

**STATE OF NEW JERSEY  
OFFICE OF THE STATE COMPTROLLER**

**GOVERNOR'S COUNCIL ON ALCOHOLISM  
AND DRUG ABUSE**

**AUDIT OF SELECTED OPERATING PRACTICES**

**A. Matthew Boxer  
COMPTROLLER**

**December 4, 2008**  
PA-01

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## BACKGROUND

The Governor's Council on Alcoholism and Drug Abuse (GCADA) was created in 1989 to review and coordinate New Jersey's efforts in planning and providing treatment, prevention, research, evaluation, and education services for alcoholism and drug abuse. (See N.J.S.A. 26:2BB-1 et seq.). GCADA is comprised of a 26-member Council (Council) and an administrative staff. The Council is primarily responsible for policy matters. As of June 17, 2008, the Council did not reach a quorum at 11 of its last 30 monthly meetings and had 6 vacant seats. [GCADA's response to a draft of this report indicates that 4 of those 11 meetings were cancelled due to summer holidays.] GCADA's administrative staff consists of 12 employees, including an executive director, a deputy director and program/support staff, and has annual operating expenditures of approximately \$1.3 million. [GCADA's response indicates that subsequent to the end of our field work (November 6, 2008), the position of Deputy Executive Director was vacated.] By the terms of its enabling legislation, GCADA is "in, but not of," the Department of the Treasury. It is independent of any supervision or control of that Department, any board or officer thereof, or any other office within State government.

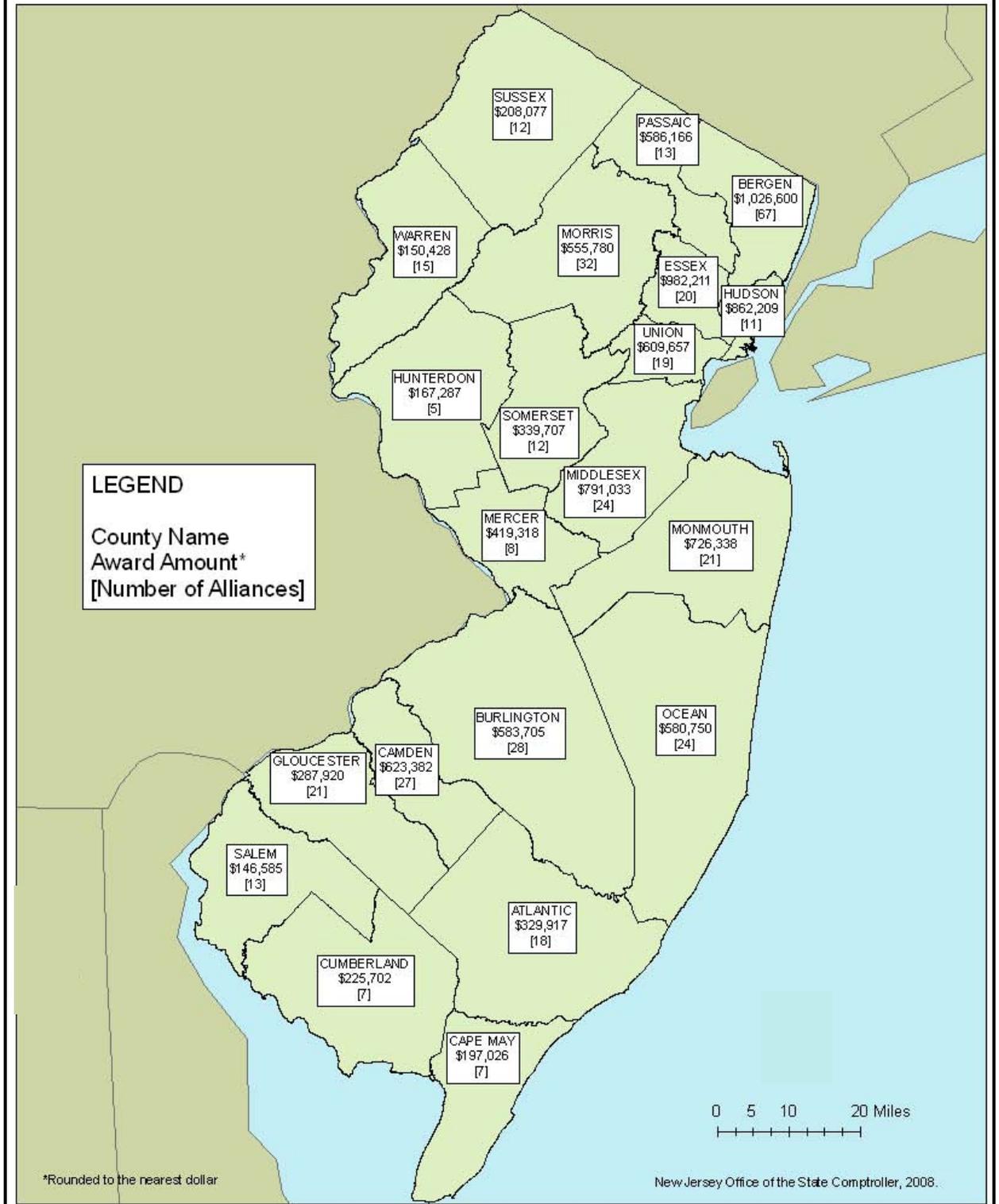
One of GCADA's primary responsibilities is its administration of the statewide Municipal Alliance (Alliance) Program. The Alliance Program was created to provide municipalities with the opportunity to produce local solutions to substance abuse problems through prevention and education programs. These prevention and education programs are funded by formula-based grants awarded by GCADA to the counties which, in turn, distribute the funds to participating Alliances, which can include one or more municipalities. GCADA reimburses the counties subsequent to the expenditure of funds by the Alliances. GCADA's administrative office and the Alliance Program are funded primarily by

the Drug Enforcement Demand Reduction (DEDR) fund, which is comprised of fines and penalties collected from criminal defendants convicted of drug offenses. (See N.J.S.A. 2C:35-15). In addition, each Alliance is required to provide both a cash and in-kind services match for any funding awarded by GCADA.

At the State level, two State Alliance Coordinators employed by GCADA monitor the grant awards. Grants are managed at the county level by County Coordinators and at the municipal level by Municipal Alliance Coordinators.

During calendar years 2006, 2007, and 2008 GCADA awarded grants totaling approximately \$10.4 million each year. (The map on page 3 shows the 2008 grant awards by county, and the number of Alliances receiving them.) GCADA has never undergone an independent audit of its operations.

# GCADA 2008 Grant Awards



## **AUDIT OBJECTIVES, SCOPE AND METHODOLOGY**

The objectives of our audit were to evaluate the effectiveness of GCADA's fiscal and programmatic oversight of the alcohol and drug abuse programs it funds, and to determine if selected aspects of GCADA's operations were performing in an efficient manner. Our audit of GCADA covered the period July 1, 2005 through November 6, 2008.

This audit was performed in accordance with the State Comptroller's authority as set forth in N.J.S.A. 52:15C-1 et seq. We conducted our audit in accordance with generally accepted government auditing standards applicable to performance audits. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As part of our audit procedures, we reviewed applicable statutes, administrative code provisions, and policies of GCADA. We also performed detailed testing and interviewed all 12 GCADA employees to obtain an understanding of their function and GCADA's system of internal controls.

To determine if transactions were properly authorized and recorded, we tested GCADA's operating expenses during the period July 1, 2005 to June 30, 2007, excluding payroll. No significant exceptions were found in this area.

