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September 19, 1991

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SOUTH CAROLINA COMMISSION ON GOVERNMENT RESTRUCTURING

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The Honorable Nick Theodore The Honorable David H. Wilkins

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#### TO THE GOVERNOR:

We are pleased to transmit the Commission on Government Restructuring's recommendations for the restructuring of South Carolina State government to you, in accordance with Executive Order 91-07 of March 6, 1991.

In line with this Executive Order, the Commission has reviewed and analyzed the present structure of State government, and proposes that "a cabinet form of government" be established in South Carolina, with accountability and clear lines of authority to the State's Chief Executive.

This report presents our justifications for the restructuring of State government based on the problems of inefficiencies, lack of agency accountability, the presence of overlapping and duplicative services, and no clear central authority that presently hinders the operation of State government. The Commission has identified fifteen cabinet departments into which we would consolidate approximately 145 current State agencies, boards and commissions. This consolidation is based on the agencies' functional and programmatic similarities. In addition, this report sets out an implementation plan to direct the restructuring process in the next several years.

It is our hope that this report will usher in a new era of State government which is streamlined, accountable, efficient and effective, and which provides the citizens of our State with the best government possible.

Sincerely,

Lieutenant Governor Nick Theodore Co-Chairman Commission on

Government Restructuring

Vick Theoler

Sincerely,

Representative David Wilkins Co-Chairman Commission on

David A Wilkins

Government Restructuring

# Modernizing South Carolina State Government For The Twenty-First Century

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### Chapter 2

#### **BACKGROUND AND METHODOLOGY**

#### BACKGROUND

In his 1991 State of the State address, on January 30, 1991, Governor Carroll A. Campbell, Jr., offered a proposal for restructuring the Executive Branch of the State government. According to briefing materials supplied by the Governor's office, his proposal involved the consolidation of approximately 56 agencies and commissions into ten cabinet-level departments, each directed by an individual appointed by the Governor and confirmed by the Senate. The proposed departments included Public Education, Higher Education, Cultural Affairs, Natural Resources, Commerce, Health, Human Services, Criminal Justice, Transportation, and Administration.

The Governor's proposal had been formalized on January 16, 1991, in Executive Order 91-01. (Subsequently, Executive Order 91-07 was filed on March 6, 1991, which authorized the expansion of the Commission on Government Restructuring's membership). Citing overlap of responsibilities among agencies and commissions, citing the fact that the Governor, who is responsible for the Executive Branch of the State government, in reality has little, or no, authority over the various agency directors, and acknowledging that various partial restructuring proposals had been introduced in the General Assembly, the Governor created the South Carolina Commission on Government Restructuring. He appointed Lieutenant-Governor Nick A. Theodore and Representative David Wilkins to be Co-Chairmen of the Commission.

The Commission is composed of 38 persons representing the Legislature, colleges and universities, education, government, political organizations, and the private sector. The Commission was charged with reviewing and fine-tuning the plan offered by the Governor, reviewing restructuring legislation and plans implemented in other states, developing a timetable for implementation of the restructuring plan, and offering an analysis of potential budget savings.

The Commission adopted the following statement of its mission:

- To promote more effective management of South Carolina State agencies, boards, and commissions, and their functions;
- To champion the expeditious administration of the public's business;
- To review approaches which might reduce State government expenditures and promote the overall economy of State government to the fullest extent, consistent with the efficient operation of the

government, in order to slow down the ever-spiraling growth of State government;

- To propose the grouping and consolidation of State agencies, boards, and commissions, by major purposes of State government, in order to ensure the coordination and effective implementation of the policies set forth by the Governor, the General Assembly, and ultimately, the citizens of South Carolina;
- To propose the reduction of State agencies, boards, and commissions by consolidating those having similar functions under a single head, in order to eliminate costly overlapping and the unnecessary duplication of efforts; and,
- Finally, and most importantly, to enable State government to do a better job of providing services to the citizens of South Carolina, and solving the problems which the State presently faces, and will face in the future.

#### **OBJECTIVES**

To carry out its mission, the Commission outlined several objectives. First, the Commission planned to review and fine-tune the restructuring plan proposed by the Governor. The review would include an examination of the scholarly literature on governmental organization and operation, an assessment of restructuring efforts in other states, a survey of government agencies in the State which would focus on each agency's programs, budget, staff, and possible duplications with other agencies, and an examination of administrative structures and operations.

