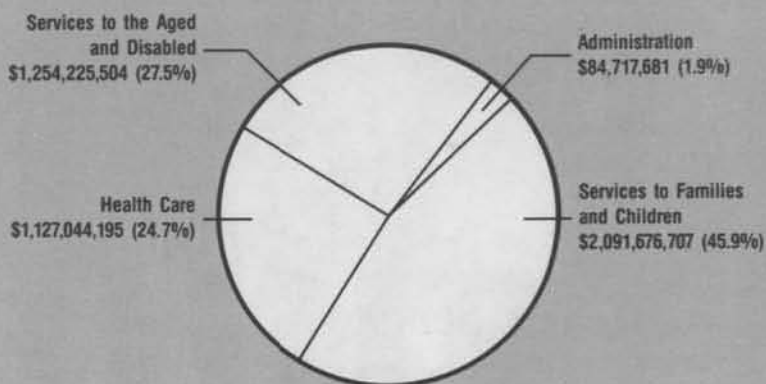
Nearly 90.1 percent of the budget goes for direct client benefits such as food stamps, commodities, grants and purchased services. These funds augment city and county budgets and flow directly into Texas communities. About 6.2 percent of the budget pays for direct delivery staff, primarily child protective services workers and those who determine eligibility for AFDC, food stamps and Medicaid.

Of the total budget, the department spent only 2.8 percent on administration, one of the lowest percentages in state government.

**Estimated Agency Expenditures
by Functional Category
FY 1989**



by Service Area



Includes the value of food stamps (\$1,068.65 million) and food distributed (\$96.3 million).

Information Systems

The department began looking at information systems as a way to cut costs and increase efficiency as early as 1963. During fiscal year 1989, the Office for Information Systems (OIS) continued to support agency efforts to automate both its direct service delivery programs and administrative functions. This year, 1,760 workstations were added to the network, the majority of which were in support of Income Assistance Services and Medicaid Eligibility staff.

The department received first-level certification from the U.S. Department of Health and Human Services to implement the Family Assistance Management Information System (FAMIS). Department staff began developing this system in 1985 to provide a statewide mechanized claims processing and information retrieval system for the AFDC program. FAMIS certification entitles the department to obtain an additional \$3.5 million in federal funding for data processing equipment and operating costs asso-

ciated with the Income Assistance Welnet project. All necessary approvals for acquisitions to complete the Income Assistance WelNet project were obtained in fiscal year 1989. Installation and training will be completed by July 1990.

Other efforts to enhance direct delivery of services and agency administration were undertaken during the year. A client intake system for Services to Aged and Disabled was implemented in December 1988. This system supports field staff who provide adult protective services, community care for the aged and disabled and Medicaid eligibility determination.

The Medicaid Eligibility Worksheet was developed and is currently being piloted in direct service delivery offices located in San Antonio, Wichita Falls, Beaumont and Corpus Christi. State-wide implementation is expected to occur in February 1990.

Full implementation of the Financial Management Information System (FMIS) was completed in August 1989 with follow-up activities completed in September 1989. The FMIS system, developed with the assistance of Andersen Consulting Co., will streamline the agency financial management process, as well as meet the requirements of the Comptroller's Uniform Statewide Accounting System.

The computer mainframe systems at Edinburg, Arlington and Houston were centralized at the main data center in Austin and the remaining node at San Antonio. Only communications and printer equipment remain at these locations. This action resulted in more efficient and prompt support for all users, as well as a \$219,000 decrease in the annual nodal site operating costs.

The department installed an automated cartridge tape system at the

main data center in Austin to replace conventional tape drives and controllers and reduce manual retrieving, loading and storing of tape reels. This system is expected to result in a cost avoidance of \$27,424 per month.

Competitive bidding for maintenance of distributed communications processors, as well as the central site and the San Antonio disaster recovery site, resulted in a five-year cost savings of approximately \$2.4 million, or about \$40,000 per month.

Staff provided substantial support to the Automated Information and Telecommunications Council (AITC). A member of OIS serves as a member of the council. Department staff helped revise the AITC systems planning guidelines used by all state agencies and universities and helped plan the Disaster Recovery Operations Center.

At the request of the assistant state librarian, department staff reviewed the Texas State Library and Archives Commission's (TSLAC) transition from a centralized mainframe to a distributed computing system and made recommendations for further study by the TSLAC.

The fiscal year 1989 information systems budget of \$45.8 million supported a staff of 454, current computer operations and major equipment acquisitions, including more than \$9.2 million in direct support of Income Assistance Services.

Personnel, Business Services

To help staff effectively use the department's expanded automated service delivery and administrative systems, the Staff Development Division's primary effort

this fiscal year has been increasing its computer-based and computer-assisted instructional capability. The division also provided specific management training for mid-level managers in the state office to help them better carry out their complex responsibilities.

