STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

February 22, 2019

SENT VIA ELECTRONIC MAIL

The Honorable Joyce Krawiec, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 308, 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 307B, 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:

Session Law 2017-41, Section 1.1 requires the Department of Health and Human Services to develop a plan for establishing regional offices charged with supervision of administration of social services at the local level and submit this plan to the Joint Legislative Oversight Committee on Health and Human Services. Section 2.1.(e) further requires the Department to submit to the Joint Legislative Oversight Committee on Health and Human Services any recommendations for legislative changes necessary to implement the reform plan. Pursuant to the provisions of law, the Department is pleased to submit the attached report.

If you have questions about this report, please contact Michael Becketts, Senior Director for Policy, Planning and Special Populations, at 919-855-4800.

Sincerely,

for Mandy Cohen, MD, MPH
Secretary

cc: Mark Benton
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Plan for Regional Supervision and Support of Social Services and Child Welfare Programs

Session Law 2017-41

Report to

The Joint Legislative Oversight Committee on Health and Human Services

By

Department of Health and Human Services

February 22, 2019

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Overview

Summary

NC Session Law 2017-41, Rylan's Law[1] requires the Department of Health and Human Services (DHHS) to submit *"a plan [to the Joint Legislative Oversight Committee on Health and Human Services] that outlines regional supervision of and collaboration by local social services programs,"* by November 15, 2018 and also requires DHHS to submit "*preliminary recommendations to the Committee no later than October 1, 2018, regarding legislative changes necessary to implement …a plan to reform the State supervision and accountability for the social services system, including child welfare, adult protective services and guardianship, public assistance, and child support enforcement."*

This report is organized in four sections. Section I presents a proposed plan for implementing regional supervision of local child welfare and social services programs. Section II describes recommended legislative changes to support implementation of select recommendations prepared by the Center for Support of Families. Section III includes additional recommendations that, if addressed, would be key enablers for improving the state's social services and child welfare systems – including addressing county staffing capacity needs. Section IV summarizes the report's recommendations.

Background

NC Session Law 2017-41, Rylan's Law[2], Part I, Section 1.1 requires the Department of Health and Human Services (DHHS) to submit *"a plan [to the Joint Legislative Oversight Committee on Health and Human Services] that outlines regional supervision of and collaboration by local social services programs."*

Rylan's Law, Section 2.1(e), also requires DHHS to submit "*preliminary recommendations to the Committee, regarding legislative changes necessary to implement the reform plan"* prepared by a third-party organization, the Center for Support of Families (CSF). CSF was selected through a bidding process led by the Office of State Budget and Management in consultation with DHHS as directed by Ryan's Law, and was charged with developing *"a plan to reform the State supervision and accountability for the social services system, including child welfare, adult protective services and guardianship, public assistance, and child support enforcement."*

Rylan's Law prescribed a timeline of activities to inform the development of this report. First, the law created the Social Services Regional Supervision and Collaboration Working Group (SSWG), an eighteen-member committee consisting of legislators, Department officials, county commissioners, members of the judiciary, social services directors, and other key stakeholders. The University of North Carolina School of Government was required to convene the SSWG. Specifically, Rylan's Law directed the SSWG to prepare two reports, the first of which was submitted to the General Assembly in April 2018 and is publicly available.[3] In it, the SSWG drafted recommendations on the size, number, and location of regional state offices; the allocation of responsibility between and among the central State office, new regional offices, and local/county offices; and methods by which the regional offices might share information with county

[1] NC Session Law 2017-41, Rylan's Law: https://www.ncleg.net/Sessions/2017/Bills/House/PDF/H630v6.pdf
[2] NC Session Law 2017-41, Rylan's Law: https://www.ncleg.net/Sessions/2017/Bills/House/PDF/H630v6.pdf
[3] SSWG reports: https://www.sog.unc.edu/resources/microsites/social-services/reports

offices. The SSWG's second report[4] to the General Assembly was completed in December 2018 and focuses on inter-county collaboration and regional administration.

