



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

August 15, 2018

MANDY COHEN, MD, MPH
SECRETARY

SENT VIA ELECTRONIC MAIL

The Honorable Louis Pate, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 311, Legislative Office Building
Raleigh, NC 27603

The Honorable Josh Dobson, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 301N, Legislative Office Building
Raleigh, NC 27603

The Honorable Donny Lambeth, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 303, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen Pate, Dobson and Lambeth:

As required by Section 11 A.2. of Session Law 2018-5, the Department of Health and Human Services (DHHS) is writing to notify the Joint Legislative Oversight Committee and the Division of Fiscal Research that the Department has fulfilled the conditions detailed in this section to carry out the duties of the Office of Program Evaluation Reporting and Accountability (OPERA).

Specifically, the following steps have taken place. Three positions have been established to carry out the responsibilities defined in the OPERA legislation. These include a Director to lead to the OPERA efforts. As detailed in legislation, this position will report directly to the Secretary of DHHS and carry out the following responsibilities as detailed in Session Law 2015-241.

- Assess the evidentiary basis of all Department programs as recommended by Evidence-Based Policymaking: A Guide for Effective Government, a project of the Results First Initiative of the Pew Charitable Trusts and the John D. and Katherine T. MacArthur Foundation.
- Identify and evaluate any Department program when directed by the General Assembly, the Secretary, or as deemed necessary by the Director.
- Develop an Internet Website containing an inventory of departmental programs consisting of the program name and a link to a program profile. For each program, the profile must contain, at a minimum, all of the following:

WWW.NCDHHS.GOV

TEL 919-855-4800 • FAX 919-715-4645

LOCATION: 101 BLAIR DRIVE • ADAMS BUILDING • RALEIGH, NC 27603

MAILING ADDRESS: 2001 MAIL SERVICE CENTER • RALEIGH, NC 27699-2001

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

- Legal authority for the program.
 - Program performance for the past five fiscal years and year to date for the current fiscal year.
 - Outcome. – The verifiable quantitative effects or results attributable to the program compared to a performance standard.
 - Output. – The verifiable number of units of services or activities compared to a standard.
 - Efficiency. – The verifiable total direct and indirect cost per output and per outcome compared to a standard.
 - Performance standard. – A quantitative indicator based upon best practices, generally recognized standards, or comparisons with relevant programs in other states or regions for gauging achievement of efficiency, output, and outcomes.
 - Benchmarks. – A broad societal indicator used for gauging ultimate outcomes of the program, such as U.S. Census data.
 - Funding by source for the current and previous five fiscal years.
 - Listing of filled and vacant employee positions as specified by the Office of State Budget and Management.
 - Listing of contracts during the previous fiscal year and of the current fiscal year to date with individuals and firms and the actual and authorized cost, funding source, and purposes of those contracts.
 - Categorization by evidence of effectiveness as determined by the Office.
 - Potential return on investment of each program.
 - Findings and recommendations from internal and external State or Federal audits, Office program assessments, and program evaluations.
- To assure that the Office Internet Website allows users to list all of the following:
 - Programs that exceeded, met, or did not meet performance standards for efficiency, outputs, and outcomes for the immediate preceding fiscal year.
 - Programs by category of evidence of effectiveness.
 - Programs by potential return on investment.
 - Programs listed in a manner determined useful by the Office.
 - Respond promptly to requests for program-level data and information from the Office of State Budget and Management, the Fiscal Research and Program Evaluation Divisions of the Legislative Services Office, and the State Auditor.

Additionally, two program evaluator positions have been established to comprise the remaining staffing for OPERA Office. These positions are currently posted and will be filled as soon as possible.

The Department has also taken additional steps to immediately commence the work of OPERA. Effective, July 15, 2018 Marjorie Donaldson has been appointed as the Director for the Office of Program Evaluation, Reporting and Accountability by the Secretary of DHHS. Ms. Donaldson has 30 years of experience in working in the Department. For the past ten years, she has been the Deputy Director of the Division of Budget and Analysis. In this role, Ms. Donaldson has been uniquely positioned to gain a deep understanding of the budgetary and programmatic aspects of programs throughout the Department. She has been a primary architect in the development of the department's

evolving performance management system and database, *DHHS Open Window*. This system contains an inventory of the departmental programs, services, grants and contracts. It allows us to link our services to costs and outcomes and assess performance. Ms. Donaldson also has an extensive background in program evaluation which makes her extremely well suited for this role. As the Chief of Planning and Program Evaluation for the North Carolina Division of Vocational Rehabilitation Services, Ms. Donaldson coordinated and directed the Division's planning and program evaluation functions. By placing Ms. Donaldson in this position, the work defined in the OPERA legislation will be able to begin immediately. Additionally, staff within the Division of Budget and Analysis will be made available to assist in fulfilling the duties of this office during the brief period the other two positions are being filled.

DHHS will continue to keep the Joint Legislative Oversight Committee and the Division of Fiscal Research on additional progress as additional staffing decisions are made and finalized. In the meantime, these duties of this office have already begun.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mandy Cohen" with a stylized flourish at the end.

Mandy Cohen, MD, MPH
Secretary

cc: Rod Davis
Rob Kindsvatter
Deborah Landry