



State of South Carolina
Office of the Inspector General

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Chairman Wm. Weston J. Newton
House Legislative Oversight Committee
Room 228 Blatt Building
Columbia, South Carolina 29201

Chairman William H. O'Dell
Senate General Committee
Room 303 Gressette Building
Columbia, South Carolina 29201

Re: Commission for Minority Affairs

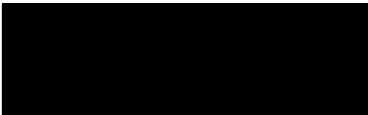
Dear Chairmen Newton and O'Dell:

Enclosed with this letter is a State Inspector General (SIG) report titled, "Performance Review of the Commission for Minority Affairs."

The purpose of this letter is to notify the Commission for Minority Affairs' (CMA) legislative oversight committees of the SIG report provided to the CMA's Board of Commissioners.

If you have any questions, concerns, or need additional information or clarification, please do not hesitate to contact me at (803) 896-4721.

Sincerely,



Patrick J. Maley
Inspector General

PM/pw

Office of the Inspector General

Patrick J. Maley



Performance Review of the Commission for Minority Affairs

I. Executive Summary

In 1994, the Commission on Minority Affairs (CMA) was established to address the socio-economic deprivation in minority communities as illustrated by the substantial statewide statistical inequities between African-Americans and the general population of South Carolina in the areas of employment, income, poverty, health, education, and incarceration rates (Appendix A). The CMA mission was broadened to include the Hispanic/Latino and Native American communities in 2003. The CMA was envisioned to provide “clear state-based leadership” to local groups throughout the State initiating community programs. The commission was envisioned to meet in order to study the causes and effects of socio-economic deprivation in the State and implement programs to address inequities confronting minorities in the State. Specific statutory strategies were set forth to include providing statistical data to state, county, and local levels, as well as the General Assembly, on the socio-economic impact on their constituencies, to include liaising with the business community. Even to this day, CMA’s current written strategic objectives reflect this statewide leadership mission and CMA staff envisioned its role along this same vein as a “think tank” pursuing strategic positive change in the minority community. Unfortunately, the CMA has fallen short of currently fulfilling this leadership mission.

All organizations require the management skill to translate worthy aspirational missions, such as the CMA’s, into specific strategic objectives; practical strategies combining people, processes, and technology to address these objectives; and tangible measurable outcomes to discern progress on these objectives. The CMA has failed to build out this cornerstone planning function to chart its course and guide employees to meet its mission. CMA has espoused strategic objectives congruent with its statutory guidance (Appendix B), yet its day-to-day activities resemble a local community based group providing general services or reacting to ad hoc requests. These activities have value in assisting and understanding the minority communities’ problems, but fall short of accomplishing CMA’s primary mission of serving in a leadership role to channel statewide minority needs into policy and programs to target systemic problems impacting the minority community.

The State has also failed in its oversight through contributory negligence. The State’s foundational oversight tool of an agency’s mission performance is through each agency’s submission of an Annual Accountability Report (AAR), which both guides an agency through strategic planning fundamentals and requires results metrics aligned to stated objectives providing a level of agency accountability. The CMA has only filed three AARs with the State in the past five years. The three AARs, if read, should have raised “red flags” of an agency faltering in its mission and in distress. Yet, during this five year period, the CMA enhanced its annual budget by 83%. How did this happen? It happened because the State has not demanded agencies operate with fundamental business discipline to define meaningful objectives, get results, and build adequate information systems to ensure measured results are aligned with stated objectives to know if an agency is winning or losing. This is equivalent to the State providing a test but not taking the time to grade it – the AAR was more of a bureaucratic exercise than a substantive management, oversight, and accountability tool to assess taxpayer value.

On a scale of 1 (low) to 5 (high), CMA staff rated themselves as a “4” in mission effectiveness. The CMA Commissioners and representatives from CMA’s three minority Advisory Committees were less favorable by rating CMA’s mission effectiveness as 2.42 and 2.69, respectively. The majority of interviewees had a general appreciation of CMA staff’s work. The major issue repeatedly identified pertained to how CMA’s work impacted its noteworthy mission to lead change on problems systemically impacting minority communities.

CMA’s core activities were carried out through six functions: statistical research; small business support; non-profit support; and coordinators dedicated to the needs of the African-American, Hispanic/Latino, and Native American communities. These functions provided recurring services, such as helping expunge criminal records,

facilitating the non-profit application process, and consulting with small businesses; providing a variety of training; responding to ad hoc requests; and liaising with other state agencies, organizations, and advocates operating in the same arena to improve minority communities (Appendix C). The core question raised by interviews was exactly what every organization should ask: are we making a difference in accomplishing our mission? In the best possible light, the CMA was engaged with its minority communities by providing services and support. However, there is no evidence to suggest the community needs, which CMA should be gleaned from its minority community interactions, are being channeled in a leadership role into policy and programs to target systemic problems impacting the minority community, preferably on a statewide level. The CMA is doing what it can to address symptoms in a relatively small circle of influence, rather than leading at a state level.

