

II. Regional Administration

Since social services system reform legislation was first introduced in 2017, several concepts related to regional involvement have been discussed.¹ Key questions have been:

1. Should the legislature *require* the counties to join together to create multi-county departments to *administer* social services programs?
2. Should the legislature *expressly authorize* the counties to join together to create multi-county departments to *administer* social services programs?
3. Should the legislature *require* DHHS to establish a more coordinated and comprehensive regional structure for *supervising* the county-administered social services system?

When the legislature enacted S.L. 2017-41, it addressed these three questions as follows:

1. Should the legislature *require* the counties to join together to create multi-county departments to *administer* social services programs?
 - S.L. 2017-41 response: Not at this time. The legislature directed the SSWG to discuss the concept of mandatory regional departments and provide feedback to the legislature during Stage Two.
2. Should the legislature *expressly authorize* the counties to join together to create multi-county departments to *administer* social services programs?
 - S.L. 2017-41 response: Yes. Beginning in March 2019, counties will be allowed to voluntarily join together to create regional departments to administer some or all of the social services programs.
3. Should the legislature *require* DHHS to establish a more coordinated and comprehensive regional structure for *supervising* the county-administered social services system?
 - S.L. 2017-41 response: Most likely. The legislature directed the SSWG to make recommendations related to enhancing regional supervision during Stage One.² The legislature also directed DHHS to consider the SSWG report and offer its own recommendations for legislation by the end of this year. According to S.L. 2017-41, the goal is to have a system of regional supervision in place by March 2020, but it is important to note that legislative action is required before any such system changes are made.

During Stage Two, the SSWG is required to consider the first question related to *mandatory* regional departments of social services and provide feedback to the legislature about the potential benefits and challenges associated with such a system. The rest of this section includes recommendations and the SSWG's collective insight about mandatory regional

¹ <https://canons.sog.unc.edu/regions-regions-regions-untangling-different-concepts-in-social-services-reform/>

² Cite to Stage One report

departments. The following are important points to keep in mind while reviewing this section of the report:

- The SSWG is not answering the question “should the legislature *require* the counties to join together to create multi-county departments to *administer* social services programs?” Rather, the group discussed the concept of regional social services departments and identified potential benefits and challenges associated with them. The SSWG’s goal was to provide information to assist the legislature in the event the legislature considers mandating regional departments in the future.
- The SSWG strongly supports the enhancements to regional *supervision* identified in Stage One. When considering the potential benefits and challenges associated with regional *administration* during Stage Two, the SSWG thought it would be useful to evaluate how those same potential benefits and challenges would apply in an enhanced system of regional *supervision*.

In the sections that follow, the SSWG offers (1) several general recommendations regarding the potential for a transition to mandatory regional administration and (2) a review of the potential benefits and challenges associated with such a transition.

A. General Recommendations

Recommendation 5.a.: The legislature should require a study of all of the social services and programs counties are responsible for administering. The study should address whether each service or program should:

- Remain county-administered;
- Remain county-administered but not necessarily by the DSS;
- Become state-administered;
- Become regionally-administered; or
- Strive to involve more private partners in service or program delivery.

Rationale: County departments of social services are responsible for administering a wide range of programs and services. It is possible that shifting responsibility for some of these services would improve the efficiency, quality, and outcomes associated with those programs and services. Examples of potentially appropriate shifts may be:

- Other county departments:
 - Issuing hunting and fishing licenses
- State-administered:
 - Managing long term care services, and support for Medicaid-eligible individuals (LTSS)

- Intake for reports of child abuse, neglect, and dependency and reports of abuse, neglect, and exploitation of disabled adults.
- Regionally-administered:
 - Non-emergency medical transportation
- Private partners:
 - Identifying adoptive families for older foster children (e.g., Children’s Home Society of North Carolina)

It is possible that such a study would identify one or more services or programs that could be more effective if they were offered in a regional department or through one of the other organizational structures. The SSWG does not recommend moving forward with mandatory regional administration until such a careful study is completed.

Recommendation 5.b.: If the legislature decides to mandate regional administration, the legislature should consult with DHHS and the counties to develop a plan for how each county in a region will contribute financially to programs, services and administration.

