

**Statutory Changes Will Promote
County Flexibility in
Social Services Administration**



**Final Report to the Joint Legislative
Program Evaluation Oversight Committee**

Report Number 2011-03

May, 2011



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May, 2011

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Honorable Co-Chairs:

Session Law 2009-451, Section 10.52, as amended by Session Law 2010-31, Section 10.20, directed the Program Evaluation Division to study the consolidation of administrative functions of social services programs among county Departments of Social Services (DSSs). This report reviews social services programs administered by county DSSs, identifying factors affecting consolidation among counties and denoting opportunities for functional consolidation of programs among counties.

I am pleased to report the Department of Health and Human Services, county DSSs, and the North Carolina Association of County Commissioners cooperated with us fully and were at all times courteous to our evaluators during the evaluation.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Turcotte".

John W. Turcotte
Director



PROGRAM EVALUATION DIVISION

NORTH CAROLINA GENERAL ASSEMBLY

May 2011

Report No. 2011-03

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.

Scope

The General Assembly directed the Program Evaluation Division to study the consolidation of administrative functions of social services programs among county departments of social services (hereafter referred to as county DSS or county DSSs).¹ This report reviews social services programs administered by county DSSs, identifying factors affecting consolidation of programs among counties and denoting opportunities for functional consolidation of programs among counties.

This evaluation addressed three central research questions.

- What factors affect whether county DSSs consolidate the administration of social services programs among counties?
- Are there models in North Carolina or other states for administering state-supervised and county-administered human services programs that would allow consolidated administration of social services?
- If factors inhibiting consolidation are modified, what opportunities exist for consolidating administration of social services among counties, and what potential cost savings are associated with these opportunities?

The Program Evaluation Division collected and analyzed data from numerous sources, including

- a review of North Carolina laws related to state supervision and county administration of social services and public health;
- focus groups with stakeholders including county DSS directors, members of county social services boards, county managers, and county commissioners;
- a survey of county DSS directors and county managers;
- query responses from the five Department of Health and Human Services divisions supervising the county administration of social services programs, the North Carolina Association of County Commissioners, and legal experts from the University of North Carolina School of Government;
- fiscal and operational data from the 100 county DSSs;
- interviews with agency leadership in the Divisions of Social Services and Public Health and with members of the North Carolina Social Services Commission;
- site visits to 14 county DSSs and two district public health departments;
- a survey of 10 other states that provide social services programs through state supervision and county administration; and
- a review of laws in other states related to state supervision and county administration of social services programs.

Background

North Carolina is one of 11 states that provide social services programs through a state-supervised and county-administered system. Under a state-supervised and county-administered social services system, programs are administered primarily by county social services agencies

¹ 2009 NC Sess. Laws, 2009-451, Section 10.52, as amended by 2010 NC Sess. Laws, 2010-31, Section 10.20.

under the supervision of state social services agencies. Most other states operate a state-administered social services system, and counties have little or no role in administering or financing state and federal social services programs.

In this context, “social services” consist of programs and assistance provided by public and private agencies to meet the social, economic, and human needs of children, families, senior citizens, persons with disabilities, and the economically disadvantaged. The goal of social services programs is to help residents achieve and maintain economic and social well-being. These programs can be divided into two broad categories—public assistance and social services programs.

Public assistance programs generally supply financial assistance to individuals and families meeting income eligibility requirements. Some examples in North Carolina are Work First, Food and Nutrition Services, Subsidized Child Care, Medicaid, and State-County Special Assistance. County administrative responsibilities for public assistance programs generally include processing applications and determining eligibility for assistance, reviewing continued need for assistance, and investigating potential fraud.

Social services programs generally provide services for individuals or families regardless of income. Examples include child protective services, adult protective services, adoption and foster care services, and child support enforcement services. County responsibilities for social services programs include investigating reports regarding child abuse, neglect, or dependency; evaluating the abuse, neglect, or exploitation of disabled adults; processing applications for services; determining eligibility for services; and providing services directly to residents.

North Carolina’s system reflects the historical emphasis on county administration of social services programs. Until 1917, when the General Assembly passed the first statewide public welfare law, state law required counties to provide relief to the poor, but the means of providing relief was left to local discretion. The 1917 law marked the beginning of an organized system of state supervision and county administration of social services, and many aspects of North Carolina’s current social services system stem from this legislation. The State’s role and responsibilities for social services grew significantly in 1937 after passage of the federal Social Security Act. The continued development of North Carolina’s social services system reflects to a great extent the initiatives and funding requirements set by the federal government. As the federal government has expanded funding and requirements for new and existing social services programs, the State’s share of the nonfederal portion of the cost of most social services programs has increased over time. As a result, the State provides more direction and supervision for county DSSs. Even though the State’s responsibilities have increased over the years, North Carolina has retained a state-supervised and county-administered system with counties administering most state social services programs and paying a portion of the cost of these programs with county funds.

Currently in North Carolina, county DSSs are largely responsible for administering state and federal social services programs under the

supervision of five divisions in the Department of Health and Human Services:

- Division of Social Services,
- Division of Medical Assistance,
- Division of Aging and Adult Services,
- Division of Child Development, and
- Division of Health Service Regulation.

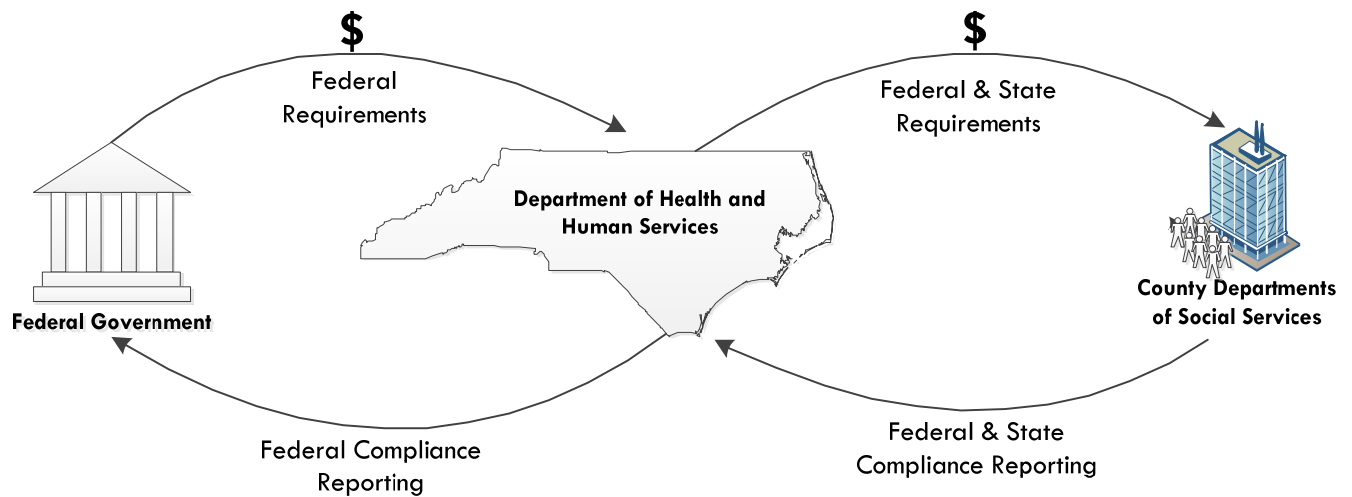
Their oversight of county DSSs includes

- supplying federal and state funds to counties to support social services programs;
- issuing policies, regulations, and guidance for state and federal programs;
- monitoring for compliance with federal and state requirements for programs; and
- providing technical assistance to county DSSs to assist them with program administration.

The North Carolina Social Services Commission also is involved in the oversight of county DSSs because it adopts rules and regulations governing social services programs, and it appoints one or two members of each county's social services board. The North Carolina Child Care Commission and the North Carolina Medical Care Commission also are involved in oversight for county DSSs.

County departments of social services must abide by federal and state rules and requirements in administering federal and state social services programs. Even though North Carolina has chosen to delegate administration of most federal social services programs to counties, the federal government provides funding for federal social services programs to North Carolina and holds state government responsible for complying with federal requirements and conditions. There is no direct relationship between the federal government and counties related to the administration of federal social services programs; as a result, the State serves as the intermediary between counties and the federal government. The State must ensure county DSSs are in compliance with federal requirements as a condition of receiving federal funds. Exhibit 1 shows how the federal government, state government, and county DSSs interact with each other.

Exhibit 1: The Department of Health and Human Services Serves as the Intermediary Between the Federal Government and County DSSs



Source: Program Evaluation Division based on interviews with staff from the Department of Health and Human Services and Saxon's Social Services in North Carolina (2008).

