
the transition to state
administration of
social services:

NEBRASKA'S EXPERIENCE

STATE OF NEBRASKA

Robert Kerrey, Governor

Nebraska
Department of Social Services
Gina C. Dunning, Director

The Transition to State Administration of Social Services:

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Gina C. Dunning, Director
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Written By: Peter D. Shearer
December 14, 1984



STATE OF NEBRASKA

ROBERT KERREY • GOVERNOR • GINA C. DUNNING • DIRECTOR

December 14, 1984

Dear Governor Kerrey and Members of the Nebraska Legislature:

As policymakers, we are all involved daily with decisions affecting the provision of public services - their scope, their character, the manner of their delivery, etc. If your experience is like mine, the volume of new problems and decisions that arise every day tends to crowd out reflection upon and assessment of past decisions. That is unfortunate, for I am convinced that much can be learned from a closer evaluation of previous policy choices.

The decision to have the Department of Social Services assume near complete responsibility for the provision of social services was a policy choice in which the Governor, Legislature, and this department all participated. Yet last spring I realized that even this fundamental reallocation of responsibilities had not been adequately chronicled nor its impacts assessed.

I am pleased to be able to offer you a report which corrects that situation. It is my hope that you will find it worthwhile to reflect upon the background of this decision. I also hope that you will come to share the sense of accomplishment which I feel, for I think you will agree that the effects of this change have been overwhelmingly positive.

The "transition to state administration" is now complete, but its impacts will be felt long into the future. Working within the new structure this department will continue to operate efficiently and humanely to serve its clients and all Nebraskans.

Sincerely,

Gina C. Dunning, Director
Nebraska Department of Social Services

PS:c42/eel

About the Author

The author is an attorney and public administration graduate student who was employed at the Nebraska Legislature during the years when the transition to state administration was being fashioned.

From May through November, 1984 he was a management intern in the Department of Social Services. During that time he has worked on an assortment of projects for the Client Services Delivery division, one of which was the compilation of this report.

I would like to express my appreciation to all those who shared their perceptions, opinions, recollections, and records with me as I went about researching this report. I would particularly like to thank those staff members of the Department, representatives of the Legislature, and representatives of other affected parties who shared their views on the subject of state administration with officials from Ohio and Indiana on June 13 and 14, 1984. Although the purpose of those meetings was to respond to inquiries from two states which are contemplating a change to state administration of social programs, I found the discussions invaluable in bringing into focus the true dimensions of the change which Nebraska has experienced.

Peter D. Shearer

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I. INTRODUCTION

On the last day of the 1982 legislative session Nebraska lawmakers passed a bill which was of considerable importance to the delivery of what were, at that time, called "welfare" services. It was a bill providing for the state to assume all county responsibilities in that area and to become the sole provider of "welfare".

This represented a significant change in policy, for the county welfare office was a fixture in nearly every courthouse across the state, and county government had a long history as the primary "welfare" provider. Even following the growth of federal and state efforts to assist the disadvantaged, Nebraska's counties had retained responsibility for the day-to-day operation of the network of offices that formed the contact point with the clients. Under Legislative Bill 522 all that was to end.

But the passage of Legislative Bill 522 turned out to be only the beginning of a journey down a road with many curves. Indeed, it was later the very same day that the first curve was encountered when the Legislature passed another bill which overrode portions of 522 and, once again, created a limited county role in the delivery of welfare services.

Now that the journey is close to an end (after two years and three more legislative bills) the counties are still involved in providing these services, but the scope and significance of their involvement has been greatly reduced. Conversely, the role of the state has been significantly expanded. Also, to go along with its changed role, the Department of Welfare has a new name: the Nebraska Department of Social Services. The Legislature made this change effective in August, 1983.

The purpose of this report is to describe and explain this journey, to explore how and why it was undertaken, and to assess its importance.

After establishing certain definitions, the next section of this report will describe the organization of Nebraska's social service system prior to 1982. The third section will describe the legislative changes made from 1982 to 1984 which, in sum, created the very different system which exists today. The fourth major section will describe the implementation of these changes from the perspective of the agency which faced that task. The fifth will summarize the results of these changes and discuss possible future developments. A brief conclusion completes this report.

II. NEBRASKA SOCIAL SERVICE SYSTEM - 1982

Defintions

In order to understand where Nebraska's social service system has been and where it is going, it will be helpful to understand a few basic management and social service concepts.

In the management area it will be helpful to keep in mind the distinction between administrative responsibility, policy-making responsibility, and financial responsibility. Administrative responsibility is commonly viewed as the "nuts and bolts" of management. It is concerned with hiring and firing, staffing decisions, job duty assignments, budgeting, purchasing, and similar practical matters. Policy-making responsibility, in the social service context, is something quite different. It is concerned with such things as establishing eligibility criteria for programs and determining the scope of benefits that will be offered. Financial responsibility has to do with taxing authority and responsibility for paying the bills.

In the social service area it will be helpful to keep in mind a basic outline of the services offered by a modern social service system. Typically, a bewilderingly large number of "programs" are available to clients, but they are commonly grouped into more comprehensible units according to certain shared characteristics.

For purposes of this report social service programs will be considered in four broad groups. The first will be referred to as the "Income Maintenance" group. The primary purpose of the programs in this group is to supplement personal income sufficiently to provide for the necessities of life. Aid to Dependent Children and Food Stamps are two of the recognizable programs that fit into this category. Medicaid, the main program of medical services, is also considered to be within the Income Maintenance group on the theory that the need for medical services is basic and universal.

A second group of programs will be referred to as the "Social Service" group. Rather than provide income, Social Service programs provide direct services to help clients in some facet of their lives. This includes such things as chore services for the elderly and various transportation programs. Social Service programs are further distinguished from Income Maintenance programs by the intensity of the interaction between the worker and client which they require. The worker spends more time in a counseling role with Social Service clients than with Income Maintenance clients: investigating their problems, discussing options, and exploring available services in both the private and the public sectors. (NOTE: The term "social services" (without capital letters) will also be used throughout this report. It will refer to the social service system as a whole, i.e., all the programs encompassed by these four broad groupings as well as other programs offered by the Department of Social Services.)

A third group of programs, which will be separately labeled here but which is sometimes included within the Social Service group, is the "Protective Service" group. Protective Service, as used in this report, will refer to a broad range of services offered to persons with a limited or diminished capacity to act in their own best interest. These programs represent the classic case of government acting "in loco parentis" (in the place of the parent). Programs providing investigation and counseling in adult and child abuse cases fit into this group, as does management of the foster care system.