Second, the Commission would develop a long-term proposal for restructuring which would be based on the principles of public administration and which would support the following:

- Establishment of clear lines of authority, responsibility and accountability;
- Concentration of governmental authority, responsibility, and accountability;
- Creation of a manageable span of control;
- Departmentalization and functional integration of State government; and,
- Enhancement of the responsiveness of State government to the needs of South Carolina's citizens.

Finally, the Commission would present its "new" plan for consideration by the Governor, the General Assembly, and the electorate of South Carolina. In compliance with the Governor's Executive Order, the Commission's final report would be presented to the Governor by October 1, 1991.

#### STUDY METHODOLOGY

The study had five primary components: (1) a review of the scholarly literature regarding government organization and an assessment of reorganization efforts in other states; (2) an agency survey; (3) agency presentations to Subcommittees of the Commission on Government Restructuring; (4) a public hearing; and, (5) extensive, detailed staff analysis. Because the Commission did not begin its work until March 1, 1991, it divided itself into the following four Subcommittees in order to review the data in an efficient manner: Natural Resources/Commerce/Transportation, with Mr. Claude Scarborough as Chairman and Mr. Charles Bundy as Vice-Chairman; Health/Human Services with Dr. Donald Fowler as Chairman and Dr. J. J. Britton as Vice-Chairman; Public Education/Higher Education/Cultural Affairs with Dr. Willis Ham as Chairman and Ms. Minor Shaw as Vice-Chairperson; and, Criminal Justice/Administration/Regulatory Agencies with Ms. Paula Bethea as Chairperson and Mr. Blair Rice as Vice-Chairman. TABLE 1 lists each agency and indicates the Subcommittee to which it was assigned. Each Subcommittee was assigned staff members to provide support during the process of obtaining and analyzing data.

## Review Of Scholarly Literature And Assessment Of Other States' Reorganization Efforts

Staff of the State Reorganization Commission had previously compiled a report, "On Reorganization - An Overview of Theory, Practice, and the South Carolina Experience," which reviewed the literature, theories, and patterns of government organization and which explored reorganization plans proposed and implemented by other states. The report also traced the history of the organization of South Carolina's government and outlined factors to be considered in a reorganization process.

In order to garner the information on other states' experiences, Reorganization Commission staff, while using other extensive research methods as well, designed and conducted a fifty-state survey of the nation's governors and state libraries, ultimately eliciting a 100 percent response rate from the states.

The report was adopted by the Commission on Government Restructuring as a review of the literature on state reorganization. This review guided the analysis of data obtained from the various agencies.

#### TABLE 1

# SUBCOMMITTEES OF THE SOUTH CAROLINA RESTRUCTURING COMMISSION AND AGENCIES ASSIGNED TO EACH SUBCOMMITTEE

Natural Resources/ Commerce/ Transportation	Health/Human Services	Public Education/ Higher Education/ Cultural Affairs	Criminal Justice/ Administration/ Regulatory Agencies
Aeronautics Commission Clemson University-Public Service Programs Coastal Council Department of Agriculture Department of Health and Environmental Division Department of Highways and Public Transportation Department of Parks, Recreation and Tourism Employment Security Commission Jobs-Economic Development Authority Migratory Waterfowl Commission Patriots Point Authority Public Railways Commission	Commission on Aging Commission on Alcoholism and Drug Abuse Commission for the Blind Commission on Women Continuum of Care for Emotionally Disturbed Children Children Foster Care Review Board Department of Health and Environmental Control Health Division Department of Mental Retardation Department of Social Services Department of Veterans Affairs Health and Human Services Finance Commission	Arts Commission Confederate Relic Room Department of Archives and History Department of Education Department of Vocational Rehabilitation Educational Television Higher Education Tuition Grants Commission John De La Howe School School for the Deaf and Blind State Board for Technical and Comprehensive Education State Colleges and Universities State Commission on Higher Education State Library State Museum Wil Lou Gray Opportunity School	Budget and Control Board Department of Corrections Department of Probation, Parole and Pardon Services Department of Youth Services Office of Appellate Defense Criminal Justice Academy Criminal Justice Hall of Fame Independent regulatory agencies and other independent boards and commissions
Sevannah Valley Authority Sea Grant Consortium South Carolina Coordinating Council for Economic Development South Carolina Research Authority State Development Board State Forestry Commission State Housing Finance and Development State Land Resources Conservation Commission Water Resources Commission Wildlife and Marine Resources Department			