This mission drift issue was best illustrated by how CMA addressed input on the disproportionate African-American college dropout rate. CMA addressed this issue by “working with SC HBCUs (Historically Black Colleges and Universities) to establish a tutor/mentor program for reading and math assistance,” which was still in the embryonic phase at one small college. This is the problem: thinking small. The CMA was envisioned to use research to develop information of systemic problems to shape the battlefield of state policy development followed by leading efforts for positive change. The issue of low income and minority disproportionate student dropout rates has been a well-established national problem with established best practices to mitigate. CMA’s solution should not be participating in single workshops, but rather pulling together statewide data to accurately describe South Carolina’s problems at all universities, not just HBCUs, and advocating for statewide change as other states have successfully done. In short, CMA needs to think “bigger” and leverage research and policy development capabilities to match its legislatively envisioned mission.

The CMA’s basic organizational infrastructure to support its mission also suffers from a lack of management due diligence. The CMA was the only state agency not to submit its FY 2013-2014 AAR to the Budget Control Board as required by state law (deadline of 9/15/2014). As previously noted, the AAR is the organization’s operational blueprint, along with results to demonstrate taxpayer value, as well as provide assurance to Commissioners carrying out their fiduciary duty of agency oversight. Not only was the AAR not submitted, but many of the Board members were not aware of its existence, to include the Chairman who was required to approve and sign. The CMA had no performance management system in place other than a crude tool to count “technical requests.” CMA did not establish a standard for a technical request, so essentially every inquiry or request for information, regardless of its substance or significance, could be recorded and claimed as a technical request. This metric had no relation to effectiveness or mission accomplishment—when you measure everything, you actually measure nothing. During a 16-month period in 2012-2013, based on the interpretation of an Attorney General (AG) opinion, the CMA Board did not meet because it did not have sufficient board members. This impasse had to be broken by the General Assembly passing a joint resolution directing the CMA Board to meet and conduct business regardless of the AG’s opinion or a quorum. Virtually every interview noted the dysfunction between CMA and the Native American Advisory Committee and the management of the State Tribal recognition process. This dysfunction has inappropriately consumed time, energy, and focus of the CMA for at least two years without resolution.

Mission drift and organization weaknesses can be fixed. CMA needs an infusion of management skill to right its ship by doing the hard work of strategic planning, developing operational strategies, develop research and policy development capabilities, and engineer processes that produce measurable results to address its worthy statutory mission. Equally important, South Carolina state government needs to fix its agency performance management system (AARs) which now can actually do more harm than good by providing a false sense of security of effective agency performance. A declining or failing agency can go unnoticed because the State has little capacity to scrutinize and discern, let alone challenge, AAR reports containing inaccurate/nonsensical data or hollow management jargon creating the impression of a well-honed operation.

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Appendices

A - Legislation Establishing the CMA (SC Code of Laws Title 1, Chapter 31)

(See link: http://oig.sc.gov/Documents/Appendix_A_CMA_Report.pdf)

B - CMA FY 2013-2014 Annual Accountability Reports' Stated Strategic Objectives

(See link: http://oig.sc.gov/Documents/Appendix_B_CMA_Report.pdf)

C - CMA Accomplishments Claimed for FYs 2012-2013, 2013-2014 & 2014-2015

(See link: http://oig.sc.gov/Documents/Appendix_C_CMA_Report.pdf)

II. Background

A. Predicate

The Office of the State Inspector General (SIG) initiated this performance review predicated on a credible complaint alleging operational deficiencies and mismanagement at the Commission for Minority Affairs (CMA), as well as failure to comply with state statutes governing its operations.

The initial complaint was triaged through several interviews and a review of open source records, which developed the following issues:

- CMA may not be fulfilling aspects of its statutory mission requirements as set forth in SC Code of Laws Title 1, Chapter 31 and Title 8, Chapter 30;
- CMA Board of Commissioner meetings may not be consistently occurring as statutorily required, to include the lack of sufficient public notice;
- CMA may be having a level of conflict or insufficiently supporting its advisory committees;
- CMA did not submit its Fiscal Year (FY) 2010-2011 and 2013-2014 Annual Accountability Reports;
- CMA may not have a performance measurement system to gauge its success criteria and identify ways to improve performance to ensure measurable returns on the investment of the agency's resources; and
- CMA may not have had a formal strategic planning process in as many as ten years.

Reviews by the SIG are conducted in accordance with professional standards set forth by the Association of Inspectors General, often referred to as the "Green Book."

B. Scope

The scope for this performance review was to conduct the following:

- Collect information on the predicated issues to determine validity; and
- Assess CMA's effectiveness through an audit of its most recent three Annual Accountability Reports to determine if CMA's statutory mission has been implemented with appropriate strategic objectives and the measurable metrics for success that are aligned with stated goals.

C. History of the Commission for Minority Affairs

The CMA was established by the South Carolina General Assembly during the 110th Session, 1993-1994, pursuant to Bill 3610, Act 164, Part II, Section 110. The South Carolina Code of Laws, as amended, Title 1, Chapter 31 sets forth the CMA's structure and governance. Specifically, the CMA was governed by a ten member Board of Commissioners ("Board") appointed by the Governor, and comprised of nine commissioners who represented the state's seven legislative districts, two "at-large" appointees, and the Governor ex officio.

The CMA's mission, as originally enacted (§1-31-20), was to provide "clear state-based leadership...to study the causes and effects of the socio-economic deprivation of minorities in the State and to implement programs necessary to address inequities confronting minorities in the State." This mission has remained unchanged since its enactment.