Second, Rylan's Law directed *"a third-party organization to develop a plan to reform the State supervision and accountability for the social services system."* This third-party organization was to evaluate DHHS' current capacity to oversee and support the state's overall social services system; develop a strategic vision for the system with a specific emphasis on state and regional leadership and governance; create a plan for data collection, analysis, and use; and detail a reform plan that would *"improve outcomes for children and families, enhance State supervision of local social services administration, [and] improve accountability for outcomes in social services at the local, regional, and State levels."* Concomitantly, the third-party organization was required to evaluate and submit additional recommendations to specifically reform the State's child welfare system.

The Office of State Budget and Management, in consultation with DHHS, selected the Center for the Support of Families (CSF) to fill this role. CSF began to develop a plan of action in March 2018. CSF submitted its preliminary report on August 31, 2018[5]. CSF will complete its second report, which will expand on its recommendations, no later than March 31, 2019.

Process for Developing DHHS Recommendations

The recommendations presented by both the SSWG and CSF included significant external stakeholder input gathered through both surveys and focus groups held across the state. DHHS senior leadership (Principal Deputy Secretary, Assistant Secretary for Human Services, and Child Welfare Director) actively participated as members of the SSWG. Further, the Secretary's leadership team, as well as various division directors and section chiefs within social services and a variety of DHHS subject matter experts across enterprise functions (e.g., budget, business operations, human resources, information technology, legal) engaged in informing the CSF report. The recommendations in the CSF and SSWG reports were carefully analyzed by DHHS and have significantly informed the recommendations presented in this report.

Goals

DHHS also considered the following goals in developing recommendations:

- All North Carolina citizens should have equal access to whole person-centered, high-quality social services that:
    - Protect the safety, security, and well-being of children and vulnerable adults.
    - Ensure children get a healthy start and develop to their full potential in safe and nurturing families, schools, and communities.
    - Promote family economic independence and self-sufficiency.
    - Support individuals with disabilities and older adults in leading healthy and fulfilling lives.

- North Carolina's social services system should produce better outcomes for the citizens it serves and deliver maximum value to its customers, communities, and tax-payers by:
    - Providing high-quality training and professional development to support a well-qualified social services workforce.

[4] SSWG reports: https://www.sog.unc.edu/resources/microsites/social-services/reports
[5] CSF report: https://www.osbm.nc.gov/social-services-and-child-welfare-reform-reports

- Leveraging existing resources and partnerships.
- Implementing processes to ensure effective, ongoing communication and feedback among stakeholders.
- Implementing systems to ensure transparency, accountability, strong fiscal stewardship, and continuous quality improvement.