A final pair of programs will be referred to as "General Relief". These programs are, by their nature, income maintenance programs in that they assist clients in the purchase of food, clothing, shelter, and medical care. But the recipients of General Relief are persons who do not qualify for the main Income Maintenance programs. In Nebraska, General Relief is composed of two programs: medical services are offered under a program which, until recently, was known as the "Medically Indigent" program; food, shelter, and clothing are subsidized through the "General Assistance" program.

One can get a sense of the relative importance of these program groupings by examining caseloads. In Nebraska the greatest number of cases by far fall into the Income Maintenance area. The Social Service and Protective Service caseloads are much lower, but they involve considerably more staff time per case than Income Maintenance cases. General Relief is a very small component of the caseload totals, but, for reasons which will become apparent, it has been an important element of the social service scene.

The social service and management concepts that have been defined above fit together. Each of the program groupings has associated with it administrative, policy, and funding responsibilities. Arranging these concepts in a matrix produces something of a scorecard to keep track of the various shifts and changes which occurred between 1982 and 1984.

	Administrative Responsibility	Policy-Making Responsibility	Financial Responsibility
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Income Maintenance
Programs

Social Services
Programs

Protective Service
Programs

General Relief
Programs

Federal Role

Three layers of government were involved in the delivery of social services in 1982, as they are today. This report focuses on the role of the counties and the state, but in order to keep those roles in perspective it is necessary to introduce the role of the federal government.

The federal government has followed two basic approaches in promoting the delivery of social services. One approach has been for the federal government itself to offer a core program, while inviting the states to supplement it in some way. The other approach has been to offer matching funds to state-run programs that meet certain standards. In

both cases the states enjoy some degree of freedom to control the programs which they choose to spend their money on: they control certain administrative and policy details and it is up to them to determine what role, if any, will be played by their "creatures" the counties.

County Role

Until 1982, Nebraska made extensive use of county government in delivering social services. The nature of the relationship between the Department of Welfare and the County Divisions of Public Welfare was spelled out in several places in the statutes. It appeared in sections relating to specific programs, program funding, and sections describing the powers of the Department. In each place the language was similar and its message the same: the counties were to administer social service programs under the "supervision" of the state.

Use of the word "supervision" was important, for it distributed considerable responsibility to the counties. To oversimplify somewhat and present the situation in terms of the matrix set out above, the statutes in 1982 gave the counties considerable administrative authority in the Income Maintenance, Social Service, and Protective Service program areas. In contrast to this broad administrative authority, the counties enjoyed little policy-making authority and minimal funding responsibility in the main program areas. Their sole funding obligation was to pay 14% of the cost of Medicaid. This "county Medicaid share" was small relative to the total cost of the social service programs, but it was large enough to be noticeable in county budgets.

In the General Relief area the counties' responsibilities were quite different. There they bore complete responsibility for policy-making, administration, and funding. In other words, the General Assistance and Medically Indigent programs belonged to the counties completely.

COUNTY ROLE - 1982

	Administrative Responsibility	Policy-Making Responsibility	Financial Responsibility
Income Maintenance Programs	Considerable	Little	Partial
Social Services Programs	Considerable	Little	None
Protective Service Programs	Considerable	Little	None
General Relief Programs	Complete	Complete	Complete

What was the practical meaning of "county administration"? It meant that the front line offices in the social service delivery system were

essentially run by the county boards: the Welfare Director held his or her position at the behest of the board; the board had to approve the welfare office's budget; hiring of staff was subject to the approval of the board; all staff members became county employees; the board determined the availability of such support resources as office space, equipment, and training; and the board established acceptable time frames for handling applications.

In addition to overseeing the general operation of the county welfare office, the county board often involved itself in the day-to-day work of that office. Many boards had a policy of regularly reviewing all applications for assistance, and some boards scrutinized each determination of eligibility made by the staff. Typically, this review was done in the course of a regular public board meeting, and occasionally it resulted in the rejection of clients who were eligible for services under state-promulgated policy.

While the board was ultimately in charge of the welfare office, the amount of control which it actually exercised varied from county to county. Some boards delegated substantial authority to the Welfare Director, and others delegated less. Even the same board might, over time, vary the degree of control it exercised over the office.

There were certain constraints on the operating independence of the county offices, but they were not very visible nor very important. In personnel matters there was a federal requirement that a "merit system" be used in offices which administered federal programs. This meant that job openings in the welfare office were advertised, examinations were administered, and lists of qualified candidates were prepared for use in the final hiring deliberations. As a practical matter, though, many strategies were available to circumvent the merit system. Any county board or welfare director who wished could control who was hired in the office. On occasion this led to problems of nepotism and patronage.

The quality control activities of the Department of Welfare also represented a constraint on the operation of the county offices. Regular audits were conducted by Department staff in an attempt to assure that the actual operation of programs met all state and federal policy guidelines. But staffing limitations meant that this oversight could be exercised only intermittently.

In the General Relief area the counties were completely on their own, and, as a result, these programs often operated haphazardly. Since many counties had no written policies, applicants for these programs routinely had their requests acted on directly by the boards. Of course this meant that the client would wait until after the next board meeting to learn whether or not s/he would receive assistance. If the client's need was ongoing the request might have to be acted on several times, since most counties viewed each General Relief request as an isolated case.

In their operation the county offices acted as autonomous entities, with one important exception. Beginning in the middle 70's the Department began promoting something called Multi-County Service Units. These were

contractual arrangements whereby several rural counties joined together to offer services in the Social Service and Protective Service program areas. Collectively the counties could offer better services than each was able to separately. Eight Multi-County Service Units were ultimately established, but the Department decided to phase them out in a cost-cutting effort. Though the experience with Multi-County Service Units was short, it was important, for it exposed the counties to the possibility of service delivery through different and larger units than the county offices.

State Role

Under the system of state "supervision" the state role was the opposite of that played by the county: the Department of Welfare had a significant policy-making and funding role in the Income Maintenance, Social Services, and Protective Services areas, but it had only a limited administrative role. In the General Relief area the state had no responsibilities.

STATE ROLE - 1982

	Administrative Responsibility	Policy-Making Responsibility	Financial Responsibility
Income Maintenance Programs	Little	Considerable	Considerable
Social Services Programs	Little	Considerable	Considerable
Protective Service Programs	Little	Considerable	Considerable
General Relief Programs	None	None	None

Policy-making activities included setting income and resource guidelines for program eligibility, as well as designating the services that would be offered by the programs. These activities were undertaken by a number of Central Office staff, arranged according to program areas. These staff members were engaged in a continual process of drafting and modifying rules, regulations, and forms, in order to keep them in line with federal directives and to implement changes originating within the Department and the Legislature.

