


The logo for the Texas Sunset Advisory Commission is a semi-circular emblem with a dark, textured interior. The words "Texas", "Sunset", "Advisory", and "Commission" are stacked vertically in a bold, white, serif font. The emblem is set against a white background and is flanked by two thick, dark horizontal bars.

**Texas
Sunset
Advisory
Commission**

STAFF EVALUATION

Texas Commission on Alcoholism

Two thick, dark horizontal bars are positioned above the text.

**A Staff Report
to the
Sunset Advisory Commission**

1984

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SUMMARY

The Texas Commission on Alcoholism was established in 1953. It is responsible for addressing the problems of alcohol abuse and addiction in the state through studying the problems related to alcoholism, coordinating the efforts of all interested and affected state and local agencies, promoting or conducting educational programs on alcoholism, and providing for the treatment and rehabilitation of alcoholics. To accomplish these mandates, the agency performs the following functions: 1) grant and contract services; 2) technical assistance; 3) education and training; 4) coordination; 5) licensure and certification; and 6) planning and research.

The need for each of the commission's functions was analyzed and the review indicated that there is a continued need for state involvement in these areas. The need for the current agency structure was also analyzed and it was determined that if alcohol abuse efforts are not combined with other substance abuse efforts then the agency should continue to be separate and should not be merged with other existing agencies. In regard to the current operations, the review determined that while the agency is generally operated in an efficient and effective manner, there are changes which should be made in the event the legislature decides to continue the agency. An analysis of alternatives to current operations revealed that one alternative does exist where potential benefits outweigh disadvantages. In addition, six issues were identified that could offer potential benefits but would also require major changes in current state policy and could involve potential disadvantages.

The changes which should be made if the agency is continued and a discussion of the alternative and additional policy issues are set out below.

Approaches for Sunset Commission Consideration

I. MAINTAIN THE AGENCY WITH MODIFICATIONS

A. Policy-making Structure

- 1. The statute should be changed to ensure geographic distribution of commission members and to broaden the qualification requirements of some members.**

The current composition of the commission does not reflect a proper balance of interests impacted by the agency's activities since four of the six commissioners are from metropolitan areas and south and west

Texas lack representation. Additionally, the statute should be changed to reflect a proper balance of alcoholism-related interests in board composition. Commission composition should be increased from six to nine members to accommodate this type of representation.

2. The statute should be changed to allow the governor to appoint the chair of the commission.

Currently the commission chair is elected from the membership. The general practice is for the governor to appoint the chair. There is no reason that the general practice should not be followed here.

3. The statute should be changed to require the commission to hold at least one commission meeting a year outside of Austin to ensure greater regional input and participation in policy making decisions.

Because all of the commission meetings are currently held in Austin, there is limited opportunity for many of those affected by the agency's decision living in other parts of the state to participate in the decision-making process. This input is important if the commission's decisions are to be responsive to public concerns. The commission should therefore be required to hold at least one meeting each year outside of Austin.

4. The statute should be changed to authorize compensatory per diem and travel reimbursement rates comparable to those authorized for similar health service agencies for commission members.

Authorizing commission members to receive a compensatory per diem of \$50 per day for attendance at official meetings would provide for consistency in the per diem policy authorized for similar state agencies and would reduce the likelihood of individuals being forced to refuse appointment due to financial hardships.

5. The statute should be changed to clearly authorize the present advisory committee.

The agency has established a statewide advisory council to facilitate statewide participation in the development and implementation of the agency's alcohol addition and abuse programs. Current regulations no longer require that the agency maintain an advisory council. Since the

advisory council is considered an important component of the agency's decision-making processes, the agency's statute should be modified to provide for the creation of such a body.

B. Evaluation of Programs

1. Grant and contract services

- a. **The statute should be amended to require the agency to consistently monitor the expenditure of funds and the provision of services of all grant and contract recipients.**

The agency has not yet implemented comprehensive or consistent procedures to monitor recipients of its funds. Requiring the agency to monitor the expenditure of funds and the provision of services of TCA grantees and contractors would help to ensure proper accountability of state and federal funds.

- b. **Decisions regarding the approval of grants and of DWI certifications should be made by the agency's executive director with appeal to the commission.** (management improvement/non-statutory)

In the areas of approval of grant awards and approval of DWI certifications, the members of the governing body of TCA make decisions and then entertain appeals regarding those same decisions. To ensure individuals dealing with the agency have a greater guarantee of impartiality and to maintain a clear delineation of policy-making and administrative responsibilities, the agency's executive director should make the final decisions regarding approval of grant applications or DWI certification with any appeals directed to the governing body for review.

- c. **The statute should be amended to require that TCA grantees provide a cash match of at least five percent of the total TCA grant award.**

The review indicated that the agency's current statutory language concerning financial input from recipients of agency funds is outdated because the agency no longer provides funding to city or county alcoholic clinics, the only type of facility mentioned in the statute. Amending the agency's statute to require at least a

five percent cash match from all grantees unless the commission determines such a requirement could jeopardize the provision of needed services would provide greater consistency in the conditions required of recipients of grant funds awarded by state agencies and ensure evidence of local support and commitment to entities receiving state funds.

- d. The agency should be required to use available alcoholism need indication data more fully in the funding process.** (management improvement/non-statutory)

A comparison of the prevalence of problem drinkers in each region of the state and the amount of money awarded by the agency to those regions revealed discrepancies which could not be fully explained. The agency should more fully integrate available service need data into the funding process to make sure that funds are most effectively and efficiently distributed to areas where the greatest need for services exist.

- e. The agency should be required to review its grant process to ensure the most efficient and effective use of available funds.** (management improvement/non-statutory)

Results of the review indicated the agency's average grant award to organizations providing alcoholism related services is relatively small. The agency has chosen to distribute its appropriations in smaller amounts to a greater number of service providers. While this practice allows the agency to fund more projects across the state, TCA's funding policy tends to increase the administrative costs of both the agency and its grantees, reducing the amounts available for direct services. Currently there exists a greater need than TCA is capable of providing given their current budget. The agency should review its funding policies and priorities in order to maximize services to alcoholics with the greatest need without compromising the ability to monitor and audit programs or incurring unnecessary administrative costs.

- f. The statute should be amended to require that the commission develop and adopt formal policies and**

procedures in agency rules for the administration of the agency's programs.

Currently the agency is performing some of its functions according to informal policies and procedures which have not been formally adopted as rules in accordance with the Administrative Procedures Act. Adoption of formal rules would ensure compliance with state law, adequate guidelines as to basic procedural requirements regarding receipt of agency funds, and adequate public participation.

- g. The agency should implement a complaints process no later than January 1, 1985.** (management improvement/non-statutory)

The review indicated that although the agency has adopted a complaint procedure policy, no complaint system has yet been implemented whereby those affected by its programs are provided an accessible process to voice complaints and have them resolved in an unbiased manner. The agency should continue to work towards implementation of a complaint system in order to fulfill state requirements and to be able to respond to complaints in a systematic way.

2. Technical Assistance

- a. The agency should be required to provide grantees technical assistance materials consisting of guidelines and standards.** (management improvement/non-statutory)

Technical assistance is currently provided to the recipients of agency funds through both central administrative staff and staff of the regional alcoholism authorities. The review identified a need for a systematic method of providing grant and contract recipients technical assistance information concerning relevant state and federal guidelines. A more systematic provision of technical assistance information to agency grantees would increase the recipient's knowledge of important procedures and therefore increase the efficiency and effectiveness of the expenditure of funds.

3. Coordination

- a. **The statute should be amended to require TCA and the state authority on drug abuse to coordinate when providing curriculum to Texas schools containing combined alcohol and drug abuse information.**

As part of the alcoholism prevention program, the agency has purchased educational curriculum for use in Texas schools. Most of the curriculum purchased by the agency contains educational information on both alcohol and drug use and abuse. Requiring that curriculum containing information on drug use be reviewed by the Texas Department of Community Affairs Drug Abuse Prevention Division would help to ensure accurate information is being provided to the state's youth.

- b. **A task force should be set up to study changes in the commitment procedures for alcoholics.**

Current procedures for committing an alcoholic to treatment found in the agency's statute do not include adequate due process protection and may be unconstitutional. The review indicated that although the current commitment procedures are in need of change, solutions to the problems associated with procedures are complex and may require further study. A task force consisting of representatives of all relevant parties to the commitment proceedings set up to study the issues would be one method of determining the best possible procedures for committing alcoholics.

4. Licensure and Certification

- a. **The statute should be amended to require that fees received for the licensing of alcoholic treatment facilities should cover not less than 50 percent of the licensing program by fiscal year 1987 and rules regarding licensure fees should be updated to reflect current practices.**

The alcoholism treatment facility licensing act states that the commission may charge fees in such amounts as are necessary to cover the cost of the agency's licensing program. As a general

state policy, at least 50 percent of the costs associated with regulating a profession or business are paid for through fees charged to the regulated industry. The agency's licensing program currently is projected to cover 29 percent of the program cost. The review indicated that fees charged to licensees could cover program costs by 1987 without necessitating an increase in fees if the number of licensees continues to increase at the present rate. The statute should therefore be amended to reflect more realistic requirements. In addition, the review indicated that a provision for a renewal fee in the program rules is not consistent with actual practice and the rules should be updated to reflect the actual program practice.

C. Open Meetings/Open Records

1. **Subcommittee meetings of the agency's governing body should be posted in accordance with the Texas Open Meetings Act.** (management improvement/non-statutory)

In the past, the agency's governing body has divided its membership into committees to study matters such as the agency budget and make recommendations back to the full commission. These meetings were not posted. To ensure those affected by the actions of the agency have adequate access to the decision-making process, commission subcommittee meetings should be posted in accordance with the Open Meetings Act.

II. **ALTERNATIVES**

1. **The agency's district offices could be abolished and the personnel and functions of these offices could be transferred to the central administrative office.**

TCA's organizational structure currently includes six district offices located throughout the state. Since monitoring the provision of services by the agency's grant and contract recipients has recently become the district office staff's primary focus, it appears the function could be more efficiently accomplished if combined with the agency's central administration. Although travel costs would increase as a result, the combination would reduce the need for long distance supervision and could increase program monitoring consistency. One of

the primary benefits in this approach would be a reduction in agency administrative costs, estimated to be at least \$225,000 annually.

III. OTHER POLICY CONSIDERATIONS

- 1. Should the agency be abolished and the administration of alcoholism services be transferred to an independent agency which would administer both the states alcoholism and drug abuse programs.**

Texas is one of the few states where drug abuse and alcohol abuse programs are administered by separate authorities. TCA administers the state alcoholism programs while the Texas Department of Community Affairs administers the state drug abuse program. The review indicated some benefits that could be achieved as a result of program combination including increased coordination of similar services provided through similar funding sources and cost savings from utilizing one instead of two administrative structures. However, the review revealed concerns that such a combination might result in decreased funding for one or the other programs and that differing treatment philosophies between drug and alcohol abuse as well as inherent differences between the nature of the two substances and substance abusers might make the combination difficult.

- 2. Should licensing of alcoholism facilities by TCA be discontinued.**

The results of the review indicated that only 28 out of 238 alcoholic treatment facilities have chosen to be licensed under the voluntary licensure program administered by the agency. Most of the facilities currently licensed are for-profit facilities who sought licensure to be able to receive third-party reimbursement, to become eligible for court commitments and to become more credible to the public. The review indicated that for many facilities there were other alternatives to protect the public other than licensure, including certification by the Rehabilitation Commission, the Department of Health, the Department of Mental Health and Mental Retardation and the Joint Commission on Accreditation of Hospitals. However, the agency does point out that in the absence of licensure by TCA many types of alcoholism facilities would not be regulated. It was also determined that although there had

been problems in connection with the operations of several unregulated facilities these programs could have continued to operate even under stricter licensure provisions as long as they did not call themselves an alcohol rehabilitation facility.

3. Should the state require insurance coverage for alcoholism.

Insurance companies are now required to offer coverage for alcoholism treatment. Many people involved in the field of alcoholism believe that in order to fully address the needs of alcoholism treatment, all health policies sold in the state should be mandated or required to provide coverage for alcoholism treatment. A legislative subcommittee is currently studying mandated health coverage including mandated coverage for alcoholism to determine the benefits or disadvantages that would result from this type of insurance coverage requirement.

4. Should direct transfer funds now appropriated to TCA for transfer to other state agencies be utilized for TCA alcoholism treatment and prevention programs.

The current appropriations format gives the commission funds to transfer to the Department of Mental Health and Mental Retardation, Department of Corrections, Department of Health and the University of Texas at Tyler Health Science Center for the institutional care of alcoholics. TCA's control over these funds is limited primarily to assisting in the selection of counselors paid from this source. The results of the review indicated two instances where there could be a discontinuation or reduction in the funds appropriated to these agencies. These funds could then be allocated to TCA to meet the overwhelming needs for community-based treatment and rehabilitation. The review indicated that the University of Texas at Tyler has not used the direct transfer funds this biennium due to a decrease in the number of tuberculosis patients with alcohol problems. In the case of funds appropriated to the Department of Corrections it was noted that the program funded was directed to individuals in a confined environment with little or no access to alcohol or drugs for an extended period of time. In addition, it was difficult to assess whether the program serves those most in need since it is voluntary.

5. Should the agency discontinue funding to regional alcoholism authorities and utilize these funds for prevention, treatment and rehabilitation programs.

TCA has chosen to employ a regional network, the regional alcoholism authorities (RAA's) located in the 24 councils of government throughout the state, to help identify local needs and coordinate the provision of alcoholism service on the local level. Results of the review showed that the choice to use the regional councils of government is an expensive one because of the amount of indirect costs connected with the administration of these grants charged by the region. The review indicated it is also difficult to control indirect costs charged to TCA because as long as federal funds are used to fund these grants, the agency must accept the indirect cost rate negotiated by each regional council and its designated federal agency. By discontinuing funding to the COGs, the agency would not lose all available means of regional input. Supporters of COG involvement point out, though, that the COG involvement provides for the most comprehensive, non-duplicative system of alcohol abuse and addiction services.

AGENCY EVALUATION

The review of the current operations of an agency is based on several criteria contained in the Sunset Act. The analysis made under these criteria is intended to give answers to the following basic questions:

1. Does the policy-making structure of the agency fairly reflect the interests served by the agency?
 2. Does the agency operate efficiently?
 3. Has the agency been effective in meeting its statutory requirements?
 4. Do the agency's programs overlap or duplicate programs of other agencies to a degree that presents serious problems?
 5. Is the agency carrying out only those programs authorized by the legislature?
 6. If the agency is abolished, could the state reasonably expect federal intervention or a substantial loss of federal funds?
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BACKGROUND

Organization and Objectives

The Texas Commission on Alcoholism was created in 1953 and is currently active. It is composed of six members who are required to have knowledge and interest in the subject of alcoholism. At least one member must be a physician and at least three members must have had personal experience as excessive users of alcohol. Commission members are appointed by the governor and confirmed by the senate for staggered terms of six years. The commission has 74 employees and is operating with a budget of \$9,828,981 from general revenue (39 percent) and federal funds (61 percent) during fiscal year 1984. Services provided by the commission are administered through a central office in Austin, six district offices located throughout the state, and 24 regional alcoholism authorities (RAA's) designated and funded by the commission to provide planning and technical assistance to grantees of the commission. The agency's organizational structure is depicted in Exhibit 1.

