

REPORT

Social Services Regional Supervision and Collaboration Working Group, Stage Two Final Report

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The University of North Carolina at Chapel Hill

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EXECUTIVE SUMMARY

I. Project Background

In 2017, the North Carolina General Assembly enacted expansive legislation to reform and improve the social services system.¹ One part of the legislation requires that the North Carolina Department of Health and Human Services (DHHS) develop a plan for improving service delivery and outcomes at the local level through enhanced oversight, support, and inter-county collaboration. In developing its plan, DHHS is required to consider recommendations from the Social Services Regional Supervision and Collaboration Working Group (SSWG). The work of the SSWG was divided into two stages, and this report is the product of Stage Two. During this stage, the SSWG focused on two issues: (1) inter-county collaboration and (2) regional administration. Specifically, the SSWG was charged with

- developing recommendations for legislative and regulatory changes necessary to improve collaboration between counties, specifically addressing information sharing, conflicts of interest (COIs), and inter-county movement of clients, and
- crafting a vision for transitioning the state from a county-administered system to a regionally administered system.

Below are the highlights from the Stage Two report.

II. Inter-County Collaboration

1. Conflicts of Interest

- The legislature should amend state law to provide a general framework for management of COIs (Rec. 1.a).
- DHHS should prepare comprehensive guidance and training regarding the amended COI law and policy (Rec. 1.b).
- DHHS should develop a statewide repository of information related to COI management and use the repository to support continuous monitoring and policy revisions (Rec. 1.c).
- Each county should designate one or more staff members to manage COI cases (Rec. 1.d).

2. Inter-County Movement of Clients

- Regarding transfers of cases between counties:
 - the legislature should amend state law to create clear processes for adult guardianship cases for (1) transferring cases between counties and (2) changing venue (Rec. 2.c), and
 - DHHS should establish policies that set a standard information-sharing practice for transferred cases involving both children and adults (Rec. 2.d) and provide adequate training to counties regarding transfers of cases (Rec. 2.e).
- The legislature should amend state law to require clerks of court to provide advance notice to a local social services director at least ten working days before any hearing in which the director may be appointed guardian (Rec. 2.f).
- DHHS should amend state policies to encourage or direct counties to increase the use of technology to engage with parents or other respondent parties who are unable to travel (Rec. 2.h).
- The legislature should direct the Administrative Office of the Courts (AOC) to
 - develop policies and procedures for allowing incarcerated parents and respondent parties to communicate remotely with social workers when possible and appropriate (Rec. 2.i), and
 - explore options for allowing incarcerated parents or other respondent parties to participate remotely in court proceedings (Rec. 2.j).

1. S.L. 2017-41 (H.B. 630), *as amended by* S.L. 2017-102 (H.B. 229).

- The legislature should require studies regarding
 - the process for determining residency for social services programs (Rec. 2.a),
 - appointments of and funding for publicly funded guardians (Rec. 2.b), and
 - portability of eligibility determinations and service authorizations for all social services programs that have eligibility requirements (Rec. 2.g).

3. Information Sharing

- The new information technology platform being developed for the judicial system should provide access to limited information about children and adults who have intersected with the social services system in any county of the state. This information should be available to directors and to attorneys involved in social services cases (Rec. 3.a).
- The legislature should require a study of all confidentiality laws pertaining to state social services and request recommendations for any revisions necessary to improve inter-county collaboration and service delivery (Rec. 3.b).
- DHHS should prepare comprehensive guidance and training regarding information sharing and confidentiality for all of the social services programs (Rec. 3.c).

4. Other Recommendations Related to Inter-County Collaboration

- Immediately reexamine the plan to use NC FAST for the aspects of the child welfare and adult services programs that require case management functionality. Success of social services system reform requires an information system that adequately supports county administration, allows counties to share information with one another, enables the state to support and monitor program administration at the county level, and provides clear and reliable information to the public. Reevaluation of the use of NC FAST is critical and time-sensitive (Rec. 4.a).
- Continually improve all NC FAST modules (Rec. 4.b).
- Clarify policies related to inter-county assistance (Rec. 4.c).
- Improve workforce development (Rec. 4.d).
- Monitor and eventually study staffing, capacity, and caseloads among local social services departments (Rec. 4.e).
- Ensure consistent interpretations and applications of law and policy (Rec. 4.f).
- Increase and improve training for county staff (Rec. 4.g).
- Collect and share examples of positive inter-county collaborations (Rec. 4.h).
- Eliminate, modify, or consolidate reporting requirements (Rec. 4.i).
- Establish a social services reform advisory body (Rec. 4.j).

III. Regional Administration

- The legislature should not require counties to join together to create multicounty departments to administer social services programs (Rec. 5.a).
- The legislature should require a study of all of the social services and programs that counties administer to determine whether changes in administration are appropriate (Rec. 5.b).
- If the legislature decides to mandate regional administration,
 - the legislature should develop a plan for how each county in a region will contribute financially to programs, services, and administration (Rec. 5.c), and
 - the state should completely reevaluate its own approach to enhanced regional supervision, assuming that system is implemented (Rec. 5.d).
- Once decisions are made regarding social services system reform, the state should communicate clearly about the path forward (Rec. 5.e).

According to the legislation, the work of the SSWG concludes by February 1, 2020.

I. Project Background

In 2017, the North Carolina General Assembly enacted expansive legislation related to social services system reform and improvement.¹ One part of the legislation requires that DHHS develop a plan for improving service delivery and outcomes at the local level through enhanced oversight, support, and inter-county collaboration. In developing its plan, DHHS is required to take into consideration recommendations made by the SSWG. The work of the SSWG is divided into two stages. The Stage One report was released in April 2018 and is available online.² This report is the product of the group's discussions during Stage Two.

A. What Is the SSWG's Charge?

During Stage One, the group offered recommendations regarding

- the size, number, and location of regional state offices;
- the allocation of responsibility between central, regional, and local officials in supervising and administering social services programs;
- methods for holding the regional offices accountable for performance and responsiveness;
- information sharing between the regional offices and the boards of county commissioners regarding local department performance; and
- options for authorizing the board of county commissioners to intervene in program administration prior to the state assuming direct control of service delivery.

During Stage Two, the SSWG was charged with

- developing recommendations for legislative and regulatory changes necessary to improve collaboration between counties, specifically addressing information sharing, COIs, and inter-county movement of clients and
- crafting a vision for transitioning the state from a county-administered system to a regionally administered system.

The work in both stages addresses the full range of social services programs—including child welfare, adult services, economic services, and child-support enforcement. These are all multi-faceted programs that offer many services to millions of people across the state. For example, the broad umbrella of “economic services” encompasses food and nutrition services, Medicaid, Work First, State-County Special Assistance, energy assistance, and other programs. Within each program, there are additional layers and processes, such as intake, service provision, and program integrity. The SSWG is not able to consider each program or program layer in any detail. Rather, the goal is to take an expansive, systems-wide view to address the questions presented in the legislation.

1. S.L. 2017-41 (H.B. 630), *as amended* by S.L. 2017-102 (H.B. 229).

2. See UNC SCHOOL OF GOVERNMENT, SOCIAL SERVICES REGIONAL SUPERVISION AND COLLABORATION WORKING GROUP, STAGE ONE FINAL REPORT (March 2018), <https://www.sog.unc.edu/resources/microsites/social-services/reports>.