A large number of Department personnel were also involved in the administration of Income Maintenance benefits once eligibility for the benefits had been determined. This is where state administration overlapped with county administration: the counties dealt with the clients and made eligibility determinations; the Department of Welfare then presided over the check-issuing, recordkeeping, and auditing systems associated with the regular payment of benefits.

To perform its role the Welfare Department operated out of a large central office in Lincoln and six field offices. The field offices served as "home bases" for many of the Department's audit and quality control people who travelled to the county offices frequently. They also served as a delivery point for certain services which the Department performed directly. These services included foster home and day care center licensing, management of long-term foster care placements, and services to crippled children. Because the six field offices covered the entire state, they appeared to be an organizational level between the county offices and the Department. But they were not "above" the counties in any important sense. Instead they were a side-by-side direct service operation.

History

Behind the confusing allocation of responsibilities which prevailed in 1982, there actually was a logic of sorts: the system reflected the historical evolution of stewardship for the poor.

Throughout the history of Nebraska there has been a law in the statute books appointing a local official as "superintendent" of the poor. Early territorial legislation provided, "The justice of the peace in each precinct shall be and they are hereby made overseers of the poor, ..." ¹. By 1920 this responsibility had devolved to the county board. This, of course, was only one of many functions which the state assigned to local governments at a time when transportation and communications were poorly developed.

For many years there were no other governmental efforts to meet the needs of the disadvantaged. As time passed, the federal government began to become active in this area, but it did so in a piecemeal fashion. At different points in time it established programs aimed at assisting different groups of people - at one point it was a program to aid the disabled and at another point it was a program to aid destitute children.

This pattern of development had two effects. First, because the new programs were introduced gradually, it seemed logical to make use of existing governmental structures to implement them. The counties, having been entrusted with the initial responsibility to care for the poor, were accordingly assigned the responsibility of administering the new assistance programs. No doubt some county welfare officials also promoted this policy for purely bureaucratic reasons, since it expanded the "turf" of their activities.

¹ (Revised Statutes of Nebraska, 1866 c 40 §4)

The second effect of the piecemeal expansion of federal and state assistance was that the counties found themselves with a residual area of complete responsibility. In spite of the assorted programs, some people fell through the cracks: there were people in need of assistance who were not blind or disabled, or who failed to meet some other eligibility criteria. These were the people who remained to be assisted by the General Relief programs.

Effects

The impacts of a state-supervised/county-administered system were many and far-reaching: relations between the state and county levels were sometimes marked by suspicion and poor communication, there was no overall sense of direction to guide the partnership, services to clients were characterized by a lack of uniformity, office operation sometimes impeded the effective delivery of services, there were problems of waste and duplicated effort, and the roles played by various actors failed to mesh in some areas.

Numerous employees of the old county welfare offices have commented upon the sharp line of demarcation which frequently existed between the county offices and the Department of Welfare. A "we" and "they" attitude prevailed among county workers and was reciprocated by Departmental staff. Each side felt misunderstood by the other: the county employees felt that state policy makers were insensitive to the practical problems of the front line workers and Department personnel felt that county workers often resisted progressive change.

The state of communications between the parties did not help to allay these suspicions and misunderstandings. With inquiries, policy directives, interpretations, and suggestions flowing back and forth between the central office and 89 county offices, it was very likely that messages would become jumbled and signals crossed. Moreover, there was no guarantee that communications which found their way to the proper office would be sent on to the workers who needed to hear them.

Within a unified organization an overarching sense of purpose can help guide and coordinate activities even when communications are poor. State-supervised county administration, however, made achieving such an "esprit de corps" difficult. Of the 89 county directors each had been hired for different reasons, each was pursuing somewhat different goals, and each brought a different philosophical outlook to his/her work.

While this diversity of outlook contributed to communications problems it also directly affected clients. There were occasions when county boards and welfare directors consciously failed to implement programs out of philosophical opposition to them, even though the programs had been properly established according to law. The Aid to Dependent Children-Unemployed Parent program is one which was not always universally available as it should have been.

There were other local practices which also contributed to a lack of service uniformity across the state. When county boards rejected individual applications for assistance, in order to vent frustration

with a program policy, they promoted inequality. If the client appealed the board decision any legally established policy would prevail. But if the client was unaware of his rights or failed to pursue them, the local decision would stand and differing local practices would result. If a Welfare Director established an administrative policy that employee training was to be done on the employee's own time and at his/her expense, the quality of services performed by that office eventually suffered. Similarly, when a county concentrated its hiring efforts on Income Maintenance workers the operation of its Social Service and Protective Service programs were sure to feel the effects, although every county was formally required to offer the same mix of services.

As mentioned above, the General Relief programs were anything but uniform across the state. People who were in the same financial distress would be treated very differently, depending upon what community they found themselves in. In fact, the General Assistance program was sometimes known to consist of a bus ticket to a different county.

The relative freedom to overlook merit principles, which the counties enjoyed, also had an adverse impact on services. In some offices performance appraisals were virtually unheard of and promotions were based on criteria known only to the Director. Under those conditions employee morale suffered and, indirectly, services to clients.

The most outstanding example of waste directly linked to the old organizational scheme was associated with the "home county" problem. Since counties bore a portion of assistance costs, they were always very sensitive about controlling just who they were responsible for. Counties that tended to experience in-migrations of eligible clients, such as urban counties and counties with institutions in them, felt that the original county of residence (or "county of legal settlement" as it came to be called) should remain responsible for clients when they moved about the state. This principle was established in statute, but it had wasteful impacts: records relating to clients had to be kept in both the county of service and the county of legal settlement. Offering effective services meant that the activities of these two offices had to be coordinated. Before 1982 Gage county, the home of the Beatrice State Development Center, dealt with virtually every county in the state. Delays and waste were the result of this overlapping involvement.

In the area of Protective Services to children, the division of responsibilities between the county and state was such that their respective roles did not mesh well. County office involvement was direct and immediate: when an allegation of abuse was received the county worker investigated the charge and became familiar with the problems and needs of the family and child. If, however, long-term foster care was the most appropriate treatment option, county involvement drew to a close and the case shifted to a state field office worker. That worker might be located a great distance from the family and s/he might have little opportunity to develop an ongoing relationship with the child and family.

When the field office worker attempted to place the child in a foster home s/he encountered another effect of role mismatch. The county offices did a limited amount of recruiting of foster homes, but, because long-term placements were generally turned over to the state, the counties conserved their financial resources by recruiting only a few homes willing to accept short-term placements. The state did its own recruiting of long-term foster homes, but the homes were often far from the community of the child who was to be placed. This hampered reconciliation and reunification efforts and was not in the child's best interest.

