



SEN. ELIZABETH H. MITCHELL, CHAIR
REP. MARILYN E. CANAVAN, CHAIR

MEMBERS:

SEN. PHILIP L. BARTLETT, II
SEN. JONATHAN T.E. COURTNEY
SEN. DANA L. DOW
SEN. JOSEPH C. PERRY
SEN. KEVIN L. RAYE
REP. ANDREA M. BOLAND
REP. SCOTT E. LANSLEY
REP. EVERETT W. MCLEOD, SR.
REP. PEGGY A. PENDLETON
REP. MICHAEL A. VAUGHAN

MAINE STATE LEGISLATURE
GOVERNMENT OVERSIGHT COMMITTEE

MEETING SUMMARY
January 23, 2008

CALL TO ORDER

The Chair, Senator Mitchell, called the Government Oversight Committee to order at 9:40 a.m. in the Burton Cross Building.

ATTENDANCE

Senators: Sen. Mitchell, Sen. Raye, Sen. Dow and Sen. Courtney
Absent: Sen. Bartlett and Sen. Perry

Representatives: Rep. Pendleton, Rep. McLeod, and Rep. Vaughan
Joining the meeting in progress: Rep. Canavan
Absent: Rep. Boland and Rep. Lansley

Legislative Officers and Staff: Beth Ashcroft, Director of OPEGA
Mary Gingrow-Shaw, Principal Analyst, OPEGA
Wendy Cherubini, Analyst, OPEGA
Etta Begin, Adm. Secretary, OPEGA

Executive Branch Officers and Staff: Laura Fortman, Commissioner, Department of Labor
Jane Gilbert, Deputy Commissioner, Department of Labor
Jill Duson, Director, Bureau of Rehabilitation Services
Penny Plourde, Director, Division of Vocational Rehabilitation
John McMahon, Director, Division of the Blind & Visually Impaired
John Shattuck, Director, Division of Deafness
Dennis Corliss, Director, Security and Employment Service Center
Karen Fraser, Manager, Systems Improvement and Quality Assurance
Ruth Quirion, Director of Financial Reporting and Internal Audit, Office of State Controller

82 State House Station, Room 107 Cross Building
Augusta, Maine 04333-0082
TELEPHONE 207-287-1901 FAX: 207-287-1906

INTRODUCTION OF GOVERNMENT OVERSIGHT COMMITTEE MEMBERS

Members of the Government Oversight Committee introduced themselves for the benefit of the listening audience.

Chair Mitchell asked if there was objection to taking an item out of order. Hearing none, the Committee moved to **Unfinished Business**.

UNFINISHED BUSINESS

- **Bureau of Rehabilitation Services: Procurements for Consumers Report**

- **Committee discussion of programmatic questions raised at the January 9, 2008 GOC meeting**

Director Ashcroft recapped for the Committee what happened at the January 9, 2008 GOC meeting regarding the public comment period on OPEGA's Report on the Bureau of Rehabilitation Services. A number of issues were raised beyond the scope of what was covered in OPEGA's review that would be categorized generally as programmatic issues, and it was suggested by some who testified that the programmatic issues be reviewed by OPEGA. Because of the consistent theme from the public comments, the GOC believed it was important to receive more information from the Department before deciding whether OPEGA should do any work on the programmatic issues.

Chair Mitchell recognized Commissioner Fortman. The Commissioner summarized the Agency's response to concerns raised at the January 9, 2008 GOC meeting and included the following:

- **Social Security Numbers on BRS Procurement Documents (R-20's) and Checks**

Procurement documents are an integral part of the Bureau's payment tracking and internal controls system. These internal documents contain client-identifying information such as name and address.

The client's social security number appears on a printed R-20 under limited circumstances. BRS implemented an ORSIS rewrite in June of 2004 that discontinued the practice of including social security numbers. There is one exception which is when the client is the vendor of record, and the check will be going directly to the client, then the social security number would be shown on the R20. Social security numbers do not appear on checks issued by the Bureau and as of July, 2007, all BRS vendor codes, have been replaced by a new AdvantageME system vendor code.

- **Case Supervision, Staff Turnover and Counselor Caseloads**

BRS management actions include rollout of a redesigned case review process that emphasizes heightened involvement, guidance, technical support and performance expectations on the part of central office staff and regional managers. Last year the DVR turnover rate was 18% for counselors. The number of clients served by VR counselors is higher than service ratios in other public programs such as mental health and cognitive disabilities service systems.