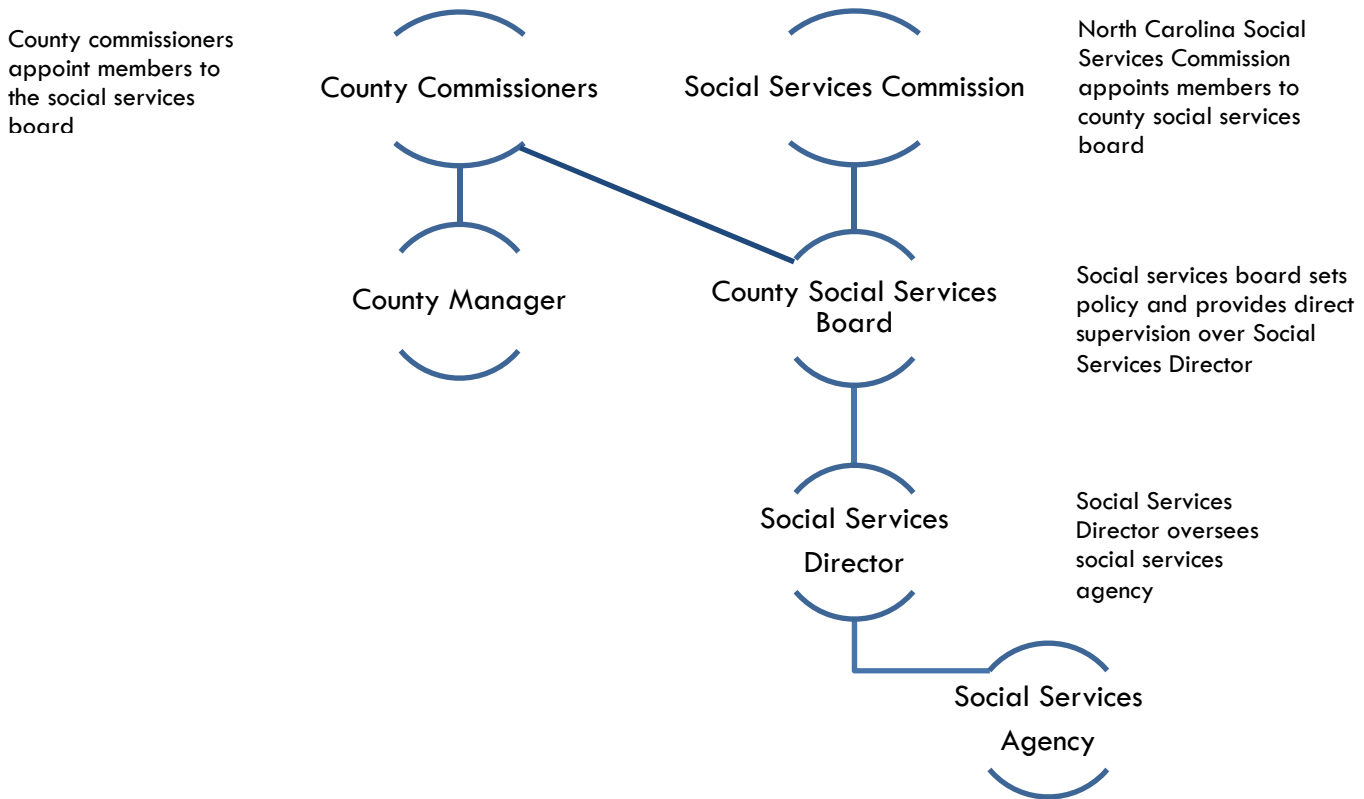
County DSSs are a part of county government, but unlike other county departments, state law prescribes the governance structure for county administration of social services. State law requires every county to have a social services board and each board is required to appoint a social services director.² Most county DSSs are governed under the structure shown in Exhibit 2.

County commissioners provide general oversight and direction for county DSSs, appoint one or two members of the county social services board, supply facilities for the county DSS, and adopt the budget for social services programs. However, state law limits some of the authority that county commissioners typically have with respect to the organization of county government. County commissioners cannot abolish the county DSS, merge it with another county department, or transfer its functions and duties to another county agency. They also cannot abolish the social services board. However, they can add responsibilities and programs to the county DSS.

County managers are responsible for the management of day-to-day operations of county government, but they do not directly manage the county DSS. They do not hire the social services director and cannot appoint or dismiss employees of the county DSS. County managers do provide administrative support to the county DSS such as accounting and payroll.

² NC Gen. Stat. §153A-77 allows counties meeting a 425,000 population threshold to organize social services differently. These organization differences are discussed in Finding 1.

Exhibit 2: Current Structure of Social Services Administration in North Carolina



Note: The solid line denotes a direct line of authority.

Source: Program Evaluation Division based on North Carolina statutes.

Social services boards provide general direction, oversight, and supervision of county DSSs. They appoint and dismiss the social services director, but they cannot appoint or dismiss the other employees of the county DSS. Most social services boards have five members who are county residents: two members are appointed by county commissioners, two are appointed by the North Carolina Social Services Commission, and one is appointed by the other four members.³

County DSS directors are public officials, county employees, and agents of the North Carolina Department of Health and Human Services.⁴ They are responsible for administering federal and state social services programs in their counties including development of the planned budget for the county DSS with assistance from the social services board. The powers and duties of the county DSS director are prescribed by state law. County DSS directors appoint and dismiss employees of the county DSS, and they may delegate the authority to act as their representative to departmental employees. However, county DSS directors remain ultimately responsible and accountable for the administration and actions of the county DSS.

³ State law allows county commissioners to choose whether to have a three- or five-member social services board. Four counties have a three-member board.

⁴ County DSS directors and other DSS employees are subject to most provisions of the State Personnel Act, which governs hiring, classification, promotion, compensation, and dismissal of most state employees.

The county administration of social services cost \$1.1 billion in Fiscal Year 2009-10 and served over one million residents of North Carolina.

For example, county DSSs processed applications and determined eligibility for public assistance resulting in 1,471,054 residents receiving Medicaid and 1,327,579 residents receiving food and nutritional services. County DSS employees responded to 67,039 reports of abuse, neglect, and dependency affecting 122,072 children.

Findings

Finding 1. Alternative structures for administration of social and other human services exist in North Carolina and other states.

The purpose of the present evaluation was to examine consolidation of social services administration. Nearly all counties have adopted the administrative structure shown in Exhibit 2, but this structure is not the only option available. The Program Evaluation Division identified five viable alternative structures for administering social and other human services programs in North Carolina that could improve the efficiency of county administration of social services.⁵ These alternative structures are

- contracting with another county DSS for the administration of social services programs;
- utilizing one of two regional approaches in which social services or public health services are administered by a single agency operating in two or more counties;
- consolidating the governance of administering social services with other human services under a board of county commissioners; and
- consolidating governance and administration of social services and other human services by establishing a consolidated human services agency.

Public health districts also are authorized under state law, and this model offers another way to create a regional agency for social services programs. These alternative structures for social services administration differ from the typical structure for administering social services in North Carolina in that they are not limited to a single county DSS administering all social services programs within that county. Exhibit 3 briefly describes each of these alternative structures including statutory authority, governance, counties and/or states that have implemented the structure, and benefits and challenges of each.

Following Exhibit 3, a series of five exhibits provides more detailed information about each of the alternative structures for county administration of social services. These exhibits explain how each one works, characteristics of county implementation, additional detail on benefits and challenges, and a diagram explaining governance.

⁵ The Program Evaluation Division defines other human services as public health services provided by a public health department or mental health services provided by a local management entity operating in a single or multiple counties.

Exhibit 3: Alternative Structures for Administering Social and Human Services in North Carolina

Alternative Structure	Description	Applicable Statutes	Governance
Contracting for Social Services Administration Exhibits 4.1 and 4.2	One county DSS contracts with another county DSS to administer social services	160A-461	<ul style="list-style-type: none"> Contracting does not change the governance structure Each county's DSS director is responsible for seeing that the contract is properly executed
Regional Approach – Multi-County Social Services Agency Exhibits 5.1 and 5.2	Two or more county DSS boards form a single DSS agency to administer social services	108A-12(b) 160A-462 through 160A-466	<ul style="list-style-type: none"> Two or more county DSS boards provide oversight to one DSS director DSS director administers services for a single agency
Regional Approach – Public Health District as a Model for Social Services Exhibits 6.1 and 6.2	County commissioners and public health boards in two or more counties agree to form a health department district	130A-34 130A-36 through 130A-38	<ul style="list-style-type: none"> One board with representation from each county One director for district
Consolidated Governance – County Commissioners Serving as the Social Services Board Exhibits 7.1 and 7.2	<p>County commissioners abolish the social services board and other human services boards and assume all policy-making responsibilities of the social services board and other human services boards</p> <p>This option is limited to counties meeting the 425,000 population threshold</p>	153A-77(a) & (f)	<ul style="list-style-type: none"> County commissioners serve as the board for social, public health, and mental health services Social, public health, and mental health services provided by separate agencies Separate director for each of the agencies
Consolidated Governance and Administration – Human Services Agency Exhibits 8.1 and 8.2	<p>County commissioners appoint human services board and consolidate social, public health, and mental health services into one agency</p> <p>This option is limited to counties meeting the 425,000 population threshold</p>	153-77(b-f) 108A-1 108A-3 108A-7 108A-15.1 (c)	<ul style="list-style-type: none"> Consolidated board for social, public health, and mental health services One director for all human services Social, public health, and mental health services provided by one agency

Source: Program Evaluation Division based on interviews with participating counties, review of North Carolina statutes, and surveys of other states.

Counties Implementing	Benefits	Challenges	Other States
Avery, Camden, Chowan, Hyde, Perquimans, Pasquotank, Tyrrell, Washington, Watauga	<ul style="list-style-type: none"> • Ensures access to services in county • Improves quality of services to consumers • Cost effective use of resources • Maintains county control 	<ul style="list-style-type: none"> • Negotiating contract terms to benefit all counties involved 	MN, PA, VA, WI
None	<ul style="list-style-type: none"> • Reduced administrative costs • Increased efficiency in allocating resources 	<ul style="list-style-type: none"> • Complicated oversight structure requiring social services director to report to multiple social services boards 	CA, CO, MN, ND, NY, PA, VA
Alleghany, Ashe, Avery, Bertie, Camden, Chowan, Currituck, Gates, Granville, Martin, McDowell, Mitchell, Pasquotank, Perquimans, Polk, Rutherford, Tyrrell, Vance, Washington, Watauga, Yancey	<ul style="list-style-type: none"> • Simplified governance structure • Cost savings • Improved efficiency • Improved service delivery • Maintains access to services 	<ul style="list-style-type: none"> • Counties can choose to leave the district or reduce funding 	CA, CO, MN, ND, NY, PA, VA
Mecklenburg	<ul style="list-style-type: none"> • One board overseeing social, public health, mental health, developmental disabilities, and substance abuse services • Efficiency gains from not having separate boards • Enhanced role for county commissioners and manager • Reduced administrative costs because functions are conducted centrally 	<ul style="list-style-type: none"> • No involvement from community-at-large in the oversight of human services agencies • Increased workload for county commissioners • Eliminates political buffer between social services director and county commissioners 	CA, CO, MN, NJ, PA, VA, WI
Wake	<ul style="list-style-type: none"> • One board overseeing one human services agency combining social, public health, mental health, developmental disabilities, and substance abuse services • Reduced administrative costs • Increased efficiency in allocating resources • Flexibility in how services are best integrated to meet county needs • Increased service access • Maintains county control • Opportunities for holistic service delivery 	<ul style="list-style-type: none"> • Takes time and continual effort to maintain a consolidated agency • Increased workload for human services board members 	CA, CO, MN, NJ, PA, VA, WI

Exhibit 4.1: Contracting for Social Services Administration

How It Works

Current state law authorizes interlocal cooperation among local governments (counties and municipalities) and allows any local government unit to enter into contracts or agreements with other units of local government. A county DSS director may enter into or execute a contract on behalf of the county or the county DSS if authorized to do so under a county ordinance or policy pursuant to a specific state rule. Contracting does not change the governance structure for county administration of social services programs.