### Agency Survey

An extensive survey instrument was developed in order to obtain information on agencies in the Executive Branch of State government. Agencies were asked to provide background information regarding its mission and policy objectives, to provide a prioritized list of its major programs, and to include an organizational chart which indicated the number of Full-Time Equivalent positions (FTE's) and the budget for each organizational unit.

For each program, the agency was asked to provide a brief program description and a list of program objectives and to specify measures of efficiency, effectiveness, and workload. Finally, the survey sought information regarding management studies that had been completed, patterns of governmental relations, and descriptions of management information systems.

One hundred and thirty-nine surveys were distributed. All but one were returned.

### **Agency Presentations**

Each Subcommittee of the Commission on Government Restructuring scheduled a series of agency presentations. Each agency was allotted thirty minutes to explain its programs and answer questions from members of the Subcommittee. Particular interest was directed toward areas in which an agency's program might overlap that of another agency and which of the ten areas outlined in the Governor's proposal, if any, appeared to be the most logical location for the agency.

Eighty presentations involving approximately 95 agencies, commissions, and divisions were made before the Subcommittees. (The Budget and Control Board made a single presentation covering all of its Divisions. The Department of Health and Environmental Control made presentations to two Subcommittees. Three agencies were invited to appear, but chose not to do so).

## **Public Hearing**

A public hearing was held on June 10, 1991, in Columbia, in order to gather input from the public regarding the proposed restructuring of the State government. Persons representing State agencies, private groups, and the general public, testified during the hearing.

## Staff Analysis

In addition to the data provided by each agency in the agency survey and during the agency's presentation to the Subcommittees, staff reviewed other documents including the State Reorganization Commission's review of the literature concerning government organization, reports of reorganization proposed or implemented in other states, Sunset reports, fiscal audit reports, agency annual reports, Legislative Audit Council reports, the South Carolina Code of Laws, and other appropriate documents. The data were analyzed in order to understand how government agencies are organized in both South Carolina and in other states. The data regarding agencies in South Carolina were subjected to six primary forms of analysis:

- Functional Analysis provided a rationale for grouping agencies within functional categories. Similarities between agencies were examined, and these comparisons provided an indication of the degree of similarity between agencies and/or their functions;
- Program Analysis focused on program characteristics in an effort to identify program duplication across agencies. It consisted of a comparison between all agency programs within a functional grouping;
- Administrative Analysis compared administrative functions between agencies in a functional grouping;
- Accountability Analysis determined the level of agency accountability, responsiveness, and answerability to the State's Chief Executive, and ultimately, the State's citizenry;
- Efficiency and Effectiveness Analysis included a limited examination of agency programs to determine the "indications" of an agency's performance in maximizing the use of its resources (efficiency) and achieving optimal results in terms of products and services to South Carolinians (effectiveness); and,
- Organizational/Management Analysis determined the span of control within agencies, the degree of management effectiveness, the structural configurations in other states, and, the superiority or maximization of structural configurations in attaining their stated missions and policies.

The Commission on Government Restructuring's recommendations reflect a systematic attempt to suggest the type of governmental structure which will serve South Carolina well in the years ahead. In reaching these recommendations, the Commission took into account the factors which influence the way organizations should be designed; how other states are organized and where they locate key functions; and, South Carolina's unique and important characteristics, resources, and traditions, as well as its future needs and aspirations. According to nationally recognized experts on state reorganizations, South Carolina's study was "the most systematic, comprehensive state study of reorganization efforts in other states" that they had seen.

#### METHODOLOGICAL CONSTRAINTS

The Commission on Government Restructuring's analysis does not represent "an ultimate and definitive" management study of the Executive Branch of the government of South Carolina. The analysis, that conformed to rigid time constraints, is based primarily on that data obtained from the agency presentations, public hearings, agency surveys, and other relevant documents. The aim was not to evaluate the performance of any agency. Instead, the aim was to identify those agencies which perform similar or related functions and which might logically be consolidated or considered to be candidates for consolidation. This study is, in this sense, an intensely thorough, systematic, reliable and valid analysis.