The department began efforts to simplify major personnel policies and procedures by establishing task forces to study and streamline procedures for employee complaints, selection and promotion and disciplinary actions. Final recommendations will be made in fiscal year 1990.

The process of filling vacancies was streamlined by testing applicants for worker and clerical positions in groups and placing eligible applicants in a pool to be hired as vacancies occur. This procedure has allowed vacancies to be filled much sooner. Selection procedures were standardized for income assistance eligibility workers, child protective services specialists, Medicaid eligibility workers and regional, entry-level clerical classifications to allow better applicant selection and time savings.

Staff completed a statewide clerical study involving about 3,000 clerical jobs, and resulting classification changes were implemented in May 1989.

A statewide employee assistance program, including assessment and referral services and a 24-hour, counselor-answered helpline, was made available Nov. 1, 1988, through Hazelden Services Inc. The program was used by 16 percent of the department's employees.

The second annual "Race Across Texas," a statewide employee fitness program, included more than 1,300 participants. Cash awards totaling \$6,400 were used for employee

wellness-related activities statewide.

A DHS Insurance Advisory Committee was established in January 1989 to gather employee comments about the group insurance program. As a result, dental insurance was made available for the first time to employees. Improved benefit communication efforts were also initiated this year.

Participation in TexaSaver increased significantly to 1,478 employee enrollments. Deferred compensation enrollments decreased slightly to 753.

The Civil Rights Division continued to provide counseling and advice to management staff as well as employees of the department. The division handles more than 50 inquiries daily from department staff and external agencies.

This year, with the assistance of the User Services Division, the Civil Rights Division implemented a statewide automated system for tracking and reporting civil rights actions. Once the system was operational, all regional civil rights officers and their administrative support staff were provided training on the use of the system. The division also co-sponsored Uniform Federal Accessibility Standards training for most state agencies and DHS regional civil rights and business officers.

The division continued to operate two programs specifically targeting disabled persons: an adaptive equipment program which purchases specialized equipment for disabled employees and volunteers and a statewide interpreter services program that provides funding of interpreters for deaf recipients and employees of the department.

The division completed the department's 1989 Affirmative Action Plan. This year, modifications were made to

Recollections: From Hollywood to Human Services



Russell Lee, 1952

In the spring of 1933, I went with my aunt to California. She told me that she could help me get a fabulous job—perhaps in the movies or on radio.

I had done several things in newspapers and publicity since finishing college, but the jobs paid little. They did not last long because money was not available, so I was the first to go because I had been the last employed. When this happened with the *Mobeetie News*—I was editor for eight months—in the Panhandle, I accepted my aunt's invitation.

California had been calling for everybody to come to their paradise, but in 1933 they could not take care of their own. The only real job I could find was rewriting a book on diet deficiency diseases for a German doctor whose English was very poor. I knew no German, so I just translated as best I could from what he tried to write in Eng-

lish. That took me three months—at my aunt's expense. The doctor paid me \$150.

I came home on the last part of that money on Jan. 1, 1934, in complete defeat. With no other way to turn, I finally agreed to teach in a rural school beginning in the fall. After I left the county superintendent's office, I met a friend who was a casework supervisor in the county relief office.

"Marj, what are you doing now?" she asked.

"I'm not doing anything, but I've given up looking for a journalism job and accepted work in a school for the fall," I said.

"But you won't be working through the summer. Why don't you come over and type for us until then?"

I went to the relief office behind Oates Drug Store. It was a large place with little office space since it served as the storage space for commodities for the families on the county

relief roll. There were six people working in the office. And three men were caseworkers who visited in the clients' homes. They came in each day.

There were no fans, and big cartons of canned meats and sacks of flour and cornmeal were stacked high against the walls, leaving very little room or privacy for the four or five desks provided for the staff and their clients.

Nearly every day in the hot summer, several cans of meat exploded. We were nearly always working in a very smelly, unpleasant place.

When we began to notice that the smell was getting worse than usual, the men would hunt for the guilty cans. These men were working for the county, handling distribution of the commodities. They worked stripped to the waist and climbed around over those rows of boxes sniffing like dogs to find the offending row. When they found it, they unloaded the stack from the top down to pull the rotten carton, replaced it and then rebuilt the stack.

On the hottest days, this could happen more than once. Any men who came into the office to see about jobs—which were non-existent—or to get their pitiful share of relief money or the canned meat, butter and beans issued, always liked to help with the unstacking and stacking job. It gave them a feeling of being a part of it all and helping out with the work being done for them. To these regular clients, ours was just "the office." ■

Marjorie Whiteker, Austin

the Human Resource Management Information System (HRMIS) to allow the division to make statewide direct data entry changes to the Equal Employment Opportunity (EEO) status of individual employees. This will permit a more accurate reflection of functional duties as they relate to EEO categories rather than having to rely on state classification information on a specific position.