B. Who Is on the SSWG?

The legislation sets forth the composition requirements for the SSWG. The members listed below were appointed and served throughout both stages of the group's work.

- Three members of the Senate appointed by the President Pro Tempore of the Senate
 - Senator Tamara Barringer, co-chair
 - Senator Kathy Harrington
 - Senator Joyce Krawiec
- Three members of the House of Representatives appointed by the Speaker of the House of Representatives
 - Representative Sarah Stevens, co-chair
 - Representative Jonathan C. Jordan
 - Representative David R. Lewis
- Three representatives from DHHS appointed by the DHHS Secretary or the Secretary's designee
 - Susan Perry-Manning, Deputy Secretary for Human Services
 - Michael Becketts, Assistant Secretary for Human Services
 - Lisa Cauley, Deputy Director, Child Welfare Services, Division of Social Services
- One designee of the Chief Justice of the North Carolina Supreme Court
 - Honorable Robert Stiehl, Chief District Court Judge, Cumberland County
- Four county commissioners representing the North Carolina Association of County Commissioners (NCACC), each of whom shall represent different regions of the State, appointed by the President of the NCACC
 - Commissioner Kevin Austin, Yadkin County
 - Commissioner Brenda A. Howerton, Durham County
 - Commissioner Page Lemel, Transylvania County
 - Commissioner Robert (Bob) Woodard, Dare County
- Two county social services directors, one appointed by the President Pro Tempore of the Senate and one appointed by the Speaker of the House of Representatives
 - Christopher (Chris) C. Dobbins, Gaston County (Senate appointee)
 - Glenn Osborne, Wilson County (House appointee)
- One representative from the North Carolina Association of Social Services Attorneys (NCASSA), appointed by the President of the NCASSA
 - Angie Stephenson, Orange and Chatham Counties
- One representative from the Association of North Carolina County Social Services Directors, appointed by the President of the Association
 - Susan Osborne, Alamance County

The legislation directs the School of Government at the University of North Carolina at Chapel Hill to convene the SSWG, facilitate its meetings, and provide administrative and technical support to the effort. The SSWG held 18 meetings between October 2017 and December 2018. In addition, four informational webinars were recorded during the summer of 2018. All meeting materials, minutes, and recordings are available online.³

3. See the linked headings under the main "Social Services Working Group" heading on the UNC School of Government's Social Services microsite at <https://www.sog.unc.edu/resources/microsites/social-services>.

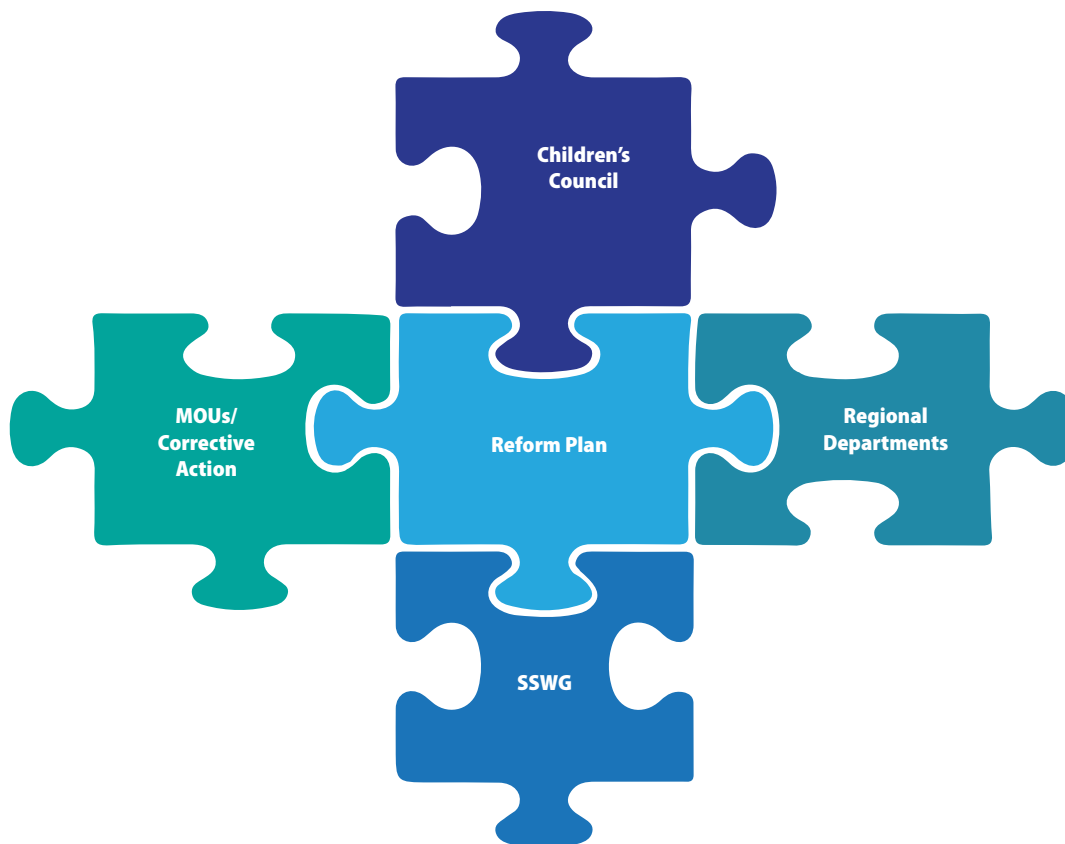
The School team included faculty members Aimee Wall, Margaret Henderson, and Sara DePasquale, as well as research associates Ryan Kelly and Caitlin Little and data analyst Jack Watts. The team also contracted with Andrew Sachs from the Dispute Settlement Center to assist with meeting planning and facilitation. The School team convened and facilitated SSWG meetings, conducted legal and policy research and key informant interviews, convened focus groups to clarify issues essential to the SSWG's work, and drafted the reports.

C. How Does the SSWG's Work Relate to the Other Components of Social Services System Reform?

As mentioned above, the legislation creating the SSWG was a multifaceted law that impacts the social services system in several different ways. There are five main components to the reform of the system, as depicted in Figure 1, below.

In short, these puzzle pieces illustrate a series of connected efforts that, when implemented, will result in changes at the state level as well as changes in the relationship between the state and the counties.

Figure 1. The Five Key Pieces of Social Services System Reform



The central piece, referred to as “reform plan,” correlates with a section of S.L. 2017-41 that directs the state to contract with an outside organization to undertake a comprehensive review of the state agencies responsible for supervising social services programs. The contractor is also required to develop a “dashboard” that will allow both the state and the general public to monitor programs and services county by county to ensure “maximum accountability and transparency and the effective and efficient use of social services and funds.”⁴ The state contracted with the Center for the Support of Families (CSF) for this work.⁵ CSF released preliminary reports in August 2018⁶ and is expected to submit final reports by the end of February 2019.