Characteristics of County Contracts

There are three contracts involving nine counties in North Carolina in which one county DSS administers social services programs for other counties. The county DSSs involved in contracting are located in small rural counties in the northeastern and northwestern sections of North Carolina. The contracts are similar to one another in that the larger county DSS administers a program for a smaller county or counties.

Two contracts were initiated in Fiscal Year 2010-11 when the General Assembly eliminated state-operated child support offices and required counties to administer and pay for child support enforcement services in their areas. This change in state policy offered an opportunity for the affected counties to choose to operate their own child support programs or consider an alternative structure for service administration such as contracting with another county DSS.

Exhibit 4.2 summarizes information about each contract. Because the governance structure does not change under contracting, a diagram is not provided.

Benefits and Challenges

Reported benefits of contracting with another county DSS for the administration of a social services program include

- county DSSs with limited resources can purchase needed services to meet community needs without having to bear the full cost of establishing or administering a program in their county;
- county DSSs administering the social services program for another county receive payments, offsetting the increased cost of the program and supplementing overhead costs;
- service access and quality can improve for the residents when their county DSS purchases services under contract;
- successful contracting can encourage other contracting opportunities; and
- county DSSs can work together to administer social services programs without a formal contract through collaboration.

County DSS directors involved in contracting reported negotiating terms for contracts could be challenging, especially determining appropriate budgets for administering services.

Source: Program Evaluation Division based on North Carolina statutes and interviews with participating counties.

Exhibit 4.2: Contracting for Social Services Administration

County Providing Services	County(ies) Receiving Services	Contracted Services	Fiscal Year Started	Contract Structure
Pasquotank	Camden Chowan Perquimans	Adult Home Case Management	2000-01	<ul style="list-style-type: none"> • Pasquotank County operates Adult Care Home Case Management Program in the four counties • Pasquotank County receives state funding and fulfills reporting requirements on behalf of the four counties • Participating counties pay based on share of caseload
Washington	Hyde Tyrrell	Child Support Enforcement	2010-11	<ul style="list-style-type: none"> • Washington County hired additional staff to provide child support enforcement services in Hyde and Tyrrell Counties • Hyde and Tyrrell Counties provide office space for the child support enforcement caseworker • Washington County provides information for reporting and program management • Hyde and Tyrrell Counties request federal reimbursement based on information provided by Washington County • The success of the child support enforcement contract led Tyrrell County to contract with Washington County to provide Medicaid transportation services in Fiscal Year 2010-11
Watauga	Avery	Child Support Enforcement	2010-11	<ul style="list-style-type: none"> • Watauga County has a dedicated staff person to serve child support enforcement clients in Avery County • Watauga County receives federal reimbursement for the child support enforcement program for both counties and fulfills state reporting requirements • Avery County provides office space for the child support enforcement caseworker • Avery County pays based on share of caseload • Avery County will discontinue the contract with Watauga County in Fiscal Year 2011-12 and provide its own child support services

Source: Program Evaluation Division based on interviews with participating counties and review of contracts.

Exhibit 5.1: Regional Approach – Multi-County Social Services Agency

How It Works

Current state law allows two or more county social services boards to establish a joint, multi-county social services agency operating under the direction and supervision of a single DSS director who is appointed jointly by the participating social services boards. The DSS director administers social services programs across the counties participating in the joint agency and must report to and satisfy the social services boards in each participating county. The creation of a multi-county social services agency also requires the approval and cooperation of the county boards of county commissioners of participating counties. Exhibit 5.2 describes the governance and operation of a multi-county social services agency.

Characteristics of a Multi-County Social Services Agency

Currently, no county social services boards have established a joint, multi-county social services agency. Survey results showed that 39% of the county DSS directors did not know state law allowed a multi-county social services agency.

Benefits and Challenges

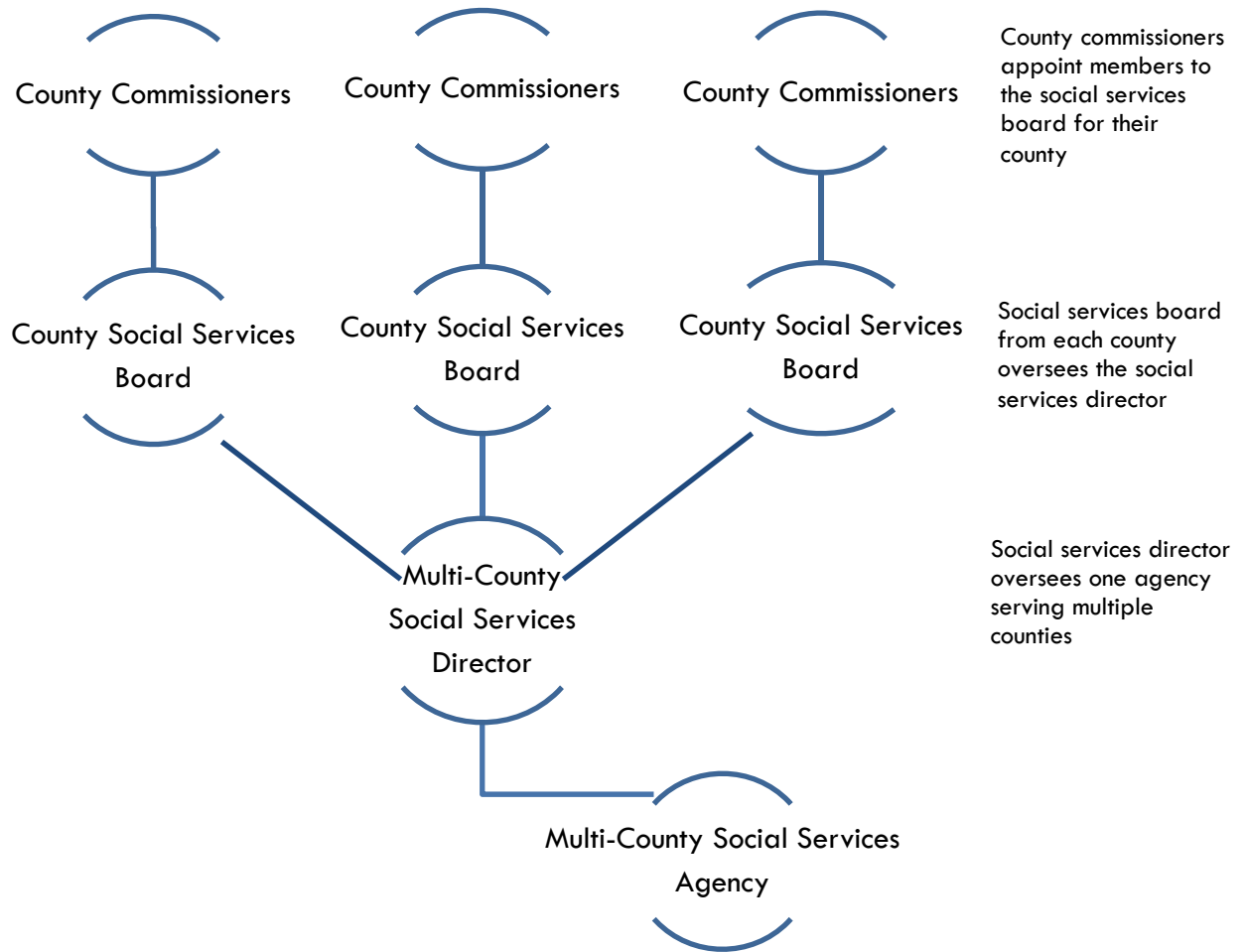
Potential benefits from establishing a multi-county social services agency include

- reduced administrative costs because a single administrative structure would oversee operations in multiple counties;
- increased efficiency in allocating staff resources across social services programs and counties; and
- improved quality of services because a multi-county social services agency may be able to afford staff development services and cross-training to improve staff quality and stability.

A potential challenge for a multi-county social services agency is the complicated oversight structure requiring the DSS director to report to multiple social services boards.

Source: Program Evaluation Division based on North Carolina statutes.

Exhibit 5.2: Regional Approach – Multi-County Social Services Agency



Notes: North Carolina’s Social Services Commission appoints members to each county’s social services board. Solid lines denote a direct line of authority.

Source: Program Evaluation Division based on North Carolina statutes.

Exhibit 6.1: Regional Approach – Public Health District as a Model for Social Services Administration

How It Works

State law could be amended to allow the formation of social services districts that would be organized like public health districts. Current state law allows formation of a public health district with the agreement of county commissioners and public health boards from two or more counties. A public health district board has 15 to 18 members; serves as the policy-making body for a public health district; and is responsible for appointing the district health director after consultation with the county commissioners in each county. One county commissioner from each county in the district serves on the public health district board. These commissioners appoint the remaining members and ensure the board composition reflects the population of the district and provides equitable representation among the counties in the district. Exhibit 6.2 describes the governance and operation of a public health district as a model for a social services administration.

Characteristics of Counties Participating in a Public Health District

Twenty-one small and rural counties have formed six public health districts in western and northeastern North Carolina that range in size from two to seven counties. Public health services are provided at a public health department in each participating county; residents do not have to travel to another county to receive public health services.