## SUMMARY OF AUDIT RESULTS

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We conclude that GCADA's oversight of the alcohol and drug abuse programs it funds is inadequate.

Our audit identified four areas of GCADA's operations with significant weaknesses: grant guidelines, site reviews, program outcomes, and oversight of administrative staff. As a result of these weaknesses, more than \$10 million in public dollars are being spent annually through this program without any assurance that its legislative intent is being met. We make ten recommendations to address the weaknesses identified.

We further believe that State policymakers should evaluate the feasibility of consolidating GCADA with the Department of Human Services' Division of Addiction Services, another state entity that is responsible for New Jersey's drug and substance abuse efforts. Through consolidation alone, the State ultimately could realize a potential savings of more than \$600,000.

# AUDIT FINDINGS AND RECOMMENDATIONS

## Grant Guidelines

*GCADA has not established comprehensive guidelines for use by the counties when reviewing and approving Alliance Program expenditures.*

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To receive a formula-based Alliance Program grant from GCADA, counties must complete a grant application covering a three-year cycle. GCADA refers to the grant application as a Request for Proposal (RFP). Upon approval of the application, a Municipal Alliance Grant Letter of Agreement is executed annually between GCADA and the county. The standard addendum to that Letter of Agreement states that the county is responsible for the fiscal and programmatic monitoring of the Alliances in that county. A similar agreement is executed annually between each county and its Alliances.

Participating Alliances are required to provide a match of 100 percent of the grants they receive from GCADA. According to GCADA's Program Guidelines, the matching requirement must be fulfilled with a minimum 25 percent cash and 75 percent in-kind services match. The Guidelines provide examples of acceptable ways to fulfill the cash match requirement (e.g., fundraising activities) and the in-kind services match requirement (e.g., donations of property or time of employees).

To test adherence with GCADA Program Guidelines we selected and visited four counties -- Burlington, Essex, Mercer and Monmouth -- and reviewed documentation supporting programmatic expenditures at those offices. We selected these counties primarily based on geographic region or the frequency of site reviews by GCADA. We then sampled 20 Alliances within those counties to determine if grant funds were properly spent and monitored for the 2007 grant year. We also reviewed

2008 grant expenditures for two Alliances in Mercer and Monmouth counties.

The following are our specific observations concerning the Alliance Program in the areas of fiscal guidelines and the cash/in-kind services match.

#### Fiscal Guidelines

GCADA's Program Guidelines require Alliances to account for any income generated by a GCADA-approved program in fiscal reports submitted to the county. The income can be used to fulfill either the matching fund requirement or to further enhance approved Alliance Programs, as long as the objectives of the GCADA grant are carried out. However, GCADA does not provide guidance for collecting, recording and depositing Alliance Program income. This lack of guidance or standardized procedures increases the risk of misappropriation of funds.

GCADA policy does not permit grant funds to be used to supplant local resources that would have otherwise been made available for alcoholism and drug abuse initiatives, treatment services, and capital improvements. However, GCADA does not require Alliances to provide detailed accounting records that identify all grant-related expenditures. Without this documentation, GCADA cannot determine the validity of the expenditures being reimbursed.

Further, GCADA has not established specific guidelines to govern the counties' fiscal review and approval process concerning grant expenditures. Instead, GCADA has left the determination of establishing adequate controls over the fiscal review and approval process of grant expenditures to the counties themselves.

In fact, we found instances of expenditures being reimbursed by GCADA with little or no supporting documentation. For example, in

one county, an Alliance was reimbursed for its entire annual grant award of \$97,000 without purchase orders or invoices identifying or itemizing the goods or services acquired. The county approved and included the expenditure in its Municipal Alliance Program Report of Coordination and Subgrant Activity, which was submitted to and then approved and paid by GCADA.

Another county routinely did not require supporting documentation for the reimbursement of supplies. In one instance, the supplies totaled \$11,432, and accounted for 32 percent of the particular Alliance's total grant reimbursement. In another instance, reimbursements were made for the cost of fruit baskets sent to Alliance members even though the expenditures were not related to a GCADA-approved program.

At the municipal level, Municipal Alliance Coordinators are responsible for grant administration, including the submission of documentation to support the costs of programs. In one instance, we noted the same Coordinator overseeing similar program activities held during the same time period at two different Alliances. Furthermore, Coordinators are allowed to act simultaneously as paid program consultants who are hired by Alliances to conduct drug and alcohol prevention programs. The identification of Coordinators and consultants is not tracked by GCADA, and time and activity reports specifying the duties performed are not required. Since Coordinators and consultants are paid out of grant funds, without this information there is an increased risk of duplicative payments by GCADA.

[In its response, GCADA does not fully agree with us as to its role in establishing fiscal guidelines for the counties' review and approval of grant expenditures. As our audit results indicate, clearly such guidelines are needed. Apparently, GCADA officials recognize this, as they agree with our recommendation and indicate that they will work with the County Alliances to adopt fiscal review guidelines.]

### Cash and In-Kind Services Match

Cash and in-kind services matches for each Alliance are reported quarterly on the Municipal Alliance Program Report of Coordination and Subgrant Activity, which is completed by the counties and submitted to GCADA. GCADA has not established guidelines specifying the proper use and monitoring of the cash and in-kind match. Such guidelines are needed by the counties to adequately monitor the matching requirement.

This conclusion is supported by our review of 20 Alliances in 4 counties where we observed that a lack of guidance on the match issue resulted in inconsistencies between and sometimes within counties. Examples are as follows:

- One county requires each Alliance to submit a Cash Match form to the county documenting the amount of the match as well as how the funds were acquired and expended. According to the County Coordinator, the information is verified during the county's review of the Alliance. However, there was no evidence of what supporting documentation (e.g., invoices or receipts) was actually reviewed at the Alliance by the county to substantiate whether the expenditures existed or, if they did, that they were for valid program purposes.
- One county approved as cash match expenditures "Rent Expense" in the amount of \$225 per month, totaling \$2,700 for the 2007 grant year. The checks were paid directly to the Municipal Alliance Coordinator and sent to her residential address. There was no documentation justifying the validity of the expense, or citing the location of the space or how the rent was calculated.

- Another county routinely accepted an amount simply identified as “Cash Match” on the Municipal Alliance Program Report of Coordination and Subgrant Activity, with no evidence of how the requirement was met.
- There was no evidence of how the in-kind services match requirement was met at any of the counties. One County Coordinator told us that it appeared that the in-kind services match amounts had been simply “made up.”

The intent of the matching fund requirement is to provide additional resources for alcohol and other drug prevention efforts. Since GCADA does not confirm the matching amounts reported by the counties, there is no assurance that the Alliances have met the cash and in-kind services matching requirement, resulting in grant funds being overstated.

### **Recommendations**

1. Establish specific guidelines and procedures governing the fiscal review and approval process of grant reimbursements to ensure that only allowable expenditures are funded.
2. Maintain a database to track Municipal Alliance Coordinators and consultants, and require them to submit detailed time and activity reports.
3. Establish guidelines to monitor the attainment of the matching requirement as well as the proper use of the cash and in-kind match.

## Site Reviews

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*GCADA has not conducted the required annual site reviews of the 21 counties, and those that were conducted did not include a thorough fiscal review.*

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GCADA requires county site reviews to be conducted annually by its staff. Of the 12 GCADA staff members, 2 State Alliance Coordinators are responsible for the 21 county reviews.

GCADA's site review process consists of an interview component and an examination of sampled programmatic and fiscal documentation. During the interview, State Alliance Coordinators complete a County Alliance Monitoring Form which consists of 23 questions but only some of the information obtained is verified.