The CMA's daily operations were executed through an executive director and eight staff members, to include six program coordinators. The CMA was supported by three advisory committees, which were aligned with CMA's three minority community programs: (a) African American Advisory Committee; (b) Native American Advisory Committee; and (c) Hispanics/Latino Advisory Committee. These advisory committees serve as advisors to the CMA on minority group issues, resources, and program direction. The CMA had a current FY 2014-2015 budget of \$986,478 with a pending FY 2015-2016 budget request of \$1,001,833, which was an 83% increase over the past five fiscal years.

D. Applicable Laws, Statutory Authority and Duties

The applicable statutes and regulations governing CMA were contained within the SC Code of Laws (§1-31-10 through §1-31-50, and §8-30-10 through §8-30-20); as well as within the SC Code of Regulations Chapter 139, Article 1, (State Recognition of Native American Indian Entities), and Article II (Advisory Committees).

The original CMA legislation was amended on four subsequent occasions (2001, 2003, 2008 and 2012). The most significant changes occurred in 2003 and 2008 when Section 1-31-40 was amended to read: "(A)(1) provide the minority community consisting of African Americans, Native American Indians, Hispanics/Latinos, Asians, and others with a single point of contact...; (A)(6) determine, approve, and acknowledge by certification state recognition for Native American Indian entities...; (A)(7) establish advisory committees representative of minority groups...; (A)(9) seek federal and other funding on behalf of the State of South Carolina for the express purpose of implementing various programs and services for African Americans, Native American Indians, Hispanics/Latinos, Asians, and other minority groups; (A)(10) promulgate regulations as may be necessary to carry out the provision of this article including, but not limited to, regulations regarding State Recognition of Native American Indian entities in the State of South Carolina; and (A)(11) establish and maintain a twenty-four hour toll free telephone number and electronic website in accordance with Section 8-30-10."

III. Annual Accountability Reports

South Carolina state government required each state agency submit an Annual Accountability Report (AAR) to the Governor and General Assembly containing the agency's mission, strategic objectives, performance measures, and results which indicated the degree to which these objectives were being met. The AAR facilitated agency heads, who have different levels of organizational training and experience, to apply a common generally accepted organizational management framework to establish strategic goals and the measurable metrics for success are aligned with stated goals. This was the cornerstone for organizations developing a continuous improvement environment to allow it to monitor results to identify its strengths and opportunities for improvement.

A search of the five prior AARs determined the CMA failed to submit to the State two AARs for FYs 2010-2011 and 2013-2014. Although the executive director provided a copy of the FY 2013-2014 AAR during the SIG's on-site review, the report was not submitted to the State Budget Office (SBO), Budget and Control Board, despite repeated requests; was not completed in the revised format as required; and, was not approved and signed by the CMA Board chairman. The SIG also determined the CMA did not submit a budget package

for the most current FY (2014) to the SBO. This inattentive pattern was observed in other operational CMA components as illustrated by its webpage, at the outset of the review, not being updated since 2012; to CMA's credit, the webpage was substantially improved and refreshed before the conclusion of the review.

Agency effectiveness is a function of establishing meaningful strategic objectives and specific measurements indicative of progress or completion of these objectives. CMA's strategic objectives have been consistent in the most recently published AARs to include:

- Convince the Governor and members of the General Assembly that if they want to increase prosperity, they must focus on taking away those factors that decrease prosperity; namely, the eight poverty indicators (fragile families; education deprivation; lack of economic development; lack of jobs; lack of income; lack of minority businesses; poor health; and criminal incarcerations) that contribute to long-term systemic poverty;
- Realign state budget to conform to the eight contributing factors causing poverty by the eight areas to identify the realignment of funds; and fund only new programs that address the eight areas that contribute to the alleviation of poverty in South Carolina;
- Increase research with faculty from institution of higher education whose focus aligns with the eight contributing factors to poverty;
- Convene executive, legislative, state and private partners working across the state to begin the process of developing a State Plan of Action to alleviate poverty by 2050;
- Increase state funding to the CMA to fulfill its mission; restructure disjointed programs and activities in other state agencies that directly or indirectly address poverty under the CMA to create targeted strategic partnerships; and
- Increase private/federal partnerships that lead to additional resources to effectively fight poverty and the proliferation of poverty in South Carolina.

These AAR strategic objectives were generally consistent with statutory guidance to study the causes and effect of socio-economic deprivation of minority communities. However, these objectives do not have the statutory emphasis on statistical research capabilities to support its efforts and leverage the efforts of local minority advocacy organizations.

A review of results data submitted in the AARs failed to address progress on these AARs strategic objectives in any significant manner. The review could discern success in increasing CMA's budget over the past years by 83%. Also, the CMA has had periodic success in obtaining a variety of small grants directly to the CMA or indirectly to benefit other entities, which averaged approximately \$125,000 per year. However, the vast majority of its strategic objectives geared to a leadership/catalyst role in addressing systemic minority problems on a statewide basis were not addressed. It should be noted the most recently published three AARs had a pattern of inappropriately using the same accomplishments in multiple years and claiming accomplishments well before the period under review.

CMA has not conducted a formal strategic planning process for the agency over the past 14 years, since 2001. The CMA Board and staff attended a Board Training and Strategic Planning session in October 2007. At the completion of the 2007 training and strategic planning session, the agenda referenced a future date would be

established to address the “creation of action plans; benchmarking; and measurement of performance levels.” Unfortunately, this noteworthy effort never resulted in the anticipated follow-up to produce a strategic plan.