Benefits and Challenges

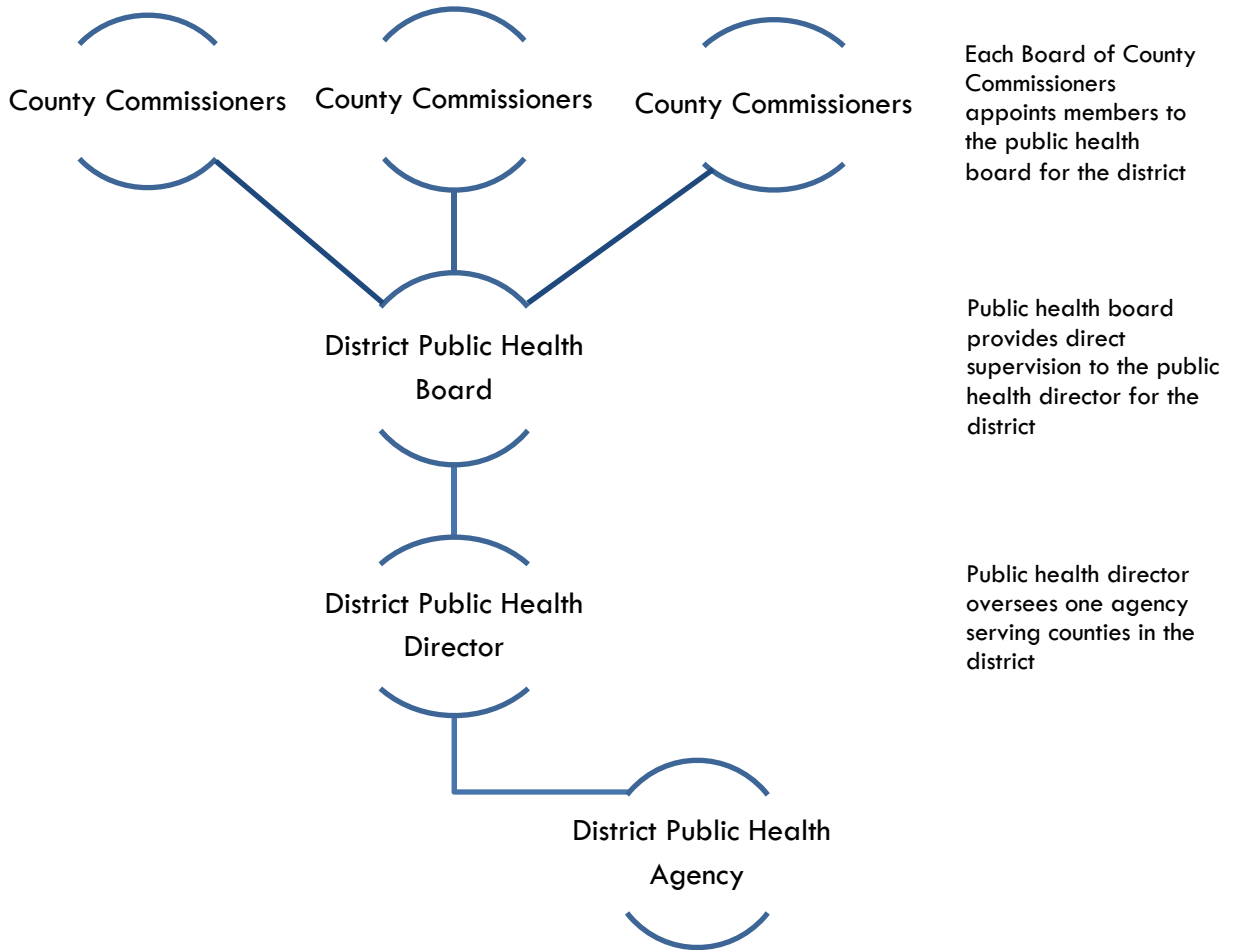
Reported benefits of a public health district include

- simplifying the governance structure through a district board with representation from all counties in the district;
- combining policy and budget decision making under a single board;
- reducing administrative costs because a single administrative structure oversees operations in multiple counties;
- stabilizing expenditures for counties participating in the district;
- increasing efficiency in allocating staff resources across programs and counties;
- maintaining access to services in each participating county; and
- providing staff development services and cross-training to improve staff quality and stability.

District public health directors reported a county's decision to leave a public health district or modify its financial contribution could challenge the stability of a district.

Source: Program Evaluation Division based on North Carolina statutes and interviews with public health districts.

Exhibit 6.2: Regional Approach – Public Health District as a Model for Social Services Administration



Notes: North Carolina’s Social Services Commission would make appointments to a district social services board. Solid lines denote direct line of authority.

Source: Program Evaluation Division based on North Carolina statutes and interviews with public health districts.

Exhibit 7.1: Consolidated Governance – County Commissioners Serving as the Social Services Board

How It Works

Current state law allows the Board of County Commissioners in counties meeting a 425,000 population threshold to assume direct control of any activities conducted through a commission, board, or agency by the adoption of a resolution assuming and conferring upon the Board of County Commissioners all powers, responsibilities, and duties. The law specifically authorizes the Board of County Commissioners to apply this authority to the social services board and other human services boards. Exhibit 7.2 describes the governance and operation of county administration of social services with the Board of County Commissioners assuming policy-making responsibilities for the social services board and other human services boards.

Characteristics of Counties Participating in Consolidated Governance – Mecklenburg County Model

In 1984, Mecklenburg County became the only county where the Board of County Commissioners assumed policy-making responsibilities for human services including social, public health, mental health, developmental disabilities, and substance abuse services. The independent boards overseeing these human services programs were abolished. Policy decisions and routine reports related to social services programs are discussed at county commissioners' meetings. As in other counties, county commissioners are responsible for budget decisions for social services programs. The commissioners delegate social services program oversight authority to the county manager who manages program financial functions, human resources, legal services, and facilities maintenance. The county manager also attends county commissioners' meetings to discuss policy, makes routine reports on agency activities, and presents the agency budget. The county manager hires the county DSS director with consent from the commissioners. The DSS director manages the county DSS under the direction of the county manager's office with the DSS director reporting to the executive team that includes the county manager and three general managers. The directors of the public health department and the local management entity for mental health, developmental disabilities, and substance abuse services also report to the executive team. Recently, Mecklenburg County Commissioners decided to pursue a consolidated human services agency, and the county manager's office is determining the best way to organize across the human services provided by social services, public health, community services, child support enforcement, and mental health.

Benefits and Challenges

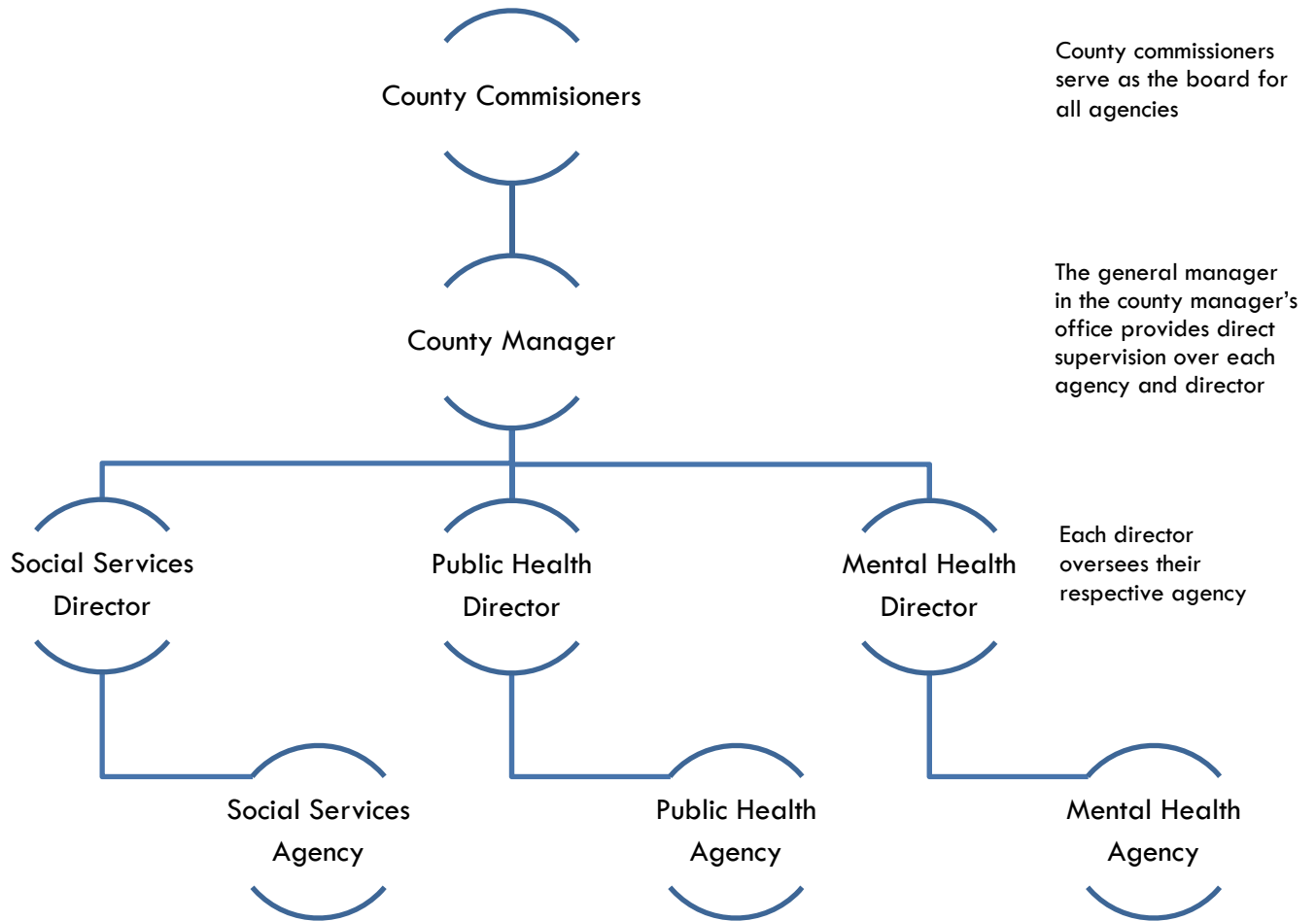
Reported benefits of county commissioners serving as the social services board include

- increased efficiency from eliminating the social services board and the boards for the other human services agencies;
- enhanced role for county commissioners and county manager; and
- reduced administrative cost because functions are conducted centrally by the county manager's office.

Observed challenges from county commissioners serving as the social services board include that the political buffer between the county DSS director and the county commissioners is reduced because the separate social services board has been eliminated; the workload for county commissioners and county manager is increased; and the lack of involvement of the community-at-large in oversight and advocacy for social services programs.