## ENVIRONMENTAL AND HEALTH SERVICES REGULATION AND ENFORCEMENT CABINET DEPARTMENT

SUMMARY OF RECOMMENDATIONS FOR PROPOSED ENVIRONMENTAL AND HEALTH SERVICES REGULATION AND ENFORCEMENT CABINET DEPARTMENT

- The Commission on Government Restructuring recommends the Environmental and Health Services Regulation and Enforcement Cabinet Department be composed of the functions currently performed through the Bureau of Health Facilities and Services Development, Bureau of Health Facilities Regulations, Bureau of Certification, Bureau of Environmental Health, Bureau of [Health Services] Laboratories, Bureau of Drug Control, Vital Records and Public Health Statistics, Bureau of Air Quality Control, Bureau of [Environmental Quality Control] District Services, Bureau of Water Pollution Control, Bureau of Solid and Hazardous Waste Management, Bureau of Drinking Water Protection, Bureau of Radiological Health, and the Bureau of Environmental Quality Control Laboratories, of the Department of Health Environmental Control.
- The Bureau of Preventive Health Services; Bureau of Maternal and Child Health Programs; Center for Health Promotion; Bureau of Home Health and Long Term Care; Bureau of Preventive Health; Office of Rural Health, Migrant Health, and Primary Care; the Public Health Districts; and a portion of the Administrative Division, should be transferred to the Health and Human Services Cabinet Department.
- The current governing board should remain as an advisory board and hearing panel.
- The Commission recommends that the cabinet secretary be appointed by the Governor, with the consent of the Senate.

## PROPOSED ENVIRONMENTAL AND HEALTH SERVICES REGULATION AND ENFORCEMENT CABINET DEPARTMENT

The Commission on Government Restructuring proposes that the Divisions listed below be placed within the Environmental and Health Services Regulation and

Enforcement Cabinet Department. These Divisions meet the definitional components, as developed by the Commission on Government Restructuring, of providing health and environmental programs and services for the protection and promotion of the health and well-being of all of the citizens of South Carolina.

Department of Health and Environmental Control: Bureau of Health Facilities and Services Development **Bureau of Health Facilities Regulations Bureau of Certification** Bureau of Environmental Health Bureau of [Health Services] Laboratories Bureau of Drug Control Vital Records and Public Health Statistics Bureau of Air Quality Control Bureau of [Environmental Quality Control] District Services **Bureau of Water Pollution Control** Bureau of Solid and Hazardous Waste Management Bureau of Drinking Water Protection Bureau of Radiological Health Bureau of Environmental Quality Control Laboratories

#### DISCUSSION AND ANALYSIS OF DEPARTMENT STRUCTURE

### **Definition of Cabinet Department**

The Commission on Government Restructuring defines the functions of the Environmental and Health Services Regulation and Enforcement Cabinet Department as those which provide health and environmental programs and services for the protection and promotion of the health and well-being of all of the citizens of South Carolina.

The proposed Environmental and Health Services Regulation and Enforcement Cabinet Department would be composed of the Division of Environmental Quality Control and the Division of Health Facilities and Services Regulation. These two divisions, now part of the South Carolina Department of Health and Environmental Control, have the responsibility for the oversight and regulation of environmental health factors and the oversight and regulation of health facilities and the services that they provide. *Areas of responsibility include:* 

- Air Quality Control;
- Drinking Water Protection;
- Radiological Health Protection;
- Water Pollution Control;
- Solid and Hazardous Waste Management;
- Health Facilities and Services Development;
- Health Facilities Regulation;
- Health Facilities Certification;
- Environmental Health;
- Health Laboratories;
- Environmental Quality Control District Services;
- Environmental Quality Control Laboratories;
- Drug Control; and,
- Vital Records and Public Health Statistics.

### Rationale for Cabinet Department

The Commission on Government Restructuring proposes that these functions be placed in a cabinet department because of their focus on the regulation of activities which can have adverse effects on the health and safety of the citizens of South Carolina. These regulatory functions license, monitor and regulate environmental activities and the health services delivery system, public and private. Because of the fast-paced economic development of the State with new industries and the State's role in the disposal of hazardous and infectious waste, these regulatory responsibilities are extremely important to the continued health and well-being of the people of South Carolina.