SECTION I: IMPLEMENTING REGIONAL SUPERVISION OF LOCAL SOCIAL SERVICES AND CHILD WELFARE PROGRAMS

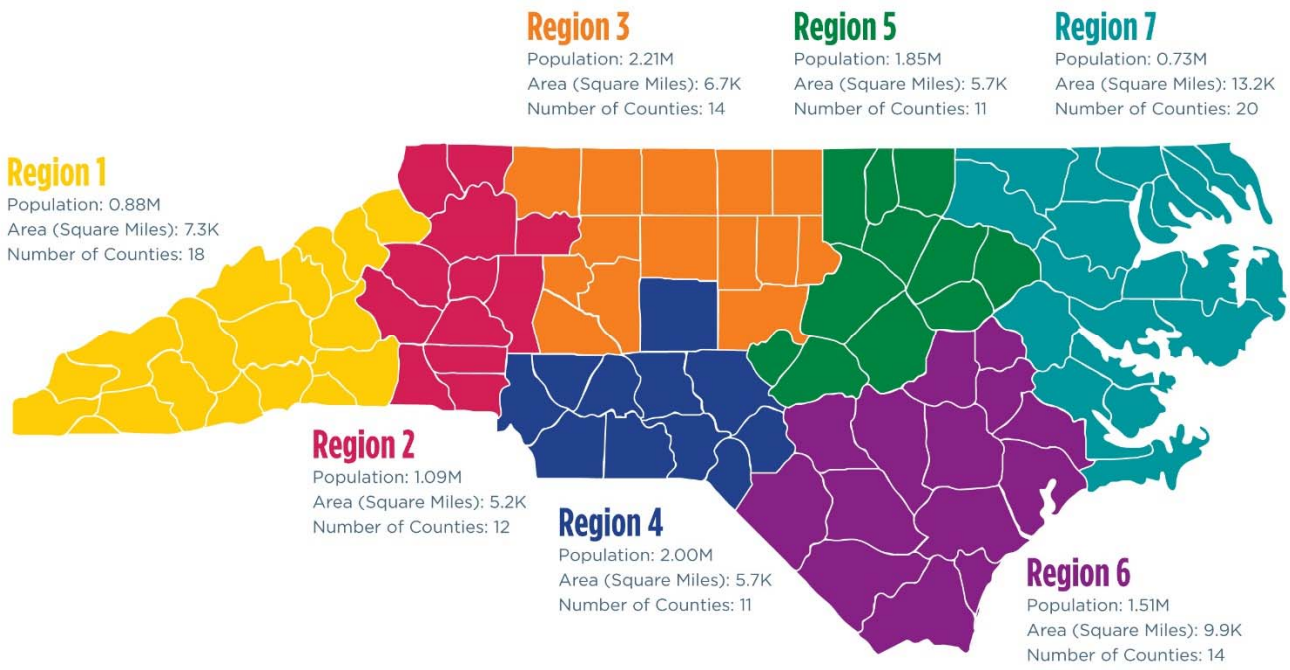
A. Geographic Regions

The Department reviewed the recommendations for regions from CSF and SSWG, reviewed existing regional constructs, and assessed current caseloads and performance improvement plans for county delivered social services and child welfare. Based on that review, the Department concurs with the recommendations from the SSWG regarding the following guiding principles related to how regional offices are ultimately established.

- No county should be split into different regions.
- Regions should be contiguous.
- Total county population and population served by each region should be comparable.
- Total geographic size should be comparable. This will allow the State to set up offices in naturally centralized locations and make it easier for staff to travel to their constituent counties.
- To the extent possible, judicial districts should not be disrupted. The child welfare system is inextricably linked to the court system.
- Regions should strive to preserve natural networks that have developed over time. Under our present system, many practitioners have built long-term professional relationships across county lines. A regional map should allow support for those networks to the extent possible.

The SSWG Phase I report offered two options – one with seven (7) regions and the second with (5) regions. Fewer regions would require that each region be larger in land area. For example, five regions would create a region of twenty-seven (27) counties encompassing 15,300 square miles, a more significant territory for regional representatives to cover. Since one of the purposes of regions is to place State personnel in more proximate locations to the counties that they serve, we instead recommend the alternate SSWG proposal of seven (7) regions. Five regions would result in some cost savings, but the level of on-site support and monitoring and in-person training would be reduced based on region size and travel times. Further, local Department of Social Services (DSS) directors and staff would also have to spend more time traveling to a central location for meetings and trainings and have less time with the regional staff. Many of the DSS directors have expressed a need to be able to develop strong relationships with DHHS staff through frequent interaction. The seven (7) region map, as developed by the SSWG, is depicted in Figure 1.

Figure 1. Proposed Seven Region Map



Recommendation 1: Establish seven (7) regions for regional supervision of county-administered child welfare and other social services. Counties within each region should be contiguous. DHHS further recommends that any legislation directing the establishment of regions allow for flexibility in determining which counties fall within each of the regions. This will allow DHHS to make small adjustments as needed based on changes to judicial districts, new county level partnerships, significant population caseload changes, etc.

B. Roles and Responsibilities

The SSWG report tasks regional offices with nine (9) functions to strengthen support and supervision to counties:

1) best practice dissemination,
2) compliance monitoring,
3) fiscal monitoring,
4) integrated data systems and recordkeeping,
5) interagency coordination,
6) policy guidance and technical assistance,
7) quality improvement,
8) staffing standards and support, and
9) training.