During the 2007 grant year, of the 21 required site reviews, 8 were not conducted and GCADA could not locate any documentation for 5 others. Based on the inadequate documentation associated with the remaining eight site reviews that were performed, we conclude that they were of little value. Furthermore, the County Alliance Monitoring Form only includes three fiscal questions, all of which are general in nature. For example, one of the questions asks: "Are DEDR funds being spent in accordance with the RFP?" There is no examination of the RFP or comparison between the RFP and actual expenditures. There are no questions addressing how funds are being spent by the Alliances or monitored by the counties.

Further, GCADA has not established guidelines specifying how it determines which Alliances within a given county should be selected for review, or the extent and manner in which documentation should be tested during the site reviews. This resulted in GCADA not reviewing one county's largest Alliance for three years.

As of August 31, 2008, GCADA had conducted 12 site reviews for the 2008 grant year. When observing GCADA staff conducting a site review first-hand, we observed that the documentation provided for review only was skimmed and the grant reimbursement amount was not verified. GCADA did not perform a comprehensive fiscal examination.

Since GCADA does not require detailed supporting documentation when counties seek reimbursement, the site review is the only time GCADA potentially reviews relevant documentation. In the absence of a comprehensive site review by GCADA, coupled with the instances of inadequate supporting documentation, there is no assurance that Alliances are using grant funds only for intended purposes.

### **Recommendations**

4. Review the GCADA current staffing plan and job descriptions. Reallocate staff to meet the annual site review requirement and include a comprehensive fiscal examination that ensures accountability for grant expenditures.
5. Establish comprehensive guidelines to ensure that all Alliances are reviewed on a rotating basis and that relevant fiscal documentation is properly maintained and thoroughly reviewed.

## Program Outcomes

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*GCADA has no mechanism in place to assure that the Alliance Programs it funds produce tangible results.*

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GCADA has no specific guidelines as to the allowable use of DEDR funds, nor does it require Alliances to fund research-based programs. Instead, as noted previously, GCADA relies on each county to monitor its Alliances' programs. On a quarterly basis, a Programmatic Report must be completed by each Municipal Alliance and submitted to the county. The Programmatic Report identifies the activity name, the amount of grant funds requested and expended, the number of program participants and volunteers, and the extent to which the activity was conducted and completed. The county forwards the Programmatic Reports, along with the quarterly request for reimbursement, to GCADA. However, although the Municipal Alliance Grant application describes the methods the Alliance will use to evaluate whether it has met program goals and objectives, the Programmatic Report does not address program goals and objectives. In fact, there are no reports that GCADA receives containing this information.

GCADA's management stated that it takes an extremely broad approach to drug and alcohol prevention. Based on that reasoning, GCADA does not measure the outcomes of the Alliance Programs it funds. Thus, GCADA did not evaluate the effectiveness of the \$10.4 million it distributed in each of the last three years. We noted activities that do not produce measurable outcomes. For example:

- \$2,500 was reimbursed for petting zoos and pony rides categorized as consulting and supplies.
- \$2,425 was reimbursed for a fun house, walk around characters, tattoos and balloon art at a Community Day event.

GCADA has revised its Program Guidelines to prohibit such “one-time events” in the 2009/2011 grant period.

### **Recommendation**

6. Develop a system to identify viable drug and alcohol programs and to evaluate the effectiveness of the Alliance Programs being funded by GCADA.

## Oversight of Administrative Office

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*GCADA is overstaffed and has not adequately monitored the performance and sick leave usage of its staff.*

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### Staffing

GCADA's Executive Director is granted the statutory authority to employ adequate staff to carry out GCADA's mission. Five of GCADA's 12 employees are either clerical or support staff. We reviewed employee job descriptions, and interviewed all employees to ascertain how their responsibilities fit into the organizational structure of GCADA. We found that some employees have very few or no job responsibilities.

GCADA management confirmed that certain employees are not always productive during work hours as there is not enough work to keep them busy. Management also agreed GCADA has an excess of clerical/support staff. Such an organizational structure that does not serve the public efficiently not only results in waste but potentially diverts resources from program operations.

### Performance Appraisal

Of GCADA's 12 employees, 9 are classified and 3 are unclassified. To assess how well classified State employees are performing, the State has established an employee performance appraisal program. While not mandated for unclassified titles, State departments and agencies are encouraged to include these employees in the appraisal program as well. The purpose of the appraisal program is to provide useful feedback about job performance, to facilitate better working relationships, to provide a historical record of performance, and to contribute to the professional development of staff and the achievement of agency goals.

GCADA management is responsible for ensuring compliance with the program.

Since 2001, GCADA has not complied with the part of the appraisal program which requires that employees receive a semi-annual performance evaluation. By not following the prescribed appraisal program, job expectations are not being adequately conveyed to each GCADA employee and may prevent the agency from effectively addressing potential employee performance issues.

#### Sick Leave Usage

GCADA management is also responsible for establishing and implementing controls to mitigate excessive leave time. State regulations allow State agencies to require proof of illness or injury when there is a reason to believe that an employee is abusing sick leave or when more than 15 sick days are used in a 12-month period. Other than the issuance of a reminder memorandum to employees whose remaining sick leave allotment falls below five sick days in a given year, GCADA has no policies or procedures in place to address the use of excessive leave time.

We reviewed time and attendance records for the period January 2006 to September 2008. Our review found that 7 of the 12 GCADA employees (2 in multiple years), including management, have exceeded their annual allotment of 15 sick days in a 12-month period without adequate supporting documentation. Specifically, there were 5 such employees in 2006 (1 of whom took 24 sick days), 2 employees in 2007, and 2 employees through September 2008.

Although GCADA management said it was aware of the State regulations concerning the use of sick time and related documentation, its philosophy is to allow staff to use their leave time however they deem appropriate. Management's philosophy regarding the use of

undocumented leave time, and management's own attendance record, sends an inappropriate message to staff.

### **Recommendations**

7. Review the responsibilities of all GCADA employees and reorganize the agency's structure to reflect the realities of its operational needs.
8. Review, revise, and/or develop job descriptions and performance goals and targets for all GCADA positions. Develop an annual evaluation schedule to ensure that GCADA conducts required employee performance appraisals.
9. Take proactive steps to minimize the abuse of sick leave. This can be accomplished by requiring employees to provide adequate supporting documentation when sick leave exceeds 15 days in a 12-month period as prescribed by N.J.A.C. 4A:6-1.4(d).
10. Establish a mechanism to track sick leave and to identify potential abuse.

## Consolidation of Program Services

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*The State may realize significant savings by consolidating GCADA's operations with those of the Department of Human Services' Division of Addiction Services (DAS).*

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DAS is responsible for providing treatment and prevention for alcoholism and drug abuse and for enhancing public awareness of the dangers of such substances. It also has the authority to plan, implement, evaluate and regulate New Jersey treatment and prevention substance abuse efforts. These goals and objectives are similar to those of GCADA. With State government facing budget constraints and reductions, it is particularly important to use available resources efficiently and effectively. This raises the issue of consolidating GCADA's operations with those of DAS.

According to DAS, to administer the grant processes currently managed by GCADA, it would need four to five additional full time equivalents in the areas of program and fiscal administration. DAS management asserted that recent improvements in programmatic and fiscal administration at the agency position it to support such additional resource oversight. Since we did not conduct an audit of DAS, we cannot affirm the validity of DAS' representations.