The activities regulated affect the lives of every resident of the State of South Carolina. Everyone needs and deserves clean drinking water, free of chemical and biological contaminants. The potential harm from air pollution and hazardous waste can be enormous and have a profound effect on the ability of the State to attract new business and industry. Economic growth can only take place if South Carolina is attractive to new development and if it is perceived as a good place to live and raise a

family. In order to attract clean and safe industry, we must provide a clean and safe environment. We must also guard against those industries that could pose new threats to our citizens' health.

The Governor has expressed his deep concern about, and has addressed the problem of, hazardous waste on several occasions. He has even issued executive orders in an attempt to halt the flow of dangerous chemical waste into the State. Unfortunately, the courts have thwarted his efforts in this regard.

This area is of vital importance as the consequences of inadequate policies and ineffective regulation can be costly and far-reaching. It has been estimated that the cost of a major leak at the hazardous waste facility in Pinewood could cost as much as \$2 billion dollars. The long-term effects on the nearby lakes and the tourist industry could also be devastating.

The formulation of a comprehensive policy of regulation which protects the health and well-being of the public, balanced with the need to foster economic growth, can best be achieved through the establishment of an Environmental and Health Services Regulation and Enforcement Cabinet Department. This would require transferring the "Health Division" responsibilities to a more appropriate cabinet department.

## Present Government Configurations

These functions currently reside with the Department of Health and Environmental Control. The Department is under the supervision of the Board of Health and Environmental Control, which has seven members, one from each congressional district and one at-large, who are appointed by the Governor, upon the advice and consent of the Senate. The Board is empowered to make, adopt, promulgate, and enforce reasonable rules and regulations for the promotion of the public health and the abatement, control and prevention of pollution. The Department is also the sole advisor to the State in matters pertaining to public health.

The Department is composed of an Administrative Division; the Division of Environmental Quality Control; the Division of Health Facilities and Services Regulation; and, the Division of Health Services. Because the Division of Health Services is a provider of direct health services to qualified individuals and is subject to the regulation of the other two operating Divisions, the Commission on Government Restructuring has recommended that it be transferred to the proposed Health and Human Services Cabinet Department where it will be grouped with other agencies that also provide services to individuals and require a similar management and organizational structure.

A brief description of each Division illustrates its functions and programs.

• The Division of Environmental Quality Control - This Division is responsible for regulating, permitting and monitoring environmental activities that may have adverse

health consequences for the citizens of the State. These responsibilities are carried out through programs that include Water Pollution Control, Drinking Water Protection, Solid and Hazardous Waste Management, Air Quality Control, and Radiological Health.

• The Division of Health Facilities and Services Regulation - This Division is responsible for the regulation and licensing of hospitals, nursing homes, and other health care facilities and services. It carries out this responsibility through programs such as Health Facilities and Services Development, Health Facilities Licensing, Emergency Medical Services Regulation, and Health Facilities Certification.

The Department currently employs over 4,650 Full-Time Equivalent positions (FTE's), and had a budget in FY 1990-91 in excess of \$260 million dollars. After the proposed transfer of the Division of Health Services and a portion of the Administrative Division to the Health and Human Services Cabinet Department, the Environmental and Health Services Regulation and Enforcement Cabinet Department will have approximately 1,050 FTE's and a budget of approximately \$70 million dollars.

## Functional Analysis

The mission statement of the Department of Health and Environmental Control that relates to these two Divisions reads in part:

The mission of the South Carolina Department of Health and Environmental Control is to protect the public's health and environment. As the principal advisor to the State on public health, the Department has the responsibility and the authority to prevent, abate and control pollution and health problems.

While other agencies also have environmental responsibilities, their focus is on protecting and preserving the environment itself. The Division of Environmental Quality Control has its focus on the health effects of environmental conditions and problems. In contrast, the Department of Wildlife and Marine Resources has the responsibility for the protection, enhancement and management of the State's wildlife and marine resources; and, both the Land Resources Conservation Commission and the Water Resources Commission have responsibilities which focus on the resources themselves, not on how they may affect the health of the citizens of South Carolina.