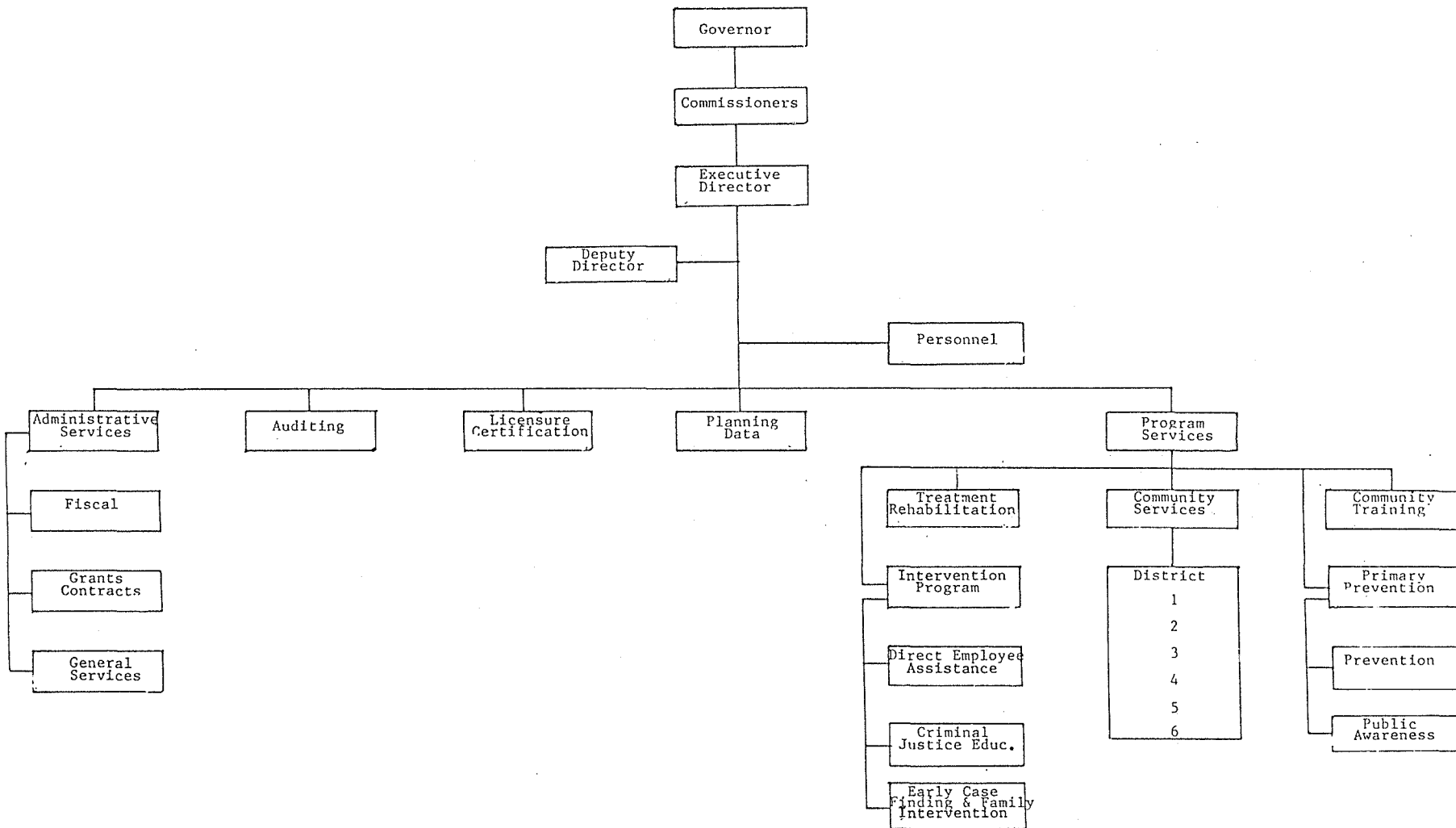
The Commission on Alcoholism was originally established in 1953 to provide for education and study relating to the problems of alcoholism and to promote the establishment of alcoholic treatment programs. No funds were appropriated for either agency administration or the provision of alcoholism treatment services until 1957. At that time, \$70,000 in state funds were appropriated to TCA providing for alcoholism counselors in each of the state mental health hospitals. The agency operated solely under state mandate and state funds until the passage by Congress in 1970 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act which provided federal funds to the states for use in alcohol and alcohol abuse programs. TCA was designated by the governor in 1971 to administer the state plan for carrying out the purpose of this Act.

A significant change in the agency's responsibilities occurred with the passage of the federal Omnibus Budget Reconciliation Act of 1981, which authorized a block grant to states for alcohol, drug abuse, and mental health programs, and repealed much of the enabling federal statutes for these program areas. As a result of an agreement between the three state agencies in Texas receiving ADM block grant funds, the governor authorized TCA to receive 23.5 percent of the block grant funds. Other portions of the ADM block grant are administered by the

Exhibit 1

TEXAS COMMISSION ON ALCOHOLISM

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Texas Department of Community Affairs drug abuse prevention division (35 percent) and the Texas Department of Mental Health and Mental Retardation (41.5 percent). With the change to block grant funding, the agency also assumed the management of 12 programs which previously had been funded directly by the National Institute on Alcohol Abuse and Alcoholism and continues to administer and allocate federal, as well as state funds designated for alcohol related programs.

The potential population that could be served by the agency is reflected in a recent survey conducted by Texas Christian University under a TCA grant. The survey found that over half a million adults in Texas are problem drinkers. The survey also estimated that one out of every five Texas households has a member with a drinking problem, with 5.1 percent of the state's adult population or 727,612 people in need of treatment. These figures can be contrasted to the 10,000 clients currently within TCA's framework. Although Texas is the third most populous state, Exhibits 2 and 3 indicate that Texas ranks 52nd out of 52 states and protectorates in reported per capita spending for both drug and alcohol services for fiscal year 1984, spending approximately \$.27 per person from state funds and \$1.10 per person from all sources of funding.

The agency's current statutory responsibilities for addressing the problems of alcohol abuse and addiction in the state include carrying on a continuing study of the problems of alcoholism and focusing public attention on such problems; establishing cooperative relationships with other state and local agencies or other related organizations; promoting or conducting educational programs on alcoholism; and providing for the treatment and rehabilitation of alcoholics through grants and contracts to service providers. These statutory mandates are accomplished through an organizational framework consisting of five programs: 1) primary prevention; 2) intervention; 3) treatment and rehabilitation; 4) community services; and 5) administration. Although the five programs reflect the agency's activities and budget categories, the review of the agency was structured around the actual functions of the agency. For the purposes of the review, six functions were identified and analyzed: 1) grant and contract services; 2) technical assistance; 3) education and training; 4) coordination; 5) licensure and certification; and 6) planning and research.

The review of the Texas Commission on Alcoholism indicated the commission has been generally effective in carrying out its responsibilities. However, a

Exhibit 2

ESTIMATED STATE ALCOHOL AND DRUG FUNDS BY STATE AND PER CAPITA FOR FISCAL YEAR 1984

State	State Funds In Thousands	Population In Thousands	State Funds Per Capita	State Rank
Alabama	\$ 1,494	3,959	\$.38	50
Alaska	12,671	479	26.45	1
Arizona	7,223	2,963	2.44	24
Arkansas	766	2,328	.33	51
California	68,766	25,174	2.73	21
Colorado	11,688	3,139	3.72	13
Connecticut	5,873	3,138	1.87	33
Delaware	2,299	606	3.79	12
District of Columbia	10,468	623	16.80	2
Florida	21,297	10,680	1.99	31
Georgia	18,067	5,732	3.15	17
Hawaii	1,646	1,023	1.61	36
Idaho	1,790	989	1.81	35
Illinois	41,067	11,486	3.58	14
Indiana	10,459	5,479	1.91	32
Iowa	3,034	2,905	1.04	45
Kansas	5,018	2,425	2.07	29
Kentucky	2,579	3,714	.69	46
Louisiana	9,496	4,438	2.14	28
Maine	5,453	1,146	4.76	7
Maryland	18,029	4,304	4.19	9
Massachusetts	24,465	5,767	4.24	8
Michigan	20,625	9,069	2.27	26
Minnesota	23,281	4,144	5.62	5
Mississippi	2,930	2,587	1.13	42
Missouri	6,258	4,970	1.26	39
Montana	2,236	817	2.74	20
Nebraska	4,086	1,597	2.56	23
Nevada	1,401	891	1.57	37
New Hampshire	1,114	959	1.16	41
New Jersey	8,089	7,468	1.08	43
New Mexico	8,617	1,399	6.16	4
New York	126,496	17,667	7.16	3
North Carolina	17,544	6,082	2.88	19
North Dakota	1,500	680	2.21	27
Ohio	15,773	10,746	1.47	38
Oklahoma	3,996	3,298	1.21	40
Oregon	6,300	2,662	2.37	25
Pennsylvania	24,425	11,895	2.05	30
Puerto Rico	13,084	3,261*	4.01	11
Rhode Island	2,510	955	2.63	22
South Carolina	1,784	3,264	.55	47
South Dakota	378	700	.54	48
Tennessee	1,960	4,685	.42	49
Texas	4,168	15,724	.27	52
Utah	6,542	1,619	4.04	10
Vermont	1,557	525	2.97	18
Virginia	10,122	5,550	1.82	34
Washington	14,847	4,300	3.45	15
West Virginia	2,080	1,965	1.06	44
Wisconsin	23,439	4,751	4.93	6
Wyoming	1,747	514	3.40	16
Totals	\$ 642,539	237,241	\$ 2.71	

* July 1982 Estimate

Source: State Alcoholism and Drug Abuse Profile, April 1984

Exhibit 3

TOTAL ESTIMATED ALCOHOL AND DRUG FUNDS FROM ALL SOURCES BY STATE AND PER CAPITA FOR FISCAL YEAR 1984

State	Total Funds In Thousands	Population In Thousands	Total Funds Per Capita	State Rank
Alabama	\$ 4,883	3,959	\$ 1.23	51
Alaska	14,175	479	29.59	1
Arizona	22,224	2,963	7.50	11
Arkansas	4,587	2,328	1.97	46
California	169,492	25,174	6.73	14
Colorado	20,959	3,139	6.68	15
Connecticut	27,078	3,138	8.62	10
Delaware	3,572	606	5.89	18
District of Columbia	12,859	623	20.64	3
Florida	47,752	10,680	4.47	28
Georgia	24,089	5,732	4.20	33
Hawaii	2,687	1,023	2.63	40
Idaho	3,037	989	3.07	38
Illinois	58,940	11,486	5.13	24
Indiana	13,337	5,479	2.43	41
Iowa	9,388	2,905	3.23	37
Kansas	8,924	2,425	3.68	36
Kentucky	6,578	3,714	1.77	48
Louisiana	13,522	4,438	3.05	39
Maine	8,393	1,146	7.32	12
Maryland	22,737	4,304	5.28	21
Massachusetts	32,039	5,767	5.56	20
Michigan	58,023	9,069	6.40	16
Minnesota	113,671	4,144	27.43	2
Mississippi	5,552	2,587	2.15	45
Missouri	11,823	4,970	2.38	42
Montana	12,652	817	15.49	5
Nebraska	6,728	1,597	4.21	32
Nevada	4,651	891	5.22	23
New Hampshire	2,165	959	2.26	43
New Jersey	31,326	7,468	4.19	34
New Mexico	16,709	1,399	11.94	7
New York	276,019	17,667	15.62	4
North Carolina	34,193	6,082	5.62	19
North Dakota	8,169	680	12.01	6
Ohio	47,162	10,746	4.39	30
Oklahoma	6,337	3,298	1.92	47
Oregon	16,889	2,662	6.34	17
Pennsylvania	60,356	11,895	5.07	25
Puerto Rico	17,121	3,261*	5.25	22
Rhode Island	4,283	955	4.48	27
South Carolina	7,160	3,264	2.19	44
South Dakota	1,212	700	1.73	49
Tennessee	5,965	4,685	1.27	50
Texas	17,265	15,724	1.10	52
Utah	14,125	1,619	8.72	9
Vermont	3,652	525	6.96	13
Virginia	24,084	5,550	4.34	31
Washington	19,687	4,300	4.58	26
West Virginia	7,254	1,965	3.69	35
Wisconsin	45,095	4,751	9.49	8
Wyoming	2,269	514	4.41	29
Totals	<u>\$1,412,847</u>	<u>237,241</u>	<u>\$ 5.96</u>	

* July 1982 Estimate

Source: State Alcoholism and Drug Abuse Profile, April 1984

number of areas were identified where modifications would increase the efficiency and effectiveness of the commission's activities. Results of the evaluation follow.

REVIEW OF OPERATIONS

The evaluation of the operations of the commission is divided into general areas which deal with: 1) a review and analysis of the policy-making body to determine if it is structured so that it fairly reflects the interests served by the agency; and 2) a review and analysis of the activities of the agency to determine if there are areas where the efficiency and effectiveness can be improved both in terms of the overall administration of the agency and in the operations of specific agency programs.

Policy-making Structure

The evaluation of the policy-making structure was designed to determine if the current statutory structure contains provisions that ensure adequate executive and legislative control over the organization of the body; competency of members to perform required duties; proper balance of interests within the composition; and effective means of selection and removal of members.

The Texas Commission on Alcoholism is composed of six members appointed for staggered terms of six years. Members are appointed from citizens of the state who are known to be knowledgeable and have an interest in the subject of alcoholism. One member must be a physician and three members must have had personal experience as excessive users of alcohol. The members elect officers annually from among their membership. In addition to the commission, an advisory committee has been created to serve in an advisory capacity on matters relating to the commission's operations.

The review focused on whether the agency's policy-making structure provided the necessary expertise and geographical representation to respond to the needs of alcoholics and various types of alcoholism service providers in the state. In addition, policy issues relating to the agency's operations and rules which govern the policy-making body were examined. Although the policy-making body appears to be fashioned in a generally appropriate manner, the following changes should be made to ensure continued responsibilities and to more fairly reflect the interests served by the agency.

The statute should be changed to ensure geographic distribution of commission members and to broaden the qualification requirements of some members.

TCA's current composition consists of one physician, three persons with personal experience as excessive users of alcohol, and two public members. The review indicated that a geographical balance on the Commission is not required and does not exist. Four of the six commissioners are from major metropolitan areas of the state while south Texas and west Texas/trans-pecos regions currently lack any representation.

In addition, the review indicated that requirements for commission composition may be unnecessarily restrictive and do not allow for representation of different interests affected by the agency's activities. Although a physician and those with experience as excessive users of alcohol are provided representation on the agency's policy-making board, others who play an integral part in alcoholism service provision such as alcohol/drug abuse counselors, law enforcement personnel, psychologists, and educators are not included by statute.

The agency's primary function is to allocate federal and state funds to alcoholism projects throughout the state. It is therefore important that all areas of the state be represented on the commission and that commission composition represent a balance of interests affected by the agency's activities.

Since alcoholics and alcoholism service providers are found in all parts of the state, the statute should be amended to provide that one member known to have knowledge and an interest in the subject of alcoholism be appointed from each of the following geographic areas of the state: the Gulf Coast, the Trans-Pecos, Central Texas, South Texas, Northeast Texas, and the Panhandle-South Plains. The remaining three members should be selected at large to ensure that areas with a larger concentration of alcohol-related problems are adequately represented. In order to ensure an adequate balance of interest is reflected in the policy-making structure, at least three members of the commission should be required to have had training or professional or personal experience in alcohol abuse and alcoholism. Commission composition should be increased from six to nine members to accommodate this type of representation.

