



PROGRAM EVALUATION DIVISION

NORTH CAROLINA GENERAL ASSEMBLY

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Statutory Changes Will Promote County Flexibility in Social Services Administration

Summary

The General Assembly directed the Program Evaluation Division to study consolidation of administrative functions of social services among county departments of social services. This report identifies factors affecting administrative consolidation and denotes opportunities for consolidation.

North Carolina is one of 11 states that provide social services programs through a state-supervised and county-administered system. County administration of social services cost \$1.1 billion in Fiscal Year 2009-10. Counties paid \$521.7 million for county administration, and the state paid \$32 million. Federal funds covered the remaining costs. Over one million North Carolina residents received services from county departments of social services.

The Program Evaluation Division identified alternative structures for administering social services programs that could improve efficiency and reduce administrative costs. These alternative structures are contracting for administration of social services programs; utilizing regional approaches; consolidating the governance of social services administration; and consolidating governance and administration by establishing a consolidated human services agency. Wake County saved \$1.4 million that was reinvested in priority areas by streamlining administration when it established a consolidated human services agency. Regional approaches also reduce administrative costs because a single administrative structure oversees operations in multiple counties.

Statutory and perceived barriers inhibit counties from considering different structures for administering social services. State law imposes a 425,000 population threshold for counties to consolidate administration of human services programs, and some counties not meeting the requirement want the option to form a consolidated human services agency. County directors of social services are wary of making changes because of their affinity for the status quo, negative experiences with mental health reform, lack of information about alternative administrative structures, and concern about inconsistent and fragmented supervision from the state.

Administering programs at the county level is considered a major strength of North Carolina's social services system. Counties paid 94% of the nonfederal share of Fiscal Year 2009-10 expenditures for the administration of social services. County social services boards continue to be an important component of North Carolina's social services system.

Based on these findings, the General Assembly should amend state law to eliminate the 425,000 population threshold to establish a consolidated human services agency, allow counties to establish a consolidated human services agency for social services and public health, and allow district departments of social services. The General Assembly also should direct the Department of Health and Human Services to develop a plan to simplify and streamline supervision of county departments of social services.