All DHS employees received training on how to handle dangerous materials on the job, as required by the Texas Hazard Communications Act. New staff will receive this training at orientation.

The department began streamlining the employee accident reporting process by consolidating three reporting

The rise is attributed to deregulation of the telephone industry and loss of long-time, highly favorable tariffed services. These factors, coupled with the loss of a significant legislative subsidy during the two prior bienniums that kept department telecommunications costs artificially low, increased costs almost 100 percent.

The department is working with the State Purchasing and General Services Commission on network optimization to help reduce costs. An example of this effort is the installation of a microwave network, using the Winters Center in Austin as a focal point to serve all agencies in the vicinity. The installation is expected to reduce costs by 25 percent initially and up to 50 percent in the future.

The Printing Services Division (PSD), operating with a staff of 27 people, produced more than 300 million printed impressions and was rated among the top 100 government in-plant printing operations in the United States by industry sources this fiscal year. The division experienced a substantial increase in demand for printed forms due to recent agency program expansion and the resulting reproduction of policy materials and department publications.

The division continues to enforce graphic and printing management production policies to help control agency publishing costs. A competitive cost review program mandated by the agency's Sunset Legislation determined that PSD's present costs are lower than published state contract prices. The Printing Services Division has offered department employees a cost-effective, reliable and convenient service for nearly 25 years.

Staff in the Budget and Data Analysis Division maintain and update DHS budget information and stand-



Russell Lee, 1939

forms into one. The new form will be implemented pending review by the Attorney General's Occupational Safety Office.

The cost of long-distance telephone service and data circuitry increased significantly during the past fiscal year.

ard planning data. In preparation for the 71st Texas Legislature, DHS executives used this budget and planning data to develop the department's Legislative Appropriation Request. During the legislative session, the division supported executive staff in responding to requests from legislators for budget information and fiscal notes. Fiscal notes are formal requests to an agency from the Legislative Budget Office for the state fiscal impact of proposed legislation. For the 71st Legislature, the division coordinated the review and analysis of 177 fiscal notes; 99 were requested during the previous session.

Reliable information about the health and human service needs of Texans is scarce. To supplement existing U.S. Census Bureau and state economic and demographic data on poverty populations, the division conducted the 1989 Special Texas Census. Questionnaires were mailed out to more than 44,000 Texas households, asking for information about household size, income, health insurance, disabilities, employment and child care. In fiscal year 1990, the data collected will be used to build the population need indicators and performance and workload measures in the department's Legislative Appropriation Request for 1992 and 1993.

Fraud Control

The Investigation Division was established in November 1974 to detect and prevent fraud and abuse by recipients, providers and staff in the department's programs. At the end of its first year of operation, division staff had investigated 7,255 food stamp and AFDC referrals and presented 4,500 of them for prosecu-

tion. Twenty-one of 47 pharmacy fraud cases were presented for prosecution that year. Other investigations included theft and forgery of state warrants, nursing home and child abuse, internal affairs, civil rights, the black-market of newborn babies and medical fraud. The division was also responsible for locating absent fathers.

The Investigation Division and the Audit Division were incorporated into the newly established Office of the Inspector General (OIG) in 1984. The consolidation of the two divisions was part of the department's continuing efforts to prevent the occurrence of and opportunity to commit welfare fraud, as well as to enhance accountability of those who receive benefits from DHS programs. Because funding for DHS programs and client assistance has not kept up with a growing caseload in recent years, the responsibilities of the OIG have become even more important.

During fiscal year 1989, Investigation Division staff completed 10,570 investigations involving \$12.4 million in overissuances. Court adjudications were obtained on 2,296 cases, and 5,655 cases of suspected fraud were handled in administrative disqualification hearings. Restitution collected in fiscal year 1989 was \$4.5 million.

Pre-certification investigations were used as a means of preventing fraud before AFDC and food stamp benefits were disbursed. In fiscal year 1989, about 20 percent of OIG field investigators worked cooperatively with income assistance eligibility workers to detect potentially fraudulent applications. By the end of the year, 1,401 investigations had been conducted, yielding an estimated savings of \$3.5 million.

The Central Disqualification Unit was formed within the OIG Support

Division this year to disqualify recipients found guilty of fraudulently receiving benefits. A pilot study is being conducted to determine the effectiveness of using credit bureau reports to either locate individuals or assist in determining the fiscal status of someone applying for benefits.

The Welfare Fraud Hotline recorded 1,252 calls during fiscal year 1989.

Audit Division staff completed 357 cost audits and 2,682 desk reviews of provider cost reports that detected \$41.3 million in unallowable costs. Division staff also conducted 882 compliance audits of \$526.5 million in agency expenditures and desk reviewed 505 single audits.