The situation could really become chaotic when a child from a rural area was first placed at the Nebraska Center for Children and Youth and later in a foster home. In such a case several state field workers might be involved, along with one or two county workers. With so many parties participating the continuity of care to the child and family was frequently disrupted.

The system of state-supervised county administration was not completely powerless to redress some of these shortcomings. The Department of Welfare had at its disposal the power to withhold certain funds from the counties and, in that way, to affect county practices to some degree. For various reasons, however, the Department instead chose to pursue a hands-off policy with regards to many of the system's problems.

Pressure for Change

The shortcomings of the system of county administration were unfortunate, but they were not enough to bring about significant pressure for change. As is so often the case, it was money which created pressures of that magnitude.

Throughout the 1970s the counties watched with alarm as the cost of the Medicaid program escalated. Although the legislature acted on several occasions to lower the size of the county share from 20% to 14%, the counties still viewed Medicaid as an uncontrollable expense that was sure to continue to grow. And that it did. From 1975 to 1982 Medicaid expenditures grew at a rate of 13.9% per year. A small part of this was growth in program participation, but mostly it represented escalating medical costs. Between 1977 and 1982 the rate of growth of Nebraska's Medicaid costs exceeded 20% per year, while the recipient population was growing at less than 2% per year. During the same time the general inflation rate was a comparatively moderate 7.2% per year. Meanwhile the counties were subject to a lid of 7% on increases in their revenues.

By the time that 1982 arrived some county officials felt that the traditional activities of county government were jeopardized by continued participation in Medicaid funding.

By 1982 there was also considerable legal chaos in the General Relief area, which raised the spectre of increasing costs for those programs. For many years hospitals had offered services to indigents without vigorously seeking reimbursement from the counties. The hospitals did this because many had been recipients of "Hill-Burton" funds.

Hill-Burton was federal legislation which subsidized hospital construction on several conditions, one of which was that the hospital offer free care to poor persons for a period of years. As Hill-Burton obligations began to come to an end in the late 70s, hospitals turned to the counties for reimbursement, since the counties remained "overseers" of the poor by law.

For their part the counties sought to minimize their liability while carrying out their statutory responsibilities. A considerable amount of legal sparring centered on statutory language requiring express county board authorization prior to the provision of services. The counties used this language to avoid paying for services which were rendered in emergency situations, but this was not to last. In 1979 an important supreme court decision was handed down which severely limited the counties' ability to avoid payment under such circumstances.²

The significance of this decision was brought home by an incident which occurred in a sparsely populated rural county. A request was made for county payment of a \$200,000 medical bill for someone who claimed to qualify as medically indigent. This amount was almost two-thirds of the total annual budget of the county. When the case was finally settled no payment was made, but the request alone had caused considerable turmoil for the board involved and it had gained the attention of other county boards.

At the same time the boards were feeling this pressure from the courts, several legislators and clients were demanding that the General Relief programs be formalized. These parties were able to make a strong argument that the operation of the General Assistance and Medically Indigent programs was chaotic and in need of clarification. But formalizing the programs would cut two ways. It would clarify client's rights and assure more uniformity, but it would also clarify county responsibilities. Some counties feared that this would require the expenditure of more county funds.

Taken together, the rising Medicaid costs, the court decisions relating to General Relief, and the pressures to formalize General Relief, made many county boards nervous about the future. They could see their costs escalating for both Medicaid and General Relief - possibly quite rapidly. The natural effect of this was to cause the counties to give serious consideration to the benefits of having the state assume all General Relief and Medicaid responsibilities.

²Creighton-Omaha Regional Health Care Corp. v. Douglas County, 202 Neb. 686, 277 N.W. 2d. 64 (1979).

III. LEGISLATION

The preceding section of this report establishes the background for viewing the five significant pieces of legislation which shaped the transition to state administration of social service programs. These bills were LB 522 and LB 602 from the 1982 session, LB 604 and LB 401 from the 1983 session, and LB 886 from the 1984 session.

LB 522 - 1982

LB 522 was unusual in the scope of the changes it proposed. One of the bill's introducers described the impact of the bill in this fashion: "(county boards)...will have no responsibilities for a general assistance program, no responsibilities for an emergency assistance program, no responsibilities for an ADC program, no responsibilities for a medical assistance program, no responsibilities for a supplement to the SSI program."³ In sum, LB 522 proposed that the counties have no responsibilities whatsoever for the delivery of social services. In terms of the scheme employed above, LB 522 proposed to remove all administrative, policy-making, and funding responsibilities from the counties.

Typically, legislative reform of such a fundamental nature stands little chance of adoption, for it flies in the face of strong biases in the American political system favoring incrementalism. The introducers of 522 recognized this and held out little hope for their bill as it began its legislative journey. The Public Health and Welfare Committee advanced 522 to the floor on a 4-3 vote, but most observers felt it would surely flounder there.

An assortment of arguments were put forth to enlist support for LB 522 during its floor debate. First, it was said that state administration would be more efficient than the joint county/state system. Iowa was cited as an example of a state which had recently undergone a similar change and had realized savings of several million dollars. Another argument which made an appearance was the ever popular "everyone else is doing it": it was pointed out that only 18 of the 50 states retained significant county involvement in social service administration. Finally, it was argued that a state run system could offer more uniform services to its clients.

Those opposed to the bill had an assortment of arguments too. First, they attacked the claim of administrative cost savings. Second, they raised the cry of "local control", and said that state administration

³Floor Debate, Nebraska Legislature (remarks of Senator Vard Johnson), March 10, 1982.

would be likely to decrease services in rural areas. Finally, they made a pitch on behalf of the cost-effectiveness of county administration. They said that local administration resulted in rigorous scrutiny of eligibility, which, in turn, kept costs down. State administrators, they argued, would be less knowledgeable about the community and less vigilant in their oversight of applications. As a result, the welfare roles would swell.

The impact of 522 on county finances was acknowledged on the floor of the Legislature, but it was not the subject of much formal debate. All parties understood that the bill offered a quid pro quo: the counties were relieved of their General Relief and Medicaid funding responsibilities, but, in return, they gave up control over program administration.