The “MOUs/corrective action” piece of the puzzle refers to a section of the legislation that requires the state to enter into written agreements (Memorandums of Understanding) each fiscal year with the local agencies responsible for administering social services programs. These written agreements apply to all social services programs other than Medicaid and N.C. Health Choice (a state health insurance program covering low-income children). The written agreements, which began in July 2018, focus on “mandated performance requirements and administrative responsibilities.”⁷ Once the dashboard is operational, its measures are to be integrated into the performance requirements specified in the written agreement.

A related concept referenced in that same puzzle piece is a new framework for corrective action. Beginning in March 2020, the legislation provides that the state and a local agency will be required to develop a joint corrective-action plan if (1) the local agency is out of compliance with the written agreement or applicable law for a specified period of time or (2) DHHS determines that an urgent circumstance requires immediate attention. If DHHS determines that the local agency has not been successful in implementing the corrective-action plan, the legislation directs the state to temporarily assume local administration of the social services program involved.

The top puzzle piece, the Child Well-Being Transformation Council (or Children’s Council), refers to a new committee that was created to provide a forum for high-level oversight of all public services for children, with the primary goal of improving coordination, collaboration, and communication among agencies and organizations involved.⁸ The first meeting of the Children’s Council was held December 19, 2018.

The last puzzle piece refers to new authority for counties to voluntarily join together to create regional, rather than single-county, departments. Beginning in March 2019, counties will be able

4. S.L. 2017-41, § 2.1.(d).

5. On March 2, 2018, DHHS announced that the contract was awarded to the CSF. *See* Press Release, DHHS, Vendor Selected to Assist with North Carolina’s Social Services Reform (Mar. 2, 2018), <https://www.ncdhhs.gov/news/press-releases/vendor-selected-assist-north-carolina%E2%80%99s-social-services-reform>.

6. North Carolina Office of State Budget and Management, *Social Services and Child Welfare Reform Reports*, <https://www.osbm.nc.gov/social-services-and-child-welfare-reform-reports>.

7. S.L. 2017-41, § 3.1.(a1).

8. The Children’s Council was initially established in S.L. 2017-41, p.t. V. In 2018, the legislature repealed those provisions and enacted new legislation, which made several revisions to the membership and charge of the Council. S.L. 2018-5, p.t. XXIV. For example, the revised legislation provides that the Council terminates after two years while the previous version provided that the Council would continue indefinitely.

to establish a regional department to provide some or all of their social services programs.⁹ For example, several counties could join together to create a new regional child support enforcement agency. The North Carolina Social Services Commission, an appointed rulemaking body, proposed a regulation that would require counties that are considering regional departments to enter into an agreement regarding the financial contributions from each county participating in one of these regional departments.¹⁰ The final regulation is expected in early 2019.

The legislation creating the SSWG included many interrelated components that, taken together, have the potential to make significant changes to North Carolina's social services system. The combined effort is designed to ensure (1) high-quality and consistent service provision across all counties, (2) accountability to ensure that all local agencies are providing high-quality services, and (3) transparency of local agency performance and outcomes.

The rest of this report will focus exclusively on the topics assigned to the SSWG for Stage Two: inter-county collaboration and regional administration.

9. For an overview of the different types of "regions" being discussed in the context of social services reform, including optional regional departments, see Aimee N. Wall, *Regions, Regions, Regions: Untangling Different Concepts in Social Services Reform*, COATES' CANONS: NC LOCAL GOV'T L., UNC Sch. of Gov't Blog (Oct. 15, 2018), <https://canons.sog.unc.edu/regions-regions-regions-untangling-different-concepts-in-social-services-reform/>.

10. 33 N.C. Reg. 568 (Sept. 17, 2018) (proposing new Chapter 67A, Section .0301 of Title 10A of the North Carolina Administrative Code (hereinafter N.C.A.C.) governing financial obligations of counties when forming regional social services departments).

II. Inter-County Collaboration

During the first half of Stage Two, the SSWG identified barriers to inter-county collaboration and made recommendations for changes designed to remove or reduce these barriers. Some of the recommendations require changes to the law (statutes, regulations, or both). Some changes do not necessarily require new legislation or regulations but would require the state and/or the counties to develop policies, guidance, and practices to effect the change.

A. Criteria

Before describing the recommendations and the supporting rationale, it may be useful to review the criteria the SSWG considered as it developed the recommendations. As mentioned above, all of the work the SSWG undertook was focused on ensuring (1) high-quality and consistent services, (2) accountability, and (3) transparency. Specifically in the context of collaboration, the group's goal was to make recommendations that

- improve service delivery and efficiency, generating good outcomes for those served in all counties;
- emphasize safety and consistency in all counties;
- foster high-quality and compassionate customer service;
- promote seamless provision of services between counties, including case transfers;
- recognize the need for equitable resources in all counties;
- facilitate ethical decision making to produce ethical outcomes;
- foster more comprehensive, ongoing collaborations that exemplify cooperative efforts toward best practices; and
- strive to minimize conflict.

Some of these criteria are general in nature—such as generating good outcomes—while others are more specific to collaboration. As the SSWG discussions unfolded, it became clear that inter-county collaboration was essential to creating a high-functioning county-administered social services system in our increasingly mobile society.

B. Recommendations

Below are detailed recommendations intended to improve or support inter-county collaboration. The first three categories of recommendations are drawn directly from the legislative charge. They focus on (1) COIs, (2) inter-county movement of clients, and (3) information sharing. While these three categories appear to be distinct, they actually overlap to a certain extent.

The SSWG identified several recommendations in addition to those related to these three categories. They are more general in nature, but they highlight important challenges facing the social services system.

After each recommendation or cluster of two or three recommendations, there is a “rationale” section that offers background information and justification related specifically to the preceding recommendation(s).

Many of the recommendations that follow assume that the state will have a regional staff support structure in place consistent with the SSWG recommendations from Stage One. If a more

robust system of regional support by the state is not in place, many recommendations may need to be reconsidered.

1. Conflicts of Interest

Recommendation 1.a: The legislature should amend state law to provide a general framework for management of COIs. At a minimum, the law should

- define *conflict of interest*;
- direct counties to resolve COIs as quickly as possible consistent with applicable law and policy;
- require counties to notify DHHS (central or regional staff) when a COI is identified;
- grant DHHS the authority to make final decisions regarding COI assignments when disagreements arise (i.e., regional staff have initial authority when the disagreement is between counties, central office staff when the disagreement is between regions);
- outline county financial and practice responsibilities associated with COIs;
- grant the Social Services Commission rulemaking authority related to COI management;
- direct the Social Services Commission to establish reasonable and specific timelines for resolving COIs; and
- require the Social Services Commission to report back to the Joint Legislative Oversight Committee on Health and Human Services regarding the regulations adopted.

Recommendation 1.b: Once the laws are amended, DHHS, in consultation with counties, should prepare comprehensive guidance and training regarding the COI law and policy. The agency should ensure that DHHS representatives (including regional staff) understand, interpret, and apply the guidance consistently.

Recommendation 1.c: DHHS should develop a statewide repository of information related to COI management. At a minimum, the system should include information about the nature of the COI identified, the resolution of the COI, and the timeframe for resolution. DHHS should use this system to support continuous monitoring of COI management, which will allow the state and counties to address problems and revise policies over time to improve COI management and ensure workload equity across the state.