Despite not having a substantive strategic plan by which to guide and measure progress, the CMA still inappropriately reported in its past three FY AARs a robust strategic plan using hollow management jargon, as illustrated with this type of response: “Performance expectations are established as a part of the formal strategic planning process...The values of the agency are discussed yearly as a part of the annual strategic planning process... As a part of our most recent strategic planning process, a SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats) was conducted and it identified areas of improvement needed at the leadership level.” However, in the very same AARs, specific questions were asked about performance against strategic objectives, yet CMA claimed accountability for results were “not applicable:”

- AAR Question 4.1: How do you decide which operations, processes and systems to measure for tracking financial and operational performance, including progress relative to strategic objectives and action plans?

CMA Response: Not applicable to our type of work.

- AAR Question 7.5: What are your performance levels and trends for the key measures of organizational effectiveness/operational efficiency, and work system performance?

CMA Response: Not applicable to the nature of our work.

Inasmuch as the AAR had limited performance data, the CMA was asked during the SIG review to provide its results by strategic objective. CMA resisted such a presentation, but did present results by each of its six functional areas for the past three FYs: statistical research; small business support; non-profit support; and a coordinator dedicated to the needs of the African-American, Hispanic, and Native American communities (Appendix C). These functions provided recurring services, such as helping expunge criminal records, non-profit application process, and consulting with small businesses; providing a variety of training; responding to ad hoc requests; and liaising with other state agencies, organizations, and advocates operating in the same arena to improve minority communities. In the best possible light, the CMA was engaged with its minority communities providing services and support. However, there is no evidence to suggest the community needs, which CMA should be gleaned from its minority community interactions, were being channeled through a leadership role into policy and programs to target systemic problems impacting the minority community, preferably on a statewide level. CMA claimed accomplishments that could potentially be construed as demonstrating statewide leadership [SC Mental Health Assessment; Able, SC (disabilities); American Indian Chamber of Commerce; and African-American Chamber of Commerce], yet contact with these agencies determined CMA’s role was passive meeting participation. Further, two of these agencies were resentful in CMA’s lack of interest, contributions, and willingness to collaborate.

Several weeks after the review began, CMA provided a FY 2013-2014 AAR. This AAR maintained two of the prior FY AAR’s strategic objectives pertaining to increasing public/private partnership resources to CMA and still attempting to convene a statewide forum to develop a “State Plan of Action.” It added one new strategic objective, “to determine which of the agency’s priority areas the agency will focus upon, during a given period considering its limited resources.” A review of CMA’s FY 2013-2014 results failed to discern any measurable progress on any of these three strategic objectives. However, it was deemed positive the CMA sees the need to prioritize its resources in a more focused manner.

Although CMA, by admission, did not have a performance management system, it did track program coordinators' activity with a vehicle known as a "technical request." Among the major accomplishments included in the FY 2011-2012 AAR were 2,764 technical requests claimed by CMA. All six program coordinators provided varying definitions and guidance on what constituted a technical request. Essentially, every inquiry or request for information, regardless of its substance or significance, could be recorded and claimed as a technical request. This metric had no relation to effectiveness or mission accomplishment—when you measure everything, you actually measure nothing. In fact, a program coordinator was instructed to stop tracking technical requests due to challenges by an Advisory Committee of this performance metric.

CMA's enabling legislation envisioned research and policy development as core organizational competencies to use, as well as share with other local advocacy groups and political bodies lacking this resource to leverage their collective efforts. The ingredients for major change are the ability to describe problems in the current reality with compelling facts; describe a future desired state; and then propose a plan forward through public policy or program, along with the necessary funding. Unfortunately, the CMA has not kept current with its research and statistical reporting of the state's minority population. The CMA did not have a standard practice of producing statistical reports and abstracts on a recurring basis. The CMA has not conducted a data needs assessment with its like-minded partners. CMA articulated a goal of conducting a statistical abstract at the county level every year and a "State of Minority Affairs" every five years; however, the last county level abstract was published in 2004 and there never has been a "State of Minority Affairs" report. Research requests are conducted on an "as needed" basis. A subject matter expert very familiar with the CMA remarked, "CMA does not have the capacity, training, or oversight to conduct research."

CMA's 1994 enabling legislation charged this new agency as being the statewide leader to address the socio-economic deprivation in minority communities, as well as powerfully and vividly framed the statewide problem using 10 statistical categories: 'unemployment rate three times higher; per capita income less than half; 4 of 10 grow up in poverty; die six years earlier; lowest life expectancy than any other state; infant mortality rate twice as high; high school graduates literacy level of eighth graders; 33% population of state yet 6% of higher education degrees; 70% of incarcerated population; and 450% higher incarceration rates.' Today, CMA's daily functions and activities are just not engineered to make much of a dent in such significant problems. These powerful socio-economic deprivation statistics used to stimulate change in 1994 should be resurrected with refreshed 2015 statistics and be the focal point as CMA considers operational changes to re-tool to address its worthy mission.