The positions of the affected parties were well staked out. Not surprisingly the county welfare directors generally opposed the bill. Some of them recognized that career opportunities would be enhanced in a reorganized state-run system, and some also felt that service to clients would be improved in a unified system. But most directors resisted the loss of status and control that "state administration" implied. The county officials organization was in something of a quandry. On the one hand, it wanted to stand with the county welfare directors for the sake of county official unity. On the other hand, some county boards were very attracted to the prospect of being relieved of the 14% Medicaid share and the uncertainties of the General Relief programs. For the record, the Nebraska Association of County Officials stood neutral on the bill and offered no testimony at its hearing, but some individual county boards did become involved in lobbying on behalf of the bill. In addition, several urban hospitals swung their support behind the bill because of its provision for state assumption of the General Relief programs. Their assessment was that, under a uniform, statewide General Relief program, payments for medical services would be more certain and probably more generous.

Despite the significance of the bill and the number of parties it impacted, LB 522 did not have a "high profile" life before the legislature. Debate on the bill was neither drawn out nor particularly heated. The bill had its committed adherents, most notably Senators Vard Johnson and Sam Cullan, but most senators appeared indifferent. The bill passed its first two rounds of debate, but it seemed that many senators voted for advancement simply to have more time to mull over the idea. It was quite a surprise to everyone when 522 passed at Final Reading on a vote of 33 to 12.

In the end it appears to have been a mixture of end of session impetuosity and the Legislature's desire to offer property tax relief which helped carry the day for 522. The crucial vote occurred on the last day of the session. Nebraska's traditionally high level of property tax had been discussed repeatedly, but no significant legislation to ease that burden had passed. Enactment of 522 changed that by removing a \$20 million burden from the local property tax base.

With the passage of LB 522 the state was committed to taking complete control of the social service delivery system a year later, in July of 1983.

LB 602 - 1982

Having passed LB 522, it did not take long for the Legislature to start to modify it. On the same day that 522 passed the Legislature enacted LB 602 - a bill which had been working its way through the legislative process at the same time as 522. LB 602 was really the fallback bill for the proponents of 522, since it was aimed only at the problems in the General Relief area. The solution it proposed was for the state to take over the General Relief programs by replacing the county as the government body responsible for the poor who "slipped through the cracks" of the main Income Maintenance programs. Not surprisingly, 602 also directed the state to formalize the General Relief programs by adopting uniform policies and procedures. LB 602 kept the counties involved with General Relief in one respect: funding of the Medically Indigent programs was to continue to be their responsibility. LB 602 did not change the system of state supervision/county administration for the Income Maintenance, Social Service, and Protective Service programs.

Passage of 602 was generally consistent with the passage of 522. Since 522 had a broader impact the passage of 602 had little effect in most areas. But in the area of funding of the Medically Indigent programs LB 602 preserved a county role that 522 had abolished. Since 602 passed later, county funding of Medically Indigent was written back into the law.

It is unclear from the record whether Legislators were aware of this impact of LB 602, since most of the discussion of that bill focused on a different section, section 5.

LB 522 had required the counties to turn over to the state all space and equipment used by their county welfare offices on the date of transition to state administration. Section 5 of LB 602 was a five line section that expanded that obligation by requiring the counties to maintain the space and equipment in the same condition it was in on April 1, 1982.

LB 604 - 1983

The weakening of the state and national economies during the remainder of 1982 undermined the changes which LBs 522 and 602 had set in motion. Months before the start of the '83 legislative session it was apparent that the state would have a difficult time taking on the costs of the county Medicaid share. Obviously the net cost to the taxpayers would not be increased by changing the funding source from the local property tax to the sales and income tax; however, none of the state's leaders relished the thought of presiding over a ballooning (and highly visible) state budget during difficult financial times.

And those were difficult times. During 1982 the national economy went into its worst recession since the 1930's, which caused sales and income tax collections by states to drop sharply. Nebraska's experience was no

exception. It soon became apparent that both tax rate increases and spending reductions would be necessary simply to maintain the status quo in state services. Several estimates in late 1982 projected nearly a \$90 million shortfall between revenue and spending commitments for the following fiscal year.

In this environment informal discussions were begun among legislators, county officials, and other interested parties, to search out some sort of accommodation which would preserve as many of the features of 522 as possible. The newly elected governor made known his firm opposition to the impending state assumption of county Medicaid expenditures. In his budget address early in the 1983 session, Governor Robert Kerrey said it was "impossible" to fund the state assumption of county welfare in the 1983-84 budget year. He also used that address to announce the convening of a task force to study the question and make a report in six weeks - soon enough to allow legislative action on any proposal that might be generated.

Many observers felt the task force had an impossible job. They saw no way to minimize the financial impact of 522 while at the same time preserving the transition to state administration. To their way of thinking, the real choice facing the legislature was to repeal 522 or let it stand.

The task force explored several unusual schemes, but none captured the group's fancy. Most proposals took the form of program swaps whereby the state would be relieved of an expenditure in exchange for taking on the county Medicaid share. In that way the net financial impact to the state would be minimized. When it came time to report, the only thing the task force agreed on was that the counties should again assume responsibility for funding the General Assistance portion of General Relief. There was also an 8-member minority which favored proceeding with state administration, while simply postponing the assumption of Medicaid costs until later fiscal years. Governor Kerrey was opposed to that approach.

This whole period, from late '82 through the spring of '83, was a time of great uncertainty and confusion for the 1,200 county welfare workers. Just as they had begun to adjust to the prospect of state administration, the whole effort stalled. Then it looked as if it might be abandoned. Among the county workers there was considerable interest in the maneuverings in Lincoln, as the Legislature and Governor grappled with the fate of their offices.

By late March it was clear that something had to happen. The Revenue Committee had been holding onto LB 604 - a bill which had been introduced on behalf of the Governor in order to serve as a vehicle to resolve the issue. Finally, when it appeared that a tenuous compromise had been achieved, the Committee brought LB 604 to the floor of the legislature.

The "compromise" 604 was an acknowledgement of the realities of the situation rather than an innovative new solution. In fact, it bore a striking resemblance to the task force minority position. It proposed slowing the assumption of county Medicaid expenditures and spreading it out over several years. It also provided that full financial and administrative responsibility, for both General Relief programs, would be returned to the counties, and that formal policies and procedures would be established for their operation. On these conditions LB 604 provided that the state would take over the administration of the Income Maintenance, Social Service and Protective Service programs in July, 1983.

LB 604 also delved into some practical issues associated with the transition to state administration: it began to sort out a cluster of personnel problems that had not been addressed by either LB 522 or LB 602. LB 522 had established the general principle that employees were not to lose out in the transition, but it had overlooked the details. LB 604 filled this gap by providing for an immediate vesting of employee rights in the county retirement systems on the date of the transition. It also provided that employees would be immediately included in the state retirement system, and would be given credit for the time they had spent as county employees.