Rationale: Current state policy governing COIs relies on the discretion and professionalism of and the relationships among county directors. For example, the directors

- determine whether a COI exists based on state policy direction,
- decide whether to accept a COI case from another county, and
- allocate financial responsibility between counties involved in a COI case.

The current system works well for some counties but not for all. Challenges involve policy interpretation and equitable case distribution.

Policy Interpretation

State policies governing COIs are not comprehensive and neither are they interpreted and applied uniformly. These policies were revised in 2016, but additional clarifications are needed to help counties adequately apply them. For example:

- What constitutes a COI? For example, is it a conflict if a report is submitted to Child Protective Services that concerns a family member of an employee in the economic services section of a large agency? Is it a COI if the report relates to a staff person in a different county department? Additional detail and clarification of the definition of a COI would help promote cooperation and consistent policy interpretation and application.
- Who decides a COI exists? Should the receiving county be allowed to question the sending county's decision that a COI exists?
- Is it appropriate for the receiving county to screen a report if it knows a COI exists?
- Who funds the work related to a COI case?
- What is the funding formula for each COI case (by time, function, or situation)?
- What are the expectations regarding reciprocity?

Because state statutes currently do not address COI management, counties rely heavily on DHHS policy for direction. A general statutory framework would be helpful, as well as implementing regulations and conforming policy.

Equitable Case Distribution

Many counties have strong working relationships or formal agreements that allow them to manage COIs relatively seamlessly and efficiently. Unfortunately, some counties do not. Thus, confusion and frustration can result when one county seeks assistance from another. In addition, some counties are not considered good partners. Other counties do not want to send a COI case to these counties for a range of reasons, including quality of work, response time, willingness to assume responsibility, and understaffing. This results in a heavier burden or a perception of a heavier burden on the "good" counties that readily accept COI cases and handle them well. COI distribution systems must both be fair and provide oversight to ensure that the cases are managed appropriately, consistent with law and policy.

Need for Oversight and Arbiter

The regional staff will be in an excellent position to facilitate relationship building across counties; disseminate reliable and consistent information about law, policy, and best professional practices; provide guidance and support when complex or recurring COI cases exist; monitor COI behavior in the region; and make decisions when necessary.

Any changes to COI law or policy should not disrupt the systems and relationships that are working well. The SSWG does, however, want to make the state's approach to COI management more uniform and reliable, and it believes DHHS oversight, through both central and regional staff, can help create a stronger system overall.

Recommendation 1.d: Each county should designate one or more staff members to manage COI cases so that requests are received, reviewed, and handled consistently and in a timely manner.

Rationale: COI case management and information sharing can be complicated. The SSWG is concerned about variation in interpretation and application of law and policy, case follow-through, and information sharing in counties having no central point of contact for COI cases. Assigning this responsibility to specific staff should improve accountability and consistency in managing COIs.

2. Inter-County Movement of Clients

Recommendation 2.a: The legislature should require a study of how residency is determined for the full range of social services programs. The study should examine current practice and law (including Chapter 153A, Section 257 of the North Carolina General Statutes (hereinafter G.S.)) to determine whether state law should be amended.

Rationale: State law governing county of residence (G.S. 153A-257) generates confusion. For example:

- What is the county of residence for a homeless person or family?
- What is the county of residence for a person who is in a rehabilitation facility or institution for an extended period of time?
- Should the county that initially determined Medicaid eligibility always remain the county of residence?

Other laws also contribute to this confusion, such as those that allow a department of social services (DSS) to exercise authority when a person is “present” and when a person is a resident in a facility. This confusion can create conflict between counties and negatively impact inter-county collaboration.

Example: An adult lives in County A for several years and is found eligible for Medicaid by County A’s DSS. The adult’s health declines and she moves to an adult care home in County B. A year later, after a report to Adult Protective Services is filed in County B, staff from County B conclude that the adult is in need of a guardian. Should County A or B file the petition? The county that files is likely to be appointed guardian.

The state should examine this issue and determine whether changes are necessary to create a more seamless system for individuals needing services. Clients should receive the support they need when they need it. The SSWG wants to ensure that people are not left “in limbo” while counties disagree about residency.

Recommendation 2.b: The legislature should require a study regarding appointments of and funding for publicly funded guardians. At a minimum, the study should (1) describe the types of appointments of publicly funded guardians (DSS, organizational contracts with the state, organizational contracts with counties); (2) evaluate the effectiveness of these publicly funded appointments; and (3) make recommendations for managing publicly funded appointments going forward.

Rationale: When a clerk of superior court determines that an adult is incompetent and must have a guardian appointed, the clerk will try to find a family member or friend to serve as guardian. If no one is available or willing to serve, the clerk may appoint a corporation or a director or assistant director of social services to serve.¹¹ If the incompetent adult has assets, those assets may be used to pay for a corporate guardian. If not, the state or the county may pay for a corporate guardian.

11. See G.S. 35A-1214 (outlining the priorities for appointment and stating that “[n]o public agent shall be appointed guardian until diligent efforts have been made to find an appropriate individual or corporation to serve as guardian, but in every instance the clerk shall base the appointment of a guardian or guardians on the best interest of the ward.”).

In 2012, the state decided that it would fund a certain number of “slots” for corporate guardianships. This happened because the federal government concluded that all incompetent adults who had previously had a public mental health agency (e.g., a Local Management Entity / Managed Care Organization (LME/MCO) serving as a guardian would need to change guardians.¹² At the time, county social services agencies were not prepared to assume responsibility for over a thousand wards, so the state slots were funded to help with this transition. The slots were assigned to counties based on where the adults were living. Since that time, some of the adults have passed away but the slots have remained assigned to those counties. What was a temporary plan to assist a specific population appears to have become more permanent.

This approach to allocating limited state and federal funding has a potentially negative impact on those counties who have invested more in adult services and, as a result, have staff available to serve as guardians. This dynamic can have a direct impact on inter-county collaboration. For example, a county that does not have a state-funded slot available may be less interested in cooperating with a transfer because all support for the adult will come from county funds. Because of this potential inequity, the state funding for corporate guardianships should be reevaluated and reallocated to best serve the needs of the state.

Recommendation 2.c: The legislature should amend state law to create a clear process for transferring adult guardianship cases from one county department to another, as well as a process to change venue from one court to another.

Recommendation 2.d: DHHS should establish policies that set a standard information-sharing practice for transferred cases involving both children and adults.

Recommendation 2.e: Once the law and policies are amended, to ensure consistency across counties DHHS should provide adequate training to counties regarding the procedures that govern transfer of cases.

Rationale: Because individuals and families are mobile, child welfare, child support, and adult services cases are often transferred between counties and judicial districts. Unfortunately, these transfers are not always as smooth and efficient as they could be. Receiving counties may not be involved early enough to receive advance notice, and case information may not be shared in a timely manner.

A detailed state law governs transfers of child protective services cases.¹³ The law outlines procedures the court and counties should follow. Some counties are not following these procedures. For example, an attorney may request a transfer from a judge without any discussion with or notice to the receiving county. Sometimes, the case is transferred without any additional information being shared with the new county. The lack of notice or shared information negatively affects the receiving county’s case management. Counties should receive clear direction from the state, including training, about the process governing these transfers.