IV. Stakeholder Interviews

The SIG interviewed a total of 31 individuals, who were grouped according to their CMA role or interaction with CMA. The interviewees were presented with the same topic areas, as well as given the freedom to expand upon their response. The CMA topic areas were comprised of the following: (a) mission; (b) strategic objectives; (c) strategies employed to positively impact CMA strategic objectives; (d) performance measurement process for determining if strategic objectives were met; (e) CMA statutory requirements; (f) Annual Accountability Reports; and (g) three scaled questions. The stakeholder groups (number of individuals interviewed) were as follows:

- CMA Board (6)
- CMA staff (9)
- CMA advisory committees (15% sampling of each committee’s membership)
 - African American (4)
 - Native American (3)
 - Hispanic Latino (3)
 - External entities (6)

A. Scaled Questions

Three scaled questions were asked of all interviewees, which provided a common gauge regarding CMA’s effectiveness in achieving its mission. Each question used a rating scale from “1” (ineffective) to “5” (highly effective), with the mid-point of “3” representing effective performance. The table below lists the three scaled questions, and the average rating from the CMA Board, CMA staff, and the African American (AA), Native American (NA), and Hispanic/Latino (HL) Advisory Committees:

Scaled questions on the effectiveness of the CMA mission strategy	CMA Board	CMA Staff	AA	NA	HL	Overall Average
Q1) How effective is CMA in carrying out its statutory and stated strategic mission?	2.42	4.00	2.83	1.50	3.75	2.90
Q2) How effective is the Executive Director in leading the CMA in carrying out its statutory and stated strategic mission?	2.75	4.22	3.33	1.00	NR*	2.83
Q3) How effective is the CMA staff in in carrying out its statutory and stated strategic mission?	3.17	4.17	3.33	1.00	NR*	2.92
Average Group Rating	2.78	4.13	3.17	1.17	NR*	

* NR -- no response due to having negligible interaction with CMA staff

The CMA staff rated themselves as a “4” in mission effectiveness (Q1). The Board and representatives from CMA’s three Advisory Committees were less favorable by rating CMA’s mission effectiveness as 2.42 and 2.69, respectively. The majority view had a general appreciation of CMA staffs’ work. The major issue repeatedly identified pertained to how CMA’s work impacted its noteworthy mission to lead change on problems systemically impacting minority communities.

B. Stakeholder Observations and Comments

1. CMA Staff

All CMA staff were articulate in defining the CMA’s mission; and in most interviews, referred to the CMA as a “think tank” to address socio-economic deprivation and poverty in the State’s minority communities. The SIG found the CMA staff to be passionate about their work. Each program coordinator commented on the CMA executive director’s leadership style as supportive while allowing each of them the freedom and autonomy to

direct their programs. While the CMA executive director utilized a Monthly Activity Report to track and report on program activities, there was no uniform format or consistency in its use among CMA staff.

When asked to identify how the CMA, through its various functions and programs, made a positive impact with the State's minority communities, the CMA staff were unable to articulate the programmatic impact. CMA staff prepared an inventory of accomplishments which resembled a list of activities which all provide some level of service, support, and value to the minority community (Appendix C). However, there was a complete lack of connecting these activities to how these impacted CMA's statutory and stated strategic objectives, primarily being a catalyst for significant change impacting systemic problems in minority communities (Appendix B). Actually, it is quite reasonable for the CMA staff to consider themselves effectively carrying out the CMA mission because the organization never established what success looked like. Yes, it has high level aspirational strategic objectives, but CMA management has not done the challenging management job of establishing the tactical strategies and developing success metrics aligned with driving statewide change. Someone once said, 'if you don't have a map, any road will take you there,' which is where the CMA finds itself today.

2. CMA Board

Currently, the CMA Board is comprised of six commissioners, including four vacancies. Three of the six commissioners are in hold-over status. The CMA Board consistently had vacancies in its representation over the past five years, a concern expressed by all of the commissioners.

The primary theme from the Commissioners was the need to "raise CMA's profile in the community." This was described in a number of ways. It was described as being more networked through partnering with other agencies, as well as being more proactive in building these relationships. It also was described by increasing its impact by being more strategic and focusing its resources. The Commissioners welcomed the SIG review in that many of them were asking themselves the same questions about how the CMA can improve its effectiveness.

The majority of the board provided general support for the CMA staff, while a minority were vocal in questioning the capabilities of CMA staff. One commissioner commented "It's a mess. There has to be more structure and organization for the office to fulfill its mission. It appears to be a very loose operation." The new Commissioners noted no formalized orientation process was afforded the newer commissioners by CMA staff. There was recognition of the friction between the Native American Advisory Committee and staff, particularly over the State Tribal recognition process.

3. CMA Advisory Committees

Advisory committee members were non-paid volunteers who represented a cross-section of the minority community with the ability to advise the CMA on the specific issues confronting a particular minority population. The use of the advisory committee structure is important to the CMA's success and is provided for in State statute (§1-31-40). State law and code of regulations stipulate the size of each advisory committee cannot exceed 20 members, except for the NAAC, whose membership is comprised of all State recognized tribes and groups. At the time of the SIG's review, the CMA was not in compliance with this regulation as the African American Advisory Committee membership was 27 members in size.

Much like the Board, the majority of the advisory committee interviewees provided general support for the CMA staff, while a minority were vocal in questioning the capabilities of CMA staff. The Native American Advisory Committee members were highly negative in most any aspect involving the CMA staff, particularly

its lack of responsiveness to requests for information. The tribal recognition process seemed to be the primary source of friction. Although the African American Advisory Committee only met once in the past year, the majority had a positive relationship with the CMA. The Hispanic/Latino Advisory Group was positive in its relationship with the CMA and met quarterly.