The statute should be changed to allow the governor to appoint the chair of the commission.

TCA's commission members currently elect a chairperson each year from among their membership. The review showed that the current chair has served for the past six years. The membership selection procedure for many state agency policy-making bodies is for the governor to select the chairperson. Such a procedure helps to ensure a continuity of policy from the state's chief executive down to the various agencies providing services to the citizens of the state.

A review of the policy issues related to the agency's operations did not indicate any reason to deviate from this practice. It therefore recommended that TCA's statute be amended to provide for selection of the chairperson by the governor and to delete the reference to a one-year term.

The statute should be changed to require the commission to hold at least one commission meeting a year outside of Austin to ensure greater regional input and participation in policy-making decisions.

TCA's policy-making body generally holds about four or five scheduled meetings a year. At these meetings, the commission hears staff recommendations, receives public testimony, and makes decisions concerning items listed on the meeting agenda. While this public input is useful in assisting the commission to make the particular decision at hand, little opportunity exists for interested persons to express views and concerns or present information to the commission relating to the provision of alcoholism services throughout the state. Public input is further limited by the fact that commission meetings are always held in Austin, thereby reducing or eliminating commission accessibility to those residing in other geographic areas of the state. In order to enhance the commission's responsiveness to the needs of those impacted by agency programs by ensuring adequate opportunity for direct public input, the commission should be statutorily required to hold an annual public meeting outside of Austin, rotating each year among different geographic regions of the state in which members of the general public may comment on any topic related to the commission's responsibilities.

The statute should be changed to authorize compensatory per diem and travel reimbursement rates comparable to those authorized for similar health service agencies for commission members.

A review of other health service agencies including the Department of Health and the Texas Rehabilitation Commission indicated that the commission's authority to pay compensatory per diem and travel expenses is not consistent with the authority granted similar state agencies. As a general rule, board members are paid a per diem plus actual and necessary expenses. Currently, the commission is authorized to reimburse commission members \$20 a day plus actual expenses. Board or commission members of other state agencies surveyed receive a compensatory per diem ranging from \$50 to \$150 per day in addition to travel reimbursement. Amending the statute to permit commission members to receive a compensatory per diem of \$50 per day for attendance at official meetings would provide a consistency in the per diem policy authorized for similar state agencies and would reduce the likelihood of individuals being forced to refuse appointment due to financial hardships.

The statute should be changed to clearly authorize the present advisory committee.

The Omnibus Budget Reconciliation Act of 1981 (PL 97-35) repealed that portion of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 which required a statewide advisory council. Although no current federal laws, rules or regulations require the existence of the advisory council, TCA's governing board declared, as a matter of policy, the statewide advisory council would remain a high priority of the commission.

Currently, the TCA advisory council is very active in advising the agency on issues affecting the agency's operations and meets twice a year. It has 33 members and is composed of a representative from each of the designated state planning regions, members-at-large selected by the TCA commissioners and the executive committee of the advisory council, and ex-officio members from state agencies and other organizations. Advisory council members include not only people who receive services from the agency, but also law enforcement personnel, businessmen, ministers, educators, and other interested citizens. TCA considers their advisory council to be a vital part of the organization and indicates that the group

facilitates statewide participation in the development and implementation of effective alcohol addiction and abuse programming.

The existence of an advisory body in a human service delivery agency such as TCA which impacts the health needs of citizens throughout the state is an effective mechanism for increasing public input in the decision-making process. This method of obtaining input has been mandated in other state agencies including the Texas Department of Mental Health/Mental Retardation, the Texas Department of Human Resources, and the Texas Department on Aging, which are required by law to establish an advisory committee consisting primarily of service recipients or their families to provide advice on program implementation and development.

Amending the statute to require the establishment of an advisory committee would ensure the committee's continuation and adequate representation by those impacted by agency activities from every region of the state. In order to ensure adequate involvement by and direct input to agency policy-makers, the commission should adopt rules and regulations which specify committee size; membership requirements including geographical representation; method of selection; to whom the committee reports and how often; the specific duties and responsibilities of the committee, and rates of reimbursement for travel and per diem.

Evaluation of Programs

As previously mentioned, the activities of the agency were divided into six areas for purposes of evaluation: grant and contract services; technical assistance; education and training; coordination; licensure and certification; and planning and research. A description of the activities within each of these functional areas as well as any significant problems identified during the review are covered in the material which follows.

Grant and Contract Services

The primary function of the agency is the allocation, administration and management of grants and contracts. All agency program areas are involved in the allocation of state and federal funds for the delivery of services at the local level. The administration program is responsible for the overall fiscal administration of grants and contracts, and other program staff serve primarily as program specialists for their particular grant or contract area.

Since its creation the agency's focus in allocating funds to different areas has shifted to reflect changes in statutory mandates, in funding patterns, in the

population it serves, and in treatment philosophies of alcohol addiction and abuse. During the early years of the agency, treatment for alcoholics was provided through state institutions, such as mental hospitals, tuberculosis hospitals and prison systems. Today, as the emphasis has moved from institutional care to community-based care, the majority of TCA's treatment and rehabilitation funds (3.5 million out of 4.5 million) are allocated to community treatment programs. An amendment in 1981 to the agency's enabling statute served to strengthen this direction by providing \$4 million annually from the General Revenue Fund for the development of community-based prevention, treatment, and rehabilitation programs.

In addition, research indicating an increase of alcohol use and abuse prompted the expansion of agency services to include not only education, treatment, and rehabilitation services but also intervention services to intercept individuals in the early stages of alcohol abuse and addiction, and prevention services targeted to children and youth.

In fiscal year 1984, the agency allocated \$1,562,860 in general revenue funds and \$5,242,796 from the Alcohol, Drug Abuse and Mental Health (ADM) block grant established by the Omnibus Reconciliation Act of 1981 and from other special federal funds. Currently, to distribute these funds the agency either awards grants or contracts to approximately 180 entities. Each year the commission determines how much of the available funds are to be allocated to each of the program areas - treatment and rehabilitation, intervention, occupational, DWI, prevention, training and regional service development.

Exhibit 4 shows how the commission has allocated funds between each of the categories and the number of grants and contracts involved. A description of each funding category and the types of projects which receive TCA funds within each category follow.

Treatment and Rehabilitation. Fifty one percent or 3.5 million of all grant and contract funds awarded in fiscal year 1984 were allocated to treatment and rehabilitation programs. The source of funding for treatment and rehabilitation programs is both state and federal funds. Most of TCA's funds in this category are distributed on a purchase-of-service basis to community-based facilities for the treatment and rehabilitation of alcoholics. TCA currently has 120 treatment and rehabilitation grants and contracts with various public and private non-profit entities providing a broad range of alcoholic treatment services including detoxification, residential, long-term care, and out-patient services.

Exhibit 4
TEXAS COMMISSION ON ALCOHOLISM
GRANT AND CONTRACT FUNDS ALLOCATED - FY 1984
BY CATEGORY

	<u>Treatment and Rehabilitation</u>	<u>Prevention</u>	<u>Intervention</u>	<u>Occupational</u>	<u>Regional Service Development</u>	<u>Other (DWI and Training)</u>	<u>Totals</u>
Amount Awarded	\$ 3,474,820	\$ 926,639	\$ 955,962	\$ 402,064	\$ 980,699	\$ 65,422	\$ 6,805,656
	(51%)	(14%)	(14%)	(6%)	(14%)	(1%)	100%
Number of Programs Funded	120	112	47	7	24	2	312

Approximately 20 percent or \$572,975 of the funds allocated in the treatment and rehabilitation category are purchase of service contracts with residential facilities awarded on the basis of TCA's cooperative agreement with the Texas Rehabilitation Commission (TRC). Under this agreement, if a client is potentially eligible for TRC employment services, TCA provides financial support for the client during the first 30 days of sobriety. Only facilities certified by TRC are eligible for this type of purchase of service contract funds from TCA.

Community-based facilities of TDMHMR are also recipients of TCA treatment and rehabilitation funds. Sixteen of the 31 MHMR facilities were awarded TCA grants for fiscal year 1984, receiving approximately 40 percent or \$1.1 million of the treatment and rehabilitation allocation.

Another type of funds which fall into the treatment and rehabilitation category are direct transfer funds. In fiscal year 1984 these funds totaled \$1.1 million. Although these funds are included as line items in TCA's budget, the funds are transferred directly to TDMHMR state hospitals (\$453,350), state chest hospitals operated by the Texas Department of Health and the University of Texas at Tyler (\$65,677), and the Texas Department of Corrections (\$604,649) for use in the employment of alcoholism counselors. The alcoholism counselors who work in these institutions are jointly selected by TCA and the agency or institution.

Intervention. One of the agency's goals is to intercept individuals who are in the early stages of alcohol abuse or addiction and refer them to treatment or counseling. TCA supports programs that provide early case finding and family intervention activities in order to identify and refer persons to sources of help in the early stages of alcohol abuse or addition. In this category, TCA awarded \$52,167 state and \$903,795 federal funds as grants to 47 programs offering intervention services in fiscal year 1984. This total represents 14 percent of all grant and contract funds awarded in fiscal year 1984. Funds were awarded to councils on alcoholism, local units of government, community mental health centers, community clinics, public and private non-profit hospitals, Indian reservations, the Texas Hospital Association, YMCA's, Texas Education Foundation, Houston Municipal Courts, and medical schools for the provision of early alcoholic identification and referral services.

Occupational. Six percent of all grant and contract funds are awarded to programs which develop employer or institutionally based early intervention services for alcohol abusers and alcoholics. The agency estimates that alcohol-impaired employees cost Texas employers over \$1.5 billion annually due to the

effects of lost productivity, increased sick benefit usage, high employee turnover and low morale.

Occupational grantees, which include city governments, private organizations, school districts, and labor unions, generally work with various businesses, industries and professional organizations helping them set up employee assistance programs. Employee assistance programs provide a means for early intervention, identification and referral for alcohol abusers and alcoholics while they are still employed.

The agency has also used funds allocated to occupational grants for the development of student assistance programs. Student assistance programs are aimed at early alcohol abuse intervention and follow-up services for school aged youth. The agency awarded \$402,064 in federal funds to seven occupational programs in fiscal year 1984.

Prevention. Three different types of grants totaling 14 percent of all grant and contract funds or \$926,639 were offered to service providers in the prevention area. These grants are a mixture of state (5 percent) and federal (95 percent) funds. During fiscal year 1984 when funds were available, TCA provided contracts to schools throughout Texas to purchase TCA-approved alcohol education curricula. Two private schools, 59 public school districts, and two non-profit organizations were awarded contracts totaling \$376,000 for this purpose.

The second type of grant in the prevention area goes to programs which provide prevention and education services to kindergarten through college students identified as high-risk. High-risk youth have been identified by the agency as children of alcoholics, who are at greater risk of developing an alcohol problem in later life. Prevention grantees such as community centers, girls clubs, community mental health centers, and community guidance centers were awarded \$174,318 in TCA funds to identify and provide intensive services to more than 617,000 of these children.

Under general prevention activities the agency allocated approximately \$96,500 to organizations to carry out education and information programs for parents, junior and senior high school students, and for the drinking and driving population of Texas. One example of an education and information prevention grant is the statewide junior and senior high Student Myth Information and Learning Experiences (SMILE) campaign, which is a peer education project operated through student councils.

Regional Services Development. Regional services development grants representing 14 percent or \$980,699 of all grant and contract funds were awarded, in fiscal year 1984, to 24 regional alcoholism authorities (RAA's). These authorities are divisions within Texas' 24 councils of governments (COG's). Responsibilities of each RAA include regional planning, development of resources, and coordination of local alcoholism services.

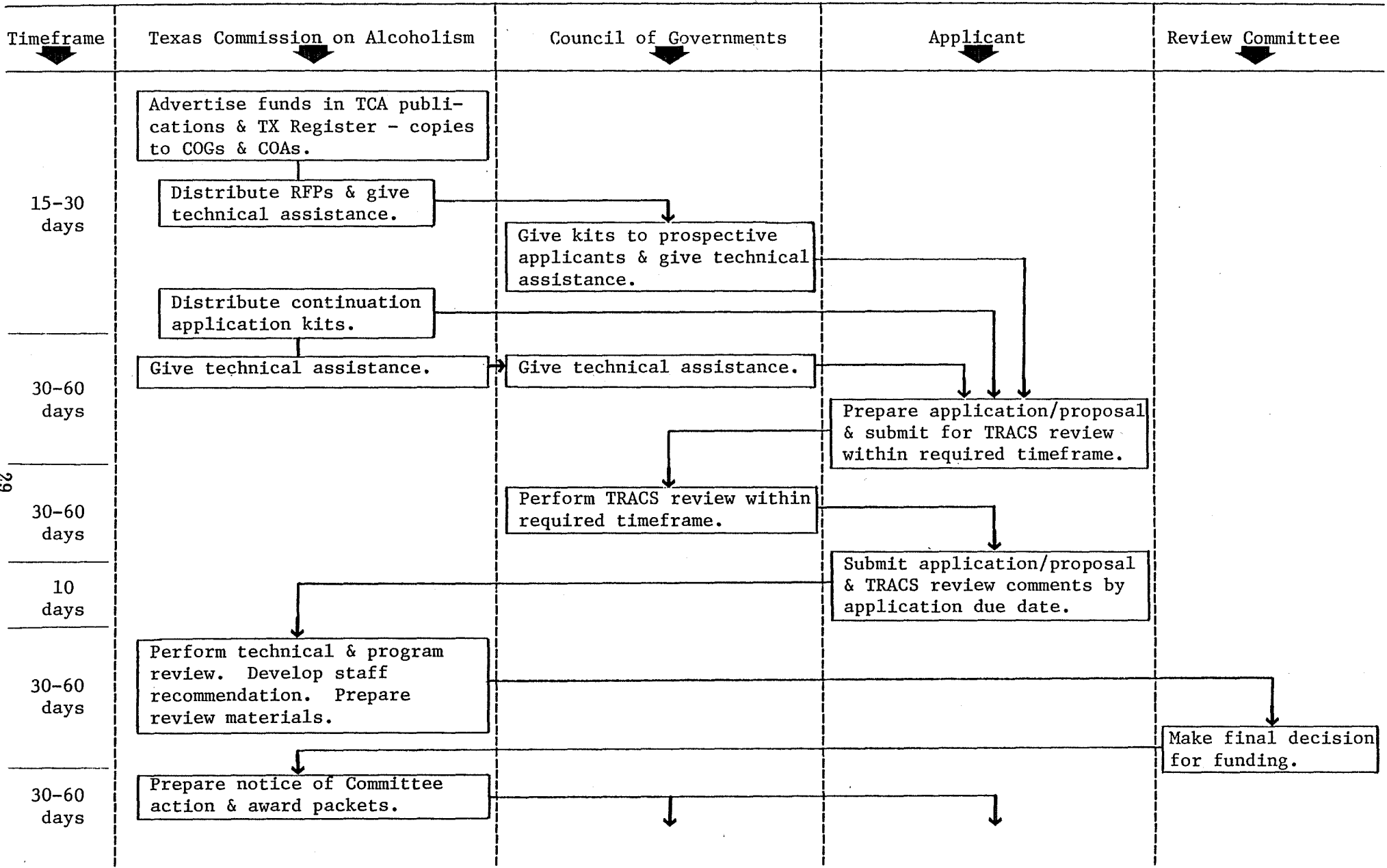
The regional service delivery system was established in 1973. Funded contracts were developed with an agency in each region of the state to provide for a staff position and related administrative expenses. Although various agencies have served as the regional alcoholism authorities, since 1983 the councils of government have been fulfilling this function exclusively.