There is no comparable law governing transfers in the guardianship arena. Guardianship transfers are at the discretion of the clerk of superior court and often occur without notice or adequate

12. For more background on the reasons for this transition, see Aimee Wall, *Changes in Store for Public Guardians?* COATES’ CANONS: NC LOC. GOV’T L., UNC Sch. of Gov’t Blog (June 26, 2012), <https://canons.sog.unc.edu/changes-in-store-for-public-guardians/>.

13. See G.S. 7B-900.1.

information sharing. Legislation should be enacted to create a comparable transfer process for both adult protective services and guardianship cases.

Recommendation 2.f: The legislature should amend state law to require clerks of court to provide advance notice to a local social services director at least 10 working days before any hearing in which the director may be appointed guardian. This notice requirement would not apply to appointments of interim guardians.

Rationale: Clerks of superior court have the discretion to appoint a social services director or assistant director to serve as the guardian of an incompetent adult.¹⁴ The clerk may believe that the appropriate guardian is in a different county or judicial district.

Example: An adult may be located in the clerk's jurisdiction for a short-term hospitalization but plans to move into a nursing facility close to family in another county in the near future.

Current law does not require the clerk to provide advance notice to the director being considered for appointment. Some clerks have adopted a practice of doing so, but many have not. As a result, directors are often surprised by appointments. Advance notice to all potential social services directors will allow those directors to review the case, discuss it among themselves, plan for the responsibility, identify other potential guardians to serve, and travel to the other county to participate in the hearing if necessary.

This notice should not be required for appointment of a DSS director as an interim guardian because, by definition, those appointments require immediate intervention.¹⁵

Recommendation 2.g: The legislature should require a study to examine portability of eligibility determinations and service authorizations for all social services programs that have eligibility requirements. The study recommendations should identify all necessary changes in state law and plans to ensure portability. If federal law prohibits such a change, the study should describe the barriers and identify opportunities to advocate for changes at the federal level.

Rationale: Social services can be disrupted when an individual moves from one county to another, perhaps for a placement through child or adult services.

Example: An individual is in County A, which is part of LME/MCO #1. The LME/MCO authorizes certain services for the individual. Social Services identifies a placement for the individual in County D, which is part of LME/MCO #2. Because LME/MCO #2 bears the financial risk for the services being provided, it has its own process for authorizing services for the individual. Unless one of the counties agrees to fund the services during the gap using other non-Medicaid funding sources, this process can create disruptions in service delivery.

The legislature should identify all opportunities to create a more seamless, statewide system for the delivery of eligibility-based services. The SSWG recognizes that this is a particularly challenging proposition when risk-bearing managed care organizations are involved, but it is essential to minimize disruptions that result when individuals receiving services simply move from one county of the state to another.

14. G.S. 35A-1213.

15. See G.S. 35A-1114.

Recommendation 2.h: In order to expedite the path to permanency, protect the rights of all parties, and maximize efficiency, DHHS should amend state policies to encourage or direct counties to increase the use of technology (e.g., video, telephone) to engage with parents or other respondent parties who may be incarcerated in a facility, located across the state or out-of-state, or unable to travel due to a legally recognized disability. Policy changes should emphasize that the use of technology must not compromise the quality and substance of the interactions between DSS staff and others. If, after a comprehensive review of current practices, policies, and law, DHHS concludes that state statutes and/or regulations should be amended to authorize alternative means of engagement in some circumstances, DHHS should submit recommendations to the legislature detailing the needed changes.

Recommendation 2.i: The legislature should direct the Administrative Office of the Courts to work with the Department of Public Safety, the N.C. Sheriffs' Association, and DHHS to develop policies and procedures for allowing incarcerated parents and respondent parties to communicate with social workers using telephone or video when possible and appropriate. If legislative changes are required to allow for this practice, the AOC should submit recommendations to the legislature accordingly.

Recommendation 2.j: The legislature should direct the AOC to work with the Department of Public Safety, the N.C. Sheriffs' Association, and DHHS to explore options for allowing incarcerated parents or other respondent parties to participate remotely in court proceedings. Remote participation should be contemplated only if constitutional rights of parties are protected. If options identified are practical and feasible, the group should submit recommendations to the legislature specifying potential benefits and anticipated costs and describing any necessary legislative changes.

Rationale: County staff spend a significant amount of time traveling to and from other counties to visit face-to-face with respondents, particularly parents, in the course of a child welfare case. Some of these in-person visits are required by state or federal law. Some are essential social work practice. But some may not be necessary. If the social worker's objectives can be accomplished by phone or video conference, counties should utilize technology and minimize travel. If state law needs to be amended to accommodate expanded use of this practice, DHHS should recommend legislation or amend regulations.¹⁶

Social workers often need to talk with a parent or other respondent party who is incarcerated. These workers should be able to communicate with the inmate by phone or video whenever possible to expedite casework and services and ensure incarcerated respondents are involved in cases as much as possible. State law may need to be amended to allow for this access.

Finally, it may be appropriate to allow some incarcerated respondents to participate in court proceedings by phone or video. Doing so may require significant financial investments as well as changes to the law. For example, Rule 43 of the Rules of Civil Procedure may need to be amended to allow witnesses to testify by telephone or video. Options should be explored and recommendations developed that both protect the respondent's rights and maximize efficient disposition of these cases.

16. For example, regulations address face-to-face contact during the assessment and placement stages of a case. See 10A N.C.A.C. 70A, §§ .0106(d) and (f); 10A N.C.A.C. 70G, § .0503(m).

3. Information Sharing

Recommendation 3.a: In order to ensure social services staff across the state have access to status information about legal actions involving children and adults involved with the social services system, the new information technology platform being developed for the judicial system should provide attorneys involved with a case (social services attorneys, attorney advocates) and directors (or their authorized designees) with access to limited statewide information about children and adults who have intersected with the social services system in any county of the state. In addition, the new system should provide them with access to more detailed information about the cases pending or resolved in their own counties. The AOC should consult with DHHS and the counties when developing the new system.

Rationale: The AOC is currently developing a new information technology platform to support the judicial system as a whole. The SSWG was surprised to learn that with the current IT system, social services attorneys and staff have very little direct access to electronic case information. They need this access for many reasons, such as

- tracking the status of their own cases,
- confirming whether a case was transferred,
- determining whether another court took action on a case,
- checking to see if another court has terminated jurisdiction in a case, and
- determining whether a child or adult needing services was previously involved with social services in another county.

The AOC is currently involved in developing plans for the new system and hiring a vendor. This new system should be designed to provide social services attorneys and directors access to needed information. The AOC should work with DHHS and counties to develop clear expectations about the scope of information access necessary to provide the best service to individuals and families.

Recommendation 3.b: The legislature should require a study of all state social services confidentiality laws and request recommendations for any revisions necessary to improve inter-county collaboration and service delivery. The study should include laws of general applicability (e.g., G.S. 108A-80 and the regulations in Chapter 69 of the Administrative Code) as well as those that are more specific (e.g., G.S. 7B-302, 7B-2901). The study and recommendations should specifically address

- revisions needed to accommodate the anticipated changes to the judicial system's IT platform described in Recommendation 3.a above;
- whether state law can be amended to facilitate improved information sharing between child welfare and child support and, if not, whether the state should advocate for changes to federal law; and
- confidentiality laws applicable to the juvenile justice system to ensure that information sharing between juvenile justice and social services is adequate to provide the best possible services and supports to juveniles involved with both systems.