The Division of Environmental Quality Control is responsible for monitoring and regulating air quality, drinking water, solid and hazardous waste and radiological health. It addresses these concerns through the regulation of activities that may have adverse effects on the health of the citizens of South Carolina.

While it has been suggested that the Environment Quality Control Division should be grouped with those agencies in the proposed Natural Resources Cabinet Department, there is such a strong connection between environmental hazards and health that it would be impossible for the agency to carry out its mission of public health planning if this were to happen. In his forward to *Public Health and the Environment*, Dr. Bernard D. Goldstein, M.D. states, "...that the evidence is clear that environmental factors play a major role in those diseases which are currently responsible for the overwhelming majority of deaths and disabling diseases in the United States. Further, the evidence is that these diseases are preventable." Dr. Goldstein goes on to say, "In recent years there are signs that the core disciplines of public health and those involved in environmental protection are beginning to work together, a necessity for the solution of environmental problems". A transfer of the Division of Environmental Quality Control to the proposed Natural Resources Cabinet Department would make the coordination between these two disciplines much more difficult.

In addition, research reported by the Institute of Medicine of the National Academy of Science in a 1988 report entitled, *The Future of Public Health*, included the following observation:

Wherever organizational separation takes place, regardless of the validity of the reasons for that separation, separate program development is encouraged and desirable program coordination is impeded. Data systems are fragmented, impeding broad assessment and surveillance that make possible comparison of program impacts on the health of the public and policy formulation based on comparable problem analysis and risk assessment (Institute of Medicine, pp. 123-124).

Given South Carolina's attention to hazardous waste disposal, it is imperative that the State take a more, not less, coordinated approach to environmental and public health issues. To separate the functions associated with public health regulation and environmental protection would be to encourage even more fragmentation and lack of coordination than may already exist.

The Institute of Medicine recommends that states strengthen, rather than weaken their capacities for identification, understanding, and control of environmental problems as health hazards. [Health] agencies should maintain an ongoing working relationship with organizations that have access to relevant environmental hazards within the State. Among the issues of concern: Toxic exposure, pesticide management, indoor and outdoor air pollution, and groundwater contamination.

Eighteen other states have organizations that contain functional units responsible for public health and environmental health or environmental protection. TABLE 30, on the following page depicts these states.

TABLE 30

## STATES WITH FUNCTIONAL UNITS RESPONSIBLE FOR PUBLIC HEALTH AND ENVIRONMENTAL HEALTH OR ENVIRONMENTAL PROTECTION

Alabama	
Arizona Arkansas	
Colorado	
Kansas	
Minnesota	(Health agency includes Environmental Health)
Mississippi	(Health agency includes Environmental Health)
Missouri	(Health agency includes Environmental Health)
Montana	
Nebraska	(Health agency includes Environmental Health)
New Mexico	
New York	(Health agency includes Environmental Health; Toxic Substances)
North Dakota	(Health agency includes Environmental Health, Hazardous Waste, Water Supply, and Pollution Control)
Oklahoma Tennessee	(Health agency includes Environmenta) Health and Waste Management)
Texas	(Health agency includes Environmental Health and Solid Waste Management)
Utah	(Health agency includes Air Quality, Solid and Hazardous Waste, and Water Pollution)
West Virginia	(Health agency includes Environmental Health)

## Program Analysis

The programs and their objectives, as reported in the survey response, were evaluated in light of the South Carolina Department of Health and Environmental Control's mission statement of protecting the public's health and environment.

The programs of the Division of Environmental Quality Control and the Division of Health Facilities and Services are similar in that they are concerned with the regulation of activities that may adversely affect the health of the citizens of South Carolina.

The Division of Health Facilities and Services Regulation is responsible for such programs as the licensing and regulation of nursing homes; the "Certificate of Need" Program, which evaluates the need for various health care facilities so as to prevent needless and costly duplication; the Emergency Medical Services Program, which regulates and licenses ambulance services and emergency medical services personnel; and, many other programs designed to ensure that the patients, residents and clients receiving services from licensed activities are provided those services in a safe and healthy environment by qualified personnel.