With the passage of LB 604, on April 26, 1983, the uncertainty was over. The stage was set for a transition to state administration in just two months.

LB 401 - 1983

The 1983 legislative session also saw the passage of LB 401 - the name change bill. By renaming the Department of Welfare as the Department of Social Services, several things were accomplished. First, an outdated description of the Department's work was replaced with a more accurate one. The activities of the Department had long since transcended the simple Income Maintenance services that are associated with the term "welfare". "Social Services" better described all that the Department actually did. Second, a title that some felt had negative connotations was replaced by one that projected a positive attitude. The Department views its function as helping people - in a sense, building and enhancing Nebraska's human capital. "Welfare" conveys simple dependence, whereas "Social Services" conveys this building spirit. Third, the fact that this change coincided with the move to state administration helped to dispell any impression among employees that the state was "taking over" the county offices. It helped promote an attitude of cooperation and a sense of common purpose.

LB 886 - 1984

One more issue relative to the division of responsibilities between the counties and the state remained to be addressed in the 1984 legislative session. The combined effect of LB 522 and LB 602 in 1982 was to split responsibility for medical services to indigents - the counties were to pay the bills, but the state was to administer the Medically Indigent programs. Before this went into effect, LB 604 passed and

responsibility for the Medically Indigent portion of General Relief was returned to the counties - except that the state still had a part to play in determining the "standard of need" for medical care. As 1983 was drawing to a close the counties became apprehensive about that division of responsibility. They feared that the state would design a program which would be insensitive to their fiscal interests - that the Department would be overly generous with county dollars.

In response to this fear the counties sought the introduction of LB 886 during the 1984 session. LB 886 shifted the responsibility for designing the Medically Indigent programs back to the counties. It called upon them to consult with the Department, but it left the ultimate authority to fashion the programs with the counties.

LB 886 passed easily, but its significance must not be exaggerated, for the Department retained considerable influence over the Medically Indigent programs. Since the county offices had been merged into the Department, most counties had no separate staff to implement their Medically Indigent programs once they had been designed. Most counties, therefore, decided to rely on Department of Social Services staff to carry out both their General Assistance and Medically Indigent programs on a contractual basis. This placed the Department in a position to negotiate acceptable Medically Indigent programs or refrain from contracting to administer them. The negotiating process which has occurred in the wake of LB 886 has gone well. By August, 1984, General Assistance and Medically Indigent programs have been designed for the entire state and they are proving satisfactory. Some counties, however, have chosen to administer their own programs and others continue to exploring this possibility.

III. AGENCY PERSPECTIVE

With the passage of LBs 522 and 602, in the spring of 1982, the Department of Welfare had one year of lead time before state administration was to take effect in July, 1983. As we have seen, that year brought the election of a new Governor, as well as important additional legislation. But it is worth recounting the Department's initial transition effort since certain of its elements were incorporated into the process which was later undertaken by the new administration.

As the Department looked ahead in the summer of 1982, it faced a significant task. The Legislature had committed both the Department and the county welfare offices to the kind of thoroughgoing change that most organizations never face. Legislators had debated this process using the simple label "state welfare take-over" or "transition to state administration", but to the Department the change appeared to be anything but simple.

Consider first the relatively straightforward problems which it faced in the areas of finance and accounting. Under the old system financial arrangements were quite complex. Certain funds flowed from the state and federal governments directly to providers and clients, other monies flowed from counties to providers and to the state, and still other

monies flowed from the state and federal governments into county coffers. The detailed bookkeeping associated with this system had to be changed and the various funds had to be balanced and closed out. Most importantly, this would have to be done without disrupting the flow of payments on behalf of clients which was the lifeblood of the Department's work.

The Department also faced a myriad of challenges associated with "taking hold" of the resources and personnel of the 89 county offices. Overnight the work force would grow from approximately 600 to 1,800. Insurance coverage had to be changed, enrollment in the state retirement plan had to occur, check preparation systems had to be modified, and wage levels had to be adjusted - all this just to assure that employees who were on the job on June 30 would be there a week later. Moreover, recruitment and training functions, which had never been done for the system as a whole, had to be operational so that as the weeks and months went by, there would continue to be skilled people prepared to run the organization.

There were also changes that had to be made with respect to the physical resources of the county offices. Purchasing procedures and inventory control systems had to be established to assure that the staff would continue to have the proper mix of "tools" to do their jobs. Under state administration, just as under county administration, pens and forms would need replenishing, typewriters would need ribbons, and someone would have to keep track of the calculators and file cabinets.

More important than simply "taking hold" of the new resources, the Department faced the task of "gaining control" of them - of marshalling the newly acquired resources to accomplish departmental goals. The 89 autonomous county offices had to be integrated into a unified management structure, policies and procedures had to be standardized, and new lines of communication and authority had to be established.

Undoubtedly the most serious challenge facing the Department was in the area of employee relations. Periods of organizational change are very stressful for employees. Countless experiences, in both the private and public sectors, bear this out. Reorganization casts a cloud of uncertainty over each employee's future and invites each to indulge his or her worst fears about what might happen. Even when job security is not in danger, change threatens comfortable working patterns and established personal relationships. To an employee who has settled into an organizational niche, all change is disruptive.

Although the Department faced significant challenges, it also saw opportunities as it contemplated the prospect of state administration. First and foremost it saw the chance to bring more uniformity and higher performance standards to the delivery of services. Although this effect of state administration probably played a minor role in the Legislature's deliberations, it was of primary importance to the Department. In its role as the "supervisor" of social service administration the Department had observed first-hand the shortcomings discussed in the previous section of this report.

The Department also saw an opportunity to achieve greater efficiency in the delivery of services. It envisioned that uneven work loads could be spread more equitably among "front line" employees, greater specialization could improve their competence, and certain services could be made available on a regional basis where need was widely dispersed.

Early Planning Efforts

With the goals of improved service and greater efficiency, the broad outlines of a plan began to emerge in the summer of 1982. It was to have two basic thrusts. First, it would seek to move certain central office support functions out into the field - to force them down the hierarchy and closer to the service delivery level. Second, it would tighten central control over service delivery, creating a layered administrative structure over the 89 offices.

There were risks associated with both thrusts should they be carried too far. Support pushed too far afield would actually undermine coordination, while at the same time burdening the department with superfluous support personnel. On the other hand, too much centralization of service delivery could cause the Department to become removed from the clients and administratively "top heavy".

In order to address in detail the issues associated with state administration, a series of committees was assembled. One was to focus on the organizational issues mentioned above. Others were to examine the areas of functional responsibility which were altered by LB 522 and LB 602: General Assistance, the Medically Indigent programs, and the general area of child welfare.