The main theme, much like the Board, was focused on CMA program performance and impact. Even the Hispanic/Latino Advisory Committee having the best relationship with CMA staff still questioned how the meetings were not resulting in significant issues, strategies, or outcomes. A list of individual comments captures this topical area:

- What (action plan) is the agency planning on accomplishing?;
- Be willing to adjust as the State adjusts its direction;
- Identify partnerships and collaborative efforts; no one agency can do it all;
- No clarity of mission or role; advisory committee meetings were described as a discussion about the agenda, but without much action;
- Efforts are focused on small scale issues which do not have a wide impact;
- Advisory committees should be a “policy portal” with action items as an output. However, there doesn’t appear to be a lot of policy being put forth, but only a swirl of activity by the CMA;
- The CMA has not forged alliances and partnerships to be effective with its programs; and
- The CMA lacked the courage to take on the tough issues.

4. External Partners

Two statewide minority chamber of commerce groups were contacted for input on CMA’s mission and impact within the State’s minority communities, which included a former CMA commissioner among its leadership. For both groups, the CMA was not supportive of their small business development programs for minorities in the state. One group remarked that several attempts were made to incorporate the CMA’s small business development program with its efforts, but received no response from the CMA. Another group stated that the CMA withdrew financial support of its statewide conference at the last minute without further explanation.

A general observation was made that the CMA staff’s participation on various non-profit boards of directors was mere attendance. While it was noted the CMA’s inclusion brought a perceptiveness to the non-profits’ missions, the participation level of the CMA staff was lacking. In one particular instance, the CMA staff/board member never participated in the one-hour monthly conference call for a two-year period. In a separate matter, another CMA staff/board member was removed as the “events chair” when the CMA staff member became non-responsive to the chairman’s inquiries over a period of several months. This resulted in the unexpected resignation from the board of directors by the CMA staff member.

V. Dysfunctional Relationship Between CMA and the Native American Advisory Committee

During this review, an interviewee commented the Native American community was less than one percent (1%) of the State’s population, but takes up ninety percent (90%) of the CMA staff time. It was also clear to the SIG there were divisions within the Native American community. It appeared the friction primarily revolves around the State’s recognition and certification process of Native American entities.

The CMA has authority and responsibility on behalf of the State to “determine, approve, and acknowledge by certification state recognition for Native American Indian (NAI) entities” as set forth in Section 1-31-40 (A) (6). As of FY 2013-2014, there were eight (8) State Recognized Tribes; five (5) State Recognized Groups; and two (2) State Recognized Special Interest Groups. The following table illustrates the CMA’s State recognition process for NAI entities from 2010 to the present:

State NAI Recognition Process	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Applications for Tribe, Group, or Special Interest Organizations	0	3	3	0	1	0
Recognition workshops/# attend	2/21	2/10	2/4 ⁽¹⁾	2/18	1/0	1/3*
State recognized Tribes	0	0	0	1	0	1+
State recognized Groups	0	0	0	0	0	0
State recognized Special Interest	0	0	0	0	0	0

⁽¹⁾ Per CMA, attendee records were not available for one of the workshops

*FY 2014-15 Workshops conducted- to-date

+ Final state recognition pending before CMA Board

The State recognition and certification process is clearly defined and set forth in the State’s Code of Regulations, Section 139, Article I. It not only affords State recognition to NAI tribes, groups, and special interest organizations through the submission of specific criteria, but also provides for a structured review process by the State Review Committee and the full CMA Board.

The current division over the tribal recognition process and procedures has been ongoing for years. The CMA has, by all accounts, failed to effectively engage this issue to adequately vent out issues from interested parties, develop options to address stakeholders concerns, and then bring clarity to the process with either modifications, timely rulings, or firm leadership to halt the current dysfunction. Rather than engage this issue, it seems the CMA has withdrawn, thus creating a leadership vacuum which only fueled the vitriolic and acidic situation.

VI. Compliance with CMA Board Meeting Schedule

By statute, the CMA Board was required to meet on a quarterly basis (§1-31-20). Review of the CMA Board minutes for FY 2010-11 through FY 2013-14 determined the CMA Board was not in compliance with the statutory requirement of conducting quarterly meetings as only nine out of a possible 16 meetings were convened. Only during FY 2013-14 did the CMA Board meet its statutory compliance when it met four times.

In addition, the CMA Board failed to meet during the entire FY 2012-13 due to a State Attorney General’s opinion which stated that a quorum was comprised of a majority of the total commissioner seats in attendance (not filled seats) on the CMA Board. According to the CMA executive director, the former CMA Board chairman chose not to meet for only informational purposes if it was unable to conduct official business. As a result, no CMA Board meeting was held for a period of 16 months. CMA Board meetings were reinitiated on 8/6/2013 after the General Assembly passed a joint resolution (H. 3746) at the close of the legislative session, and directed the CMA Board to meet and conduct business regardless of the AG’s opinion or a quorum. For the current FY 2014-15, the CMA Board has met only twice with a third meeting planned in June 2015.

VII. Conclusion

The CMA has drifted from its mission to provide “clear state-based leadership...to study the causes and effects of the socio-economic deprivation of minorities in the State and to implement programs necessary to address inequities confronting minorities in the State.” Certainly part of this grand mission is engaging the minority communities in a variety of ways, to include direct support and responsive to ad hoc requests, which the CMA does. However, to fulfill its mission, the CMA needs to channel community needs gleaned from its minority community interactions through a leadership role into policy and programs to target systemic problems impacting the minority community, preferably on a statewide level. There was no evidence this primary mission component was occurring.