Staff also audited the Medicaid contract with the National Heritage Insurance Co. (NHIC). During the fiscal year reviewed, NHIC received and processed 5,746,861 claims from providers for services to the department's clients.

Internal audit staff completed 10 audits of departmental activities, reviewed the status of corrective action plans of four prior audits, and provided substantial assistance to the state auditors during their annual review of the department's operations.

Based on an evaluation of computer versus manually calculated audits, the Audit Division purchased 55 laptop computers for field auditors and six for internal use. Printers will be ordered in the future, and additional computer applications to support audit functions are being developed.

A quantitative system of measuring audit staff productivity was implemented, resulting in a 25 percent productivity increase. During the year, the Single Audit Hotline staff answered 318 calls from providers and certified public accountants requesting information about the Single Audit Act of 1984.

Advisory Committees

The department has actively sought citizen involvement through advisory committees for many years. In 1981, the Texas Board of Human Resources restructured the way advisory committees operated and directed that an executive coordinator of advisory committees be appointed to coordinate and oversee all committee activities. The executive coordinator reports directly to the commissioner and serves as the liaison between the commissioner, the board and the advisory committees.

The board also required that all policy-related agenda items be reviewed by the appropriate advisory committee prior to presentation to the board. Each item indicates the committee's support or non-support of the proposed policy. The role of advisory committees in the policy process was further formalized by legislation passed in the 70th Legislative Session. That legislation requires that all rules and policies be presented to the appropriate committee during development stages and allows committee involvement to be bypassed only on an emergency basis.

The number of committees has varied over the years according to board initiatives and department structure. At the end of this fiscal year, there were 12 active committees with 170 members. The Adolescent Pregnancy and Parenthood Advisory Committee, the Family Planning Inter-agency Advisory Council and the County Indigent Health Care Advisory Committee were added this year.

In addition to their review of policy issues, advisers played a key role during the 71st Legislative Session. Many spent countless hours testifying at

hearings and communicating the needs of the state's citizens. The support of advisory committee members continues to be one of the major assets available to the department and the board.

Volunteers

Voluntarism is an American tradition. The American belief in the importance of each individual and the importance of taking responsibility for others in need motivates volunteers to become involved in public services.



Russell Lee, 1938

The department was fortunate to have more than 13,000 volunteers each month involved in providing critical services to clients and valuable assistance to staff during the fiscal year. They donated more than 1 million hours in such jobs as answering hotlines, monitoring cases, determining eligibility, typing, filing, entering data, providing foster care, providing information and referral, participating in telephone reassurance programs and delivering meals.

Volunteers continued to provide critical emergency help to clients and applicants by providing food, clothing, shelter, transportation and medical care. Members of the department's advisory committees continued to give their time in reviewing program policies and advising the staff and the board. And the six-member Texas Board of Human Services continued to volunteer their time hearing testimony from concerned citizens, advocating for human services, and setting policy and goals to meet the needs of the poor.

Special Services

The department provides information and referral services to clients, public officials, out-of-state agencies and the general public. In fiscal year 1989, the Special Services Division responded to a monthly average of 1,000 written and more than 3,000 telephone inquiries.

To help reduce fraud and abuse, division staff also respond to other state agencies' inquiries about the benefit status of applicants recently moved from Texas. During the fiscal year, division staff responded to a monthly average of 1,400 such calls.

The department continued to administer the Voluntary Adoption Registry, the only legal avenue for adopted children, birth parents and biological siblings to locate each other if they wish. Restrictive laws regulating the registry, however, have allowed only three matches since the registry was established in 1984. Currently, 208 people are registered.

Division staff also release non-identifying social and medical information to adoptees wanting information on their backgrounds. During the fiscal year, information was provided to almost 425 requestors.

Management Initiatives

Three major studies of the department were conducted this fiscal year to identify impediments to efficient and effective management and to recommend improvements to maximize the quality of service delivery and efficient operation of the department.

The first study was conducted by the Governor's Operational Audit Team, composed of 10 volunteers from the private sector and other state agencies. The team reviewed DHS offices throughout the state to assess the efficiency and effectiveness of the department's management support functions and organization, and to recommend improvements.

The Office of Strategic Management and Development implemented the second study, a department-wide employee opinion survey. The purpose of the survey was to gather employee comments and ideas on how to increase organizational per-

formance and improve the quality of work life at the department.

The third management study was conducted by Touche Ross, a consultant firm under contract with the department. The scope of the six-month study addressed the department's administrative structure, including roles and responsibilities of state and regional offices, and staffing levels and patterns for all programs and support areas. The management experts reviewed program operations, such as policy development and interpretation and service delivery practices in Child Protective Services and Income Assistance Services. They also reviewed computer operations in both state office and field offices.

Results of the studies, to be released in early fiscal year 1990, will be used as a basis for making decisions on how the department delivers services and how personnel and resources are allocated. ■