Rationale: Because administration of social services is so closely aligned with counties, and the counties provide a significant amount of the funding for these agencies, many are concerned about how the funding for a regional system of public authorities would work. With respect to the optional regional social services departments that will be authorized beginning in March 2019, the Social Services Commission’s proposed regulations related to funding largely rely on the counties to reach an agreement. If regional social services departments are mandatory, the legislature would need to provide clear direction about how the financial responsibilities would be allocated across those counties assigned to each region. This issue has the potential to create the most disruption to the system, as well as the most discord.

Recommendation 5.c.: Once decisions are made regarding social services system reform, the legislature and DHHS should communicate clearly with the counties, the public and others about the path forward.

Rationale: There is a lot of confusion in the social services community about the status and expectations related to system reform, in particular the separate but related concepts of regional supervision and regional administration. Many associate system reform with the transitions that have taken place in the state’s mental health system. This confusion, coupled with the negative associations with mental health reform, are generating tremendous anxiety among staff and providers. It is essential that the state make it a priority to provide clear and consistent information about reform decisions as soon as they are made, communicate implementation plans well in advance, and provide regular updates on implementation.

Recommendation 5.d.: Does the SSWG want to make a recommendation about regional supervision IF the legislature mandates regional administration?

B. Potential Benefits and Challenges Associated with Regional Administration

As directed by the legislation, the SSWG considered the concept of mandatory regional departments of social services and identified several potential benefits and challenges that would be associated with making such a transition.

In preparing for this discussion, staff from the UNC School of Government conducted surveys, convened focus groups, and conducted interviews with partners and stakeholders around the state.³ In addition, staff interviewed agency staff in several other states and reviewed publicly available information. This information-gathering process helped the SSWG identify the types of benefits and challenges that others associated with regional administration. After an initial review of the feedback received, the SSWG further organized and prioritized the ideas. The SSWG's primary goal was to describe the benefits and challenges that appeared to be the most important for the legislature to take into consideration as this conversation around system reform progresses.

The SSWG identified a few key themes that emerged from the list of potential benefits and challenges:

- Potential benefits → Improved outcomes, increased efficiencies
- Potential challenges → Complex management issues, change process, uncertainty

Under each of the themes, the SSWG grouped several distinct benefits and challenges and offered descriptions of how they may manifest in a system of mandatory regional administration.

In addition to the themed groupings, the SSWG also included a description of other potential benefits and challenges that were identified in the course of the information gathering process.

Each table below summarizes the potential benefits and challenges associated with the theme. In addition, there is another column that is titled "Likely to realize (or experience)/Regional Supervision." The purpose of this column is to provide a general comparison between regional administration and regional supervision. The SSWG considered each benefit and challenge and determined whether the system of regional supervision proposed during Stage One would realize the same benefit or experience the same challenge. In other words, the column tries to answer the following questions:

- How likely is this benefit to be realized in a system with comprehensive regional supervision?
- How likely is it that this challenge will arise in a system with comprehensive regional supervision?

³ Identify groups

Each one is assigned a rating of “likely,” “less likely,” or “unlikely.”

POTENTIAL BENEFITS ASSOCIATED WITH REGIONAL ADMINISTRATION

1. Improved outcomes

Potential Benefit Regional Administration	Likely to be realized by Regional Supervision?
A. Practice and policy interpretation may be more consistent because the lines of communication are more clear and concentrated.	Likely
B. Training and professional development may be more consistent because these supports would be provided regionally instead of county-by-county.	Likely
C. Accountability may be improved because the state would be responsible for supervising fewer entities.	Not likely
D. Comparing and measuring performance and outcomes may be easier because there are fewer entities and less variation in practices and policy interpretation.	Less likely
E. Lower population areas of the state may have increased access to services because they are not relying on county-specific staff or funding.	Not likely

2. Increased efficiencies

Potential Benefit Regional Administration	Likely to be realized by Regional Supervision?
A. Economies of scale might be possible. For example, a staff person who holds specialization in a program that typically serves only a small number of people in one county would be available to support multiple counties.	Less likely
B. Staffing may stabilize because working conditions and pay would be consistent across a region. There may be less incentive for staff to move to a neighboring department that offer greater benefits.	Less likely