With the subsequent passage of LB 604 and the election of a new Governor, much of the work of these committees became irrelevant. But this was not true of the work of the organizational committee. The deliberations of that committee seem to have had an impact on the reorganizational plan which was ultimately implemented by the new administration.

The organizational committee was composed of an assortment of county welfare officials and representative of various divisions within the department. Their deliberations were guided by two core beliefs: that local offices should remain accessible to clients, and that consolidation of certain supervisory and support roles was possible and could result in cost savings.

With these principles in mind the committee began designing a new organizational structure. This planning process, however, did not begin with an entirely clean slate. The committee members from the Department brought into the discussions familiarity with the field office organization, while several committee members from the counties brought familiarity with the Multi-County Service Unit scheme. As a result, it is not entirely surprising that a plan for a three-tiered system came out of these deliberations. The committee members felt that, in order to achieve operating efficiencies, some functions of the local offices

needed to be offered at a new level which would encompass several local offices, but this was to occur within a system of regions which would report to the central office.

The committee considered an assortment of geographical arrangements and several different names for the units it envisioned. Ultimately it was decided to call the levels "district", "branch", and "local". It was also decided that ten was the proper number of districts to have. Debate on the district boundaries was again guided by two principles: equalization of caseloads between districts, and location of district offices in traditional "market center" communities - cities which served as the natural commercial center for the surrounding areas.

Below the district level the number of units was to be flexible and dependent on local conditions. It was envisioned that there would probably be two or three branches per district, and a local service office left in virtually every county.

By January of 1983, the group was ready to put forth its proposal, but the plan was never formally acted upon. While the committee had been deliberating in the fall of 1982 it was eclipsed by external events. The declining health of Nebraska's economy raised the prospect of a repeal of state administration and the election of a new governor meant that the reorganization plan would, at a minimum, be in for a thorough reevaluation. As it turned out, the plan was shelved completely, but many of its features and underlying principles were carried through to the reorganizational scheme that was later implemented by the new administration.

A Changed Environment

The political events of November, 1982 resulted in the Department gaining a new director, while the economic events of that year resulted in severe budgetary pressure.

As Gina Dunning entered the director's office the number one problem she faced was controlling expenditures. Other state agencies faced similar problems, but with inflation moderating and state salaries under control, most agencies were in a better position than Department of Social Services. The wild card in the Department's hand was Medicaid. Close to 50% of the Department's total budget is paid to the medical community in the form of vendor payments under Medicaid. Unfortunately those costs were continuing their long tradition of growing at a rate significantly in excess of the inflation rate. Stopping the hemorrhaging of the Medicaid budget became Director Dunning's top priority. There was scant time for planning the transition to state administration, particularly with the fate of the transition (in the form of LB 604) still up in the air.

With the end of the 1983 legislative session came the realization that state administration had survived and was scheduled to take place in a matter of weeks. The new director was not prepared to fully embrace the reorganization plan which had been generated by the prior administration. Furthermore, Director Dunning and her staff were

exploring a broader department-wide reorganization, and they wanted the redesigned service delivery component to mesh with the other central office changes. Facing this situation the decision was made to "go slow" on the reorganization front.

The "go slow" decision meant that the Department would assume only nominal control over the county offices. The basic operating rule would be "business as usual" - "continue on as if nothing has happened". In that way it was hoped that Nebraska's 89 welfare offices would open on July 1 and operate just as they had on June 30.

On the eve of the change to state administration no one was quite sure exactly what would happen. The county welfare directors had been to Lincoln for a series of meetings in the weeks preceding July 1, 1983, to familiarize them with the "business as usual" plan of operation. Everything seemed to have gone well, but gauging the mood of the other 1,100 local workers was impossible to do from Lincoln. Would there be symbolic protests? Would anyone quit their job? Would Omaha workers walk out over their loss of union representation? To the relief of everyone, and the surprise of some, July 1 came and went without disruption.

While the decision to continue business as usual and postpone real reorganization was necessitated by the pressures of circumstance, it had important beneficial consequences. First and most importantly, it minimized disruption at the level of services to clients. It also provided a time period for many technical and bookkeeping changes to be instituted, and to iron out any problems associated with them. Finally, it allowed time to carry out a "get acquainted" process involving the former county employees and new state administrators.

With the passage of LB 522 the employee rumor mill had become active and the level of stress had increased. One important antidote to change-induced stress is communication. By keeping employees informed they can make the necessary mental adjustments at their own pace and in an atmosphere free of anxiety.

An added benefit from an open communication process is that management can often learn something from the employees about how change should be undertaken. A communication process aimed at easing the transition to state administration was begun during the fall of '82, as county representatives on the reorganization committee relayed developments to their co-workers and to other county offices.

But the benefits of this process were lost with the change of administrations and the hiatus of early '83. The period of "business as usual", in the summer of '83, provided an ideal time to renew and intensify this communication effort. Fortunately, this period coincided with the renaming of the Department. In August of 1983, all the county offices were formally designated as local offices of the Nebraska Department of Social Services. Name change celebrations provided an opportunity for central office administrators, including the Director, to meet with local staff in a relaxed atmosphere and to begin to convey the spirit and philosophy of the new administration.

The name change also had an important impact on the way the workers viewed themselves. The local office designation reinforced the notion that the county workers had become part of a statewide team dedicated to a philosophy of client-centered service.

Reorganization Process Renewed

At the end of the summer of 1983, the formal reorganizational process got underway again. The consulting firm of Touche Ross was called upon to undertake the study of an assortment of management issues within the Department, one of which was the organization of "client services delivery" (the system of statewide service offices). The proposal that Touche-Ross presented several months later became the blueprint for the organizational scheme which is in place today. This design was heavily influenced by the Director's client-centered orientation, as well as her decentralized and participative management style. Perhaps not entirely by coincidence, it also resembled the scheme which the 1982 planning group had proposed. It is undoubtedly true that the field office and Multi-County Service Unit experiences influenced the Touche-Ross proposal, as they had the earlier planning group's proposal.

The Touche-Ross proposal called for district offices presiding over local administrative offices which, in turn, were responsible for specific geographical areas containing one or more service offices. At the insistence of Director Dunning the organizational scheme incorporated an unusual feature: the administrative offices were not to be completely separate from the service delivery offices. Instead, each district office was to be a functioning local administrative office, and each local administrative office was to be a service delivery office.