The Environmental Quality Control Division administers varied programs designed to protect the citizens of the State from the hazards of pollution and other environmental factors. Air quality control programs cover many areas such as issuing licenses to asbestos removal contractors; analyzing air samples; ensuring compliance with permits; state and federal rules and regulations relating to emissions; and, taking appropriate enforcement actions. Water pollution control programs range from the testing and monitoring of public drinking water systems to ensure that it is safe for human consumption to programs designed to construct, control, monitor and regulate wastewater treatment facilities so as to ensure that they do not pollute the State's lakes, rivers and streams and, thus, endanger the health of downstream users. Other programs ensure that solid and hazardous waste are disposed of in a non-polluting manner. Also, inspections of x-ray equipment, located in professional offices, clinics and hospitals, are conducted to ensure there are no radiation leaks that would endanger the heath of patients and workers.

The Department of Health and Environmental Control did not assign priorities to its programs. The Department identified and prioritized twelve areas which are considered critical issues that involve long-standing and emerging issues, as well as key organizational priorities. It emphasized that all of its programs are important and that the priority of each program changes over time as other circumstances change. Setting priorities is important to ensure adequate resources are allocated in the planning and budgeting process. Priorities should be established for all programs and adjustments made as conditions warrant.

Many of the department's programs had adequate program objectives that were well-defined, detailed, relevant to, and in support of, the agency's overall mission. There were, however, some programs that had objectives that simply stated that their objective was to administer the program in accordance with the law and regulations. Other programs had objectives, but they lacked the detail necessary to achieve measurability and effectiveness.

## Efficiency and Effectiveness Analysis

The majority of the efficiency measures contained in the survey response were no more than simple comparisons of anticipated or planned activities to actual activities. The results were usually expressed in terms of ratios or percentages. An example would

be a program that has the function of issuing and renewing licenses to engage in a specified activity. The Department showed the number of licenses that were eligible for renewal and the number actually renewed with the assumption that the larger the percentage renewed the more efficient the program. In other areas, the efficiency measures consisted of projections of the number of applications that would be received, and after these figures were compared to the actual number received, the results were presented in the form of a percentage figure. In reality, the only thing this indicates is the accuracy of the original projection and the direction (high or low) of the error.

In other programs, the measure of efficiency was the number of applications, renewals, etc. that were processed in a given time frame. While this has some merit as a measure of effectiveness, it is not a measure of efficiency.

Guidelines for the time and cost required to accomplish program tasks should be developed as benchmarks against which actual results are measured. A comparison between the benchmark figures and actual results would more accurately indicate the efficiency of the program. It would also be desirable to establish standards of performance for each employee so that they may be individually measured in an objective manner.

Many of the respondent's programs listed no efficiency or effectiveness measures or simply restated their program objectives. Some indicated that effectiveness and efficiency measures were not applicable to their program, while others indicated that the program was so new that data was not yet available. While the Commission recognizes that some programs do not readily lend themselves to exact measurements of efficiency and effectiveness, measurement criteria can and should be developed.

Efficiency and effectiveness measures are critical for evaluating whether program objectives are being accomplished. They provide the criteria for decisionmakers to use in making policy and budgeting decisions.

## Administrative Analysis

The administrative structure now in place is designed to support two distinct operational areas. The Health Services Division, several functions of which the Commission on Government Restructuring proposes to transfer to the Health and Human Services Cabinet Department, is composed of approximately 3,500 FTE's and is responsible for the delivery of health services directly to individuals. The Division of Environmental Quality Control and the Division of Health Facilities and Services Regulation, which will make up the Environmental and Health Services Regulation and Enforcement Cabinet Department are composed of approximately 768 FTE's and are responsible for regulatory programs. The balance of the FTE's in the current Department of Health and Environmental Control is composed of 123 FTE's in the Office of the Commissioner and 254 FTE's in the Administrative Division, for a total of approximately 4,650 FTE's.

The Administrative Division is composed of the Deputy Commissioner's staff (8 FTE's) and five bureaus. The Bureau of Budgets, with fourteen FTE's, is responsible for the supervision, maintenance, management and coordination of the Department's budgets. The Bureau of Finance, with 58 FTE's, is responsible for the fiscal management of the department and performs such functions as general accounting, payroll and cost accounting. The Bureau of Business Management, with 56 FTE's, is responsible for the procurement of goods and services and facilities management. The largest component is the Bureau of Information Resource Management with 97 FTE's. This Bureau is responsible for all data processing services, as well as library services and communications coordination functions. The final component is the Bureau of Personnel Administration with 21 FTE's. They are responsible for performing all personnel services, such as recruiting, position classification, record keeping, employee benefits, and salary administration. Much of the work in the Administrative Division is in support of the health services delivery system.