Our review of relevant professional literature found that there are numerous benefits to consolidation. In the area of human services specifically, fragmentation and overspecialization may lead to confusion and unnecessary barriers to client access, challenges in collecting and distributing information, competition and waste of limited funding, and problems serving clients that overlap fields.<sup>1</sup> Consolidation of entities

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<sup>1</sup> Comptroller General of the United States, *Information and Referral for People Needing Human Services – A Complex System That Should Be Improved* (HRD-77-134), at i, 1, 5, 7, 10, 23-24 (1978).

with similar functions or overlapping services may increase efficiency and improve quality of service.

The efficiency-related benefits of combining such entities include streamlined administrative and reporting processes, potential savings from shared best practices, greater likelihood of implementing technological innovations, and greater management expertise.<sup>2</sup> Moreover, consolidation helps reduce duplication of work across agencies and unproductive competition for limited resources.<sup>3</sup>

According to the above-cited research, the service-quality benefits of consolidation involve implementation of best practices that standardize processes for more reliable service delivery, better sharing of information across entities, and the potential for developing specialized units and identifying service gaps that were not identifiable under a smaller organization. Particularly in the area of drug and alcohol addiction, consolidation can offer continuity and more integrated service to those with co-occurring issues that cut across fields.<sup>4</sup> This integration may also relieve diffused accountability for performance.<sup>5</sup>

Some criticisms of consolidating entities are that flexibility in policy for a particular area may be lost and that some missions will overtake others.<sup>6</sup> The previously cited reports also express concern about the burdens of an enlarged bureaucracy as well as disruption created as an entity undergoes structural change. While all of these concerns are legitimate, they often can be addressed through appropriate management and implementation efforts. Moreover, they must be weighed against the benefits of consolidation described above.

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<sup>2</sup> Rafael A. Corredoira and John R. Kimberly, *Industry Evolution Through Consolidation: Implications for Addiction Treatment*, *Journal of Substance Abuse Treatment*, at 257-261 (2006).

<sup>3</sup> Comptroller General of the United States, *supra* note 1, at i, 1.

<sup>4</sup> Cuyahoga County Mental Health Board and Alcohol & Drug Addiction Services Board, *A Plan to Consolidate: A New Behavioral Health Board of Cuyahoga County*, at 1, 19 (2007).

<sup>5</sup> Office of Program Policy Analysis and Government Accountability for the Florida Legislature, *Consolidation of Medical Quality Assurance Governance Structure Only a Partial Solution* (01-50), at 5 (2001).

<sup>6</sup> Kathryn P. Jett, *Blueprint for the States: Policies to Improve the Way States Organize and Deliver Alcohol and Drug Prevention and Treatment*, *Join Together*, at 3-5 (2006).

While philosophical differences regarding the effectiveness of grassroots community-based programs seem to separate GCADA and DAS, DAS' management stated that GCADA's mission to support grassroots community-based prevention would remain a valid priority in the event of a consolidation with DAS. Accordingly, an opportunity may exist to combine the functions of GCADA and DAS to form a comprehensive entity that can maximize the delivery of substance abuse prevention, treatment and education programs. A consolidation of these agencies could result in the elimination of management and staff redundancies. We estimate that the State ultimately could realize a potential savings of more than \$600,000 based on DAS' opinion that, at most, it would need five full-time equivalent positions as a result of a consolidation. The combination of these two agencies may also provide the State with the means to provide a full range of substance abuse services in a more efficient and cost effective manner than the current \$10.4 million GCADA funding stream allows. Consequently, we suggest State policymakers consider evaluating the costs, benefits and program impacts of consolidating GCADA and DAS.

## REPORTING REQUIREMENTS

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We provided a draft copy of this report to GCADA officials for their review and comment. Their comments have been considered in preparing this report, and are attached as Appendix A. GCADA's response offers much background information regarding the genesis of GCADA, much of which predates the scope of this audit and speaks to activities not covered by the audit. While GCADA's response states generically that many of the conclusions in our report are seriously flawed, GCADA officials do not offer any compelling evidence to cause us to change any of our findings. In fact, in its response, GCADA officials concur specifically with all ten of the audit's recommendations, citing steps they are taking to address them. GCADA officials also express "deep disappointment" that we did not meet with or interview any of the Council members. Regarding this issue, the focus of our audit was on the day-to-day operations of the GCADA staff, not the actions of the Council. However, to gain an understanding of the role of the Council, we did review the Council minutes for over a two-year period, and sat in on two Council meetings. Further, at the beginning of the audit, we advised the Executive Director of our willingness to meet with Council members. Additionally, the Executive Director asked if the Acting Chair of the Council could attend the audit exit conference on November 6, 2008. Although we encouraged his attendance, he did not attend.

The response offers a series of reasons why GCADA officials do not believe it should be consolidated with DAS. GCADA officials suggest, however, that if it is decided by State policymakers that consolidation is the best solution, then the Department of Law and Public Safety would be a better fit. As we stated in our report, the consolidation issue is an area that requires further study.

We have addressed specific points in GCADA's response in the appropriate sections of our report.

The Office of the State Comptroller is required by statute to monitor the implementation of our recommendations. To meet this requirement, GCADA shall report periodically to this Office advising what steps were taken to implement the recommendations contained herein, and if not implemented, the reasons therefore.



**State of New Jersey**  
GOVERNOR'S COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
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TRENTON NJ 08625-0345

JON S. CORZINE  
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NEIL VAN ESS  
*Acting Chairman*

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*Executive Director*

December 1, 2008

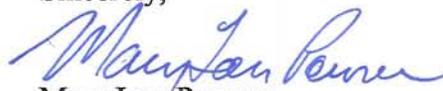
William P. Challice  
Director, Audit Division  
PO Box 024  
Trenton, NJ 08625-0024

Dear Mr. Challice:

Enclosed please find the response from the Governor's Council on Alcoholism and Drug Abuse (Council) to the Comptroller's Report Selected Operating Practices of the Governor's Council on Alcoholism and Drug Abuse.

This response was written collaboratively and is presented jointly by the Executive Committee and the Executive Director of the Council.

Sincerely,

  
Mary Lou Powner  
Executive Director

Signed on behalf of:  
Neil Van Ess, Acting Chairman  
John Gluck, Second Vice Chairman  
Anthony Bucco, Planning Chairman  
Harry Morey, Alliance Chairman

Cc: Council Executive Committee  
Jennifer Velez, Commissioner – Department of Human Services  
Raquel Jeffers, Director – Division of Addiction Services  
Joseph P. Miele



## State of New Jersey

GOVERNOR'S COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
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### **RESPONSE FROM THE GOVERNOR'S COUNCIL ON ALCOHOLISM AND DRUG ABUSE TO THE COMPTROLLER'S REPORT NOVEMBER 2008**

**December 1, 2008**

#### **Opening Statement**

The Governor's Council on Alcoholism and Drug Abuse (Council) welcomed the Comptroller's Office review of its operations seeing it as an opportunity to improve performance and effectiveness. The Council also welcomes this opportunity to respond to the report issued as a result of the audit. This response to the report is presented by the Executive Officers (First Vice Chairman, Second Vice Chairman, Planning Chair and Alliance Chair) and the Executive Director.

In January 2008, the Council Chairman, Joseph P. (J.P.) Miele, retired from his appointed positions on the Council and the New Jersey Turnpike Authority. J.P. Miele was the founding Chairman of the Council appointed by Governor Tom Kean in 1989 and he was reappointed by each successive Governor. Chairman Miele was the quintessence of the Council and to say that he is greatly missed would not be an exaggeration. The Governor has not yet appointed another Chair and as a consequence the Council's Executive Officers have been overseeing the Council since January 2008.