Source: Program Evaluation Division based on North Carolina statutes and interviews with Mecklenburg County.

Exhibit 7.2: Consolidated Governance – County Commissioners Serving as the Social Services Board



Note: North Carolina's Social Services Commission does not make appointments to Mecklenburg County's social services board.
Source: Program Evaluation Division based on North Carolina statutes and interviews with Mecklenburg County.

Exhibit 8.1: Consolidated Governance and Administration – Human Services Agency

How It Works

Current state law authorizes commissioners in counties meeting the 425,000 population threshold to create a consolidated human services agency integrating social services, public health, and mental health into one county department. A consolidated human services board replaces separate boards for social, public health, mental health, developmental disabilities, and substance abuse services. County commissioners can appoint up to 25 members to a consolidated human services board that are representative of the county's population. As the policy-making, rule-making, and administrative board for a consolidated human services agency, the board has all the powers and duties provided in state law for the three boards it replaces except it does not hire or supervise the human services director. However, the consolidated human services board does provide advice and consent to the county manager related to the appointment and dismissal of the human services director. A consolidated human services agency is managed by a human services director who is appointed and supervised by the county manager. The human services director has all the powers and duties provided under state law for a DSS director, a public health director, and local management entity administrator with several exceptions. The human services director is the executive officer of the consolidated human services agency only to the extent authorized by the county manager and appoints staff for the agency with the approval of the county manager. Exhibit 8.2 describes the governance and operation of a human services agency.

Characteristics of Counties Participating in a Human Services Agency – Wake County Model

Wake County Human Services is the only consolidated human services agency in North Carolina. The Wake County Board of Commissioners established the agency in 1996 by incorporating social services, public health, mental health services, child support enforcement, job training, housing, and community revitalization into Wake County Human Services. Environmental health programs from the Public Health Department were assigned to the Environmental Services Department. A consolidated human services board oversees the operation of Wake County Human Services.

Benefits and Challenges

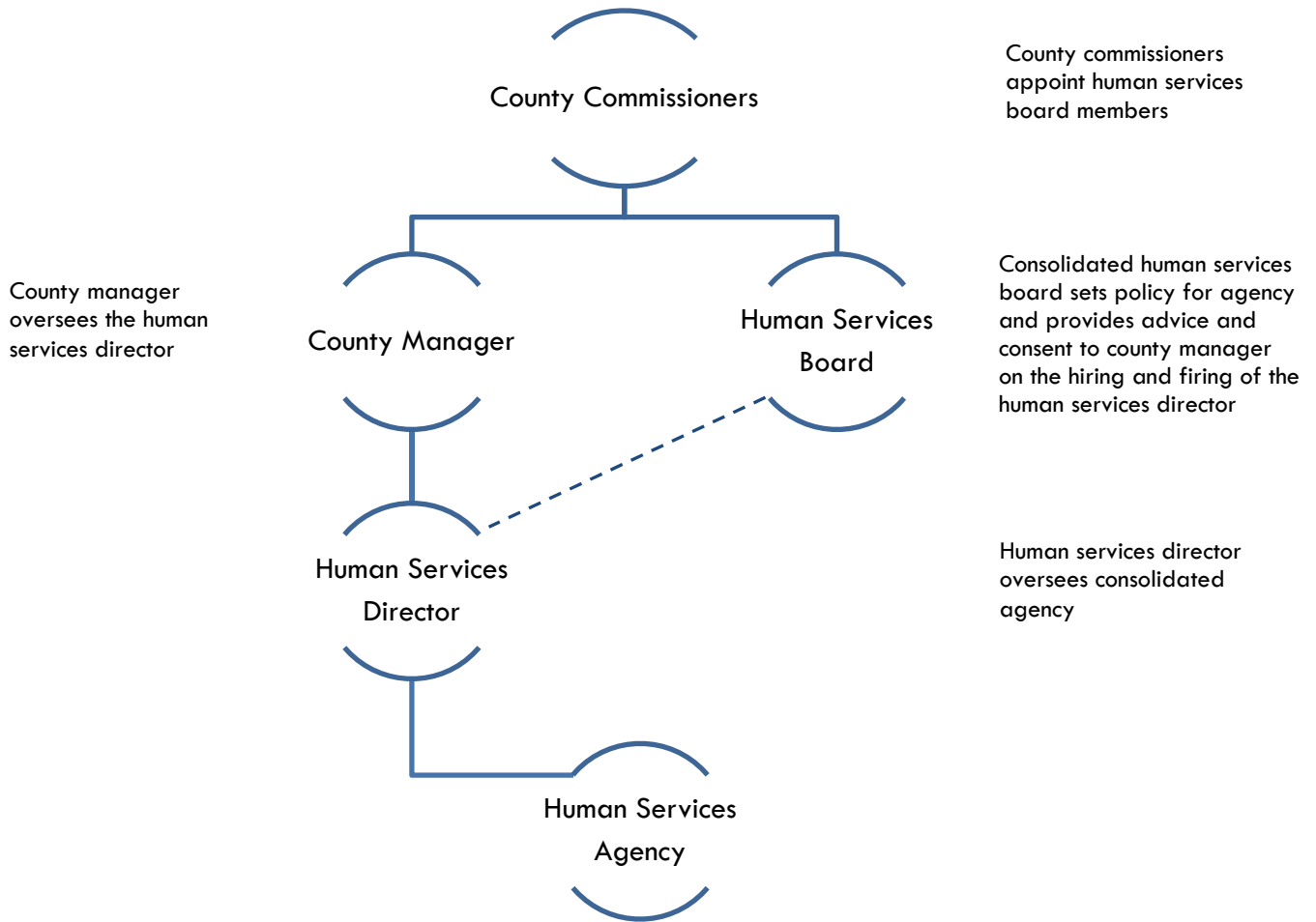
Reported benefits of a consolidated human services agency include

- maintaining a single vision for human services because management and oversight are aligned under a single director and one board;
- appointing a consolidated human services board that provides oversight for all human services and a political buffer between the human services agency director and county commissioners;
- reducing administrative costs from initial streamlining of administration that was reinvested into priority areas (\$1.4 million);
- increasing efficiency in allocating resources and staff across programs;
- developing a more holistic view of clients by organizing programs around human services outcomes instead of program silos and funding streams; and
- increasing service accessibility through regional centers.

Wake County Human Services reports that challenges include continued effort to maintain consolidation across human services programs; increased workload for board members; management of a consolidated budget; integration of technology; and creating a firewall between the local management entity and other human services programs.

Source: Program Evaluation Division based on North Carolina statutes and interviews with Wake County Human Services.

Exhibit 8.2: Consolidated Governance and Administration – Human Services Agency



Notes: North Carolina’s Social Services Commission does not make appointments to Wake County’s social services board. The dashed line denotes an indirect line of authority.

Source: Program Evaluation Division based on North Carolina statutes and interviews with Wake County Human Services.

Other states operating state-supervised and county-administered social services systems authorize alternative structures for county administration of social services. The Program Evaluation Division surveyed the 10 other states operating state-supervised and county-administered social services systems to identify which social services programs are administered by counties. Exhibit 9 compares North Carolina's administration of social services to the other states. North Carolina counties administer social services programs across 13 service categories, but the number of social services programs administered by counties in other states varies. As in North Carolina, New York counties administer all 13 service categories; Pennsylvania counties only administer child welfare programs.

As shown in Exhibit 9, states vary as to whether they allow counties to contract with another county DSS, establish multi-county social services regions, or form human services agencies combining social, public health, mental health, and other human services. The majority of the 10 states reported counties are authorized to administer social services programs through a multi-county social services region or a consolidated human services agency.

Based on survey information and a review of statutes in the other 10 states, the Program Evaluation Division identified approaches to county social services administration that differ from practice in North Carolina.

- Other states did not require counties to meet a population threshold to establish a consolidated human services agency.
- North Dakota offered financial incentives to encourage counties to form multi-county social services districts.
- Colorado allowed a county to contract with another county to administer all social services programs on its behalf.
- Wisconsin authorized counties to form a single- or multi-county consolidated human services agency.
- Virginia permitted multi-county DSSs to have a separate social services board from each jurisdiction or a district board.

Exhibit 9: Other States Authorize Alternative Structures for County Administration

	NC	CA	CO	MN	NJ	NY	ND	OH	PA	VA	WI
STRUCTURES OF COUNTY ADMINISTRATION OF SOCIAL SERVICES											
Contracts between Counties	✓			✓					✓	✓	✓
Multi-County Regions	✓ ¹	✓	✓	✓		✓	✓		✓	✓	
Human Services Agency	✓ ²	✓	✓	✓	✓				✓	✓	✓
COUNTY-ADMINISTERED SOCIAL SERVICES PROGRAMS											
Adoption	✓	✓	✓	✓ ³		✓		✓	✓	✓	
Adult Guardianship	✓		✓	✓ ³		✓					✓
Adult Placement Services	✓		✓	✓		✓				✓	✓
Adult Protective Services	✓	✓	✓	✓		✓		✓		✓	✓
Child Protective Services	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Child Support	✓		✓	✓		✓		✓			✓
Food and Nutrition	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Foster Care	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Low Income Home Energy Assistance Program	✓		✓			✓	✓			✓	✓
Medicaid	✓			✓	✓	✓	✓	✓		✓	✓
State Children's Health Insurance	✓			✓	✓	✓	✓ ⁴	✓			
Subsidized Child Care	✓	✓		✓	✓	✓	✓	✓		✓	✓
Temporary Aid to Needy Families	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓ ⁵

¹ North Carolina counties may only form multi-county social services agencies with separate social services boards in each county.

² North Carolina counties may only form human services agencies if their county population exceeds 425,000.

³ Minnesota counties perform some duties for adoption services and adult guardianship.

⁴ North Dakota's hybrid program splits administration between the state and counties.

⁵ Wisconsin's services are administered primarily by private agencies on the local level. The state agency also is involved in administration of this program.

Source: Program Evaluation Division based on North Carolina statutes, surveys of other states, and review of statutes in other states.

Finding 2. Statutory and perceived barriers inhibit counties from considering different structures of administering social services.