From a pure management optic, the CMA has failed to build out a strategic plan to chart its course and guide employees to meet its mission. From a leadership optic, many witnesses favorably commented on the energy and proactive posture of the agency in the past as a possible missing ingredient. Obviously, an organization needs both management and leadership skills to accomplish CMA’s mission of engaging and helping minority communities at the grass roots level, yet also have the research skills to discern systemic community problems, develop supporting data, build strategies leveraging best practices from across the country, and have a marathon mentality of building coalitions to drive major statewide changes. Without a strategic plan for such a challenging mission, the never ending short-term responsive tasks inherently push out the more difficult long-term actions required to produce statewide impact. The CMA is doing what it can to address socio-economic deprivation symptoms in a relatively small circle of influence, rather than leading at a state level.

This mission drift issue was best illustrated by how CMA addressed input on the disproportionate African-American college dropout rate. CMA addressed this issue by “working with SC HBCUs (Historically Black Colleges and Universities) to establish tutor/mentor program for reading and math assistance,” which is still in the embryonic phase at one small university. This is the problem: thinking small. The CMA was envisioned to use research to develop information of systemic problems to shape the battlefield of state policy development followed by leading change. The issue of low income and minority disproportionate student dropout rates has been a well-established national problem with established best practices to mitigate. CMA’s solution should not be passive participation in single workshops, but rather pulling together state data to accurately describe South Carolina’s problems at all universities, not just HBCUs, and advocating for statewide change as other states have successfully done. In short, CMA needs to think “bigger” to match its legislatively envisioned mission. Other obvious issues affecting the minority communities include examining why South Carolina’s current Medicaid Managed Care Organizations are rated in the bottom 25% nationally in providing access to medical care for such a vulnerable community, as well as the plethora of supervised release/parole/probation initiatives occurring throughout the United States that could be considered in South Carolina. The CMA should consider the other 49 states as incubators for good ideas and best practices to address socio-economic deprivation, which should then be assessed and considered to leverage change in South Carolina.

If the CMA will focus its energies towards realigning its worthy strategic objectives, the other operational management deficiencies identified in this review will be addressed by the higher level of focus on planning, results, and accountability. Further, the energy and enthusiasm generated from taking on such worthy strategic goals almost certainly engenders partner agencies support and collaboration.

VIII. Findings and Recommendations

Finding #1: The CMA was ineffective in addressing its statutory mission and stated strategic objectives set forth in its Annual Accountability Reports.

Recommendation #1a: The CMA should conduct a thorough strategic plan, develop strategies consistent with resources available, and establish pragmatic metrics for success aligned with stated objectives that are consistent its statutory guidance having an emphasis on statistical reporting and research.

Recommendation #1b: The CMA should establish a vision of being the state-based leadership to address socio-economic deprivation in the minority communities and resist the temptation of solely providing general services and reacting to ad hoc requests.

Finding #2: The CMA did not demonstrate sufficient statistical reporting and research capabilities, which are pivotal to fulfill its statewide leadership role.

Recommendation #2a: The CMA needs to develop statistical reporting and research capabilities through training or recruitment.

Recommendation #2b: The CMA needs to conduct a needs assessment of recurring statistical reports to facilitate community based groups, as well as the General Assembly, efforts in policy initiatives and funding/grant strategies.

Recommendation #2c: The CMA should consider researching and refreshing with current data the ten statistics offered in the 1994 originating legislation describing minority communities' socio-economic deprivation (i.e., unemployment rate three times higher; 4 of 10 grow up in poverty; and infant mortality rate twice as high), which could be a focal point in realigning CMA's mission today.

Finding #3: The CMA lacked management skill to address deficiencies in strategic planning, operational infrastructure, and, in general, organizational accountability.

Recommendation #3: The CMA needs to develop strategic and operational management skills through training or recruitment.

Finding #4: The CMA Board must strengthen its oversight capabilities in order to provide adequate fiduciary oversight to the CMA.

Recommendation #4a: The CMA Executive Director should engage the Governor's Office to fill vacancies and coordinate a plan with the Board to proactively recruit an interested candidate pool for future vacancies.

Recommendation #4b: The CMA Board should be actively engaged in the preparation and approval of CMA's upcoming FY 2014-2015 AAR due on or about 9/15/2015.

Recommendation #4c: The CMA Executive Director should develop a briefing scorecard, to be approved by the CMA Board, pertaining to measurable results of established strategic objectives in the

AAR, along with other performance data deemed pertinent to meet the CMA Board's fiduciary duty, and provide it to the Board on a periodic basis as assurance the CMA is operating effectively.

Finding #5: Expectations by the CMA Advisory Committees are not being fully met by the CMA staff.

Recommendation #5: The CMA needs to engage its Advisory Committees as to its expectations in purpose and expected outcomes.

Finding #6: The CMA's relationship with the Native American Advisory Committee was dysfunctional.

Recommendation #6a: The CMA Executive Director should personally engage with all stakeholders in the Native American Advisory Committee, document unresolved issues, and make necessary process modification, timely rulings, or firm leadership to de-escalate the personal tension between parties and resolve the operational dysfunction.

Recommendation #6b: The CMA should consider rotating the Native American Advisory Committee program coordinator, at least temporarily, to promote a fresh perspective on a dysfunctional operation.