By December of 1983, the process of filling the management positions for this structure was ready to commence. The initial step was to fill the District Administrator slots. This was done first so that the District Administrators could participate in the staffing decisions for their own districts. All of these positions were filled by persons from within Nebraska's system who came from a variety of backgrounds ranging from county director to worker. The District Administrators then undertook the task of filling the Local Administrator slots. This was completed in March of 1984.

Once the administrative positions were filled, the next step was to take a look at the composition of the workforce and to find out what it was actually doing. Under county administration each office had operated somewhat differently: each had its own mix of job classifications and a unique mix of cases. Effective management of service delivery first required gathering information about the status quo. This was done with a detailed caseload survey in March, 1984.

With the survey information in hand, the District Administrators began the process of reclassifying employees and adjusting work loads so that the system could become uniform and manageable statewide. In keeping with a style of decentralized management, the central office made no hard and fast rules about how each District Administrator was to organize his or her staff. General concepts were discussed with them,

but they enjoyed considerable latitude to exercise their own judgment and to make decisions reflecting the needs of the separate districts.

While the district structure was being established, the old field offices were in the process of being closed down. As of this writing, the field office workers who were involved in delivering services have been shifted into the district offices and no longer constitute a separate group of employees. A handful of other workers, primarily in the areas of enforcement and medical services, are physically located in the district offices, but they function under the direction of their respective divisions in the central office.

V. ASSESSMENT AND THE FUTURE

As of the fall of 1984, the formal reorganization has been accomplished and "the transition to state administration" is, in that sense, complete. The districts, however, are only starting to function as part of a unified system. As experience is gained with this arrangement it will be possible to study the strengths and weaknesses of different management approaches; to recognize and examine the causes for differing caseload patterns; and to examine the pros and cons of different staffing patterns. Without a doubt some modification of information systems, operations, and staffing will be indicated as these sorts of reviews are made, but adjustment to changing conditions is what the process of management is all about.

Still, it is not too early to assess some of the effects of state administration which have become visible.

Communications within the system have been noticeably improved. The reorganization established a clear structure for responding to inquiries from the front-line workers. Instead of having central office personnel responding to every inquiry from the local offices, many of those questions are now handled by the Local Office Administrators and District Administrators. The implementation of policy changes (communication in the other direction) now also occurs much more rapidly and smoothly than it did under county administration.

The introduction of an IBM electronic mail system has also enhanced communications. District Administrators now have the capability to send memos and letters instantaneously to one another and to the central office. The speed of the system allows for some of the give and take which is characteristic of telephone communication, while at the same time preserving the "hard copy" which is so necessary when detailed matters are under discussion.

On another level, the Department's improved communications capability, together with regular meetings of service delivery administrators, is serving to promote a coherent philosophical direction, which the social services system previously lacked. Although it is difficult to document, it also seems that local staff feel more "a part of things" than they did under county administration.

The uniformity of services to clients has been greatly improved through state administration. Child protective services, for instance, are now available in areas of the state where they were absent before. Serious problems that were previously overlooked, can now be addressed because staff is available with the required skills. More generally, central office administrators in the various program areas report that the consistency of policy application has improved with state administration, to the ultimate benefit of the clients.

The efficiency of the service delivery office also has improved. A program of statewide training has been an important factor in bringing this about. Also important had been the establishment of a corps of experienced managers to replace the County Directors, who differed greatly in their levels of managerial expertise.

The duplication of effort arising from the "home county" problem has been reduced, although final resolution of that issue will not occur until county participation in Medicaid funding ends in 1986.

In the child welfare area the continuity of services has been improved. There is no longer a built-in antagonism of interests between the local and the state workers. Also, fewer workers need to become involved in providing services. Hopefully these changes allow decisions to be made which are based solely on the best interests of the children involved.

At the same time service improvements are becoming clear, problems are emerging in areas that had been given a lower priority in the course of the transition. It has become apparent that the offices which the Department inherited are, in many cases, poorly equipped for efficient operation. It is also clear that the space which the counties provide to the Department is, in some cases, inadequate in size or poorly suited to the Department's use of it. Under state administration some offices have been assigned more workers than they had accommodated under county administration, and approximately 67 workers from the old state field offices have been relocated to the service delivery offices. This has added to the demands on already cramped quarters. In the years to come the Department will have to address these shortcomings in space and equipment.

Finally, the transition to state administration has impacted the effort to more fully computerize the operations of the Department. Prior to 1982 an effort was underway to extend computer support to the county offices. It was a detailed, long-range project known by the acronym CISS - County Information Support System. Its aim was to develop an integrated system of computer support for the service delivery offices.

At approximately the same time state administration was taking effect, the decision was made to abandon the overall CISS effort. Without going into great detail, significant problems were encountered in pulling all the elements of CISS together. For example, CISS placed heavy reliance on "generic" workers who would be able to handle many duties within the office. The CISS planners came to realize that it simply was not practical for all workers to be familiar with all programs, because of the frequency with which the programs are changed.

Many specific operational improvements, however, were developed in the CISS planning process, and the Department has been able to put several of them into effect. These include an automated process for making cost-of-living adjustments in the state supplement program, a combined assistance application form, and on-line access to system information. Among the CISS components that will be implemented in the future are an automated food stamp system and enhancement of the child support enforcement system.

The transition to state administration has and will continue to simplify the implementation of these computerization changes. State Administration reduced the number of management actors that had to be brought in on the changes and it simplified the task of training the workers in the field.

V. CONCLUSION

Nebraska's Department of Social Services has undergone significant changes in the last two years. The phrase "transition to state administration" only begins to describe the challenges and difficulties associated with merging 89 autonomous entities, with 1,200 employees, into a unified structure. Yet that is what has been accomplished.

The process, through which this change was brought about, has been a deliberate one, despite the uncertain environment in which it began. Careful planning preceded the establishment of a management structure which, in turn, gradually asserted control over the far-flung network of service delivery offices and workers. Throughout this process starts, stops, and reversals have been avoided.

Most importantly, the delivery of services to clients has not been disrupted during all of this. Indeed, it is doubtful that many clients were even aware of the changes taking place, beyond the obvious change in the Department's name.

While avoiding disruption, the transition to state administration has brought some immediate improvements in services to clients. There are now workers prepared to handle child and adult abuse cases in areas of the state where there were none previously. There has also been staff reallocation from areas of lighter work load to areas of heavier work load. Again, this has brought about an immediate improvement in services.

The most important effects of state administration, however, are more subtle and long-range. Stated succinctly, the new structure establishes accountability; it is a structure that enhances the ability to manage. The new structure is one which will allow policy changes and service delivery innovations to be rapidly and effectively implemented in the future, thereby serving the interests of both the clients of the Department and all citizens of Nebraska.

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