State law imposes a 425,000 population threshold on counties wanting to consolidate human services programs; 97 counties do not meet the threshold. Based on 2010 U.S. Census data, only three North Carolina counties meet the threshold requirements—Guilford (488,406), Mecklenburg (919,628), and Wake (900,993). Mecklenburg and Wake counties have chosen one of the consolidation options authorized under NC Gen. Stat. 153A-77. Guilford County commissioners recently considered the feasibility of consolidating their DSS, public health department, and local management entity for mental health, developmental disabilities, and substance abuse services, but decided to create an oversight committee to provide a comprehensive approach to achieving improvements across the three agencies.⁶

Some of the 97 counties that do not meet the population threshold want the option to form a consolidated human services agency. In response to Program Evaluation Division surveys, four county DSS directors and 27 county managers reported their county would likely form a consolidated human services agency if the state law were modified. Two counties with populations below the threshold—Rockingham (93,643) and Buncombe (238,318)—expressed interest in consolidation. In Rockingham County, the county DSS director oversees all county-operated human services programs other than public health, and the county manager would like to have the opportunity to consider full consolidation of all human services programs operated by the county.⁷ Despite statutory limitations, Buncombe County Commissioners took a more comprehensive approach to consolidation of their county DSS and public health and created a consolidation hybrid that is legally permissible and achieves most of their consolidation goals.⁸

Buncombe County's hybrid consolidation of human services required the county to create additional layers of governance and administrative structures for managing social services and public health. Exhibit 10 shows the complicated structure for governing and managing Buncombe County Human Services.

- **Governance structure:** County commissioners created the Buncombe County Integrated Human Services Board in addition to the social services board and public health board required under state law because they did not have the authority to abolish the existing boards and establish a single board to oversee human services. Integrated Human Services Board membership includes the members of the social services board and the public health board. The Integrated Human Services Board meets twice a year to discuss matters affecting all human services programs in the county. Cross

⁶ Guilford County Human Services Improvement Task Force. (2010, December). *Summary Report of the Guilford County Human Services Improvement Task Force Presented to the Guilford County Board of Commissioners.*

⁷ Management and oversight of mental health, developmental disabilities, and substance abuse services in Rockingham County are provided by the CenterPoint Human Services local management entity.

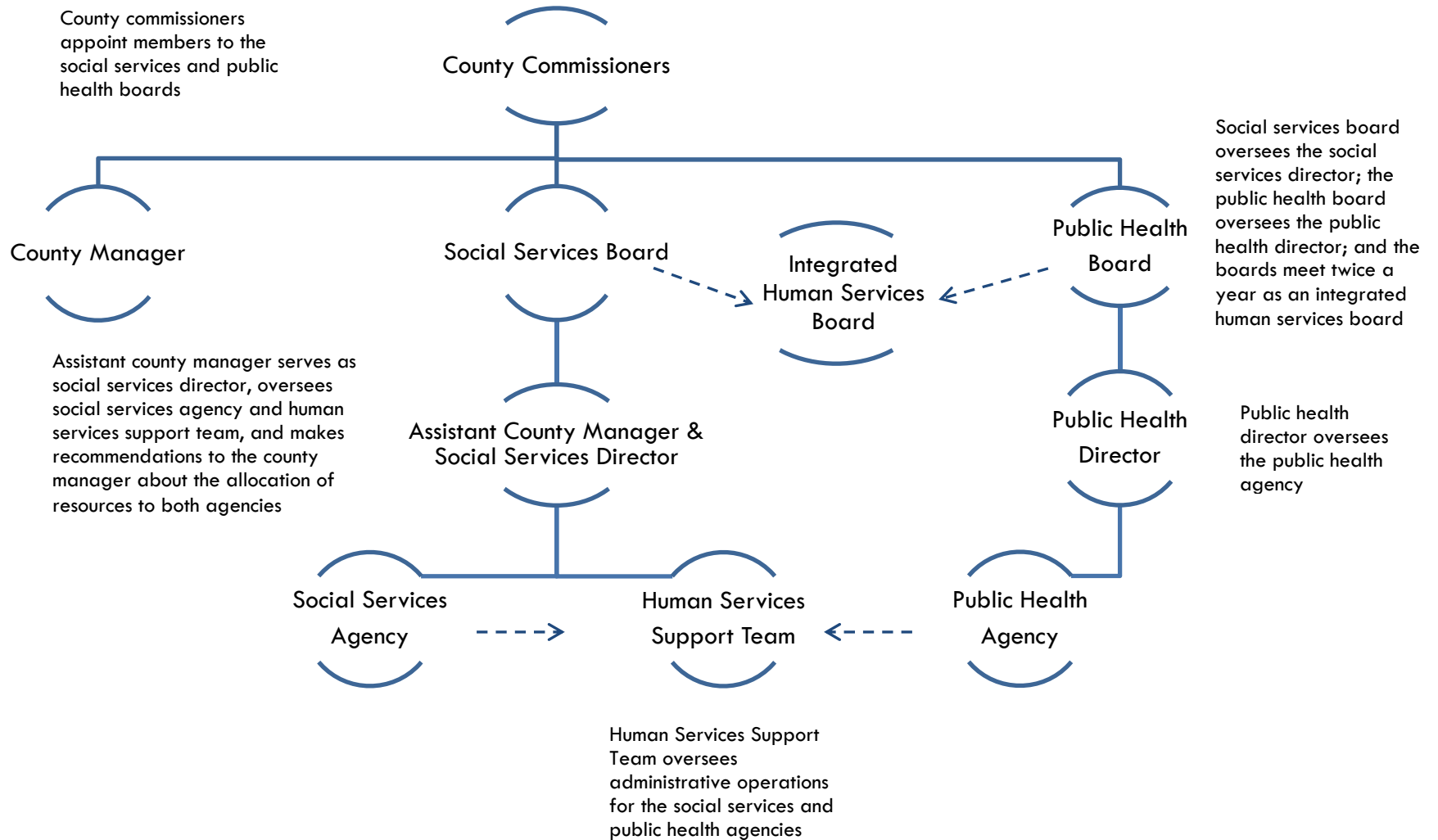
⁸ Management and oversight of mental health, developmental disabilities, and substance abuse services are not part of the consolidation efforts in Buncombe County because these services are provided by the Western Highlands Network local management entity.

appointments between the two boards facilitate integration between social services and public health services. During the integrated board meetings, the chairs of both boards call the meeting to order; the members from each vote separately on matters affecting social services and public health including the hiring and oversight of agency directors (i.e., social services board members vote on social services matters, but do not vote on public health matters).

- **Administrative structure:** To integrate administrative functions for county departments of social services and public health, Buncombe County created the Human Services Support Team by consolidating the financial, personnel, administrative operations, planning, and evaluation activities from both departments. The Human Services Support Team reports to the county DSS director who serves a dual role as an assistant county manager. As an arm of the county manager's office, the assistant county manager/DSS director directs the Human Services Support Team's management of administrative functions and resource allocation for both agencies. Ultimately, the county manager is responsible for the allocation of budget and staffing resources to departments of county government; however, the county DSS director and public health director remain the appointing authorities for staff of their respective departments as stated in law and are responsible for their individual budgets as approved by county commissioners.

The consolidation of financial, personnel, administrative operations, planning, and evaluation functions has resulted in the elimination of two duplicative positions with savings of \$147,922. As efficiencies across social services and public health programs are implemented, financial and staff resources are reinvested in core service areas to address the increased growth of mandated services. Consolidation of administrative functions across social services and public health programs also allows Buncombe County to allocate county resources across human services rather than just within a particular department. This flexibility has allowed the county to respond quickly to changing needs and provide better services to county residents.

Exhibit 10: Buncombe County Human Services Added Governance and Administrative Layers to Form a Consolidation Hybrid



Notes: North Carolina's Social Services Commission makes appointments to Buncombe County's social services board. Dashed arrows denote coordination.

Source: Program Evaluation Division based on interviews with Buncombe County.

County DSS directors are wary of making changes to the current structure because of their affinity for the status quo, negative experiences with mental health reform, and lack of information about alternative structures for county administration of social services. The Program Evaluation Division surveyed county DSS directors about their opinions of the current system for county administration of social services and alternative structures for administration. The following observations are based on survey responses.

Most county DSS directors were satisfied with the current system for the administration of social services in North Carolina and saw little reason to consider changing how services were administered in their county. Most (93%) county DSS directors agreed the current structure for administering social services met community needs and only 17% believed the current structure needed improvement. Many directors reported the current structure worked well. County DSS directors commented, “The system in place for delivery of services and public assistance is not broken,” and “What we have done so far is working very well.” Comments from directors also suggested the current system did not need to change: “I believe the current structure for DSS agencies works well and should not be radically changed.”

Across the board, county DSS directors had a negative view of how mental health reform affected residents in their counties, and their opinions affected how they viewed potential changes to county administration of social services. Examples of comments describing the effects of mental health reform include, “Please learn from the mess we made of our mental health services,” and “The [mental health] system in North Carolina is a tragedy.” Because the mental health system in North Carolina has regional catchment areas that expanded during mental health reform, negative opinions about reform especially affected the perception of multi-county social services agencies and the public health district model. Directors commented, “Mental health reform is a disaster. Therefore, multi-county DSS would follow suit,” and “Please pay attention to what happened with the mental health system after regionalization.”

Directors commented they needed more information about each option before they could determine how an option would affect the administration of social services in their counties. Limited knowledge about the different options also was reflected in responses to other questions on the surveys. County DSS directors were asked to rate whether key aspects of administering social services programs would be affected positively or negatively if their county decided to implement one of the options. The majority of county DSS directors believed the quality of services and their department’s ability to provide services meeting unique community needs would be negatively affected by any of the options. They also believed access to services would be negatively affected by regional options and costs would be negatively affected by the formation of a social services district or a human services agency. Evidence from site visits to county DSSs and public health districts indicated these options could improve the quality of services, increase access to services, and reduce costs.

County managers believed there was room for improvement in the current system and wanted to explore other options for administering social services. The Program Evaluation Division surveyed county managers about their opinions of the current system for county administration of social services and alternative structures for administration. The following observations are based on survey responses.