Administrative Note: CMA's written feedback and comments (six pages) can be found at link:

http://oig.sc.gov/Documents/CMA%20Consolidated_Response_to_SIG_Report.pdf

APPENDIX A

SECTION 110

TO AMEND TITLE 1 OF THE 1976 CODE, RELATING TO THE ADMINISTRATION OF GOVERNMENT, BY ADDING CHAPTER 31 SO AS TO CREATE THE STATE COMMISSION FOR MINORITY AFFAIRS AND TO PROVIDE FOR ITS FUNCTIONS, POWERS, AND DUTIES.

Whereas, the unemployment rate for African-American males is nearly three times higher than the rate for white males in South Carolina; and

Whereas, per capita income for African-Americans in South Carolina is less than half the income of whites; and

Whereas, four out of every ten African-American children will grow up in poverty in South Carolina; and

Whereas, African-Americans die six years earlier than whites in South Carolina; and

Whereas, African-American males in South Carolina have the lowest recorded life expectancy for their group in any other state in the nation; and

Whereas, the African-American infant mortality rate is more than twice as high as whites in South Carolina; and

Whereas, African-American high school graduates attain literacy levels slightly above white eighth graders; and

Whereas, African-American males receive only six percent of the total degrees from higher education in South Carolina; and

Whereas, while the number of African-American males in higher education has decreased, the number of African-American males in correctional institutions is on the rise; and

Whereas, the percentage of African-American inmates at the Central Correctional Institution in South Carolina is over seventy percent; and

Whereas, African-American youth make up seventy-four percent of commitments to long-term facilities; and

Whereas, African-American children are four and a half times more likely to be incarcerated than are their white counterparts in South Carolina; and

Whereas, South Carolina currently has the worse violent crime rate in the nation; and

Whereas, African-Americans make up a third of the population in South Carolina; and

Whereas, other states with lower percentages of African-Americans and higher standards of living for those African-Americans have already implemented like commissions; and

Whereas, local groups throughout the State are initiating programs to relieve the socio-economic deprivation of African-Americans in their communities; and

Whereas, these community-based groups would benefit greatly from clear state-based leadership. Now, therefore,

Title 1 of the 1976 Code is amended by adding:

"CHAPTER 31
State Commission for Minority Affairs

Section 1-31-10. There is created a State Commission for Minority Affairs consisting of seven members and the Governor ex officio. The Governor shall appoint one person from each of the six congressional districts of the State and one person from the State at-large upon the advice and consent of the Senate. The Governor shall designate the chairman. The members serve for a term of four years and until their successors are appointed and qualify. Of the members first appointed, those appointed from the even-numbered congressional districts serve for a term of two years; those appointed from the odd-numbered congressional districts and the member appointed at-large serve for a term of four years. A vacancy must be filled in the same manner as original appointment for the remainder of the unexpired term. A majority of the members of the commission must be African-American.

Section 1-31-20. The commission shall meet at least monthly to study the causes and effects of the socio-economic deprivation of minorities in the State and to implement programs necessary to address inequities confronting minorities in the State.

Section 1-31-30. The commission is authorized to hire an executive director and other personnel necessary to carry out its duties and functions under this chapter. The General Assembly shall provide for the funds in the annual appropriations act.

Section 1-31-40. The commission shall:

- (1) provide the minority community with a single point of contact for statistical and technical assistance in the areas of research and planning for a greater economic future;
- (2) work with minority officials on the state, county, and local levels of government in disseminating statistical data and its impact on their constituencies;
- (3) provide for publication of a statewide statistical abstract on minority affairs;
- (4) provide statistical analyses for members of the General Assembly on the state of minority communities as the State experiences economic growth and changes;

(5) provide the minority community with assistance and information on Voting Rights Act submissions in the State, as well as other related areas of concern to the minority community.

(6) act as liaison with the business community to provide programs and opportunities to fulfill its duties under this chapter;

(7) perform other duties necessary to implement programs. The commission may delegate these powers and duties as necessary.

Section 1-31-50. The commission may promulgate those regulations necessary to carry out its duties under this chapter."

APPENDIX B

CMA's Strategic Objectives from the Fiscal Year 2012-2013, **"Annual Accountability Report"**

- Convince the Governor and members of the General Assembly that if they want to increase prosperity, they must focus on taking away those factors that decrease prosperity; namely, the eight poverty indicators (fragile families; education deprivation; lack of economic development; lack of jobs; lack of income; lack of minority businesses; poor health; and criminal incarcerations) that contribute to long-term systemic poverty;
- Realign state budget to conform to the eight contributing factors causing poverty by the eight areas to identify the realignment of funds; and fund only new programs that address the eight areas that contribute to the alleviation of poverty in South Carolina;
- Increase research with faculty from institution of higher education whose focus aligns with the eight contributing factors to poverty;
- Convene executive, legislative, state and private partners working across the state to begin the process of developing a State Plan of Action to alleviate poverty by 2050;
- Increase state funding to the CMA to fulfill its mission; restructure disjointed programs and activities in other state agencies that directly or indirectly address poverty under the CMA to create targeted strategic partnerships; and
- Increase private/federal partnerships that lead to additional resources to effectively fight poverty and the proliferation of poverty in South Carolina.

APPENDIX C

(see Internet link: http://oig.sc.gov/Documents/CMA_Accomplishments.pdf)