Across these nine functions, a total of forty (40) duties are assigned to the central office and forty-five (45) duties are assigned to the regional offices. The Department concurs with the SSWG's general designation of key functions and responsibilities, as described in Table 1. The Secretary holds general

organizational and executive authority to set these expectations and responsibilities as a matter of departmental policy[6].

Table 1. SSWG Key Functions and Responsibilities

Category	Central Office	Regional Office
Best Practice Dissemination	• Identify and select best practices that can be implemented statewide • Facilitate the implementation of best practices statewide through resource provision and guidance • Respond to feedback regarding best practices and make final determination regarding statewide applicability • Promote a culture of innovation that allows for improvement on practice models and strategies	• Support local agencies in the implementation of best practices through training and resource provision • Assess innovative practice strategies developed by local agencies for region-wide or statewide applicability • Facilitate sharing of best practices at the regional and local levels when appropriate • Share information with central office regarding best practice implementation at the regional and local levels
Compliance Monitoring	• Establish statewide plan for routine compliance monitoring • Provide tools that facilitate/support compliance monitoring and risk assessment • Oversee regional offices to ensure timely, coordinated, and consistent monitoring across regions • Make final determination regarding corrective action and state intervention in local administration	• Perform compliance monitoring as provided in statewide plan and in accordance with the written agreement required by G.S. 108A-74; coordinate scheduling of compliance monitoring activities across programs for local social services agencies ("local agencies") within the region • Work with local agencies to develop corrective action plans and oversee implementation of those plans • Support local agencies in their efforts to monitor compliance internally • Share, interpret, and discuss monitoring results and dashboard data with agency directors • Maintain open communication with local agencies and others in the county regarding compliance duties, challenges, and successes
Fiscal Monitoring	• Steward federal and state funds and manage reporting obligations • Establish statewide plan for routine fiscal monitoring • Oversee regional offices to ensure timely, coordinated, and consistent fiscal monitoring across regions • Make final determination regarding corrective action and state intervention in local administration	• Perform fiscal monitoring • Coordinate scheduling of fiscal monitoring activities across programs for local agencies across region • Support local offices in their efforts to effectively develop and manage their budgets internally • Maintain open communication with local agencies and others in the county regarding fiscal condition • Work with the local agencies to identify resource gaps or a need for re-basing at the local level; communicate those needs to the central office
Integrated Data Systems and Record-Keeping	• Establish and maintain statewide, dependable, electronic, program-specific data systems to support service provision and recordkeeping • Ensure that systems comply with applicable federal and state laws • Provide regional offices and local agencies with regular reports that are timely and accurate • Support regional staff with effective data analytics	• Provide technical assistance to local agencies to support accurate data collection, proper recordkeeping, and timeliness • Gather feedback from local agencies as issues arise to recommend improvements and updates to data systems • Provide support for pilot counties involved with implementing changes to data systems

[6] *See,* generally, provisions of G.S. 143B, the Executive Organization Act of 1973.