DWI and Training. At the present time, TCA is funding only one grant each in the DWI and training project categories. For fiscal year 1984, \$53,068 was awarded to Sam Houston State University for use in training of DWI education instructors and administrators. Texas Tech Health Science Center received \$5,293 in 1984 to train family practice medical students in the subject of alcohol use and abuse.

Like most agencies that allocate grants, TCA has established project funding categories that group various services for which funds can be allocated. Initial grant and contract applications in most of TCA's project funding categories are through a request for proposals (RFP) process. Under this process the agency indicates, through the Texas Register, which services are needed and outlines the process for applying. Entities seeking to receive funding first submit their application to the regional alcoholism authority for review and comment, where the merits of each proposal are evaluated and ranked according to specific criteria. A review group composed of TCA commissioners and advisory council members make the final decision for awarding available funds. Continuation grants funded by the agency are not required to go through the RFP process, but must submit an annual budget and description of major changes, achievements, and progress made in securing other funds to support the project. In fiscal year 1984, \$6,372,595 was allocated to continuation projects, while new projects received \$433,061. An outline of TCA's procedure for awarding both continuation and new grants is shown in Exhibit 5.

In the past, the agency has operated under a funding cycle that was unnecessarily complex and cumbersome. The review indicated that TCA has adopted a new grants funding cycle system for fiscal year 1985. Under this system,

Exhibit 5
Texas Commission on Alcoholism
FLOWCHART - APPLICATION PROCESS



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projects will be funded for one of four time periods, depending on the capability to become self-sustaining or to generate other sources of revenue.

Projects which have a high potential for picking up the costs in the future will be funded for a period not to exceed four years and will have an increasing match contribution requirement each year TCA funds are received. Projects with little or no potential to become self-sustaining, but which are necessary, will have a sustaining cycle. There is a separate funding cycle for special projects and a 12-month discretionary cycle used to address emergency situations.

A review of the agency's monitoring activities indicated that in the past the agency did not have a process which ensured systematic and timely evaluations of grantees. However, the agency recently implemented a new system for the monitoring of all grant and contract projects. By rule, all projects receiving TCA funds are subject to on-site inspection, monitoring, auditing, and other evaluations as required. Program monitoring of funded projects will now primarily be the responsibility of TCA's six district offices. District office staff will monitor all projects in their area at least annually to identify and correct problems in service delivery during the grant or contract period. Financial audits of projects funded by TCA are the responsibility of central office administration staff. The agency indicates that, beginning September 1, 1984, all organizations receiving \$20,000 or more per year will be required to have an annual independent audit of financial records. TCA will audit those with grants under \$20,000.

The review of the grant and contract function resulted in several recommendations that could improve the efficiency and effectiveness of the grants process. These recommendations are outlined below.

The statute should be amended to require the agency to consistently monitor the expenditure of funds and the provision of services of all grant and contract recipients.

Compliance activities of an agency such as TCA which distributes over \$6 million yearly in federal and state funds through grants and contracts are an essential element of control for several reasons. First, a consistent and thorough compliance system helps ensure that federal or state funds distributed at the local level are spent for the intended services and that grantees and contractors using federal funds comply with federal statutes and regulations. Secondly, updated information on funded projects can be used by agency management to improve the administration of programs and to set and reach program objectives.

TCA compliance activities include both program monitoring and financial auditing. Program monitoring, performed to identify and correct problems in service delivery during the grant or contract term, is currently carried out by the staff of the six district offices located throughout the state. In 1982, approximately 45 percent of the financial audits of grantee and contractor records were performed and covered grants totaling \$1,457,647 by independent CPA's, and the other 55 percent of audits were performed by the administration program's audit division and covered grants totaling \$1,779,197.

The agency's monitoring/auditing activities were examined to determine three things: 1) whether there was a scheduling mechanism which allowed for reporting or on-site visits of a frequency and duration to allow problem identification at an appropriate stage and which made efficient use of travel funds; 2) whether the procedure for performing the activity included a broad and detailed enough scope to give an accurate assessment of the program and involved a standardized procedure in order to minimize subjectivity on the part of the reviewer; and 3) whether the results of the monitoring/audit report were used systematically to efficiently communicate the findings to the recipient, to allow use of the information as a management tool by proper TCA personnel, and to ensure effective follow-up and correction of any identified deficiencies.

In the past, much of TCA's monitoring/auditing procedures have not been conducted in accordance with the above listed criteria and the agency was deficient in providing necessary controls over the money appropriated through grants and contracts. During the period under review, the agency reports that on the average only 51 percent of all grants and contracts received program monitoring while an average of 33 percent of the recipients received a financial audit. The review did indicate that financial audits conducted by TCA were very thorough when they were performed and covered more than one grant period. The problem is that due to the large number of projects, the staff was able to audit few of the funded projects.

Results of the review indicated that the agency did not have an adequate or consistent system in place for program monitoring. In the past, central office staff monitored some programs while program staff monitored others and there was no central point controlling the activities of these two functions. The review indicated that often programs were monitored only if staff heard of a problem. In one instance, grantees were asked to perform their own evaluation and mail it back in to the agency, and no site visit took place.

This lack of a consistent compliance system has resulted in at least one instance where state and federal appropriations were misused and mishandled, but escaped detection because of a lack of thorough monitoring. The state audit reports of TCA for both fiscal years 1981 and 1982 noted that a number of the agency's subrecipients of federal funds had not undergone the audit process, within the two-year time frame required by Attachment P of OMB Circular A-102. The total amount of funds which had gone unaudited in each fiscal year under review was found by the state auditor to be in excess of \$500,000.

The agency has indicated to Sunset Commission staff that they are taking steps to improve their compliance activities. Regarding program monitoring, the agency plans to monitor every grantee and contractor at least once a year. Monitoring procedures will include site visits which cover the project's administration, personnel policies, and program content. The program monitoring function will now solely be the responsibility of the district office staff.

To help bring the agency in compliance with federal guidelines, financial auditing procedures are also being revised. All organizations receiving funds from the commission in the amount of \$20,000 or more per year will be required to have an annual independent audit of that organization's financial records. These independent audits will then be reviewed by TCA audit staff. The central administration audit division will audit grants of less than \$20,000.

Both the revised program monitoring and financial auditing procedures are scheduled to be operative by September 1, 1984. In addition, TCA has also recently initiated quarterly monitoring meetings, where all agency staff involved in the administration of allocated funds gather to discuss each funded project. These meetings are designed to keep agency administration updated on the progress of grantees and contractors and to help in the early identification and solution of problems and should prove useful once the new compliance systems are in place.

In order to ensure the agency continues to move in the direction of improved compliance activities, the statute should be amended to require the agency to monitor the expenditure of funds and the provision of services of all grant and contract recipients. While this requirement may limit the agency's flexibility to determine the time for auditing, the legislature can set broad guidelines to assure that appropriated funds are being properly spent. If the time should need to be adjusted in the future it is also appropriate for the agency to explain to the legislature why there is a reason to relax or modify the guidelines set in statute.

Decisions regarding the approval of grants and of DWI certifications should be made by the agency's executive director with appeal to the commission.

Currently, the agency's grant review process calls for a grant review committee composed of three of TCA's commission members and three advisory council members to make the final decisions as to what projects will receive TCA funding. Any appeals of decisions made by the grant review committee are heard by the full commission.

Decisions on whether to allocate grant funds should be made in as impartial a manner as possible. The fact that members of the governing body of TCA make decisions and then entertain appeals regarding those same decisions does not give those applying for funds a clear and impartial appeals process. The same situation also occurs in the process for approving DWI education courses where, following the submission of the DWI committee recommendations by TCA staff, the commissioners currently make the final decisions regarding approval, denial or suspension of DWI education programs. As in the case of grant applications, commission members also hear appeals of their own decisions.

The review indicated that while it is appropriate and well within the governing body's purview to make policy decisions regarding how funds should be allocated between program areas or what criteria are used to make staff decisions, administrative decisions concerning specific fund allocations are more appropriately made by the agency's staff, thus eliminating obvious bias on the part of board members. In both the grant allocation and DWI certification processes, a greater guarantee of impartiality for individuals dealing with the agency and a clearer delineation of policy-making and administrative responsibilities between the commission and the agency's staff could be obtained if the agency's executive director made the final decisions regarding approval of grant applications or DWI certifications with any appeals directed to the commission for review. This change would not prevent the agency from continuing to receive input on grant applications from advisory council members.

The statute should be amended to require TCA grantees to provide a cash match of at least five percent of the total TCA grant award.

The agency's statute, enacted in 1953, requires that the funding of alcoholic clinics not exceed 75 percent of the total operating costs. However, the results of

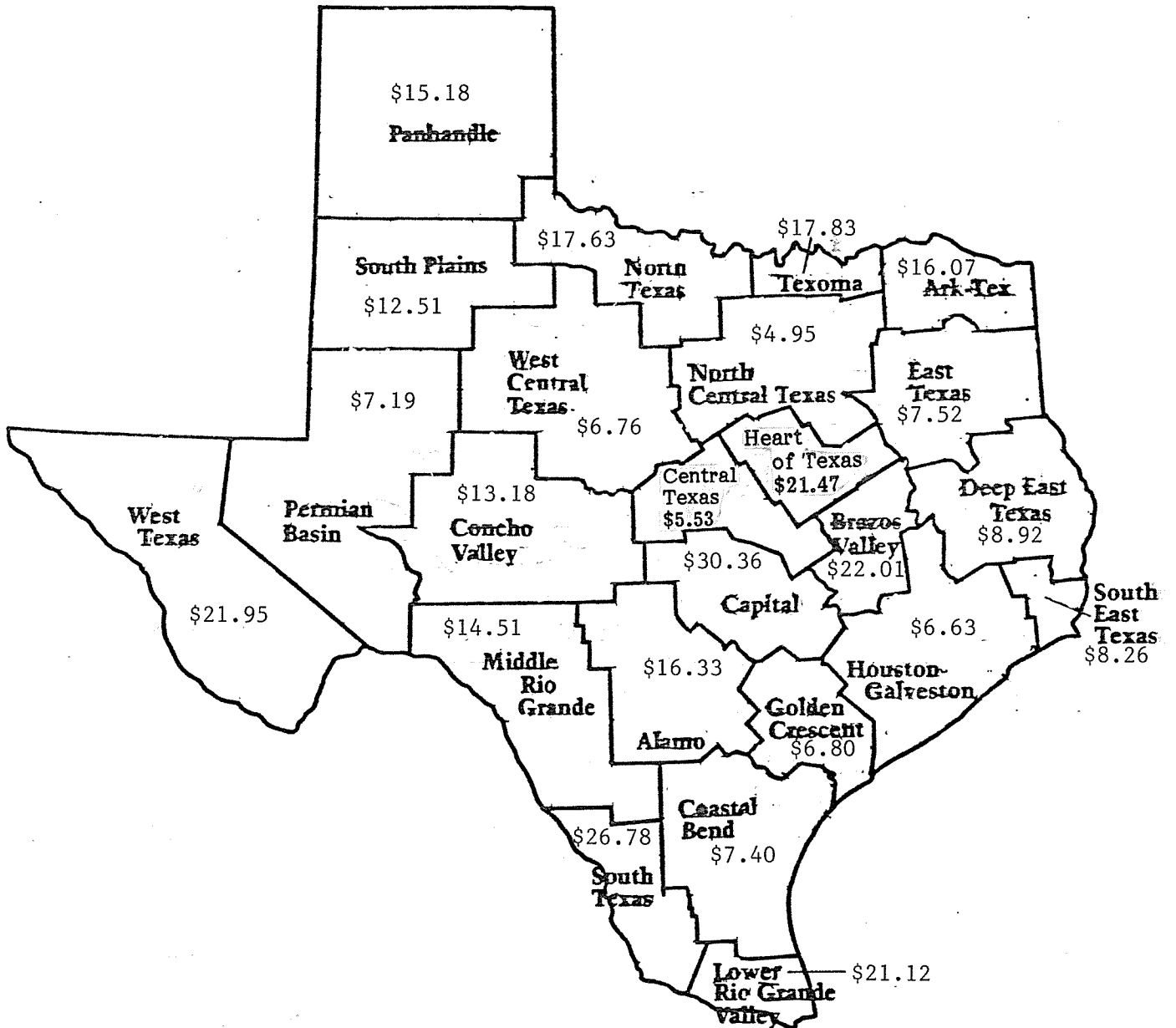
the review indicated that this provision is obsolete because the agency does not provide funding to city or government operated public health clinics covered under this provision. Currently, the agency does follow an informal policy which requires most grantees to provide a minimum cash match of five percent for projects in their first year, although the councils of government are not required to provide any match for state or federal funds.

The review of the agency indicated that requiring a matching requirement as a condition for receiving state and federal funds is consistent with the policies established by other state agencies which award health services grants including the Texas Department of Community Affairs, the Texas Department on Aging, and the Developmental Disabilities Council. Requiring a match as evidence of local commitment is especially important in instances where state funding is expected to decrease in succeeding years with local sources assuming responsibility for the continued operation of the program. Amending the agency's statute to require at least a five percent cash match from all grantees unless the commission determines such a requirement could jeopardize the provision of needed services would provide greater consistency in the conditions required of recipients of grant funds awarded by state agencies and ensure evidence of local support and commitment to entities receiving state funds.

The agency should be required to use available alcoholism treatment need indication data more fully in the funding process.

The results of the review indicated that during the period under review there have been concerns expressed about whether funds awarded for alcoholism prevention, intervention and treatment are sufficiently related to community needs. In order to assess TCA's performance in awarding funds where the greatest need for alcoholism services exists, a comparison of the prevalence of problem drinkers in each region of the state and the amount of money awarded by the agency to those regions was made. The results of this comparison, contained in Exhibit 6, indicated that although there is a general relationship between money and need, there are also large discrepancies in the amount of money allocated per problem drinker from region to region which could not be fully explained. For example, the Houston-Galveston region, which prevalence data reveals to have the largest number of problem drinkers, received by far the largest appropriation from TCA for fiscal year 1985. This same region though, ranks only 16th out of the 24 regions in terms of dollars spent per problem drinker, receiving only \$8.99 per capita.

Exhibit 6
 ALLOCATION OF TCA FUNDS
 PER PROBLEM DRINKER
 1984



Reversely, the south Texas planning region, which has the least amount of problem drinkers in the state received the second highest per capita appropriation at a total of \$26.50 per problem drinker for fiscal year 1985. Some of the most populated areas of the state with the highest incidence of problem drinkers received less money per problem drinker, while some of the least populated areas of the state received a larger sum per capita, but even this observation is not consistent across regions. The Austin metropolitan area, for example, received the highest appropriation per problem drinker at \$29.83 per capita.

The Commission on Alcoholism has recently established an updated and sophisticated, computerized system for identifying alcoholism service needs in the state of Texas. However, the results of the review suggest that the agency has not sufficiently integrated the data available from the planning staff into the funding process. Requiring the agency to use available need data more fully in the funding process would ensure that funds are most effectively and efficiently distributed to areas where the greatest need for services exist.

The agency should be required to review its grant process to ensure the most efficient and effective use of available funds.