The transfer of those previously identified functions now within the Division of Health Services, with its 3,500 FTE's and over 77 percent of the total Departmental budget, will allow for a transfer of a sizable portion of the Administrative Division to the Health and Human Services Cabinet Department to provide the necessary administrative support. Once this transfer has taken place, the Administrative Division will need to be restructured to provide a support system that is tailored to regulatory functions. In addition, some of the functions now performed in the Office of the Commissioner, which were in support of the Division of Health Services, will also be transferred.

### **Accountability Analysis**

The Department of Health and Environmental Control is governed by a seven-member board appointed by the Governor, with the advice and consent of the Senate. One member is appointed from each congressional district, and one is appointed atlarge. The terms are for four years and are staggered so that half of the Board is appointed every two years. The Board has the responsibility for setting policy, administering the Department and serving as a hearing panel. Although it meets more frequently, the Board is only required by law to meet quarterly and is made up of parttime members.

Under a cabinet style of government, the lines of authority are clear and direct. The cabinet secretary reports directly to the Governor, and the Governor would have the power to replace the secretary at any time, should the need arise. This clearly enables the Governor to set policy and gives him the tools to see that his policy is carried out properly and promptly.

The present Board should be retained, without its policymaking powers, and serve in an advisory capacity. It should also continue as a quasi-judicial panel to hear appeals. This would ensure that the public's voice would continue to be heard.

### Organizational/Management Analysis

The organizational structure of the Department of Health and Environmental Control is headed by a Commissioner chosen by the Board to direct the agency and to serve as the State's Health Officer. Under the Commissioner are four Deputy Commissioners which head up the three operating Divisions and the Administrative Division. The operating Divisions are the Division of Health Services; the Division of Environmental Quality Control; and, the Division of Health Facilities and Services Regulation. The Division of Health Services and the portion of the Administrative Division that supports their programs will be transferred to the Health and Human Services Cabinet Department, leaving two operating divisions, a much smaller Administrative Division, and the Office of the Commissioner.

The Office of the Commissioner currently has a staff of 123 FTE's which perform a variety of functions. Two of these functions, Drug Control and Vital Records and Public Statistics represent approximately 78 FTE's and have a budget in excess of \$2.6 million annually. They should be moved so that they come under the supervision and control of one of the Deputy Commissioners. The remaining functions in the Office of the Commissioner cover a wide range of programs and are composed of 45 FTE's and have a budget of over \$1.9 million annually. While some of them, such as Internal Audit, need to remain under the direct control and supervision of the cabinet secretary, many of the others should be transferred to the Administrative Division.

At present, there are too many positions reporting directly to the Commissioner. This has the potential for consuming far too much of the Commissioner's time in day-to-day management of routine functions that could be handled by a Deputy Commissioner. This will also have the effect of improving the accountability of these functions.

The organizational structure of the proposed Environmental and Health Services Regulation and Enforcement Cabinet Department would be composed of the cabinet secretary, a combination advisory board and hearing panel, an Administrative Division, and two operational divisions.

## RECAPITULATION OF COMMISSION'S PROPOSAL:

## The Environmental and Health Services Regulation and Enforcement Cabinet Department

Mission:

To provide health and environmental programs and services for the protection and promotion of the health and well-being of the State's citizens.

## Affected agencies/functional units for proposed cabinet department:

Department of Health and Environmental Control: Bureau of Health Facilities and Services Development Bureau of Health Facilities Regulations Bureau of Certification Bureau of Environmental Health Bureau of [Health Services] Laboratories Bureau of Drug Control Vital Records and Public Health Statistics Bureau of Air Quality Control Bureau of [Environmental Quality Control] District Services Bureau of Water Pollution Control Bureau of Solid and Hazardous Waste Management Bureau of Drinking Water Protection Bureau of Radiological Health Bureau of Environmental Quality Control Laboratories