3. Other potential benefits identified through research but not prioritized by SSWG

Potential Benefit Regional Administration	Likely to be realized by Regional Supervision?
A. State may provide more consistent support to local administration.	Likely
B. Smaller and larger counties may be able to share knowledge and resources.	Likely
C. Communication between the regional departments and the state might be improved.	Likely
D. Residents might be able to access services across a region instead of only within a single county.	Unlikely
E. Negative local political influence may decrease.	Unlikely
F. Regional departments could align with other key regions, such as judicial districts and district health departments.	Unlikely
G. Policymakers have an opportunity to glean lessons learned from the experience of regional mental health reform.	Unlikely

POTENTIAL CHALLENGES ASSOCIATED WITH REGIONAL ADMINISTRATION

1. Complex management issues

Potential Challenge Regional Administration	Likely to arise under Regional Supervision?
A. Regions containing counties of different sizes, populations, and service needs may be difficult to manage.	Unlikely
B. Counties currently contribute different levels of financial support to social services. Unless addressed directly in legislation, the disparity could create significant implementation challenges related to allocation of resources across the region.	Unlikely
C. Members of the public may be concerned or frustrated with changes related to local service delivery sites.	Unlikely
D. Regional staff may have a more difficult time establishing and maintaining local relationships across multiple counties.	Unlikely

2. Change process

Potential Challenge Regional Administration	Likely to arise under Regional Supervision?
A. Because funding for social services is so closely tied to the county tax structure and appropriation process, the entire funding approach would need to be reconsidered and redesigned to support new regional entities. The new approach would need to address complex issues related to equity, population, service needs, variations in economic base, etc.	Unlikely
B. Local officials may perceive or experience loss of desired local flexibility or control.	Unlikely
C. The roles of the government (county, region, regional supervision, central office) would need to be redefined or clarified.	Less likely
D. County staff and the public may have significant concerns about the change process at the individual, organizational, and community levels. It is possible that some would resist or not support changes as they are implemented.	Less likely
E. A county that has a consolidated human services agency that includes social services would need to take steps to remove social services from the consolidated agency in order for it to join a region. Some counties have invested significant resources in establishing these new agencies and may find a mandatory transition to a region frustrating.	Unlikely

3. Uncertainty

Potential Challenge Regional Administration	Likely to arise under Regional Supervision?
A. Measuring or quantifying the value of the transition to regional departments would be extremely difficult. It is unclear whether such a change would save money, improve outcomes, or generate other efficiencies.	Likely
B. Monitoring the investment of regional resources in each county would be difficult. Because counties would be required to contribute financially to the support of a region, they would want to know whether and how the county's resources are helping the residents of that particular county.	Less likely

4. Other potential challenges identified by not highlighted by SSWG

Potential Challenge Regional Administration	Likely to arise under Regional Supervision?
A. Unless the state is willing to increase funding to support the agencies, the burden of funding regional departments will fall primarily on the counties.	Unlikely
B. Counties may be exposed to liability if the region fails in program administration. At the same time, counties may not have sufficient control or oversight to prevent failure or mitigate potential harm.	Unlikely
C. Designing “ownership” into a new regional authority	Unlikely
D. Managing legal representation across multiple counties and judicial districts within a region could be difficult.	Unlikely
E. Developing the appropriate geographic regions will be difficult because there are many factors to potentially take into consideration. Once a region is established, it may be difficult to make changes to boundaries.	Likely
F. Many county officials and others have negative impressions of the implementation and impact of mental health reform. Any changes to social services that require regional entities will be associated with these negative impressions.	Likely
G. County identities could be perceived as or actually subsumed as secondary to the regional identity.	Unlikely
H. Counties may be grouped in a region with a county they have not historically trusted or collaborated with. This distrust or unfamiliarity may create challenges with collaboration and development of a regional identity.	Less likely
I. Positive local political influence may decrease.	Unlikely

Summary

After completing the review and comparison of potential benefits and challenges, it appeared to the SSWG that

- several of the potential benefits could be realized by both regional administration and regional supervision and
- very few of the potential challenges presented by regional administration were presented by a system of regional supervision.

Drawing on this comparison, it is important that the legislature carefully consider any decision to move forward with regional administration. If the legislature is able to resolve some of the uncertainty around regional administration, it seems feasible that such a system – either in

whole or in part – could improve outcomes and generate efficiencies. Without resolving some of those uncertainties, though, it appears that the enhanced system of regional supervision envisioned by S.L. 2017-41 would result in many of the same potential benefits.