The Council believes fundamental misunderstandings exist in the premises held by the Comptroller's Office and as result many of the conclusions it draws are seriously flawed. The Council also wishes to express its deep disappointment at the failure of the Comptroller's Office to meet with or interview any of the Council members (public or governmental designees). Retired Chairman Miele would have also gladly participated and was available during his summer residence in New Jersey. Many of the members have served for an extended period of time and their insight and knowledge would have been enlightening to the reviewers.

Before responding to the specific recommendations contained in the report, the Council will provide background information on the creation, development, role and current

status of the Council and all its operations. The Comptroller's Report focuses solely on the Alliance Program with no mention of the Council's coordination and planning efforts.

In this response, the Council provides a narrative which details the background of the Council and the Alliance Program; additional information on the Council's coordination and planning activities; specific responses to the recommendations contained in the Comptroller's Report; and a response to the idea of consolidation with the Division of Addiction Services. The Council believes that New Jersey's policy makers and other interested parties should have a full understanding of the role played by the Council in the greater alcoholism and drug abuse community in order to make the most informed decisions.

### **Background**

On March 27, 1989, an act establishing the Governor's Council on Alcoholism and Drug Abuse was approved by the Senate and General Assembly of the State of New Jersey (PL 1989, Chapter 51). The legislature found and declared that the disease of alcoholism and drug abuse were major health problems facing the residents of our great state and that an independent coordinating, planning, research and review body be established to focus on these problems. In addition, an Alliance to prevent alcoholism and drug abuse was created to unite the communities of New Jersey in a coordinated and comprehensive effort utilizing county, municipal and volunteer resources to address not only the symptoms but the root causes of alcoholism and drug abuse.

The statute stated its intent this way: *"The Alliance shall be a mechanism both for implementing policies to reduce alcoholism and drug abuse at the municipal level, and for providing funds, including moneys from mandatory penalties on drug offenders, to member communities to support appropriate county and municipal-based alcohol and drug abuse education and public awareness activities."*

The Council has 26 members of whom 12 ex officio members represent various State Departments or agencies and 14 public members are appointed as follows: 10 by the Governor with the advice and consent of the Senate; two by the President of the Senate and two by the Speaker of the Assembly. At least two of the public members appointed by the Governor shall be rehabilitated alcoholics and at least two of the public members appointed by the Governor shall be rehabilitated drug abusers.

There are currently six public member vacancies (5 gubernatorial appointments and 1 Senate President appointment). Additionally, the terms of five of the current gubernatorial public members have expired. Because of the vacancies, an imbalance exists between the governmental designees and the public members that the Council believes to be contrary to the legislative intent. In addition to the public – governmental imbalance, the membership vacancies cause difficulties in attaining quorums and

participation on the Council's Committees and Subcommittees. The Comptroller's Report states that there were not quorums at 11 of the last 30 meetings as of June 17, 2008. The Council's review of its attendance records indicates lack of quorums at five meetings (April 2006, January 2007, February 2008 and April 2008) and four meetings that were cancelled at the discretion of Chairman for summer holidays (July 2006, August 2006, July 2007 and August 2007). The administrative staff of the Council works under the direction of the Chairman and the executive members of the Council.

Nearly two decades since inception, the Governor's Council on Alcoholism and Drug Abuse has formed 403 Alliances with 527 participating municipalities throughout the 21 counties, which provide over 3,700 prevention programs and activities. Using strategies established by the Center for Substance Abuse Prevention the allocations statewide are categorized as follows: 56.2% in Education programs; 22.7% in Alternatives; 11.5% in Communication; 5.5% in Collaboration; 3.6% in Early Intervention; .3% in Policy; and .2% in Enforcement.

The Municipal Alliance Program has earned national awards from Parents' Resource Institute for Drug Education, Inc. (PRIDE) and Community Anti-Drug Coalitions of America (CADCA), for being an outstanding state network of community based prevention efforts. The Office of National Drug Control Policy recognized the Governor's Council on Alcoholism and Drug Abuse and the Municipal Alliance Program as one of "America's best kept secrets".

New Jersey is the only state to have maintained a sustained volunteer prevention effort. Over 7,000 volunteers dedicate their time, energy and commitment to the largest anti-substance abuse community coalition effort in the country. Municipal Alliance programs have involved more than 348,000 participants and reached more than 620,000 residents in community education efforts.

### **Grassroots and Collaborative Governance**

Collaborative governance is the heart of the Alliance Program. The state GCADA (Council), the county Local Advisory Committees on Alcoholism and Drug Abuse (LACADA), County Alliance Steering Subcommittee and the Municipal Alliance Committees (MAC) are citizen advisory committees that use inclusive, deliberative and consensus-oriented approaches to planning, problem solving, and policymaking.

New Jersey has a 24 year history in locally based, citizen driven planning and implementation for alcoholism and drug abuse prevention and treatment services. It began with the adoption of P.L. 1984, Chapter 531, which established the Local Advisory Committees on Alcoholism (LACA) in every county. The statute also designated the County Alcoholism Coordinator as the authority in the county and established the AEREF (Alcohol Education, Rehabilitation and Enforcement Fund) that was to be

disbursed to the counties to fund education, prevention, intervention and treatment efforts.

P.L. 1989, Chapter 51, the law that created the GCADA, expanded the county LACAs to include responsibility for planning county based drug abuse services (LACADAs), as well as creating County Alliance Steering Subcommittees (CASS). Each CASS reviews the proposals submitted by the municipalities. The approved municipal alliance proposals are included in the county alliance plan that is submitted to the GCADA.

Participation on the LACADA, CASS and MAC involve representatives from local government, education, health, law enforcement, the business community, parents, youth, recovering alcoholics and drug addicts and other members of the community. Collaborative governance is central to all phases of this process. *Citizens rather than experts or bureaucrats play a direct role in helping to guide decentralized decision-making, and the solutions reached are often better supported and more likely to be achieved.* (A list of references on collaborative governance is provided at the end of this document)

### **Alliance Program Funding Formula and Guidelines**

The Council established a funding formula for distributing Drug Enforcement Demand Reduction (DEDR) funds that is primarily based on population but other factors such as per capita income, prevalence, youth population, arrests and DEDR collections also influenced the formula. The Council embraced a vision founded on the legislative intent of creating a sustainable network through which volunteers from New Jersey's municipalities could coordinate their efforts to establish or change community norms in order to reduce and prevent alcoholism and drug abuse. In keeping with that vision, the Council established guidelines for the Alliances that provided a basic framework within which the counties and municipalities operated. Council decisions on Alliance operations were founded on the overarching principle of empowering local communities by providing a maximum amount of flexibility and latitude.

An amount of \$7.5 million of DEDR funds was used and applied to the funding formula for distribution to the Municipal Alliances. An additional \$900,000 was made available for the county coordination of the Alliances. Despite significant growth in the DEDR Fund (collections over the past four years average \$16.1 million); the annual \$8.4 million remained unchanged until 2002 when \$1.1 million was added to the amount to be distributed annually through the funding formula. Current disbursements from the DEDR Fund for the Municipal Alliance Program total \$9.5 million. County governments can take 15% of their DEDR allocation for coordination expenses and until 2009 that amount could not exceed \$85,000. Smaller counties are adversely affected by the flat rate of 15% for coordination so the Council has established a base amount \$50,000. In reality the

funds made available for coordination are not adequate to cover a county's costs which they are forced to cover.

Because county planners would recognize their own unique situations, the Council allowed each County Alliance Steering Subcommittee and Local Advisory Committee on Alcoholism and Drug Abuse to adopt more stringent guidelines as long as they did not conflict with those issued by the Council. The Council instituted virtually no guidelines on the use of matching funds until the adoption of the 2009-2011 grant guidelines. For example, the Council's review committee often suggested that programs not eligible for DEDR funding could be funded by cash match.