The review of TCA's funding patterns revealed that the average grant award to alcoholism programs is relatively small. In the alcoholism treatment and rehabilitation area, during fiscal year 1984 the agency funded 120 programs at an average of \$30,000 per program. This pattern is in sharp contrast to the funding policies of the drug abuse prevention division of the Texas Department of Community Affairs which funded only 27 treatment programs across the state with an average amount per contract of \$200,000. While it is evident that funding more programs allows TCA's money to reach alcoholics in more areas of the state; it is questionable that, given their present budget TCA can continue to increase the number and types of grantees without compromising the amount awarded and thus the quality of services provided. Most likely the large number of programs funded by TCA in comparison to their relatively small administrative staff contributed to their problems with adequately monitoring and auditing programs as discussed earlier in this report. This policy of funding large numbers of relatively small grants also tends to increase the administrative costs to both the agency and its grantees thus reducing the amounts available for direct services. There currently exists a greater need for alcoholism treatment services than TCA is capable of providing

within its present budget. Accordingly, priorities must be established in order to fund those areas with the greatest needs. To ensure that the grants awarded by the agency maximize direct services to alcoholics with the greatest need without compromising the agency's ability to monitor and audit programs or incurring unnecessary administrative costs, TCA should review its funding policies and priorities at the same time it reviews the monitoring procedures it will implement in the near future.

The statute should be amended to require that the commission develop and adopt formal policies and procedures in agency rules for the administration of the agency's programs.

The Texas Administrative Procedures Act requires an agency to adopt rules describing the nature and requirements of all formal and informal procedures. A review of TCA's formal policies and procedures indicated that the agency has not developed rules or policies adequately describing the allocation of federal pass through or general revenue funds. At one time, the agency had formally adopted rules which described in detail the nature and requirements of their grant and contract procedures. These were repealed in 1983 and new, simplified rules were adopted which state generally that "applicants for funds must meet criteria prescribed by the commission." However, the criteria for receiving TCA funds are not described either by agency rule or policy. Agency rules and policy statements contain no description of such crucial procedures such as how projects are judged, how grants are awarded, how certain formula funds are allocated, or terms and limitations of funding. The review indicated that TCA has developed formal rules in only a limited number of areas and while other written policies and procedures have been developed, including the funding cycle, refunds to the commission, and audit requirements, these have not been adopted according to formal rule-making procedures. Only two areas of agency operation have detailed rules - the procedures for alcoholism facility licensure and for DWI certification.

Well defined policies and procedures are important in an agency such as TCA which receives federal authority for the distribution of a portion of the federal Alcohol, Drug Abuse, and Mental Health block grant. A stated basic purpose of the federal block grant legislation is to minimize federal involvement by placing greater reliance on state government. The federal legislation gives very general guidelines, leaving the formulation of specific policies to the states.

The development of policies and procedures for administration of TCA programs would serve to provide adequate notice to grantees and contractors of requirements and their specific responsibilities, and would serve to ensure consistent treatment. Additionally, by adopting policies and procedures according to rule-making procedures required under the Administrative Procedure and Texas Register Act, the agency would ensure adequate public participation in board decisions. The rule-making process outlined under the APA provides the opportunity for input from any interested parties as rules are considered and finally adopted. To ensure adequate guidance and treatment of grantees and contractors and adequate opportunity for public participation, the statute should be amended to require that the agency establish formal policies and procedures in agency rules for the administration of agency programs.

The agency should implement a complaints process no later than January 1, 1985.

An analysis of TCA's system for handling complaints sought to determine if the agency: 1) has clear and reasonable procedures to deal with complaints and appeals in a timely manner; 2) has sufficient statutory authority to prescribe the proper penalty for a violation; and 3) makes the general public aware of its authority to investigate complaints. In addition, TCA's complaint system was reviewed to determine compliance with Article 6252-13c (V.T.C.S.) which contains complaint system criteria for those agencies receiving block grant funds.

Most of the current state statutory requirements regarding complaints are satisfied through TCA's participation in the Alcoholism, Drug Abuse and Mental Health (ADM) block grant hearings, scheduled each year in locations throughout the state. The block grant hearings are jointly held by the Texas Department of Mental Health and Mental Retardation, the Texas Department of Community Affairs and the Texas Commission on Alcoholism and are intended to receive public comments about the present and proposed administration of the ADM block grant funds.

The review of TCA's internal complaint handling procedures, however, indicated that until recently the agency has not had a formal policy to ensure that all those affected by its programs are provided an accessible process to voice complaints and have them resolved in an unbiased manner.

In March of 1984, TCA commissioners adopted a policy outlining a new complaint process. The essential component of this newly created process is a

standing committee known as the board of inquiry. The board consists of three members appointed by the commissioners and includes the administrator of fiscal and administrative services, the administrator of program services and the director of planning and data. Board duties include the review of written complaints regarding agency staff, policies and procedures, fees, grantees and contractors and entities regulated by the commission; the development and maintenance of procedures for investigating complaints containing the quality of services funded by block grants; the annual summarization of the types of complaints; holding hearings and/or the receipt of written evidence and commentary; the maintenance of a record keeping system; the analysis of complaints identifying trends which indicate problem areas in service delivery or regulatory processes; and the making of findings and recommendations based upon its investigation. While these general policy decisions regarding complaint handling have been adopted and do appear to contain the basic components of an effective complaint system, the review indicated that the agency had not implemented the policy as of August 1984. The review also indicated that, to date, the agency does not maintain a complaint file, and in fact reports no formal complaints have been received in at least two years.

The agency should implement the complaints process adopted by the commission and report this fact to the governor and presiding officers of each house of the legislature by January 1985 in order to indicate that the agency will respond to complaints in a systematic way and will provide agency administrators with an important source of feedback from the public concerning activities under the agency's jurisdiction.

Technical Assistance

As a state authority on alcoholism, an important activity of the agency is the provision of technical assistance. The agency provides technical assistance through agency staff or by contract. All TCA program areas are involved in some way with providing assistance or liaison services to program grantees and participants, other agencies and organizations, or the general public. An example of the kinds of technical assistance offered by TCA's central office program staff is the assistance provided by intervention program staff in the DWI education area. The Texas Commission on Alcoholism provides technical assistance to the state's certified DWI education programs through informing them of new resources, of legislative changes which may affect them, and of new developments in alcohol traffic safety education. Assistance and input is also given to agencies or organizations

interested in developing DWI education programs as well as to the authors of curriculum used for the DWI classes. Technical assistance is provided by mail, phone, through workshops or on-site visits.

The agency also contracts with the 24 regional councils of government to provide a great deal of technical assistance to the state's alcoholism program operators. Staff of the COG's, which serve as designated regional alcoholism authorities (RAA's), provide guidance to service providers in their area on specifics such as how to apply for TCA funds and how to comply with TCA rules, regulations, policies and procedures. Because of their geographical proximity to the alcoholism program operators, the RAA is supposed to be the focal point for providing information and guidance to TCA grantees concerning the agency's functions, such as funding, licensure, or auditing. RAA staff are invited to attend any audits on funded programs conducted by TCA in their region and to assist the service providers in resolving TCA recommendations, requirements and conditions. Although TCA's district office staff in each of the six TCA districts have also offered technical assistance on the local level, within the past year the regional technical assistance function has been assigned to the RAA's in an effort to avoid overlap and duplication of service.

The review of this function resulted in one recommendation which could improve the general efficiency and effectiveness of the agency's technical assistance activities.

The agency should be required to provide grantees technical assistance materials consisting of guidelines and standards.

The review of TCA's technical assistance function sought to determine 1) whether grantees charged with the responsibility of delivering a specific type of alcoholism service have full access to information defining their responsibilities; 2) whether technical assistance services which are provided are useful to the recipients; and 3) whether the technical assistance service was performed by competent and informed personnel. TCA's technical assistance service to recipients of grant or contract funds is largely the responsibility of the regional alcoholism authorities (RAA's) located in the 24 councils of government. The RRA is responsible for providing agency grantees in their respective region with specific technical information. Results of the review indicated that the use of the RAA technical assistance service by agency grantees varies from region to region. In

addition, the review indicated that within many regions, some funded projects request and receive more technical assistance from the RAA than other projects. One of the problems noted during the review was that often staff of the RAA's are not informed of important changes in TCA policies and procedures and the agency indicated there is no one staff person responsible for coordinating the dissemination of information to the RAA's. Since one of the main duties of the RAA is to provide agency grantees with technical assistance, it is important that all relevant information flow from the central office to the RAA's in a systematic way so the RAA will be able to adequately advise the local service providers.

The review also indicated that grantees receiving funds from TCA are not made aware of all of the agency's standards and guidelines which would affect their activities. Problems have surfaced in the past when TCA has audited a program and found them mishandling funds due to lack of knowledge of the proper procedures. This confusion about financial management does not allow for the most efficient use of state and federal funds and often creates a financial hardship for the grantee and an additional unnecessary workload for the agency.

In an effort to improve technical assistance service, TCA recently developed an updated grant policy and procedures manual and held a meeting for all RAA's with new grantees in their region to inform them of federal, state, and agency requirements. Although the agency has made efforts to meet the technical assistance need, grantees indicated that they would find it helpful if TCA also provided them with a single resource guide rather than issuing separate communications dealing with information such as allowable costs or more general information such as the policies of the agency. One similar state agency which provides funds to local service providers includes information mentioned above as well as a "statement of work" defining each recipient's responsibilities as part of a contract between the agency and the recipient. In this way, each recipient has in writing exactly what the agency expects in return for funding. An additional method of relaying important technical information is to provide each recipient a policy manual which could be updated as policies change.

Requiring the agency to develop a systematic method of providing grant and contract recipients technical assistance would enhance the recipient's knowledge and understanding of conditions for receiving funds and therefore increase the efficiency and effectiveness of how such funds are expended.

Education and Training

Education and training activities at TCA were established to fulfill the agency's statutory requirement to develop educational and preventative programs on alcoholism. Education and training activities are carried on under three agency programs: the primary prevention program, the intervention program and the community services program.

The agency provides education and training services in two ways - distribution of materials and workshops. First, the agency maintains a public awareness service which provides information to the general public on alcohol abuse and alcoholism. A wide variety of newsletters, brochures, pamphlets, other publications and films covering areas related to alcohol use and abuse are provided to the public upon request. Agency-owned films are distributed on a free loan basis and publications are priced at cost. 194,291 copies of TCA literature were requested in the first six months of fiscal year 1984, primarily by alcoholism service providers. As mentioned earlier, much of TCA's education efforts involve grants for school curriculum. The agency also owns educational kits which are distributed to various elementary schools throughout the state for a specified loan period.

The second manner in which education and training activities are carried out is through statewide and local workshops and seminars. The largest state-wide workshop sponsored by the agency is the Annual Institute of Alcohol Studies, held each year in Austin. In 1983, the agency reported 656 participants attended the Institute to receive training from nationally known specialists in management, counseling skills, treatment and rehabilitation and research and prevention areas. The Annual Institute, which is funded through participant fees, also plays an important role in the credentialing of counselors by the Texas Association of Alcohol and Drug Abuse Counselors. Thirty of the total 180 hours required for certification as an alcohol and drug abuse counselor can be obtained at the TCA institute.

Other statewide training events sponsored by TCA include an annual conference on the prevention of alcohol/chemical abuse among youth and an annual employees assistance symposium. The employee's assistance symposium, co-sponsored by TCA and the Texas Association of Businesses, informs participants about state-of-the-art techniques in providing alcoholism intervention services in an occupational setting.

Training and educational services are also provided on a local or regional level. TCA requires by contract that each regional alcoholism authority (RAA)

conduct a Regional Institute of Alcohol Studies for service providers and grantees in their regions. Guidelines and training priorities on the Regional Institutes are established by the agency's central office. Texas Commission on Alcoholism staff will, on occasion, also provide educational and training services to grantees, direct service providers, or potential direct service providers in the various regions as special needs arise.

A final training activity is the interagency training of TCA staff or staff of the regional alcoholism authorities (RAA's). Central office program staff are sometimes involved in training TCA district staff and RAA staff on agency procedures and alcoholism program areas. One example of this is the training of RAA directors who have TCA grantees in their region. The directors were recently trained in state and federal laws as well as in TCA procedures relating to grants so that they will be better able to assist and advise the grantees in their regions with technical problems.

No recommendations were made as a result of the review of the agency's education and training activities.

Coordination

The Texas Commission on Alcoholism is directed by statute to "coordinate the efforts of all interested and affected state and local agencies" which provide services relating to alcohol or alcoholism. The agency has directed its efforts to coordinating general alcohol awareness efforts and to coordinating alcoholism services carried out by state and local agencies and private organizations. Three specific program areas of the agency are responsible for more specific forms of alcoholism service coordination in the state.

Staff of the primary prevention program are responsible for coordinating statewide alcohol awareness and education campaigns. Texas Commission on Alcoholism staff design materials for these campaigns, which are utilized to educate Texans about alcohol use and abuse, the dangers of drinking and driving, and other alcohol-related problems. The campaigns are then conducted on a local level, with TCA coordinating the effort statewide by providing campaign guidelines, advice, and evaluation tools to each local provider. Another statewide educational program, the DWI education program, is coordinated by the TCA intervention program. In 1981, legislation was enacted which requires misdemeanor DWI offenders to attend and complete state-approved DWI education courses. This legislation specified that TCA, along with the Department of Public

Safety, the Texas Adult Probation Commission, and the State Department of Highways and Public Transportation, jointly approve and certify the DWI education programs. In an effort to prevent duplication, the other agencies also responsible for course approval recommended that TCA assume primary responsibility for coordinating the course approval procedures. Intervention program staff coordinate and monitor the DWI courses in the state in an effort to ensure uniformity and standardization.

Efforts to coordinate alcoholism services between state local and private operations and avoid duplication in the alcoholism treatment and rehabilitation area are carried out by the treatment and rehabilitation program through memorandums of agreements between TCA and other state agencies and private organizations. Currently, the agency has memorandums of agreement with the following agencies and organizations who provide services to alcoholics: the Texas Department of Mental Health and Mental Retardation, the Texas Department of Health, the University of Texas at Tyler Health Science Center, the Texas Department of Corrections, the Texas Rehabilitation Commission, the Texas Association of Alcoholism and Drug Abuse Counselors, and the Texas Association of Alcoholism Facilities. Each memorandum of agreement outlines the responsibilities of both parties in the provision of alcoholism services. These memoranda are reviewed annually. The purpose of the agreements is to further cooperation and coordination while precluding overlap and duplication of activities.

The community services program, which includes both district staff and staff of the regional alcoholism authorities, performs coordination activities on the local level. Regional alcoholism service directors (RASD's) in the 24 regional councils of government maintain liaison with all the alcoholism programs in their region. Coordination of regional alcoholism services is focused on strengthening the network among service providers and promoting the sharing of information and resources. The TCA district office director supports and monitors the regional coordination responsibility. District office staff also serve as a liaison to district offices of other state agencies.

Two recommendations which would improve the coordination of alcoholism services were made as a result of the review of the coordination function.

The statute should be amended to require TCA and the state authority on drug abuse to coordinate when providing curriculum to Texas schools containing combined alcohol and drug abuse information.

During the 1983-84 school year, TCA provided educational materials to youth throughout Texas through reimbursement to school districts who purchase TCA-approved alcohol educational curricula. Decisions regarding curricula that will be available for reimbursement through the agency are made by a curricula review committee, composed of TCA staff. This committee reviews a number of curricula and then selects those they think to be the most effective in aiding alcohol/drug abuse prevention. However, most of the curricula provided by TCA contains information not only on alcohol abuse but also contains material on drug abuse, because current curricula does not separate the two types of information. In addition, the review indicated that most school districts prefer to have curricula which combines information on drug and alcohol abuse.