Category	Central Office	Regional Office
	• Provide training and technical support to regions and local agencies related to data systems and recordkeeping • Respond to feedback received from local agencies and regional offices regarding data systems • When data systems must be replaced or modified, coordinate and stage pilot projects and roll-outs on a regional basis	
Interagency Coordination	• Establish policies to outline when and how interagency and inter-region coordination is required; examples include the management of conflict of interest (COI) cases and coordination of resource deployment in emergencies • Develop protocols for coordinating with state agencies other than DHHS, such as emergency management, and help manage efforts that involve other agencies • Assist with coordination efforts that involve multiple regions or are being implemented statewide • Establish system to track assets and staff available to be deployed or shared with other local agencies in emergencies	• Provide support to a local agency that is in need of assistance from other agencies • If local agencies are not able to reach a resolution related to the provision of assistance or resource-sharing, make decisions as necessary to ensure that service needs are met; for example, this may involve (1) assigning COI cases to agencies consistent with state policy or (2) assigning responsibility for processing County A's economic services applications to County B if County A's information technology system is temporarily compromised and unavailable • Coordinate with other regions when additional resources or support are needed • Monitor local policies or plans related to coordination, such as emergency management plans and COI policies • Track assets and staff available to be deployed to other local agencies in emergencies
Policy Guidance and Technical Assistance	• Establish and maintain statewide program policies that are consistent with state and federal law • Crosswalk policy with other departments (Division of Aging and Adult Services, Division of Medical Assistance, Division of Health Service Regulation, Administrative Office of the Courts, etc.) to ensure consistency • Provide support and guidance to regional offices in the implementation of statewide policy and the supervision of local agencies • Provide policy updates to regional offices in a timely manner to ensure consistency in implementation • Review and react to feedback from regional offices and local agencies; update policy accordingly	• Provide policy guidance and technical assistance that is both directed by regional/central office and requested by the local agency • Support local agencies in the consistent implementation of policy with training and technical assistance • Promote the consistent implementation and interpretation of policy between and within regions through policy expertise • Use data analytics and other sources of information to identify situations or challenges that may stem from inappropriate interpretation and application of law or policy and work with the local agency to evaluate and align practices when necessary • Maintain a proactive relationship with central office that increases timeliness and consistency of implementation • Receive and respond to feedback from local agencies about policy guidance • Provide feedback to central office regarding any disconnect between law, policy, and/or practice • If policy questions or concerns arise and are addressed at the local level, share relevant information across county or regional lines when appropriate
Quality Improvement	• Develop policies regarding continuous quality improvement (CQI) expectations • Provide tools that facilitate CQI activities	• Monitor quality of service delivery in local agencies using dashboard data and other available information sources

Category	Central Office	Regional Office
	• Utilize the statewide performance dashboard to develop CQI activities • Evaluate data from the statewide performance dashboard for trends and best practices relevant to statewide performance	• Provide training, technical assistance, and support to local agencies for CQI activities, such as assisting with the interpretation and use of available statewide data and CQI tools • Utilize regional and local performance dashboards (subsets of the statewide dashboard) to assist local agencies in developing CQI activities • Evaluate data relevant to regional and local performance dashboards for trends and best practices relevant to regional and agency-specific performance
Staffing Standards and Support	• Establish and maintain statewide minimum qualifications requirements for all central, regional, and local positions • Provide support, guidance, and oversight in unresolved human resource (HR) conflicts • Identify workforce gaps and possible solutions • Recruit and retain high-quality staff at the central and regional levels	• Participate in development and revision of minimum qualifications requirements to ensure that they adequately account for local needs and challenges • Monitor local agencies for compliance with minimum qualifications requirements • Provide HR expertise to local agencies upon request • Provide feedback to directors and supervisory staff at the local level regarding staff performance based on data analytics, monitoring, and other interactions • Recruit and retain high-quality staff at the regional level
Training	• Establish and maintain statewide curriculum and training standards • Establish and maintain "train the trainer" curriculum and support for regional staff • Ensure consistent training across regions • Ensure that training is timely, accessible, and able to accommodate all regional and local staff	• Provide "train the trainer" curriculum and support to directors and supervisory-level staff at the local level • Provide training related to root-cause analysis and budgeting • Provide training to local staff directly when appropriate • Maintain a "bank" of training resources accessible to local agencies • Monitor compliance with training mandates at the local level to ensure competency and consistency • Identify training needs within the region using data analytics and respond accordingly

C. Staffing

Approach:

Moving to a model of regional supervision of county social services agencies requires both staffing for the regions and adjustments to the current central office structure to ensure clear lines of supervision, responsibility, accountability and effective use of resources. The Department began its process of evaluating staffing needs by reviewing the current organizational structures and positions for all social services and child welfare services and identifying which positions could be redeployed or realigned to support an improved, regional structure of supervision and support to counties.