Recommendation 3.c: Once the laws are amended, DHHS, in consultation with counties, should prepare comprehensive guidance and training regarding information sharing and confidentiality for all of the social services programs. The agency should ensure its central and regional staff understand, interpret, and apply the guidance consistently.

Rationale: There are many different confidentiality laws governing social services programs. Some are federal (such as child support), but many are primarily state law. Some of them may be barriers to inter-county or inter-program collaboration.

Example: Child welfare staff and attorneys are sometimes reluctant or unable to use “failure to pay support” as a basis for terminating parental rights because the child welfare staff does not have the necessary information from the child support program.

In addition, not everyone interprets and applies confidentiality laws consistently. As a result, some counties may not share information within and across programs the same way other counties do. This can result in frustration for staff and fragmented support for individuals and families needing assistance. Counties report that staff are confused about confidentiality laws at both the local and state levels.

The state laws should be carefully studied and revised to ensure an appropriate balance between protecting the information and sharing it with other counties, public agencies, and others when necessary and appropriate. If the study identifies significant barriers in federal law, the state should advocate for changes at the federal level.

After state laws are amended, DHHS should provide clear policy interpretations and training to ensure that all counties are taking the same approach to information sharing. Improved and more consistent information sharing will lead to higher quality inter-county collaboration and potentially better outcomes.

4. Other Recommendations

Recommendation 4.a: The legislature and DHHS should immediately reexamine the plan to use NC FAST for the aspects of the child-welfare and aging-and-adult-services programs that require case-management functionality. If NC FAST should be abandoned or augmented for these programs, it is important to take action as soon as possible so a different system or interface can be developed or the existing system modified. The SSWG identified two possible options for implementing this recommendation:

- The legislature could direct the Program Evaluation Division to conduct a preliminary review of the child-welfare components of NC FAST to determine whether the child-welfare system modifications are adequate to meet the needs of the families and social services departments. The legislature could also direct the Program Evaluation Division to gather information about other products or vendors that may be able to interface with NC FAST to improve usability and effectiveness for case-management functions.
- The legislature could allocate funding to DHHS to engage an independent contractor to conduct a more comprehensive version of the preliminary study discussed above. The contractor selected would have specific expertise in information technology and child welfare and be prepared to not only identify other potential products and vendors but also specify *how* each product or vendor would interface with and improve upon NC FAST.

Rationale: It is essential for the counties and the state to have the most appropriate, efficient, and accurate information system to support service needs and effective inter-county collaboration. The NC FAST system is currently in use for many economic-assistance programs. While that implementation process did not go smoothly, the state and the counties have adjusted and are able to manage administration of those programs using this system. The SSWG is concerned that NC FAST may not be successful when it is rolled out for child welfare beginning next year and aging and adult services shortly thereafter. These programs are different from eligibility-based economic-assistance programs. They require a system that supports strong social-work practice and case management. Early indications are that NC FAST will not be able to do this well and may, in fact, impede good social-work practice and further strain the state's limited resources and workforce. There may be other products or vendors better equipped to support this type of case management.

The group recognizes that the state and the pilot counties have invested a significant amount of time and money in modifying the system for child welfare and that many are paying careful attention to the system's evolution. The SSWG recommendation to all involved with this effort is to determine quickly whether NC FAST, as modified, will meet the needs of the state in the long term. If the conclusion is that NC FAST will not be successful, the SSWG believes that other options for replacing or supplementing NC FAST for child welfare and aging and adult services must be explored as quickly as possible.

The SSWG identified two options for implementing this recommendation. While some members believe that the Program Evaluation Division will be able to effectively conduct this type of assessment, DHHS representatives would prefer that the legislature allocate funding to engage outside, independent experts with specialized technical and programmatic expertise to conduct this review and develop a plan for moving forward.

Recommendation 4.b: The legislature and DHHS should be committed to continuous quality improvement for any and all modules of NC FAST that are being used for administration of social services programs.

Rationale: As addressed above in Recommendation 4.a, NC FAST is currently being used to administer several economic-assistance programs. While the counties are able to use it for these programs, the product is not perfect and requires continuous monitoring and improvement. The state should commit to regular investments of the resources necessary to ensure that the system is regularly reviewed and refined to meet the needs of the individuals and families served as well as the functional needs of the local staff involved with administration.

Recommendation 4.c: DHHS should clarify policies related to inter-county assistance. The policies should set out when counties are expected to provide assistance to other counties for different programs and the financial obligations related to providing this assistance. DHHS, through regional staff, should monitor assistance being provided to establish accountability within the system for this type of inter-county support. Two years after the monitoring system is in place, the legislature should require an evaluation of the DHHS monitoring data and determine whether changes to law are required to promote better collaboration and a more seamless system of service delivery.

Rationale: Staff in one county may be required to travel to a second county to assist with emergency response, conduct home studies for placement, or visit with incarcerated individuals or those in facilities. The travel can consume significant resources from the first county. Sometimes

the second county is willing and able to assist with this work but not always. Sometimes when assistance is provided, there is confusion about each county's financial obligations. The SSWG would like the state to work with the counties to develop a more consistent and comprehensive approach to providing assistance in these situations.

Recommendation 4.d: DHHS, in consultation with counties, should assist in the creation of programs and policies to improve workforce development and training in order to cultivate and support high-quality and consistent social services leadership.

Rationale: Counties are facing significant challenges with recruiting, training, and retaining leaders in their social services agencies. In order to have a high-quality social services system with consistent practices across the state, the counties need strong leaders committed to developing relationships across county lines, building and supporting excellent staff, and following law and policy closely. The state should invest in workforce development to ensure a pipeline of leaders equipped to manage this complex system effectively. DHHS should consult with counties and consider how to coordinate with other workforce development activities underway, such as those offered by the Social Services Directors' Association and the NCACC.

Recommendation 4.e: Regional offices should be responsible for monitoring staffing, capacity, and caseloads in local social services agencies within their region. No more than two years after the regional support system is in place, the legislature should require a study of local social services staffing, capacity, and caseloads. The study should make recommendations to DHHS, the counties, and, if appropriate, the legislature regarding changes necessary to ensure adequate staffing to support high-quality and efficient services.

Rationale: Inadequate staffing has a direct impact on inter-county collaboration. An understaffed department is unable to assist other counties as well as an adequately staffed department with COI cases, home visits, and so forth. Regional offices will be well-positioned to understand the staffing needs in the counties, provide assistance in urgent situations when necessary, and offer recommendations for system-wide and county-specific changes needed to ensure appropriate staffing. Once the regional offices have assessed the staffing, capacity, and caseloads, the state will be able to identify needs and make recommendations for changes.

Recommendation 4.f: DHHS central and regional staff should follow consistent interpretations and applications of law and policy governing social services programs. While it is important that DHHS support and promote innovation, consistency and effectiveness should be maintained.