During the course of the review, concerns were expressed by the personnel of the War on Drugs program that some of the drug-related information in the curriculum provided by TCA is inaccurate and inappropriate because TCA staff does not have the needed expertise and access to information in drug abuse. A solution to this concern would be for TCA to include a staff person from the Texas Department of Community Affairs drug abuse prevention division in their approval process of alcohol/drug curriculum. Although TDCA's drug abuse program does not currently provide curriculum to schools, one or more of their staff, who are knowledgeable about current drug abuse information, could greatly contribute to TCA's review committee of educational curricula. Requiring such a coordinated effort between the agencies responsible for alcohol and drug abuse in the State of Texas would help ensure information provided by the state to youth is appropriate and correct.

A task force should be set up to study changes in the commitment procedures for alcoholics.

As stated earlier, one of the duties assigned by the legislature when the agency was established was the coordination of services for the alcoholic. The agency's enabling statute contains procedures whereby a county judge may commit

an alcoholic to the commission or its authorized representative for treatment and rehabilitation. Discussions with several county judges revealed a number of problems associated with the procedures outlined in TCA's current statute. For one, some feel that the current alcoholism commitment procedures may be unconstitutional. The existing procedures for committing alcoholics were first written in 1953 and amended in 1967 and 1975. However, the present language providing for orders of protective custody is identical to that found in the old mental health code which was ruled unconstitutional in the fall of 1982. It is argued that if challenged, such provisions in the alcoholism commitment proceedings might also be declared unconstitutional.

The review indicated that another concern about the current alcoholism commitment procedures is the lack of due process allowed the person being committed. Currently, such basic rights as the right to contact an attorney, the right to be advised of the location of detention, and the right to a probable cause hearing are not granted by statute. The newly revised mental health code contains an entire section on rights of those detained for involuntary treatment, including an extensive list of conditions which must be satisfied before a person is involuntarily committed to an alcoholism treatment center. No such provisions are included on the laws for alcoholism commitment procedures. Those contacted during the review also noted the unusual statutory language which allows a judge to remand an alcoholic to the commission (TCA) or its designated representative. Confusion was expressed as to why a person with an alcoholism problem severe enough to warrant involuntary commitment would be handed over to state agency instead of to a treatment center.

During the 68th Legislative session, a bill revising the mental health code passed into law eliminating the unconstitutional areas of the old code. During that session, a bill was introduced in part to update the procedures for committing an alcoholic by using language consistent with a proposed bill to revise the mental health code revision bill. While the mental health code revision bill passed the legislature, the bill including updated alcoholism commitment procedures did not, reportedly because of more controversial provisions unrelated to alcoholism commitments.

Although amending TCA's statute to be consistent with the newly revised mental health code would address many concerns, the review indicated that the solution to all the present problems may be more complicated and require further

study. Proponents of appointing a study committee say that even though they agree that alcoholism commitment procedures should be changed and some degree of consistency between mental health and alcoholism commitment should be reached, alcoholism and mental illness are different enough to warrant careful study and consideration of just what kinds of procedures and methods would make for the best possible system. Others point to the need to modify the structure and the roles played by MHMR community centers and hospitals in the referral and treatment process. The review indicated that prior to introduction and passage of the revised mental health legislation, a task force was appointed to study the issue and to develop recommendations for changes in the mental health code. A similar task force consisting of rural and metropolitan area judges, alcoholism service providers, and other interested and affected citizens of the state would be a method to help determine the best procedures for committing alcoholics while taking into consideration the rights and needs of all affected parties.

Licensure and Certification

The agency is currently involved in three different licensure and certification procedures; the licensure of health care facilities treating alcoholics, the certification of DWI education programs, and the approval of treatment and rehabilitation facilities as eligible for participation in food supplement programs.

Facility Licensure. The licensure division, an activity of TCA's administrative program, is responsible for the regulation of health care facilities treating alcoholics. Texas Commission on Alcoholism received authorization for this voluntary alcoholism facility licensure activity from the legislature in 1977. Treatment facilities including public or private hospital alcohol treatment units, extended care facilities, outpatient care facilities, and other specialized facilities where inpatient or outpatient health care is provided for individuals with an alcohol condition, may voluntarily apply for a TCA license. Two agency staff perform all of the administrative duties associated with the licensure function. The licensure division processes applications, conducts on-site plant and program inspections, and writes reports detailing findings and recommendations regarding on-site inspections.

Applicants are eligible for licensure upon meeting TCA licensure standards, including both program and physical plant standards, and payment of a licensure fee. Inpatient facility licensure fees are determined on a per-bed basis, with a maximum fee of \$1,000. The maximum fee charged for outpatient facility

licensure is \$600. In addition, a \$50 application fee is required of all applicants. Once a facility has undergone an inspection visit by the licensure survey team and has paid the required fees, the TCA licensure review board considers the application for licensure. The eight-member review board, appointed by the commission from the staff of TCA, meets at least quarterly to approve or disapprove the applications for facility licensure. A flowchart depicting the entire TCA facility licensure and appeals process can be found in Exhibit 7.

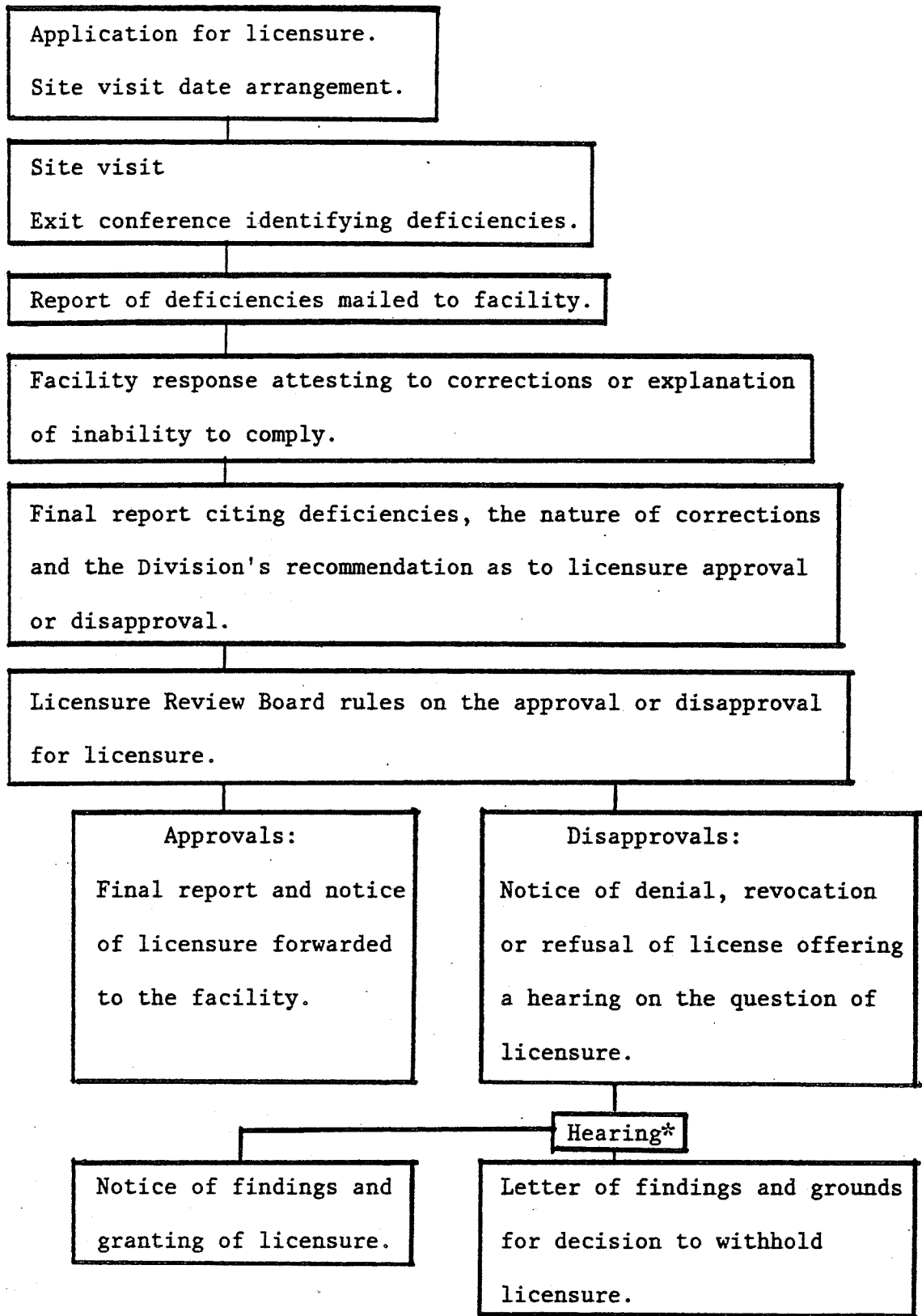
An important impetus to the voluntary TCA facility licensure activity was a 1981 amendment to the Texas Insurance Code which provided for optional group insurance for the treatment of alcoholism. Under the Act, a drug or alcohol treatment facility may receive reimbursement if two conditions are met. First, a facility may receive reimbursement if there is a written treatment plan approved and monitored by a physician. Secondly, a facility may receive reimbursement under the Act if they are affiliated, licensed, or certified by certain specified entities, including the Joint Commission on Accreditation of Hospitals, the Texas Commission on Alcoholism, the Texas Department of Community Affairs, or other state agencies having the legal authority to license, certify, or approve.

With passage of this legislation, many private-for-profit alcoholic treatment facilities began seeking TCA licensure to facilitate third-party payments. To date, out of an estimated 238 eligible facilities statewide, 28 alcoholic treatment providers are licensed by TCA. Of the 28 with TCA licensure, 23 are for-profit facilities and five are non-profit. Four of these licensed by TCA also receive funding from the agency.

Another reason treatment facilities seek TCA licensure is to be eligible to accept court-committed alcoholics. The agency's statute authorizes them to designate treatment facilities for the purpose of accepting alcoholics committed by a court for treatment. The statute allows the courts to remand alcoholics to TCA, its authorized representative, or a treatment facility approved by the Commission on Alcoholism for alcoholic detoxification or treatment purposes. Licensure is designated by agency policy as the official approval process and currently only facilities which are licensed by TCA are designated to accept court commitments.

Certification of DWI Programs. The legislature amended the Code of Criminal Procedure in 1981, directing the courts to require that misdemeanor DWI offenders attend an educational program jointly approved by the Texas Commission

Exhibit 7
LICENSURE QUALIFICATIONS AND APPEALS PROCESS
FLOWCHART



*The Administrative Procedure and Texas Register Act (Article 6252-13a, Vernon's Texas Civil Statutes) applies to all hearings authorized by this Act.

on Alcoholism, the Texas Department of Public Safety, the Traffic Safety Section of the State Department of Highways and Public Transportation, and the Texas Adult Probation Commission. TCA was directed by the legislation to publish the jointly approved rules and regulations and to monitor and coordinate the educational programs.

The Texas Commission on Alcoholism has assumed the primary responsibility for statewide certification and monitoring of the DWI education programs. Any DWI education program which receives court referrals must first be certified by TCA before providing classes. The agency's intervention program provides staff support for the DWI education certification procedure, including frequent program monitoring to ensure compliance with the DWI education program standards and procedures. The DWI programs, which are generally initiated by county governments, are required to meet certain standards before receiving certification. Each program must utilize state-approved curriculum, providing a minimum of eight hours of instruction with trained personnel. Programs must also screen clients, referring to treatment those identified with serious alcohol problems. The DWI programs are supported through fees for service, and there is no fee charged for TCA certification or the biennial recertification. Certification approval, denial, requests for waivers, and appeals are all authorized by TCA commission members. Currently there are 108 certified DWI programs in the state serving all Texas counties.

Supplemental Food Program Approval. The treatment and rehabilitation program handles the approval of residential alcohol abuse centers as eligible to participate in the Federal Food Stamp Program and the Texas Surplus Property Program. In this approval, TCA follows criteria as set forth by the Texas Department of Human Resources and the Texas Surplus Property Agency. Any non-profit residential facility providing services for alcohol abusers or alcoholics that could lead to their rehabilitation is a potential participant in the program. As the designated state alcoholism authority under Public Law 91-616, TCA is authorized to approve a facility as one that could lead to the rehabilitation of alcoholics. Treatment and rehabilitation staff accomplish this eligibility determination through a review of the services provided by the facility as outlined in an application letter. Sixty four facilities were approved for eligibility under this program in fiscal year 1983.

The review of the agency's licensure activities resulted in one recommendation which would decrease the amount of general revenue required to operate the licensure program.

The statute should be amended to require that fees received for the licensing of alcoholic treatment facilities should cover not less than 50 percent of the licensing program by fiscal year 1987 and rules regarding licensure fees should be updated to reflect current practices.

The statute regarding regulation of health care facilities treating alcoholics currently states that the commission may charge non-refundable application and inspection fees for an initial license or a renewal license in such amounts as are necessary to cover the cost of the licensure program.

As a general state policy the total costs associated with a licensing agency's regulation of a profession or business are paid through fees charged to the regulated industry. In those few instances where fees do not cover full costs, at least 50 percent of costs are covered. The review indicated that the fee structure of alcoholism facility licensure is estimated to cover only 29 percent of the total program cost in fiscal year 1984, while general revenue and federal funds will cover the remaining 71 percent.

Although fees are currently covering a small percentage of program costs, the program is still relatively new with an increasing number of facilities requesting licensure each year. When the program first began licensing in 1981, only six alcoholism treatment facilities requested licensure. This number grew to 12 licenses in 1982, 23 licensees in 1983, and for 1984 the projected number of licensees is 38. The total number of alcoholism treatment facilities eligible for TCA licensure is estimated to be 238. The review indicated that although the program is not self supporting, fees could cover more of the program cost if the number of licensees continues to increase its current rate.

An analysis of the current fee structure was also made to determine the feasibility of increasing the agency's fees in order to increase the percentage of program costs covered. Current application and inspection fees for outpatient and outpatient facilities are as follows.

Application Fee

Inpatient facilities	\$ 50
Outpatient facilities	\$ 50

Inspection Fee Schedule

Inpatient facilities	\$ 300	base fee
	15	per bed
	50	each additional category of licensure

Maximum fee to be charged is \$1,000

Outpatient facilities

\$ 500	base fee
50	each additional category of licensure

Maximum fee to be charged is \$600

Results of the review indicated that raising fees could place a financial burden particularly on non-profit facilities and might serve as a disincentive for these facilities to seek this voluntary license. Therefore, rather than requiring the agency to immediately increase fees to cover at least 50 percent of the program budget, it is recommended that the program be given until 1987 to reach this level. A 50 percent level could be achieved by 1987 without a fee increase if the number of licensees continues to grow at its current rate.

One discrepancy was noted during the review regarding the licensure program concerning the fee schedule. The program's published rules provide for a \$25 renewal fee; however, in actual practice the agency provides no renewal service. Licenses expire at the end of each year and an alcoholism treatment facility pays the full inspection fee, which is considerably higher than a renewal fee, if it chooses to continue the TCA license. It is recommended that the agency change its rules regarding licensure fees to be consistent with actual practice.

Planning and Research

The planning and research function at TCA is an activity of the administrative program. Central administration planning and research staff are mainly responsible for two different activities: 1) the collection and maintenance of data,

including data on clients of TCA funded projects as well as statewide alcoholism prevalence data; and 2) the coordination of statewide alcoholism planning.