Regional Staffing Structure:

Both the CSF and SSWG Stage 1 reports recommended that each region be staffed with positions to cover all social services and child welfare areas, which are:

1. *Aging and Adult Services:* adult protective services, direct guardianship services and oversight of county guardianship, State and County Special Assistance cash supplement program for residential services, and administration of Social Services Block Grant funds which support an array of services including congregate and home-delivered meals and transportation.
2. *Child Support Services:* location, establishment of paternity, establishment or modifying of child support orders, enforcement of child support orders, and collection and processing of child support ordered payments.
3. *Child Welfare Services:* child protective services, prevention and in-home services, foster care, adoption, kinship care, and financial administration, including federal Title IV-E funds.
4. *Economic Services:* Food and Nutrition Services (FNS, formerly known as Food Stamps), Disaster Supplemental Nutrition Assistance Program (DSNAP), low-income energy programs, Work First cash assistance, and refugee assistance.

The CSF report recommended a total of 22 positions per region. While the SWG Stage 1 Report did not specify the total number of positions recommended for each region, the following positions were identified and illustrated in Table 2.

Table 2. Proposed Staffing Model

Position	Description
Regional Director	• Serve as liaison between assigned counties and central office staff • Monitor counties in region to identify areas of concern • Facilitate central office supervision of counties within region, which may include activities such as coordinating monitoring visits, scheduling needed training for county directors or staff, or providing local support for state oversight of a corrective action plan
Administrative Staff	• Office support • Human resources (HR) support • Other duties as assigned
General Technical Assistance	• Staff with expertise to provide support and training in generalized fields, such as HR, budget, and information technology • Depending on needs and resources, staff may be assigned to a region or may rotate between regions
Program Consultants	• Staff with program-specific knowledge (e.g., child welfare, adult services, Medicaid, food and nutrition, child support) • Each region would have some program consultants assigned to the region, but the mix and number would vary from region to region • Regions may permanently share a program consultant in some instances • Regions may temporarily share program consultants with another region to assist when there is a vacancy or an intensive need for support in the other region • If a region does not have a program consultant for a program, central and regional directors would have flexibility to provide program consultant support from the central office or to make other arrangements as appropriate to ensure that local social services agencies have access to adequate support and supervision

DHHS concurs with the approach recommended by the SSWG and has identified a proposed staffing structure for the regions based on caseloads, complexity of the program, and current staffing and performance.

Below is a chart of the proposed staffing structure for each region. The regional offices will be managed by directors who will report directly to the Assistant Secretary for County Operations to ensure a strong link to DHHS leadership, consistency in decision-making, and application of policy across regions.

Table 3. Proposed Regional Office Structure

Role	Number of Positions	Function
Leadership		
Regional Director	1	Provide administrative direction and oversight to each regional staff member and function, develop strong relationships with county leaders, and liaise with the central office
Administrative Assistant	1	Provide clerical support for each regional office
Aging and Adult Services		
Continuous Quality Improvement Specialist	3	Provide technical assistance, policy interpretation, and monitoring of county performance in the areas of 1) Adult Protective Services/Guardianship, 2) Social Services Block Grant services, and 3) State-County Special Assistance Program
Child Support		
Continuous Quality Improvement Specialist/Trainer	2	Provide technical assistance, policy interpretation, training and monitoring of county performance in the areas of Adult Protective Services/Guardianship, Social Services Block Grant services, and State-County Special Assistance Program
Child Welfare		
Continuous Quality Improvement Specialist	3	Provide technical assistance, policy interpretation, and monitoring of program performance for child protective services and prevention and in-home services, foster care, adoption, and kinship care
Trainer	2	Deliver regional/onsite training sessions for 1) child protective services and prevention and in-home services policy and best practices, and 2) foster care, adoption, and kindship care policy and best practices
Economic Services		
Continuous Quality Improvement Specialist	3	Provide technical assistance, policy interpretation, and monitoring of county performance in the areas of 1) Food and Nutrition Services, 2) Work First, 3) Energy Programs, and 4) Refugee Services
Fiscal Support		
Local Business Liaison	2	Help counties maximize federal funds for social services, establish sound administrative procedures, and develop their social services budgets

Additional Staffing Needs:

In addition to the regionally based positions described in the section above, DHHS also carefully analyzed the SSWG and CSF reports and current central office staffing to determine its capacity to support a new regional structure and an improved child welfare and social services system.