In the first years of the Alliance Program the Council employed the 'biopsychosocial disease model' but by 1994 had adopted strategies established by the Center for Substance Abuse Prevention. In 1996, the GCADA along with the Division of Addiction Services and the Counties embarked on a collaborative prevention planning process known as *Prevention Unification*. A working committee of representatives of all three entities developed a consensus-based process that would improve prevention services for at-risk individuals, families and communities statewide.

Municipal alliances and counties determine and measure the risk and protective factors of their communities. The risk and protective factor framework is based on the research of J. David Hawkins and Richard F. Catalano who have identified four domains (individual, family, school and community) within which risk and protective factors can be assessed.

Prevention Unification begins with community and county data collection and needs assessment; it proceeds to consensus building and priority setting based on the needs and resources identified. Unification establishes funding priorities that are used to guide municipal alliance activities and prevention programs supported by the county and state funds.

The first step of the Prevention Unification process involved the municipal alliances completing a needs assessment, an examination of the significant findings and the setting of priorities. This step is followed by the county process involving a broad cross-section of representatives that complete the county needs assessment, prevention resource inventory, and sets county priorities. County priorities are then used to inform the Department of Human Services, Division of Addictions (DAS) allocation of community based prevention services. The Council feels that the recent implementation of Prevention Unification Planning did not serve the Municipal Alliances well because the prime focus in the process was to establish priorities for targeted prevention efforts to be used by the Counties and the Division of Addiction Services.

*In each successive planning cycle, the Council has incrementally modified the Municipal Alliance guidelines tightening the parameters on the use of DEDR funds in order to have*

*the Alliance Program implement evidence based practices.* The Council's vision is still one that embraces the volunteerism at the heart of the municipal alliances; however, it also recognizes current research documents effective planning processes as well as identifying programs proven to be effective.

Unfortunately, the Alliance Program lost opportunities to be further ahead due to extending the last two plans 2000-2002 and 2005-2007 for two years (03-04) and one year (08) respectively at the request of the Division of Addiction Services. In the upcoming 2009-2011 plan cycle, all Municipal Alliances receiving more than \$10,000 in DEDR funds will have to implement evidence-based programs as listed on a national registry or they must document and measure the effectiveness of their programs. The Division of Addiction Services recently announced it was issuing four year prevention contracts ceasing the Prevention Unification planning process since Municipal Alliances are on a three year planning cycle.

### **County and Municipal Coordination**

When the enabling legislation, P.L. 1989, Chapter 51, created the County Alliance Steering Subcommittee it established the following functions: development of a County Alliance Plan for the expenditure of DEDR funds; development of programs and fiscal guidelines consistent with directives from the GCADA for awarding funds to the municipalities; identification of a network of community leadership for the expansion, replication and development of successful community model programs; coordination of projects among and within municipalities to ensure cost effectiveness and avoid fragmentation and duplication especially to ensure that the funds dedicated to education pursuant to section 2 of P.L. 1983, Chapter 531 do not duplicate the Alliance effort.

The legislation also allows the governing body of each municipality to appoint a Municipal Alliance Committee (MAC) or to join with one or more other municipalities. It empowers the MAC, in consultation with the Local Advisory Committee on Alcoholism and Drug Abuse, to identify alcoholism and drug prevention, education and community needs. The MAC is charged with implementing Alliance programs. The legislation says "*a municipality may match any funds it receives from the alliance.*"

In developing guidelines throughout the years, the Council recognized that the legislation envisioned the County as the authority that would develop fiscal guidelines for the management of their Alliances, under general directives of the Council. This included the oversight of matching funds. The Council never saw its role as one of passing on unfunded mandates to local government or adopting bureaucratic rules in lieu of or to supersede legislation.

*The statute envisioned the Alliances as a vehicle for implementing policies to reduce alcoholism and drug abuse at the municipal level while receiving support from the DEDR*

*Fund through the Council for community based alcohol and drug abuse education and public awareness.*

The Council recognizing the need for a designated person in each county to oversee the Alliance Program provided funds to the counties so they could establish the position of County Alliance Coordinator. Many of the County Coordinators have served in their positions for a long period of time. There was no prescription for the creation of Municipal Alliance Coordinators.

However, since the vast majority of the Municipal Alliances function with a committee of volunteers it was prudent to allow the municipalities to use DEDR funds to offer stipends or other compensation in order to perform the coordination tasks of the Alliance. A minority of larger municipalities that receive sizeable awards have full time paid Alliance Coordinators. In either case, coordination expenses cannot exceed established guidelines. For 2009 that amount will be no more than 15% of the total amount a municipality receives in DEDR funds.

*The Council has determined that coordination activities are separate and apart from program implementation. Therefore, the costs for Municipal Alliance Coordinators who might also implement programs are not attributed to the coordination budget but rather to the program budget as consultants.*

The Council is committed to providing the resources necessary to train the County and Municipal Alliances in all facets of prevention planning, implementation and evaluation. *The Council is also mindful that local volunteers and part time coordinators, not paid prevention professionals, make up the majority of the Municipal Alliances.* The Council has held sacred the belief that local volunteers, in conjunction with community stakeholders, can change the conditions and the social norms in their neighborhoods and municipalities. The Council recognizes that targeted and specific prevention initiatives are necessary for special populations and problems; however, alcoholism and drug abuse problems would overrun all of our communities without locally based environmental change advocates.

### **Collaboration with the Attorney General's Office**

Since September 2007, the Council has been working collaboratively with the Attorney General's Office on Governor Corzine's Crime Prevention Strategy in particular on the establishment of local planning bodies. Municipal Alliances are being encouraged, where possible, to expand their mission by amending their ordinances to include juvenile delinquency prevention efforts. Researchers J. David Hawkins and Richard F. Catalano discovered that risk and protective factors are associated with four problem behaviors: substance abuse, violence, delinquency, teen pregnancy and school drop-out.

As a result of the collaboration with the Attorney General's Office and the Crime Prevention Strategy, the Council adopted significant changes to the MAC Guidelines issued for the 2009-2011 plans. The new guidelines will ensure that all Municipal Alliances receiving more than \$10,000 in DEDR funds will have to implement evidence-based program as listed on a national registry or they must document and measure the effectiveness of their programs. Additionally, the annual renewal process for Municipal Alliance plans will include evaluation measures rather than granting automatic renewals.

### **Coordination and Planning**

From the initiation of the Council it has maintained a structure of committees and subcommittees in order to fulfill the tasks envisioned by the legislation. Currently the Council has the following active committees: Executive Committee, Planning Committee, Alliance Committee, RFP Committee, Criminal/Juvenile Justice Subcommittee, Legislative Subcommittee, Treatment Subcommittee and a Military Families and Veterans Subcommittee.

Since 1990, the Council has produced an Annual Strategic Master Plan and State Government Component. In 1996, the State Government Component became a part of the Master Plan. The member Departments of the Council submit information annually on the alcoholism and drug abuse prevention, intervention and treatment programs they fund. The information includes program descriptions and details about whether the funds are state, federal or from another source. The Council is the only state entity to gather and catalog this information and publish it so that it becomes available to New Jersey policy makers as well as the public.

In 2000 and 2001, the Council engaged a consultant, held trainings for Council members, undertook a strategic planning process, and did a comprehensive review and revision of its bylaws. The Council has a vision, mission and goal statement adopted as a result of a broad based, inclusive and collaborative process. Under the direction of the Planning Committee and the framework established by the vision, mission and goals, each of the standing subcommittees is responsible for developing annual objectives and strategies for inclusion in the Master Plan which is issued annually in December. The Master Plan also contains information on the Municipal Alliance Program as well as current issues and emerging trends.