The planning process at TCA is currently in a period of transition. When the agency functioned under the mandate of the federal Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act, the state was required to submit a state plan prior to the receipt of federal funds. To accomplish this federal mandate, the agency utilized contracts with the regional alcoholism authorities (RAA's), located in the 24 councils of government throughout the state. Each RAA was responsible for providing staff support to a regional planning committee, which conducted local public hearings and otherwise obtained public input as well as statistical information from TCA for inclusion in a regional plan. Designated staff of the RAA would also work in cooperation with local elected officials, interested citizens, and service providers to develop a comprehensive system of services for alcohol addiction and abuse needs at the regional level. Once all the regional plans were submitted to TCA's central office, planning staff would review the plans for accuracy and compile pertinent information extracted from the regional plans with input from certain state agencies, block grant hearings, and the State Health Plan to produce a plan describing the overall goals and activities for the state in the prevention, treatment, and control of alcohol addition and abuse.

The change to federal block grant funding in 1981 radically altered these requirements. TCA was no longer required to submit a state plan; however, the agency chose to continue this regional and state planning process. The latest plan published was the 1982-84 state plan. This plan now also serves as the intended use report for the state's block grant funds.

Since the agency is no longer required to submit a state plan to the federal government, it is currently reassessing the direction future planning efforts should take. The agency's planning staff is examining alternative means of accomplishing statewide planning for alcohol related services. As a result, the agency has not initiated the regional/state planning process for the 1984-85 fiscal year and contemplates a shift from annual to biennial planning. During this time, the agency is looking at issues such as what format will be used for the state plan, the relationship between the state plan and regional plans, whether planning should be long-term or operational and how to best implement the plan.

The Texas Commission on Alcoholism is also experiencing transition in the methods of data collection and maintenance. The agency is currently in the process of implementing the Client Oriented Data Acquisition Procedure (CODAP) data system, which will provide information on various admission and discharge characteristics of clients receiving treatment services from TCA funded facilities. The agency anticipates that all treatment and rehabilitation programs receiving TCA funds will be placed on the CODAP program by September 1, 1984. It is anticipated that availability of more complete client data will aid in planning, program monitoring and fund management activities.

In addition, planning staff are also currently processing data collected through a TCA sponsored research project conducted by Texas Christian University on the incidence and prevalence of alcohol abuse and alcohol addiction in Texas. This data, which will be updated as needed, provides TCA with a more accurate estimate of the number of problem drinkers in each county and will serve as an important planning guide in allocating funds among the regions.

No recommendations were made as a result of the review of the agency's planning and research activities.

EVALUATION OF OTHER SUNSET CRITERIA

The review of the agency's efforts to comply with overall state policies concerning the manner in which the public is able to participate in the decisions of the agency and whether the agency is fair and impartial in dealing with its employees and the general public is based on criteria contained in the Sunset Act.

The analysis made under these criteria is intended to give answers to the following questions:

1. Does the agency have and use reasonable procedures to inform the public of its activities?
 2. Has the agency complied with applicable requirements of both state and federal law concerning equal employment and the rights and privacy of individuals?
 3. Has the agency and its officers complied with the regulations regarding conflict of interest?
 4. Has the agency complied with the provisions of the Open Meetings and Open Records Act?
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EVALUATION OF OTHER SUNSET CRITERIA

This section covers the evaluation of the agency's efforts in applying those general practices that have been developed to comply with the general state policies which ensure: 1) the awareness and understanding necessary to have effective participation by all persons affected by the activities of the agency; and 2) that agency personnel are fair and impartial in their dealings with persons affected by the agency and that the agency deals with its employees in a fair and impartial manner.

Open Meetings/Open Records

Subcommittee meetings of the agency's governing body should be posted in accordance with the Texas Open Meetings Act.

A review of the agency's minutes indicated that on several occasions the commissions governing board divided its membership into various committees to study matters and make recommendations to the full commission. These meetings were held in closed sessions and were not posted in accordance with the Open Meetings Act. The most frequently utilized committee of this type is the commission's finance committee, a subcommittee consisting of less than a quorum of the full commission which meets to discuss budgetary matters and has on occasion met to approve a first draft of the agency budget. The committee then reports back to the full commission any recommendations or findings. In 1973, Attorney General's Opinion H-3 addressed the issue of open meetings act application to committees of a policy making body, finding that "official committees composed of members of governmental bodies regulated by Article 6252-17, Vernon's Texas Civil Statutes, meeting to formulate recommendations for the disposition of matters pending before the parent body, must comply with the 'notice' and 'open meeting' provision of Article 6252-17, Open Meetings Act." The opinion found that even though such a committee does not consist of a quorum of the board and would have no power to bind the full board on matters before it, a real danger exists that the full board could become a "rubber stamp" of the committee, thereby denying the public access to the decision-making process. Since TCA's finance committee is meeting to discuss or approve budgetary issues at the very crux of the agency's operations, it is recommended that future meetings of committees of the agency's policy making body comply with the Open

Meetings Act to ensure those affected by the actions of the agency have adequate access to the decision-making process.

The review of the agency's open records policy revealed that while almost all of the information it maintains is considered public, certain documents such as personnel files and certain audit and licensing work papers are withheld from public disclosure in accordance with the Open Records Act. The agency has developed a written policy regarding public access to agency information.

EEOC/Privacy

A review was made to determine the extent to which the agency has complied with applicable provisions of both state and federal statutes concerning equal employment and the rights and privacy of individuals. The agency is currently operating under an affirmative action plan which was last updated in 1983. Complaints of employees pertaining to unfair treatment or dissatisfaction are handled according to the agency's established grievance procedure policy.

Analysis of the agency's work force indicated that while minority representation for the entire TCA work force has increased over the past several years, there remains an underrepresentation of minorities at the administrative level. TCA is under the jurisdiction of the Texas Merit System Council and is largely dependent on that system for recruiting. However, the review did indicate that the agency is making efforts to improve minority staff representation by informing individuals of the merit system process.

Public Participation

The agency's policies and practices were examined to determine whether the public and the persons or entities served by TCA have been kept informed of its activities, and whether the public has been allowed appropriate opportunities to make suggestions during policy formulation by the agency. The results of the review indicated that, in general, the public has had adequate access to information and opportunities to provide input into agency processes.

TCA publicizes agency activities and policies through media including a quarterly magazine distributed to approximately 5,000 people involved or interested in the field of alcoholism, a monthly newsletter, the Texas Register, and publications of the regional alcoholism authorities. In addition, agency personnel and staff of the regional alcoholism authorities are involved in various educational activities around the state to inform the public of TCA's programs and policies.

The alcoholism commission encourages public participation in its activities and administration of state and federal funds in at least three ways. First, TCA's statewide advisory council is one way in which the agency receives both formal and informal input from all geographic areas of the state. Second, TCA solicits participation through public hearings which must be held prior to TCA's submission of a state plan for the expenditure of block grant funds. The agency has participated in the federal block grant hearings, in accordance with federal guidelines, to receive comments on the administration of the state's alcoholism portion of the Alcoholism, Drug Abuse, and Mental Health block grant. Finally, TCA indicates that in an effort to enhance opportunities for public access to agency decisions and activities, future agendas of the commission's governing board meetings will include a provision for public comment or testimony.

Conflict of Interest

The review focused on agency efforts to inform board members and employees of responsibilities related to conflict-of-interest statutes and compliance with applicable statutes. The conflict-of-interest statute (Article 6252-9b) requires that board members disclose any substantial interest in a business entity regulated by a state agency or a business entity that does business with a state agency. State agency directors are required to file an annual financial statement disclosing business interests and other financial information. These statements are to be filed with the Office of the Secretary of State.

The review indicated that both new employees and TCA board members are informed of the applicable statutes. The commission has adopted a formal policy relating to conflicts of interest between TCA staff and commissioners and grantees or contractors of the agency. The review also indicated that all required disclosure affidavits have been filed with the secretary of state.

ALTERNATIVES

The analysis of whether there are practical alternatives to either the functions or the organizational structure are based on criteria contained in the Sunset Act.

The analysis of alternatives is directed toward the answers to the following questions:

1. Are there other suitable ways to perform the functions which are less restrictive or which can deliver the same type of service?
 2. Are there other practical organizational approaches available through consolidation or reorganization?
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ALTERNATIVES

As part of the review of this agency, the functions performed by the agency were evaluated to determine if alternatives to current practices were available. Agencies in Texas and in other states with functions similar to those performed by this agency were reviewed to determine if they had developed alternatives to organizational or program practices which offered substantial benefits and which could be implemented in a practical fashion. It was concluded that a practical alternative to the current structure does exist, and it is discussed below.

The agency's district offices could be abolished and the personnel and functions of these offices could be transferred to the central office.

Currently, TCA's administration includes a total of 17 staff employed in six district offices located in Amarillo, Arlington, Austin, Corpus Christi, Houston, and Odessa. A review of organizational alternatives used in other state health services agencies with similar budgets indicated that the use of a district office structure is not necessary for those agencies to carry out their functions. In fact, agencies providing similar services with even larger budgets have not established district offices. The review indicated that district offices are most often utilized in health and human service agencies when the agency has chosen to be the actual provider of direct services throughout the state. In contrast, through awarding grants and contracts to local service providers, TCA has chosen to pay others to deliver all but a minor part of direct services to alcoholics.

TCA district office staff functions have changed over the years. Several of the district offices were first created in 1961 in order to establish cooperative relationships with other state and local agencies and to promote or conduct educational programs. With the receipt of federal funds in 1970, the number of offices were increased and the district office functions were expanded to include the provision of technical assistance to local service providers, monitoring of funded programs, multi-regional implementation of statewide initiatives, and providing some education and training to RAA staff or grantees as needed.

Since the establishment of regional alcoholic authorities (RAA's), now funded by TCA through the 24 councils of government, the agency has two regional structures to help implement and coordinate services on the local level. The existence of two such structures has in the past resulted in a duplication of efforts

by the district office staff and the RAA staff. The duplication issue was addressed by the agency recently when it redefined the roles of the area office and the RAA's, making program monitoring the primary responsibility of the district offices and shifting the majority of the responsibility for grantee technical assistance to the RAA's. However, the review indicated that there is still some duplication between the district office and regional alcoholism authority staff functions. Based on the organizational structures in other state health services agencies, centralizing the monitoring functions and eliminating the district offices was identified as a possible organizational alternative. To assess the advantages and disadvantages of this alternative, the review sought to determine if a consolidation of the district office personnel and functions with central office administration would provide any of the following benefits: 1) an equivalent monitoring process for agency funded projects; 2) reduction in the costs of administration; 3) improved utilization of existing personnel, equipment, supplies and office space; 4) access to a greater range of services and level of expertise; 5) elimination of duplication; and 6) increased accountability. The results of the review indicated that the primary benefit that could result from the consolidation of staff would be a cost savings resulting from reduced administrative, office space, and personnel costs and elimination of any duplication of services between the state agency staff and the regional alcoholism authorities. Based on costs contained in the 1984 budget, elimination of the district offices and centralizing the monitoring functions could save at least \$225,000 a year which then could be directed to treatment and prevention programs.

The agency feels that the loss of involvement by district staff at the community level would be one of the primary disadvantages of eliminating district offices. Agency staff argue that the district personnel maintain a working relationship with community leaders and service providers that enhances delivery of services. However, the review did not identify any agencies with centralized monitoring programs which felt the lack of district offices impaired their effectiveness.

OTHER POLICY CONSIDERATIONS

During the review of an agency under sunset, various issues were identified that involve significant changes in state policy relating to current methods of regulation or service delivery. Most of these issues have been the subject of continuing debate with no clear resolution on either side.

Arguments for and against these issues, as presented by various parties contacted during the review, are briefly summarized. For the purposes of the sunset report, these issues are identified so they can be addressed as a part of the sunset review if the Sunset Commission chooses to do so.

OTHER POLICY CONSIDERATIONS

This section covers that part of the evaluation which identifies major policy issues surrounding the agency under review. For the purpose of this report, major policy issues are given the working definition of being issues, the resolution of which, could involve substantial change in current state policy. Further, a major policy issue is one which has had strong arguments developed, both pro and con, concerning the proposed change. The material in this section structures the major question of state policy raised by the issue and identifies the major elements of the arguments for and against the proposal.

Should the agency be abolished and the administration of alcoholism services be transferred to an independent agency which would administer both the state's alcoholism and drug abuse programs.

The review identified the Texas Department of Community Affairs as another state agency in Texas with similar responsibilities in substance abuse. TDCA, through its drug abuse program, serves as the state agency responsible for the allocation of funds for drug abuse prevention and treatment. The drug abuse programs at TDCA are similar in several ways to the programs operated by the Commission on Alcoholism. First, the agencies have a common funding source in that they both receive a portion of the federal Alcohol, Drug Abuse, and Mental Health block grant. Second, both agencies contract with organizations for service delivery at the local level; in fact, several TCA contractors also receive funds from TDCA. Third, they each fund educational prevention programs as well as treatment facilities. Finally, although they use different techniques, some methods of treatment, such as counseling, are common to both alcoholism and drug abuse programs.

A survey of other states indicated that most of the states have one single state authority administering both alcohol and drug abuse programs. Most of the state alcohol and drug programs are placed within departments of health, mental health, or social and/or rehabilitation services. Possible benefits of administratively combining the two programs in Texas might include the increased coordination of similar services with similar funding, and cost savings from utilizing one instead of two administrative structures. It can be argued that the two programs

should be administratively combined because the focus should be the problem of substance abuse of which abusers of alcohol and abusers of drugs are two main categories. Results of the review revealed that most drug abusers today also abuse alcohol. Because of this and other similarities, those working in many treatment centers receive certification in both drug abuse and alcoholism counseling. As mentioned earlier in this report, the need for two separate drug abuse and alcoholism programs is even less apparent in prevention areas. Prevention curriculum is generally geared toward the prevention of all substance abuse, including the use of alcohol.

The review indicated that there are several reasons for opposition to such a combination of programs. One is economic in nature. Some of those now receiving funds from TCA as well as those receiving funds from TDCA are concerned that a combination might result in decreased funding for one or the other programs. The other is a concern that the treatment philosophies simply would not be easily merged and the potential conflict between the two would have a detrimental effect on the state's efforts to reduce substance abuse.

Should licensing of alcoholism facilities by TCA be discontinued.

In 1977, the legislature authorized TCA to inspect and license alcoholism treatment facilities on a voluntary basis. All types of alcoholism treatment centers, both for-profit and non-profit, may apply for and receive a license from TCA when the agency determines a center complies with physical plant and programmatic standards. Currently there are 28 alcoholism treatment facilities out of an estimated 238 in the state who are licensed by TCA. License fee revenues generated by this function were \$15,915 in 1983.

To date, a relatively small number of treatment facilities have chosen to receive TCA licensure. Results of a survey of licensed facilities conducted during the course of the review indicated that facilities seek licensure for three main reasons: 1) to be eligible to receive third-party insurance reimbursement; 2) to be eligible to receive court commitments of alcoholics; and 3) to receive an additional measure of credibility. Since for-profit facilities are more likely to treat alcoholics who can afford insurance, TCA licenses far more for-profit facilities than non-profit facilities. Currently 23 out of the 28 facilities licensed by TCA are for-profit facilities.

Licensing of alcoholism facilities in Texas is unusual because it is voluntary, rather than mandatory. Because the voluntary licensure program at TCA does not allow for uniform enforcement of standards for all alcoholism treatment centers, some have argued that the voluntary program is not a proper use of state regulatory power because it is mainly being utilized as a mechanism to help for-profit facilities receive third-party payments at the expense of the state.