Half of county managers surveyed believed the current structure for administering social services needed improvement, compared to only 17% of county DSS directors. In almost all cases, county managers were less likely than county DSS directors to believe any of the options would have a negative effect on administering social services programs. Survey responses from county managers revealed their willingness to explore options that would be best for their county. Over one-third of county managers (36%) believed their county would be likely to pursue a consolidated human services agency, compared to only 4% of county DSS directors. County managers commented, "Counties should be given greater authority to organize as [they feel] best to provide services and more flexibility in [choosing which] services to provide," and "The current model needs more options." Despite their willingness to explore other options, county managers were not sure whether any of the options would improve services or reduce costs because they did not have enough information to make an informed decision.

Leadership and supervision by the Department of Health and Human Services (DHHS) may further inhibit counties from considering alternative structures for administering social services. The majority of county DSS directors reported general satisfaction with DHHS's supervision of county administration of social services but also voiced concerns about some aspects of DHHS supervision and leadership. Issues identified by county DSS directors included

- departmental leadership is inconsistent and fragmented;
- divisions supervising social services programs operate in silos at the state level with little coordination (see Exhibit 11);
- county involvement in policy-making is limited;
- performance measurement is too focused on federal compliance instead of outcomes; and
- excessive monitoring by divisions supervising social services.

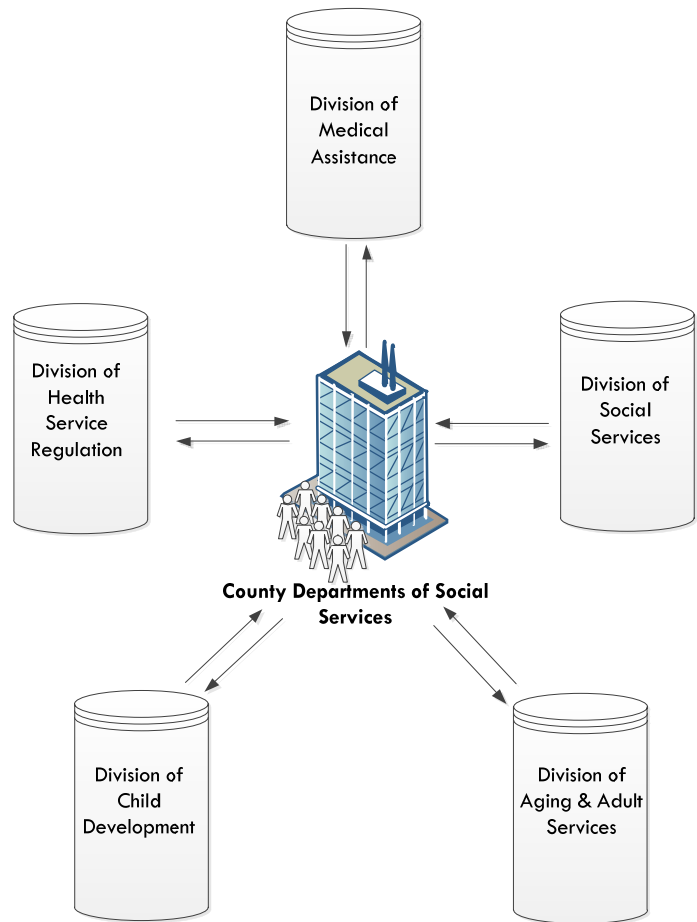
Concerns about monitoring also are reflected in the 2011 legislative priorities for the North Carolina Social Services Consortium.

Leadership from DHHS divisions supervising county DSSs acknowledged counties wanted them to be more coordinated, but they said it was challenging for divisions to integrate supervision and monitoring when there were so many different state and federal program requirements. They also noted county DSS directors become frustrated because the State looks more at process than actual outcomes. Programs such as child welfare are more suited to outcome measurement, but others, such as those providing public assistance, are often more process based. DHHS has adopted a new organizational framework based on five goals that provide a basis for

shared performance measures across services.⁹ Rather than focusing on programs, the new framework is organized around infrastructure and discrete services. DHHS’s expanded focus on outcomes across services may resolve some of the concerns raised by county DSS directors because the new structure will require more coordination across program areas and may diminish the tendency for program staff to work in silos.

Exhibit 11

State Supervision of Social Services Operates in Silos with Little Coordination Between Divisions



Source: Program Evaluation Division based on interviews with county DSSs and the Department of Health and Human Services.

Finding 3. Administering programs at the county level is considered a major strength of North Carolina’s state-supervised and county-administered social services system.

The emphasis on county administration of social services programs has persisted throughout the history of social services in North Carolina. Even though federal involvement has resulted in a significant increase in the state’s administrative and fiscal responsibility for social services programs, counties continue to administer most programs through county DSSs and are expected to pay part of the cost of state and federal-state programs.

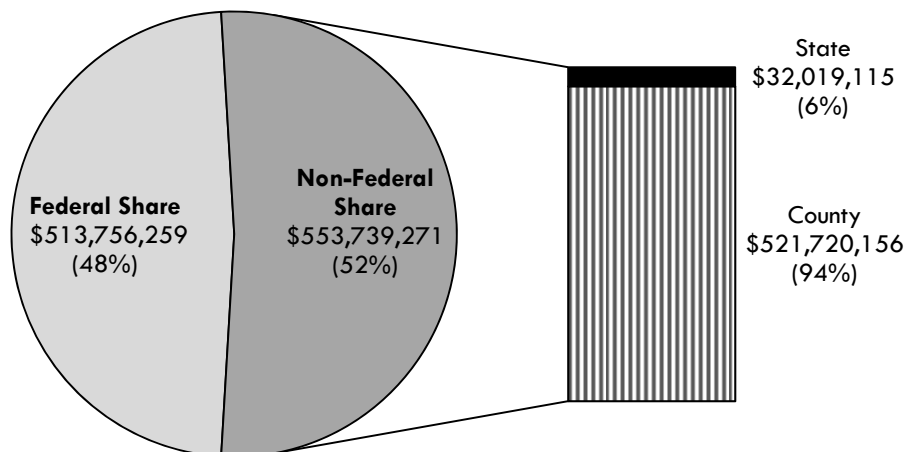
⁹ Program Evaluation Division. (2011, February). *Programs for Children, Youth, and Families Need a Guiding Framework for Accountability and Funding*. Report to the Joint Legislative Program Evaluation Oversight Committee. Raleigh, NC: General Assembly.

Counties paid 94% of the nonfederal share of Fiscal Year 2009-10 expenditures for the administration of social services in North Carolina.

Exhibit 12 shows how expenditures for the administration of social services are split between the federal government, counties, and the State. By paying 48% of the cost for administering social services, the federal government is an equal fiscal partner with the counties. In contrast, the state's 6% share of the nonfederal cost for administration is minor, although the State does pay a significant share of some public assistance programs such as state-county special assistance and medical assistance payments. Because counties pay a major portion of the cost, they can determine how to allocate resources to social services programs that meet the needs of their residents.

Exhibit 12

North Carolina Counties
Paid 94% of the Non-
Federal Share of Social
Services Administration in
Fiscal Year 2009-10



Source: Program Evaluation Division based on expenditure data from the Department of Health and Human Services.

Local control allows county DSSs to deliver services that meet community needs.

The majority of county DSS directors and county managers believe county DSSs provide a strong community presence and flexibility to meet unique community needs. They stated county administration of social services programs allows county DSSs to

- ensure county residents have immediate and proximate access to services and programs;
- customize service delivery and administration to meet community needs;
- develop relationships and partnerships with other community agencies and resources;
- hire county DSS directors and employees with a connection to their communities; and
- adapt to changing conditions in the county.

For example, the Davidson County DSS maintains offices in Lexington and Thomasville because county residents want a social services presence in both communities. In Washington County, the county DSS operates the public transportation system serving all county residents. During site visits,

county DSS directors talked about their role within their county DSS and their community including building partnerships with other social services agencies, non-profits, and churches that can help the department meet the needs of the community. County DSS directors also reported their departments responded to significant increases in the number of applications for food and nutrition services by reassigning staff and adapting processes.

County social services boards have played an important role in the governance and administration of social services programs for over 90 years, and they continue to be an important component of North Carolina's state-supervised and county-administered social services system. Currently, 99 North Carolina counties have an independent social services board or a consolidated human services board to provide general direction, oversight, and supervision of county DSSs. As noted in Finding 1, the Mecklenburg County Board of Commissioners serves as the social services board and the separate board has been eliminated. The legal responsibilities and duties for social services boards include

- meeting monthly or more often as needed;
- appointing and dismissing the county DSS director;
- evaluating the county DSS director's performance;
- advising and consulting with the county DSS director about problems with the agency;
- assisting the county DSS director in planning the agency's proposed budget and transmitting the proposed budget to county commissioners;
- establishing county policies for social services programs consistent with applicable federal and state laws; and
- advising county and municipal authorities in developing policies and plans to improve social conditions in the community.

The importance of the county social services board and the consolidated human services board was emphasized during focus groups, interviews, surveys, and site visits to county DSSs. Social services board members were described as county residents who knew the needs of their community, understood how social services programs could assist families, and served as advocates for social services in their communities.

The Program Evaluation Division attended meetings of four social services boards and the Wake County Human Services Board and observed board members actively engaged in discussions about programs in their counties. Board members heard reports on programs, received budget and staffing updates, and in some cases discussed program performance using state monitoring results or county-determined performance measures. County DSS directors especially emphasized how the social services board provided a buffer between the county DSS and county commissioners. They noted county DSSs were legally responsible for administering mandated services that could be controversial. For example, parents who have had children removed from their homes through child protective services have tried to use political pressure to get the county DSS to return their children to them. Oversight by the social services board protects both the county DSS and the county commissioners from interference in sensitive program decisions. The county DSS director can inform the board when pressured to

change a decision, and the county commissioners can refer complaints about a decision to the board.

In sum, most counties in North Carolina have a single county DSS administering all social services programs, but alternative structures exist for improving the efficiency of social services administration. However, statutory and perceived barriers inhibit counties from considering different structures for social services administration. Removing these barriers could allow counties to choose more efficient structures for administering social services and allow them to continue meeting the needs of their residents.