Recommendation 4.g: DHHS should increase the quantity, quality, and accessibility of training provided to county staff.

Rationale: Practice and policy implementation vary tremendously across the state. Counties can receive conflicting advice from different people at the state level. This variation in practice can generate a lack of trust or confidence in the work of other counties. Consistent interpretation and application of policies and expectations will foster greater trust among counties and willingness to collaborate. To accomplish this, the state staff (both central and regional) must first adopt and employ consistent interpretations of law and policy. The state must then ensure that county staff receive more and consistent training about that law and policy.

Recommendation 4.h: DHHS should collect examples of positive inter-county collaborations and develop an online clearinghouse to share information about those collaborations with other counties. Regional staff should disseminate resources, identify potential collaborations, and help counties initiate new collaborations. Associations such as the Social Services Directors' Association and the NCACC should continue to highlight and recognize successful and innovative collaborations at their annual conferences and in their publications. As mentioned in Recommendation 4.c above, while it is important to support and promote innovation, consistency and effectiveness should be maintained.

Rationale: There is anecdotal evidence of successful and unsuccessful inter-county collaborations. In the current system, collaborations develop based on (1) relationships between directors, (2) geographic proximity, and (3) historical partnerships. Lower-resourced counties are often unable to invest the time and means necessary to initiate a new collaboration. The directors' association, NCACC, and state programs have collected and disseminated some best practices, but the state should lead an effort to collect and disseminate more comprehensive information and tools to further support successful collaborations among counties. Because regional staff will be in a unique position to gather information, the state should prioritize collecting information about collaborations and coordinating with the appropriate associations to disseminate best practices. This role of regional staff should be supportive and not directive. In a county-administered social services system, inter-county collaboration should always be voluntary.

Recommendation 4.i: The legislature should direct DHHS to review all existing and proposed requirements for (1) counties to submit reports to the state and (2) DHHS to submit reports to the legislature. Any unnecessary reporting requirements should be eliminated, modified, or consolidated.

Rationale: The SSWG recommendations and other social services reform efforts envision many new reporting requirements. The SSWG is concerned about overburdening state and county staff with unnecessary administrative duties. Therefore, the group recommends that all existing and proposed mandatory reporting requirements be reviewed and reconsidered.

Recommendation 4.j: The legislature should establish an interdisciplinary and representative body, similar to the SSWG, to serve as an advisory body related to social services system reform. The body could conduct research and provide feedback to the legislature and others on issues related to changes happening across the system as they arise. The advisory body would be time limited, would be assigned specific tasks by the legislature, and would not duplicate efforts of other advisory or rulemaking bodies.

Rationale: North Carolina's social services system is undergoing significant transition. The SSWG is concerned that if some of the reforms are not successful, the state could experience avoidable system failures or challenges. The SSWG believes an interdisciplinary and representative group could be an excellent resource for the state to consult as it implements these dramatic system changes. The advisory body would primarily be accountable to the legislature, but it could also help support agency initiatives and transitions. In developing this type of advisory body, the legislature should ensure that the body complements, rather than duplicates, the work of other bodies such as the Social Services Commission and the Children's Council.

III. Regional Administration

Since legislation related to social services system reform was first introduced in 2017, several concepts related to regional involvement have been discussed.¹⁷ Key questions have been:

1. Should the legislature *require* the counties to join together to create multicounty departments to *administer* social services programs?
2. Should the legislature *expressly authorize* the counties to join together to create multicounty 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 multicounty 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.¹⁸ That is the purpose of this section of the Stage Two report.
2. Should the legislature *expressly authorize* the counties to join together to create multicounty 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.¹⁹
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.²⁰ 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.²¹

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

17. Aimee Wall, *Regions, Regions, Regions: Untangling Different Concepts in Social Services Reform*, COATES' CANONS: NC LOC. GOV'T L., UNC Sch. of Gov't Blog (Oct. 5, 2018), <https://canons.sog.unc.edu/regions-regions-regions-untangling-different-concepts-in-social-services-reform/>.

18. S.L. 2017-41, §1.2(d)(2)b.

19. S.L. 2017-41, pt. IV (enacting new G.S. 108A, pt. 2B).

20. UNC SCHOOL OF GOVERNMENT, SOCIAL SERVICES REGIONAL SUPERVISION AND COLLABORATION WORKING GROUP, STAGE ONE FINAL REPORT (March 2018), <https://www.sog.unc.edu/resources/microsites/social-services/reports>.

21. S.L. 2017-41, § 1.1.

benefits and challenges associated with such a system. The rest of this section includes recommendations and the SSWG's collective insight about mandatory regional departments.

Recommendation 5.a: The legislature should not require the counties to join together to create multicounty departments to administer social services programs.

Rationale: After a careful review of many of the potential benefits and challenges that would be associated with mandating regional departments for program administration, the SSWG strongly believes that the enhancements to regional *supervision* identified in Stage One are more likely to generate positive improvements to service delivery for individuals and families, support for local officials administering programs, and oversight and improvement of the social services system as a whole. The full list of potential benefits and challenges associated with regional administration considered by the SSWG is included in the Appendix.

Potential Benefits

There may be some potential benefits to shifting from 100 county departments to a smaller number of regional departments responsible for administering social services programs. For example, a regional department could

- improve outcomes,
- increase efficiency,
- offer more consistent support to local staff,
- improve access to services across the region,
- allow knowledge and resources to be shared between counties within a region,
- improve communication within a region and across the state, and
- facilitate sharing of best practices across the state.

The SSWG believes that the enhanced regional supervision, as proposed in S.L. 2017-41 and SSWG's Stage One report, will likely generate most if not all of these same potential benefits. In addition, improvements to inter-county collaboration addressed earlier will help the state realize many of these potential benefits.

Potential Challenges

There would be significant challenges associated with transitioning to a regionally administered system. The three identified by the SSWG as the most pressing are (a) complex management issues, (b) change process, and (c) governance.

Complex Management Issues. Shifting from a system that is administered (and funded in large part) by 100 counties to a completely different structure of regional government entities would be extremely difficult to manage. For example, redesigning the entire funding strategy for social services would be a significant challenge. Also, providing adequate access to services in a larger geographic area would be difficult to manage. Another important management concern would be the apportionment of liability and responsibility across counties if there is a departmental failure.

Change Process. In order to shift to a new regional system, the state would need to unravel systems that are well-established and have evolved over years. These changes, in addition to the potential disruptions and system breakdowns, would generate significant anxiety for both the public and the staff involved with service delivery. There are also many who would associate such a transition in social services with the reforms to the state's mental health system, which local officials and staff have generally not regarded as positive.

Governance. It would be difficult to create an effective governance structure for a multicounty social services department. Because the financial and personal interest for each county involved

is so high, county officials would struggle with the role and authority of this outside entity. The governance structure would need to provide strong oversight for the agency and ensure fairness across the region.