- **Service Consistency**

Attention to consumer direction coupled with customized VR counseling and individualized employment services will always yield perceived inconsistencies. The Bureau addressed the perceived imbalance through procedural directives, standards of practice training, supervisory guidance, and tools and options for service delivery.

-- **Program Management**

As a federally funded program, BRS is subject to considerable external monitoring and oversight by RSA, local advocacy intentions by CAP and DRC, the State Rehabilitation Councils and semi-annual consumer satisfaction surveys conducted by the agency.

-- **Policies & Procedures: Means Test, SRC Participation; Communications and Transportation**

Federal regulations give states the option of having means tests for individuals who do not receive SSDI/SSI or any other public assistance. Sixty (60) percent of Maine VR clients are SSDI recipients. Approximately fifty (50) percent of state VR agencies provide services under means tests.

BRS has considered implementing a mandatory means test for non-SSDI/SSI clients. However, analysis has shown that the cost of means test implementation and administration would far exceed any benefit gained.

BRS' standard eligibility documents gather income data and program protocols instruct counselors to encourage financial participation. Many clients absorb some costs or provide an in-kind contribution to the implementation of their individual employment plan.

Management actions commit BRS to a tighter process around rule changes/procedural directives and increased emphasis will be placed on training supervisors as well as consistency in training front line staff.

Clients are disbursed all over the State and BRS continues to work out solutions to improve transportation issues case by case.

-- **ORSIS**

The Bureau has been very vocal about its ORSIS concerns. An external investigation will not offer anything not already known. For federal reports and case management, ORSIS is probably functioning the best that it ever has, but the system is fragile. The Department is working with the Service Center to review a next generation of ORSIS called RISE to determine its potential to replace the current system.

Commissioner Fortman said the Bureau is committed to implementing OPEGA's recommendations.

Government Oversight Committee discussion included the following:

- whether the pay scale for counselors is set by the federal or state government;
- are Social Security numbers still appearing on vouchers and are vouchers R-20s;
- whether the requirement that counselors have a master degree is a federal or state requirement;
- are same business development services available to clientele in the northern part of the State as the southern part, and how and where the services are offered; and
- whether the Department had other concerns that may have been missed in the OPEGA report.

The GOC thanked Commissioner Fortman, and Directors Duson and Plourde for the information they provided.

Director Ashcroft commented that OPEGA's Report did note that the issues identified related to the financial processes could also lead to the perception, if not the reality, of service inconsistencies. OPEGA believes a number of the steps in BRS' comprehensive action plan will address such inconsistencies. The plan includes increased case supervision, policies and procedures the Bureau will develop for additional guidance, training for supervisors about how to do case supervision, and holding caseworkers and supervisors accountable within their performance evaluations for complying with the policy and procedure requirements.

If appropriate, Director Ashcroft said the GOC may want to request a copy of the RSA report referred to by Commissioner Fortman. That request was made and the Commissioner said, when available, copies would be provided to the GOC.

Sen. Courtney requested follow-up information regarding the Department's management actions listed in the report, and in particular, the misuse of funds by employees. He suggested that a report back be included on the agenda if the GOC meets in March. The members of GOC agreed.

Rep. Pendleton also wanted to make sure OPEGA followed up on the Report's findings and assured the actions management said it would take were taken. Director Ashcroft reviewed OPEGA's procedure for all follow-up actions and will prepare a report regarding the status of action items for all OPEGA reports for the GOC. As part of this process, OPEGA will inform the GOC of any reported concerns that are not being adequately addressed.

Chair Canavan asked for the status of follow up on the Economic Development Programs in Maine Report, including what actions the BRED Committee took. Director Ashcroft said legislation was passed to implement the recommendations from OPEGA's report. That legislation was developed by the BRED Committee with input from the Department of Economic and Community Development. Many of the action items DECD committed to were in the legislation as well as requirements for the BRED Committee to address some of the legislative recommendations OPEGA had made. OPEGA is still following up to ensure that the action items that DECD committed to are occurring, and will be tracking action taken by the BRED Committee as well.

Sen. Courtney reported that Commissioner Richardson had recently given a presentation to the BRED Committee on some of the action items from the OPEGA report.

SUMMARY OF JANUARY 9, 2008 MEETING

Chair Mitchell asked members if they had any changes to the January 9, 2008 Meeting Summary. Hearing none, the Summary was accepted as written.

REPORT FROM OPEGA DIRECTOR

- **Status of Audits in Progress**

Director Ashcroft gave a brief summary of the reviews in progress.