To assess the need for licensure of alcoholism facilities, the review focused on the potential for harm and evidence of harm resulting from the provision of unregulated alcoholism treatment service and whether there were alternative means of protection available to the public.

The fact that several alcoholism treatment facilities not regulated by TCA have been the center of controversy, law suits, and/or state enforcement agency investigations for abuse and neglect of alcoholic patients is given as a reason for licensure. While these incidents do seem to indicate that there is a potential for harm to individuals undergoing alcoholism treatment, the review indicated that even with stricter licensure provisions these programs could have continued to operate as long as they did not represent themselves as an alcohol rehabilitation facility.

In determining whether there are other alternatives to protect the public other than licensure, the review showed that for certain types of facilities, alternative means of regulation do exist. Many half-way houses treating alcoholics receive annual inspection and certification by the Texas Rehabilitation Commission. Similarly, the Texas Department of Health conducts medicare surveys to certify all types of health care facilities as eligible to receive medicare and also regulates hospitals or facilities in hospital-like settings providing alcoholism services if the facility is not certified by the Joint Commission on Accreditation of Hospitals (JCAH). The Texas Department of Mental Health and Mental Retardation regulates psychiatric facilities which also treat alcoholics. Any free-standing alcoholism treatment center may also choose to be accredited by JCAH. Fifteen out of the twenty facilities who responded to a Sunset Advisory Commission questionnaire indicated they receive at least some type of regulation from another entity besides TCA. In many cases, the facilities were being regulated by two or more entities.

The alcoholism commission points out though, that many types of alcoholism facilities would not be covered under other agency regulation in the absence of

TCA licensure. Residential alcoholism facilities such as halfway houses or long term care facilities operating independently of any state funding source would fall outside of any mandatory regulatory mechanism.

Should the state require insurance coverage for alcoholism.

In 1981, a bill was introduced and passed by the legislature which required insurance companies to offer and make available medical coverage benefits for the care and treatment of alcoholism and other drug dependencies to insurers who wanted this type of coverage. However, many people in the field of alcoholism believe that insurance companies should not only be required to offer this coverage but that all health policies sold in the state should be required or mandated to provide this coverage. As a result, mandatory coverage for alcoholism is under study by a legislative subcommittee studying mandatory health coverage for a number of health problems.

Testimony presented to the subcommittee in favor of mandatory alcoholism insurance coverage, as opposed to the current law of mandated offering, was mainly presented by alcoholism service providers and professionals such as physicians who deal with alcoholism. Their testimony pointed out that since denial is an integral part of the disease of alcoholism and because of the stigma associated with having a drinking problem, when alcoholism coverage is offered as a separate option from other health coverage, the alcoholic will often not choose to request such coverage. In order to keep their problem a secret from their employer they will, instead, charge all the various physical ailments occurring as a result of alcoholism to regular health insurance coverage. In this manner, proponents say, the alcoholic can continue to receive treatment for the symptoms of alcoholism rather than the disease at much higher medical costs. Proponents of mandated insurance coverage argue that lack of such coverage not only results in increased medical costs, but also perpetuates alcohol related problems like DWI, job absenteeism, traffic accidents, and spouse and child abuse.

Opposition to mandatory health insurance coverage comes mainly from insurance providers and organizations. Opponents say that any time the state mandates any type of coverage, premium costs increase. The insurance companies indicate that most companies cover alcoholism already and therefore there is no need for the state to intervene. Opponents also indicated that insurance companies

remain responsive to the market place and would respond to additional alcoholism needs if an expressed need among consumers existed.

Should some of the direct transfer funds now appropriated to TCA for transfer to other state agencies be utilized for TCA alcoholism treatment and prevention programs.

TCA's budget currently includes appropriations totaling approximate \$1.1 million to supplement the rehabilitation of alcoholics in programs under the administrations of the Department of Mental Health and Mental Retardation, the Department of Health, the Department of Corrections, and the University of Texas Health Science Center at Tyler. Although included as line items in TCA's budget, this money is referred to as "direct transfer" since it is given to TCA to transfer to the respective agencies. In fiscal year 1984, the Texas Department of Mental Health and Mental Retardation received transfers of \$453,350 in this manner to fund alcoholism counselors in the state hospitals. Twenty-two out of a total thirty-five alcoholism counselors in the MHMR state hospital system are funded through TCA direct transfer funds. Transfer funds to the Texas Department of Health and the University of Texas Health Science Center at Tyler are appropriated for use in the employment of alcoholism counselors in state chest hospitals. The Department of Health received \$44,144 in fiscal year 1984 for two alcoholism counselor positions while the University of Texas received \$21,533 for one alcoholism counselor position. Finally, the Texas Department of Corrections received the largest appropriation of this type, receiving a total of \$604,649 in fiscal year 1984 to fund 18 alcoholism counselor positions and one support staff. An additional 15 alcoholism counselors in a voluntary combined alcohol and drug abuse rehabilitation program at the Department of Corrections are funded through the department's own budget.

The review sought to determine whether direct transfer funds are being utilized in the most efficient and effective manner. One of the problems noted by TCA is their lack of control over where and how this money is spent. TCA's influence regarding transfer funds is limited primarily to assisting in the selection of those alcoholism counselors whose salaries are paid with transfer funds. In addition, an examination of current trends in the care and treatment of alcoholics indicates that the field is moving away from institutional treatment of alcoholics to community-based treatment programs. Community-based programs can

generally operate at a lower cost to the state and are viewed by many professionals as being more therapeutic than institutional programs.

The results of the review indicated two instances where there could be a discontinuation or reduction in the funds currently appropriated to other state agencies. These funds then could be appropriated to TCA for use in addressing higher priority needs. Discussions with administrators at the chest hospitals indicated that the money has historically been appropriated to these institutions because of a higher incidence of alcoholism found among tuberculosis patients. However, the results of the review indicated that in some instances the continued need for funding these institutions may be decreasing. The University of Texas Health Science Center at Tyler has not used the direct transfer funds appropriated for this biennium and has requested that these funds be deleted from TCA's budget for the next biennium. The Tyler Health Science Center reportedly declined direct transfer funds due to a decrease in the number of tuberculosis patients with alcoholism problems admitted to that particular hospital. The U.T. facility is currently using volunteers associated with the local chapter of Alcoholics Anonymous to meet its need for alcoholism counseling. In the case of funds appropriated to the Department of Corrections, the agency reports that up to 80 percent of Texas inmates are in need of counseling for substance abuse. TDC argues that the transfer funds are important in helping inmates develop a lifestyle which is not dependent on chemicals thus reducing recidivism. However, it is important to note that TDC's inmates are in a confined environment and have little or no access to alcohol or drugs for an extended period of time. Also, since the TDC alcohol/drug abuse program is voluntary, it is difficult to assess whether the program is serving those most in need and therefore how efficiently and effectively TCA's funds are used.

There currently exists a greater need for alcoholism treatment services than TCA is capable of providing within its present budget. Accordingly, priorities must be established in order to fund those areas with the greatest need in the most effective manner. Since direct transfer funds cannot be transferred among state agencies or other providers to achieve maximum benefits, it limits the agency's ability to establish priorities to meet the overwhelming needs for community-based treatment and rehabilitation.

Should the agency discontinue funding to regional alcoholism authorities and utilize these funds for prevention, treatment and rehabilitation programs.

TCA has chosen to employ a regional network, the regional alcoholism authorities (RAA's) located in 24 councils of government throughout the state, to identify local needs, develop resources, and coordinate local alcoholism-related services. Each RAA is funded by TCA to coordinate regional alcoholism service planning, to give technical assistance to other TCA grantees in their region and to provide community education and training about alcohol use and abuse through annual regional institutes and workshops for professionals and community groups. Although the COG's do not deliver services directly to alcoholics, the agency views these efforts as facilitating the involvement of city and county governments in developing support for alcoholism services. In fiscal year 1984, TCA allocated \$980,699 among the 24 COG's, a figure representing nearly 10 percent of the agency's total budget.

Results of the review showed that the choice to use the regional councils of government to perform these functions is an expensive one because of the amount of indirect costs connected with the administration of these grants charged by the region. Indirect costs are generally defined as costs incurred in connection with a number of grants or activities but not tied directly to any one of them. Examples include general and administrative expenses of the grantee including heating, lighting, air conditioning, janitorial, accounting, payroll and other administrative expenses. Since indirect costs cannot be charged directly to a specific project, they are typically allocated among all the projects in proportion to the relative total direct costs, the direct labor costs, or some other measure.

An analysis of the amounts of indirect costs paid to the regional councils shown in Exhibit 8 indicate that indirect costs totalled \$291,600 or 30 percent of all funds allocated to the regional councils during fiscal year 1984. The remaining \$689,000 in grant funds awarded to the COG's was used to fund staff of the regional alcoholism authorities (RAA's) and to deliver direct alcoholism-related services. The information collected indicated that the regional councils are not only a relatively expensive alternative for providing services, but it is also difficult to control the indirect costs charged to TCA's grants because each regional council negotiates the indirect cost rate to be applied to all grants it receives with a

Exhibit 8

**INDIRECT COSTS AS A PERCENTAGE OF GRANT FUNDS AWARDED TO THE
REGIONAL COUNCILS OF GOVERNMENT BY TCA**

	<u>Regional Council of Government</u>	<u>Indirect Costs</u>	<u>Direct Costs</u>	<u>Total Grant</u>	<u>Percentage of Indirect Costs</u>
1.	Panhandle	\$ 12,409	\$ 33,952	\$ 46,361	26.8%
2.	South Plains	14,336	26,945	41,281	34.7
3.	North Texas	9,661	15,173	24,834	38.9
4.	North Central Texas	18,366	50,234	68,600	26.8
5.	Ark-Tex	8,488	28,693	37,181	22.8
6.	East Texas	16,864	31,959	48,823	34.5
7.	West Central Texas	11,669	29,380	41,049	28.4
8.	West Texas	10,444	31,710	42,154	24.8
9.	Permian Basin	11,166	30,323	41,489	26.9
10.	Concho Valley	13,606	17,420	31,026	43.9
11.	Heart of Texas	8,436	24,381	32,817	25.7
12.	Capital Area	14,010	35,860	49,870	28.1
13.	Brazos Valley	9,593	20,351	29,944	32.0
14.	Deep East Texas	8,109	28,247	36,356	22.3
15.	South East Texas	12,559	23,230	35,789	35.1
16.	Houston-Galveston	21,578	47,022	68,600	31.5
17.	Golden Crescent	11,473	17,927	29,400	39.0
18.	Alamo Area	15,285	53,315	68,600	22.3
19.	South Texas	6,750	22,650	29,400	23.0
20.	Coastal Bend	16,561	27,637	44,198	37.5
21.	Lower Rio Grande	14,102	26,975	41,077	34.3
22.	Texoma	8,497	20,903	29,400	28.9
23.	Central Texas	8,049	25,482	33,531	24.0
24.	Middle Rio Grande	<u>9,622</u>	<u>19,287</u>	<u>28,909</u>	<u>33.3</u>
	TOTAL	\$291,633	\$689,056	\$980,689	
	AVERAGE				29.7%

designated federal agency, based on all of the council's overhead and operating costs. Thus TCA must accept the negotiated indirect cost rate as long as they use federal money to fund grants to the regional councils.

The review indicated that by discontinuing funding to the COG's, TCA would not lose all available means of obtaining regional input. TCA would still receive input from the COG's on proposed alcoholism grants through the Texas Review and Comment System, a system established by state legislation whereby the COG's receive general revenue in part to review and comment on any application for loans or grants-in-aid from federal or state agencies.

In addition, the agency would still have an advisory committee with regional representation and would still have regional block grant hearings as a means of gaining local input. Technical assistance to TCA grantees could possibly be offered by central office staff, particularly if the agency works on improvement of technical assistance material provided to each organization receiving funds, and the planning function could also be carried out by central administration at a much lower cost.

Proponents for TCA's involvement with the RAA's, however, feel the regional network provides for the most comprehensive, non-duplicative system of alcohol abuse and addiction services, giving TCA more for its dollar. These persons point out a number of benefits gained by both TCA and the state by funding RAA's, including the following: 1) regional alcoholism authorities are a source of local accountability in that they are governed by local elected officials and assisted by citizen advisory councils; 2) regional alcoholism authorities leverage state dollars by finding local public and private funds to go with state funds; 3) regional alcoholism authorities should eliminate the need for Texas Commission on Alcoholism field offices and employees stationed in the field thus saving the state personnel and overhead costs; 4) regional alcoholism authorities settle disputes and weed out poor projects by preparing lists of the highest priority projects from their areas for funding by the Texas Commission on Alcoholism; 5) regional alcoholism authorities assist state agencies and the legislature with public hearings; responses to constituent inquiries; and information, data, and program coordination; and 6) regional alcoholism authorities guarantee local involvement and support of programs and projects funded by the state.

The main question to be answered is whether the funds now appropriated to the COG's should be better spent and are more needed for the actual treatment of

alcoholics. A 1982 national drug and treatment utilization survey for Texas revealed a high utilization rate of all types of treatment facilities. Unquestionably, the need for more money in the treatment as well as in prevention and intervention areas exists. Even though funding the regional authorities might provide for a more comprehensive administration of available alcoholism funds, it can be argued that for an agency such as TCA with a limited budget, funds could be better spent on direct services for the prevention, treatment and rehabilitation of alcoholics.

ACROSS-THE-BOARD RECOMMENDATIONS

From its inception, the Sunset Commission identified common agency problems. These problems have been addressed through standard statutory provisions incorporated into the legislation developed for agencies undergoing sunset review. Since these provisions are routinely applied to all agencies under review, the specific language is not repeated throughout the reports. The application to particular agencies are denoted in abbreviated chart form.

TEXAS COMMISSION ON ALCOHOLISM

Applied	Modified	Not Applied	Across-the-Board Recommendations
			A. GENERAL
X			1. Require public membership on boards and commissions.
X			2. Require specific provisions relating to conflicts of interest.
X			3. Provide that a person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
X			4. Require that appointment to the board shall be made without regard to race, color, handicap, sex, religion, age, or national origin of the appointee.
X			5. Specify grounds for removal of a board member.
X			6. Require the board to make annual written reports to the governor, the auditor, and the legislature accounting for all receipts and disbursements made under its statute.
X			7. Require the board to establish skill-oriented career ladders.
X			8. Require a system of merit pay based on documented employee performance.
X			9. Provide that the state auditor shall audit the financial transactions of the board at least once during each biennium.
X			10. Provide for notification and information to the public concerning board activities.
X			11. Place agency funds in the Treasury to ensure legislative review of agency expenditures through the appropriation process.
X			12. Require files to be maintained on complaints.
X			13. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
X			14. (a) Authorize agencies to set fees. (b) Authorize agencies to set fees up to a certain limit.
X			15. Require development of an E.E.O. policy.
X			16. Require the agency to provide information on standards of conduct to board members and employees.
X			17. Provide for public testimony at agency meetings.
X			18. Require that the policy body of an agency develop and implement policies which clearly separate board and staff functions.

Texas Commission on Alcoholism
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			B. LICENSING
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. Provide for notice to a person taking an examination of the results of the exam within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	5. (a) Provide for licensing by endorsement rather than reciprocity. (b) Provide for licensing by reciprocity rather than endorsement.
		X	6. Authorize the staggered renewal of licenses.
		X	7. Authorize agencies to use a full range of penalties.
	X		8. Specify board hearing requirements.
	X		9. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	10. Authorize the board to adopt a system of voluntary continuing education.