Recommendations

Recommendation 1. The General Assembly should eliminate the 425,000 population threshold in NC Gen. Stat. §153A-77 for counties to establish a consolidated human services agency and modify the statute so counties can establish a consolidated human services agency for social services and public health.

The current population threshold prohibits 97 counties from establishing a consolidated human services agency. The Program Evaluation Division found a consolidated human services agency offered several benefits including a single vision for the administration of all human services, reduced administrative costs, increased efficiency of resources across programs, and improved access to services. Some counties also reported they wanted the flexibility to consider this alternative structure for administering social services in conjunction with other human services programs.

NC Gen. Stat. §153A-77 authorizes county commissioners in counties meeting the population threshold to assume direct control of the social services board and other human services boards or establish a consolidated human services agency and a human services board. The Program Evaluation Division recommends the General Assembly remove the population threshold for creating a consolidated human service agency and human services board and allow all counties the flexibility to establish a consolidated human services agency to meet their community needs. However, the Program Evaluation Division does not recommend the elimination of the population threshold for county commissioners assuming direct control of the social services board and other human services boards. Independent social services boards and consolidated human services boards play an important role in the governance and administration of social services programs. Board members are county residents who know and understand how social services programs benefit their community, and they can provide a political buffer between the county DSS and the commissioners when controversial decisions are made by the department.

In addition to elimination of the population threshold, the Program Evaluation Division recommends the General Assembly modify subsections (b) through (e) of NC Gen. Stat. §153A-77 so counties in multi-county local management entities for mental health, developmental disabilities, and substance abuse services can establish a consolidated human services agency for social services and public health services. Legislation modifying NC Gen. Stat. §153A-77 should include the following changes:

- authorize counties to establish a consolidated human services agency by combining social services and public health services;
- modify the composition of the consolidated human services board for counties establishing a consolidated human services agency that combines social services and public health, including reducing the overall size of the board and the number of board members with expertise in mental health, developmental disabilities, and substance abuse services;
- prohibit counties in a multi-county local management entity from including mental health, developmental disabilities, and substance abuse services in a consolidated human services agency; and
- prohibit counties in a district health department from including public health in a consolidated human services agency unless the county has withdrawn from the district health department following the requirements of NC Gen. Stat. §130A-38.

Recommendation 2. The General Assembly should amend state law to allow formation of district DSSs using the public health district as a model.

State law already allows two or more county social services boards to establish a joint, multi-county social services agency, but the complicated structure requiring the county DSS director to report to multiple social services boards appears to be discouraging county social services boards from choosing a regional approach. The Program Evaluation Division found the public health district structure offered several benefits including simplified governance structure; reduced administrative costs; increased efficiency in resource allocation across counties and programs; and access to services in all counties participating in the district. A DSS district may offer small, rural counties these same benefits, especially in counties already participating in a public health district.

NC Gen. Stat. §130A-36 through §130A-38 authorize counties to create a public health district and public health district board. The Program Evaluation Division recommends the General Assembly offer counties another regional approach and use these statutes as a model for legislation allowing the creation of a DSS district and a social services district board. Legislation for the DSS district and social services district board should include five components.

- The DSS district can be formed with the agreement of county commissioners and the social services board from two or more counties.
- The social services district board should have three members representing each county in the district including one county commissioner, one other member appointed by the county commissioners, and one member appointed by the North Carolina Social Services Commission.
- The social services district board should have the same statutory duties and responsibilities as a county social services board, including appointment and dismissal of the DSS district director.

- The DSS district director should have the same statutory duties and responsibilities as a county DSS director.
- The DSS district may have department offices in each component county.

Recommendation 3. The General Assembly should direct the Department of Health and Human Services to develop a plan to simplify and streamline supervision of county DSSs.

Currently, five different divisions in the Department of Health and Human Services (DHHS) supervise the county administration of social services programs. DHHS has introduced a goal-oriented framework organized around infrastructure and prevention rather than program structure. This new framework can be a starting point for determining how to simplify and streamline supervision of county DSSs.

The General Assembly should direct DHHS to develop a plan for the supervision of county DSSs addressing the issues identified in this report to

- provide better coordination in leadership and supervision across DHHS divisions;
- provide better coordination of monitoring activities by DHHS divisions;
- ensure county involvement in policy making; and
- develop and implement a standardized performance measurement system for county DSSs focusing on outcomes.

The plan should be developed in consultation with the North Carolina Association of County Directors of Social Services and the North Carolina Association of County Commissioners and presented to the General Assembly no later than May 1, 2012.

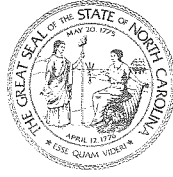
Agency Response

A draft of this report was submitted to the Department of Health and Human Services and the North Carolina Association of County Commissioners to review and respond. Their responses are provided in the following pages.

Program Evaluation Division Contact and Acknowledgments

For more information on this report, please contact the lead evaluator, Carol Shaw, at carol.shaw@ncleg.net.

Staff members who made key contributions to this report include Sean Hamel and Pamela L. Taylor. John W. Turcotte is the director of the Program Evaluation Division.



North Carolina Department of Health and Human Services

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Beverly Eaves Perdue, Governor

Lanier M. Cansler, Secretary

April 14, 2011

Mr. John Turcotte, Director
Program Evaluation Division
North Carolina General Assembly
Legislative Office Building, Suite 100
Raleigh, North Carolina 27603-5925

Dear Mr. Turcotte:

Thank you for the opportunity to respond to the NC General Assembly's Program Evaluation Division's report on "The Evaluation of Potential Consolidation of Administrative Functions for County Departments of Social Services". We are pleased to see the importance that has been placed on giving counties the flexibility to organize and structure themselves in a way that best meets the needs of a county and its residents. County differences, such as size, location, financial situation and the uniqueness of its population base should all be factors that one considers to determine if other service delivery models are an option.

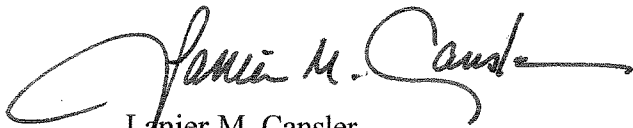
Regardless of what model including the current "standard" model that a county chooses to operate, the Department does believe there is merit to having local board oversight of the administration of social services programs. There are specific statutory requirements that must be met in the administration of many social services programs and with that comes personal responsibility and accountability for a social services director. In order to avoid even the perception decisions being made for any reason other than those supported by rule, law and policy, there must be some separation of duties that allows for independent decision making. There must be more than one person to whom the director reports in order to avoid such conflicts.

The Department is facing challenging times. The current budget situation makes it difficult to respond to the day to day situations that involve counties and their work. We are concerned about the number of counties who may choose one of these options and our ability to support their efforts. State involvement will be required to ensure that the new model meets all of the program requirements for each of the state or federally funded services administered locally. If too many counties choose to move quickly to adopt a new service delivery model, the state may not have sufficient resources to respond to county needs.



Social Services programs are experiencing significant change....more change than in the history of our existence. Within nine months, the first rollout of NC FAST will be complete. Counties will have access to automated tools which will transform the delivery of the Food and Nutrition Services program. A number of other services will follow. These changes will transform the local service delivery system and create efficiencies unlike any ever experienced. In addition, North Carolina is one of nine states recently awarded an Urban Institute/Ford Foundation grant that includes not only a monetary award but technical assistance from national experts. These experts will assist us in developing best practice service delivery models for counties. The Department would hope that any local changes that occur as a result of this report would only compliment these two initiatives and not inhibit our opportunity to take full advantage of the two above efforts.

Sincerely,

A handwritten signature in cursive script, reading "Lanier M. Cansler". The signature is written in black ink and is positioned above the printed name.

Lanier M. Cansler

LMC/sb



N O R T H C A R O L I N A
ASSOCIATION OF COUNTY COMMISSIONERS

April 26, 2011

Mr. John W. Turcotte, Director
Division of Program Evaluation (PED)
N.C. General Assembly
Legislative Office Building, Suite 100
300 North Salisbury Street, Raleigh, NC 27603-5925

Dear Mr. Turcotte:

The North Carolina Association of County Commissioners appreciates the opportunity to review and comment on the Program Evaluation Division's *Study on the Consolidation of Social Services Administrative Functions*. We generally concur with the findings and the recommendations, and would like to commend your evaluation staff on their thoroughness and sound understanding of the complexity of North Carolina's human services administration and structure.

We are pleased that all counties were asked to give their perspectives on administrative improvements and streamlining opportunities, including county managers and social services directors. We appreciate that the PED staff scheduled on-site visits at dissimilar counties to observe firsthand how administrative and service functions were implemented locally and to identify what statutory barriers exist that discourage inter and intra agency coordination. We especially welcomed the in-depth study of unique models of social services structure to isolate best practices for consideration by all counties. The study's cost analysis of social services administration funding was a useful and valuable contribution to augment the study's findings.

We fully support the study's recommendations to remove the population threshold to permit any county to consider human services consolidation. In recognition of those counties in multi-county area mental health authorities, we appreciate the study's recommendation to modify the human services board composition should mental health services not be a part of the consolidation efforts.

We also support the study's recommendations regarding county flexibility to regionalize social services with partnering counties. We would advise that some of the benefits found in 153A-77 in terms of streamlined span of control be considered in the regional model as well.

Finally, we join with your staff in recognizing the importance of having a community perspective fostered in the consolidated agency approach. We believe that strong community involvement is a fundamental component in effective service delivery and in representing client interests. However, we are not persuaded that the consolidated human services board is needed as a political buffer between the human services director and the board of county commissioners, as referenced in the study. Rather, we view the consolidated board as an appropriate vehicle for community input to prioritize community services and to bring critical professional expertise to technical matters under consideration. We know of other, highly sensitive county services that do not require an appointed board to buffer executive leadership. Instead, we would emphasize the role of the county manager as the appropriate agent between the board of county commissioners and the county departments and their employees.

In closing, thank you again for the opportunity to review your division's fine work and our thanks especially for your staff's dedication to ensuring that all counties were invited to participate in framing the study's findings.

Sincerely,



David F. Thompson, Executive Director