Four reviews are complete - **Bureau of Rehabilitation Services, Highway Fund Use by Department of Public Safety, Requests for Admission to Riverview Psychiatric Center, and Urban Rural Initiative Program.**

At the January 9, 2008 GOC meeting it was agreed the **Information Technology: Acquisition and Maintenance of Technology Infrastructure; Project Management; and Systems Security** reviews would be discontinued. OPEGA will continue to do its normal follow-up on the reviews.

OPEGA has four reviews in progress.

- **Boards/Committees/Commissions/Councils** is at the end of the fieldwork stages and moving into reporting phase. Expecting to have a report by the end of February.
- **Contracting for Health and Social Services** - OPEGA is looking at the broad range of what DHHS has for contracting activity, proceeding to look at that from a cost savings focus while cataloguing all the broad issues the GOC talked about and prioritizing what items will be looked at.
- **Real Estate/Public Buildings** is in planning and preliminary research phase.

- **State Administrative – Staffing** – preliminary research is complete and OPEGA will be presenting a recommendation for project direction later in this meeting.

NEW BUSINESS

• **Project Direction Recommendation for State Administration Review**

Director Ashcroft said OPEGA has now completed limited preliminary research for its review of State Administration – Staffing and recommends that OPEGA continue working on this review by splitting it into three separate phases that would be reported on individually. These phases and the remaining work OPEGA suggests are as follows:

1. Perform more detailed work related to upper level administrative positions as a cost saving study seeking to answer the question: Do opportunities exist to reduce costs associated with those positions that OPEGA included in its preliminary analysis of upper level administration? (Note: This does not include OPEGA developing and recommending a specific list of positions to be considered for elimination).
2. Perform more detailed work related to contracted personal services supporting upper level administration as a cost savings study seeking to answer the question: Do opportunities exist to reduce costs associated with contracted expenditures for professional services not performed by State?
3. Wrap up work on restructuring/reorganizing facets of State government by completing research on management layers and spans of control and submitting a summary of this research, as well as recommendations for the development of organizational charts, in a report to the Legislature by the end of February, 2008.

OPEGA had originally budgeted 2,000 hours for this review and has approximately 800 hours of that budget remaining. The Director currently expects to be able to complete all three phases of this review within the remaining hours.

Motion: That the Government Oversight Committee accepts the recommendation of OPEGA regarding the State Administration – Staffing review with the scope as outlined and expecting OPEGA will complete the three phases of this review within the remaining 800 hours. (Motion by Rep. McLeod, second by Rep. Canavan, PASSED, 9-0).

• **OPEGA Budget**

Director Ashcroft reported that she attended the Legislative Council Budget Subcommittee meeting on January 17, 2008 and learned that the Subcommittee had taken another \$175,000 of OPEGA's unencumbered balances from previous years. \$100,000 went toward supporting the streamlining initiative that the Appropriations and Financial Affairs Committee was working on and then an additional \$75,000 is related to the Supplemental Budget.

Director Ashcroft said that does not affect OPEGA/GOC's current work plan in any way, but she did want to make the GOC aware of the actions of the Legislative Budget Subcommittee because she was not previously aware, and had not been informed, that this action had been taken. She only learned of it at the meeting on the 17th. As a result of the fund cut from OPEGA's budget, it only has \$16,000 in unencumbered balances for personal services left and that will be retained to cover further COLAs. OPEGA will have approximately \$300,000 remaining in unencumbered balances for All Other.

Rep. McLeod asked if Director Ashcroft was comfortable with the dollars available in OPEGA's budget. Director Ashcroft said she is comfortable with the amount, but disturbed about the process used and the lack of notification of cuts to OPEGA's balances. Under statute OPEGA is an independent office and OPEGA and the

GOC should be advised of changes being considered. In this instance, she had not been informed of the action taken by the Legislative Budget Subcommittee.

Chair Mitchell suggested that a letter be drafted to the Legislative Council requesting that when budgetary decisions are made concerning OPEGA, that the Chairs of the GOC and the Director of OPEGA be notified in advance of planned cuts to OPEGA's budget. Rep. Vaughan suggested that all members of the GOC have the opportunity to sign the letter to the Legislative Council.

SCHEDULE NEXT COMMITTEE MEETING

The next Government Oversight Committee was not scheduled.

ADJOURNMENT

The Government Oversight Committee meeting adjourned at 11:21 a.m. (Motion by Rep. McLeod, unanimous).