Each of the committees or subcommittees is composed of volunteer members from the Council, the Counties and the broader alcoholism and drug abuse community. When the Council was adopting its new planning structures, the administrative staff of the Council committed to ensuring coverage of planning and coordination activities on a par with those allocated for the Alliance Program. The Council's administrative staff provides

support for the operations of the committees. The work and activities of the committees and subcommittees varies depending upon circumstances.

Many in the alcoholism and drug abuse community and related fields find an outlet for their opinions and concerns by participating in the Council's committees and subcommittees. There is also a public portion of every Council meeting and over the years many people have used the time to share with the Council their problems and concerns.

The mission of the Council as outlined in the legislation is extensive and varied. The Council hears from the powerless, gives voice to the voiceless, and works collaboratively with all state agencies and other parties while being a threat to none. The following list is a sampling of the work of the Council and its committees:

- In 1998 a group of mothers from south Jersey many who had lost their children to heroin overdoses were invited to speak to the Council. Their concern was the total lack of state funded adolescent treatment in the southern region of the state. This group went on to form 'Parent to Parent' an active advocacy group that tries to reach parents in order to educate them. In 2000, the Council supported the allocation of \$2 million from the DEDR Fund to be used in establishing an adolescent treatment center in south Jersey.
- Meetings between representatives of Alcoholics Anonymous and the Department of Corrections were brokered in 2000 because of concerns around access to correctional facilities for AA meetings because each facility had its own procedures. As a result a central clearance procedure process was established allowing all eligible AA members to obtain a clearance card and then facilitate meetings in all state correctional institutions.
- By adopting and distributing resolutions, the Council plays an active role in advocacy on pieces of legislation; for example, student surveys, needle exchange, parity, student assistance and more. Other examples include Chairman Miele's testimony to the Steroid Task Force and the personal request made to Chairman Miele by a Senate leader who asked that he send a letter regarding the Council's support of the parity bill to the legislative leadership.
- State departments and their divisions often cannot speaking out in favor or in opposition to legislation and therefore can play no role in advocating for changes important to the alcohol and drug abuse community. An example would be the work done over a couple months time in 2007 by a subcommittee of the Division of Addiction Services' SPF SIG Committee (Strategic Prevention Framework State Incentive Grant). This subcommittee was formed to look at the issue of

active parent consent legislation and the effect it has on student surveys. The subcommittee collected data and information and involved governmental agencies as well as non-profit providers. The subcommittee developed a paper of talking points highlighting the problems and costs associated with the existing law. The SPF SIG was anxious to approve it so that constituent groups could use the talking points. It was blocked for adoption by the DAS. A paper on the issue of student surveys and active parental consent is in the 2008 Master Plan.

- The Council played a key role in helping to organize the Day of Advocacy which took place in Trenton in December 2004.
- Development of a Treatment Services Directory which was distributed to the legislature, the counties and the public. As well as undertaking some research into the waiting list situation facing residential treatment facilities.
- Between 2005 and 2007, the Council through its Criminal/Juvenile Justice Subcommittee worked with the Administrative Office of the Courts to jointly facilitate county forums to introduce and highlight the work of the Alliances and the Drug Courts. The Council is currently in discussions with the Division of Highway Safety about launching similar county forums.
- At two successive Council meetings in 2006 several hundred members of New Jersey's treatment community appeared to voice their concern about the changes occurring at the Division of Addiction Services. Chairman Miele allowed anyone to talk who wanted to talk; he told the community he would bring their concerns to the Governor's Office; he asked for a report to be developed and he delivered that report to the Governor's Office.
- In late 2007, the Council formed a Military Families and Veterans Ad Hoc Committee to explore ways the Council and the Alliances could assist New Jersey's veterans and their families. This collaborative group has brought together family representatives, county representatives, as well as representatives from several state departments and agencies. In the spring of 2008, with approximately a month's turnaround time, the committee pulled together an application to become one of 10 states chosen by the Federal government to work on a collaborative veteran's initiative. While not selected in this cohort of states, the committee working with the Department of Military and Veterans Affairs has established the basis for moving forward. In November 2008, the committee published a resource guide for military families and veterans.

Those are just some of the highlights involving the activities of the Council not covered in the Comptroller's Office review. Much of the coordination and collaboration performed by the Council is done in the most routine manner and goes largely unnoticed. The administrative staff of the Council participates in more than a dozen community based and state level committees where they facilitate coordination between the activities of the Council, the counties, constituency groups and other state agencies.

### **Council Staffing and Administrative Support**

From the origin of the Council its staff has been apportioned across three units of activity: administration, planning and Alliance. Staffing patterns have varied at one point reaching a high of 16 full time employees (FTE) and 1 hourly employee. There are now currently 11 employees of the Council. The position of Deputy Executive Director has been vacated and will not be filled. This is an immediate cost savings of approximately \$120,000.

The Executive Director has served since her appointment in 1998; previously working for 14 years for Ocean County nearly 11 of those years as the County Alcoholism and Drug Abuse Director. In 1998, the internal and external fiscal responsibilities were combined under the jurisdiction of a Grant Administrator, a confidential employee who had previously served in a similar capacity for 12 years in Ocean County.

Up until recently, there was always three Alliance liaison staff. After the retirement of one of the field staff, the Council was informed by Treasury Human Resources that we could not fill the position because OMB (Office of Management of Budget) had reduced the FTE certification. The temporary arrangement referred to in the Comptroller's report was actually an attempt on the part of our agency to maintain three full time county liaison positions. A staff person serving as a clerk typist who had extensive knowledge of the Alliance program was assigned to the Alliance unit and was being trained to become a county liaison representative. However, because of the hiring freeze we could not adjust her title which resulted in our having to return her to her previously held position.

The remaining administrative staff and planning staff are often utilized to support the activities of the Alliance Program just as Alliance staff often work with the Council's committees. The Council is exploring alternative staffing patterns in order to address some of the concerns expressed in the Comptroller's report. The Council will access assistance from the Department of Personnel. The Human Resource Development Institute offers an Organizational Development service in which they will assess the agency's needs and recommend certain interventions.

## **Response to Recommendations**

### **Grant Guidelines**

1. Many changes have already occurred with the 2009-2011 Alliance Guidelines issued in April 2008. The Council will convene a workgroup to work collaboratively with representatives of the County Alcoholism and Drug Abuse Directors and the County Alliance Coordinators in order to adopt guidelines and procedures governing county fiscal review and approval process to ensure that only allowable expenditures are funded. This will be done in December 2008 – January 2009.

Additionally, the Council has contacted the State Auditor's Office and will be allocating unexpended Alliance funds for the purpose of establishing an independent audit process that would audit Council activities and seven counties a year on a rotating basis. In this way, all 21 Counties will have undergone an audit of Alliance activities every planning cycle.

2. The workgroup mentioned in #1 will develop a mechanism so that reporting documents will include a tracking mechanism for Municipal Alliance Coordinators.
3. The Council will seek an opinion from the Attorney General's Office regarding its statutory authority to regulate and monitor municipal matching funds. In the meantime, the workgroup will begin to develop possible reporting mechanisms.

### **Site Reviews**

4. The Council will ask for the assistance of the Department of Personnel in order to complete an Organizational Development assessment and plan. Unless advised by DOP, or some other authority, the Council will utilize the two professional staff members in the planning unit as monitors. A revised monitoring procedure is being developed with the expectation that each county will receive two on site monitoring visits a year, commencing in January 2009.
5. The workgroup will build consensus on the development of comprehensive guidelines for the review of municipal alliances operations as well as requirements for properly maintaining fiscal documentation. These guidelines will have to be adopted by the counties.