The SSWG believes that enhanced regional supervision, as proposed in S.L. 2017-41 and SSWG's Stage One report, will not face these challenges. Enhanced regional supervision will not be creating new legal entities to administer services and new governance structures. It will not require that the funding system for social services be redesigned. It will also not set up a new layer of bureaucracy. Instead, the goal of enhanced regional supervision is for DHHS to organize state resources, support, and monitoring to ensure that state staff are more accessible to the communities they are responsible for supporting. DHHS will need to manage significant changes at the state level, but those changes will not have the level of system-wide impact or potential disruption that a new system of regional administration would have. Feedback received by the SSWG from partners and stakeholders clearly demonstrates that there is not the same level of anxiety related to enhanced state supervision.

The SSWG is enthusiastic about the changes that will come from enhanced regional supervision. The group believes that these changes should be implemented soon and monitored carefully to ensure that they are having a positive impact on the state's social services system. Enhanced regional supervision has the opportunity to deliver many of the benefits without most of the challenges. The state should be given an opportunity to make these changes happen without mandating regional administration at this time.

Recommendation 5.b: The legislature should require a study of all of the social services and programs that counties administer. 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. Some examples of appropriate shifts in responsibilities are listed in Table 1.

Table 1. Examples of Possible Shifts in Responsibility

Entities	Responsibilities
Other county departments	Issuing outside social services core functions, such as hunting and fishing licenses
State-administered (through central or regional offices)	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 (through multicounty public authorities separate from the counties)	Nonemergency medical transportation
Private partners	Identifying adoptive families for older foster children (e.g., Children's Home Society of North Carolina)

It is possible that a careful 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 study is completed.

Recommendation 5.c: 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 were 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.d: If the legislature decides to mandate regional administration, the state should completely reevaluate the state's approach to enhanced regional supervision, assuming that system is implemented.

Rationale: The enhanced regional supervision initiated in S.L. 2017-41 and addressed by the SSWG in Stage One is expected to work well in a state-supervised, county-administered system. It will also work well if there are *some* regional departments offering *some* social services programs, as authorized by S.L. 2017-41. The plan for enhanced regional supervision proposed in SSWG's Stage One report would not necessarily work well if the state transitioned to a state-supervised, regionally-administered system. Therefore, if the legislature elects to require regional administration, it should also revisit the state's approach to supervision and work with DHHS to develop a different plan.

Recommendation 5.e: 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. In addition, many associate system reform with the transitions that have taken place in the state's mental health system. This confusion is 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.

IV. Conclusion

North Carolina's social services system is under extraordinary pressure. Reform is essential if all of the public officials and staff involved are going to be able to deliver the highest-quality services in their communities. The legislature directed the SSWG to gather information, identify options, and make recommendations related to reforming this complex and strained system. SSWG is part of a larger process that is generating reform recommendations from DHHS as well as an outside consultant, the Center for the Support of Families. These multifaceted and extensive efforts are intended to come together to identify the best path forward for North Carolina's social services system.

The SSWG Stage One and Stage Two reports reflect the group's collective thinking in addressing several different topics and offering many recommendations. The group regularly considered five cross-cutting goals:

- improved outcomes,
- high-quality services,
- consistent service provision across all counties,
- accountability, and
- transparency.

The SSWG members agree that successful reform will not mean that every local social services agency is identical. The unique characteristics of each county should be taken into account when designing and delivering optimal services. Successful reform will strike the right balance between what is already working well across the state and what needs to be adjusted locally to improve services and outcomes. The group agreed that transparency and accountability are crucial to successful reform and require a reliable and accurate data-collection system in order to assess and enhance services over time. Given the challenging and delayed implementation of the NC FAST system, the group agreed a review of NC FAST for use with case-management-service programs is needed and should be prioritized.

The three primary substantive areas addressed by the SSWG—regional supervision, local governance, and inter-county collaboration—are intertwined. The state should implement changes in all three areas in order to realize success. The SSWG firmly believes that mandatory regional administration would not improve outcomes more than enhanced regional supervision and, in fact, may pose many more challenges for the citizens, the counties, and the state. Enhanced regional supervision, combined with the other changes related to local governance and inter-county collaboration, will allow the state-supervised, county-administered system to realize the five cross-cutting goals identified above and improve this vital government function for the citizens of North Carolina. The advisory body recommended by the SSWG will allow the legislature and others to remain involved in the reform process and help ensure that the state continues to make progress toward meeting these five goals.

Appendix: Potential Benefits and Challenges Associated with Mandatory Regional Administration

As directed by S.L. 2017-41, the SSWG considered the possibility of mandatory regional departments of social services and discussed several potential benefits and challenges that would be associated with making such a transition. To prepare for this discussion, staff from the School of Government at the University of North Carolina at Chapel Hill conducted surveys, convened focus groups, and conducted interviews with partners and stakeholders around the state.²² In addition, School staff interviewed agency staff in several other states and reviewed publicly available information. The two lists below synthesize many of the ideas that emerged in the course of the SSWG's information-gathering process.

Potential Benefits of Regional Administration

Lines of communication would be clearer and more concentrated, leading to more consistent practice and policy interpretation.

Supports would be provided regionally instead of county-by-county, allowing more consistent training and professional development.

The state would be responsible for supervising fewer entities, increasing accountability.

Having fewer entities would allow the state to provide more support for each entity.

Having fewer entities, with less variation in practices and policy interpretation, should facilitate improvements in performance and outcome measurement.

Sparsely populated areas of the state would have better access to services because they would not be relying entirely on county-specific staff or funding.

Residents of one county in a region could be able to access services in other counties within the region.

Multiple counties would pool resources to benefit from economies of scale. For example, a staff person who specializes in a program that typically serves a small number of people in one county would be available to support multiple counties.

Counties would be able to share knowledge and resources.

Working conditions and pay for staff would be consistent across the region, stabilizing staffing.

Negative local political influence would decrease.

Regional departments, such as judicial districts and district health departments, could be aligned with other key regions.

Lessons learned from the experience of regional mental health reform could be applied to regional social services reform.

22. The SSWG considered feedback from social services directors, social services attorneys, social services board members, county commissioners, state agency representatives, parent-attorney representatives, behavioral-health-provider organizations, the N.C. Pediatric Society, the N.C. chapter of the National Association of Social Workers, Prevent Child Abuse, and the N.C. Partnership to Address Adult Abuse. The SSWG also reviewed over fifty responses to a public survey posted on the School website.

Potential Challenges of Regional Administration

Designing appropriate regions when there are many factors to take into consideration

Managing regional departments containing counties of different sizes, populations, and service needs

Redefining and clarifying the roles of the government (county, region, regional supervision, central office)

Redesigning complex funding streams and local financial contributions for a regional department

Reconsidering and redesigning the organizational and governance models for twenty-six counties that have already transitioned to a consolidated human-services agency

Redesigning staffing structures to support a regional model

Communicating changes to staff and garnering their support for such a significant transition

Communicating to members of the public regarding changes to local service delivery

Overcoming negative impressions of regional human-services programs related to mental health reform

Establishing and maintaining local relationships across multiple counties

Perceived or experienced loss of desired local flexibility or control

Maintaining a sense of "ownership" in a new regional authority for counties included within the region

Decreasing positive local political influence

Measuring or quantifying the value of the transition to regional departments; determining whether the change saves money, improves outcomes, or generates other efficiencies or improvements

Monitoring the investment of regional resources in each county

Managing liability exposure for counties involved in each region

Managing legal representation across multiple counties and judicial districts within a region