## Program Outcomes

**Comment:** The examples used by the Comptroller's Office of activities that do not produce measurable outcomes are a matter of judgment. In the case of the petting zoo and pony rides the costs involved the materials for taking pictures of kids on a pony and tagging the picture with the municipal alliance name and contact phone number. This would be very similar to the way DARE uses its logo on merchandise in order to spread awareness of the program.

Additionally, costs associated with community days, health fairs, founders day booths, etc. are also well established mechanisms for Alliances and other groups to hand out literature and other information to the public. According to the statute DEDR funds are to be used by member communities to support education and *public awareness activities*.

From our database on the Municipal Alliance Program, we know that in 2007 a minimum of 7,000 community volunteers took part in Alliance activities; more than 348,000 youth, parents, seniors and other residents participated in Alliance programs; and more than 620,000 citizens were reached through Municipal Alliance community education efforts (e.g. community days).

6. The new Alliance program guidelines for 2009-2011 establish that any Municipal Alliance receiving more than \$10,000 must implement evidence based programs from a federal registry or they must measure and report the outcomes of their home grown programs.

The Council is currently engaged with New Jersey Department of Treasury IT to have its Alliance Program database modified so that a greater variety of reports can be issued that will detail municipal alliance activity. One significant modification will be the ability to have the counties directly enter their quarterly report information into the database. Additionally, the Council intends on employing community and school based surveys through the Municipal Alliances in order to have them measure changes in their own communities.

## Oversight of Administrative Office

7. As mentioned earlier, the Council will be reaching out to the Department of Personnel's Human Resource Development Institute to arrange for an organizational development assessment. The ability to modify employee responsibilities, change titles or make other adjustments within the constraints of civil service has proven restrictive in the past and the Council hopes DOP will provide the guidance necessary.

8. As of the September 1, 2008 – August 31, 2009 employee performance rating period all Council staff have the requisite performance rating documents in place. The Council will follow Treasury's evaluation schedule.
9. Several of the Council staff members (including the executive director) are sole caregivers either for elderly parents or children. All employees that might be eligible for FMLA will be encouraged to file the necessary documentation with Treasury's leave unit. Sick leave used under FMLA is recorded as family sick and not considered an abuse of leave time.

Council management receives leave use reports from Treasury. These reports indicate when an employee falls below 5 sick days. When this happens the staff member receives a memo from management warning them on their use of sick time and advising that if they expire all their sick time they will have to submit medical documentation when using other leave time for sick purposes. The Council has several staff members placed under this condition at this time. Management will discuss with Labor Relations if that requirement can remain in place for an extended period of time after the New Year. Before the end of the year management will hold discussions with staff members who chronically exhaust their sick leave time.

10. Until informed by the Comptroller's Office, the Council's management was unaware that 12 months did not only constitute the calendar year (when leave time is granted) but it also refers to a rolling 12 month period. Council management staff has already devised a record keeping process to track sick leave use on a rolling 12 month basis so that potential abuse can be identified.

### **Consolidation of Program Services**

The idea to consolidate the Alliance Program into the operations of the Division of Addiction Services (DAS) is not a new one. A recommendation to shift the Municipal Alliance Program from the Governor's Council on Alcoholism and Drug Abuse to DAS was made in 1995.

The leadership of the Governor's Council on Alcoholism and Drug Abuse opposes the suggestion to consolidate the Alliance Program into the Division of Addiction Services just as it opposed the recommendation in 1995.

- The Comptroller's estimate of \$600,000 potential savings is a red herring being used to sell the dissolution of the Governor's Council on Alcoholism and Drug Abuse. By their own admission they cannot affirm the validity of DAS' representations. The only way to affect that level of savings is to disband the

Council and doing away with its coordination, collaboration and planning functions.

- Due to recent staff changes, the Council will be experiencing a cost savings of \$120,000 and additional costs saving measures are being examined.
- The Legislature created the Council as an independent advisory body because they recognized the need to have an independent, non-biased, non-territorial advocate's voice for those families and individuals suffering from alcoholism and drug abuse.
- Because of its structure, DAS cannot be independent, non-biased or non-territorial.
- The Council is collaborative governance at its best. New Jersey has a 24 year history of citizen driven local planning for alcoholism and drug abuse. The Council's collaborative processes along with it development of the municipal alliances have completed a continuum of citizen driven planning from the municipal level, to the counties and the state. (See attached reference list for more information on collaborative governance)
- There is currently no advisory board or commission currently established within DAS that has the authority to directly influence the governor or the legislature.
- More than 12 years ago, DAS was supposed to merge the federal block grant funds with the State's Alcoholism, Education, Rehabilitation and Enforcement Fund (AEREF) and adopt the county based planning system for all the substance abuse funds it administers – it has not yet completed that process.
- The Division's bureaucracy would overwhelm the volunteer Alliance program whose focus is on community education and awareness. The Council has great concerns that New Jersey's citizens will lose the direct role they now play in all phases of the Alliance program in lieu of centralized bureaucratic decision making.
- The Division struggles with consistent funding problems and has used more than \$59 million in DEDR funds since 1991 to plug holes. The DEDR fund was meant to be turned over to New Jersey's communities for education and awareness programs, it was never meant to supplant other state or federal funding for

treatment services. Leaving jurisdiction of the DEDR solely to DAS would likely mean increasing transfers of funds for other purposes.

- If the legislature and the governor decide consolidation is the best solution, the Council suggests that the Department of Law and Public Safety would be a better fit for the Council and the Alliance Program (e.g. Juvenile Justice Commission).
- As New Jersey's alcoholism and drug abuse field faces the future we know a few things for certain: 1) there will never be enough resources to do everything that needs to be done; 2) a 'legalization' movement is active and the bureaucracy by itself is woefully inadequate to stand against it; and 3) the heart and soul of changing social norms in our communities is our citizens.

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Consensus Building Institute

[www.workablepeace.org/main-project-who.html](http://www.workablepeace.org/main-project-who.html)

The Consensus Building Institute, Inc. (CBI), is a Cambridge-based nonprofit organization dedicated to improving the theory and practice of consensus building in government and civil society around the world.

Deliberative Democracy Consortium

[www.deliberative-democracy.net](http://www.deliberative-democracy.net)

The Deliberative Democracy Consortium is a network of researchers and practitioners working together to strengthen the field of deliberative democracy.

#### Kettering Foundation

[www.kettering.org](http://www.kettering.org)

The Kettering Foundation is an operating foundation that conducts research focused on the question: What does it take to make democracy work as it should? Rather than looking for ways to improve on politics as usual, Kettering is seeking ways to make fundamental changes in how democratic politics are practiced.

#### National League of Cities

[www.nlc.org](http://www.nlc.org)

The National League of Cities (NLC) has been working in the field of democratic governance for more than twenty years, in the unique position of being able to employ effective techniques to encourage and enable city officials in dialogue and inquiry around various forms of civic engagement, consensus building, collaboration, and participatory practices. NLC's "Strengthening Democratic Local Governance" Project has focused on effective democratic participation in public life, especially the structuring of public life to facilitate and support effective participation.

#### Policy Consensus Initiative

[www.policyconsensus.org](http://www.policyconsensus.org)

The Policy Consensus Initiative is a national nonprofit program working with leaders at the state level—governors, legislators, attorneys general, state agencies, and others—to establish and strengthen the use of collaborative practices in states to bring about more effective governance.