The CSF report identified the following resource deficiencies that DHHS has sought to address in its additional proposed staffing needs:

*"There are five primary resource issues that must be addressed in order to successfully reform the current social services system**: inconsistent policy development and dissemination; deficiencies in workforce development in the form of staff training**; a lack of high quality community resources; underserved populations in need of mental health services; and **no easy access to reliable program and performance data…The need for clear, consistent, accessible and timely policy and training was raised during focus groups, stakeholder interviews and calls, document reviews, and county and state-level conferences and meetings. The need for improved access to high-quality training cut across social services programs and was strongly voiced by counties of all sizes, types, and tier ranking.**"*

DHHS has determined that with appropriate restructuring, central office staffing is adequate with the following important exceptions:

- Two (2) additional quality control and program integrity staff for completing the federally required On Site Review Instrument (OSRI) process for all 100 counties.

  Rationale: States are required to use the OSRI on a percentage of all child welfare cases as part of the federal monitoring process. Currently, DHHS currently has 5 OSRI Quality Control/Program Integrity staff who conduct the review for some counties, while other counties conduct their own self-reviews. Previously, DHHS delegated this responsibility to certain counties due to resource constraints. DHHS should assume the role of quality control/program integrity for all counties to reduce this burden on counties and ensure equitable treatment and accountability.

- One (1) distance learning manager and four (4) curriculum specialists (2 child welfare, 1 economic services, and 1 aging and adult services curriculum specialist) to support a modernized approach to delivering child welfare and social services training that will ensure greater access to high-quality, interactive, in-depth training for county staff.

  Rationale: County departments of social services experience turnover of a full third of their staff each year in many cases, and the demand for well-qualified and trained staff is high. At the same time, child welfare and social services policy and service delivery is increasingly complex due to continuous changes in best practices, federal and state policy and laws, technology, and accountability for outcomes. High-quality training must be accessible across the state and available with sufficient frequency to meet demand. The state has not capitalized on new approaches to training that allows high-touch, interactive training and coaching that is delivered remotely.

- Four (4) business analyst liaisons to work within each program area to identify and create requirements for improvements or replacements for current technology programs supporting county implementation of child welfare and social services.

  Rationale: Technology products used to support child welfare and social service delivery require well-developed business requirements that specify what the product needs to do, how, and for what purpose. Further, technology must be continuously improved to increase productivity and

remain current with new practices and requirements. Currently, there are no business analyst liaisons embedded in the program areas.

- Two (2) technical writers to support policy staff in writing and updating policy manuals, guidance, and other communications to support counties in implementing high-quality child welfare and social services. Currently, there are no technical writers.

  Rationale: Counties need easy-to-read, updated policy manuals, guidance and ongoing communications to stay current on federal and state requirements and best practices.

- Two (2) Trainers for Aging and Adult Services: Deliver regional/onsite training sessions for: 1) Adult Protective Services/Guardianship, 2) Social Services Block Grant services, and 3) State-County Special Assistance Program. Rather than put a trainer for Aging and Adult Services in every region, DHHS believes that two trainers can cover all regions, in combination with new distance learning modalities. Currently there are no trainers for Aging and Adult Services.

- Three (3) Trainers for Economic Services: Deliver regional/onsite training sessions on: 1) Food and Nutrition Services, 2) Work First, 3) Energy Programs, and 4) Refugee Services. Rather than put a trainer for Economic Services in every region, DHHS believes that three trainers can cover all regions, in combination with new distance learning modalities. Currently there are no trainers for Economic Services.

- Two (2) Fiscal Monitors: Audit county compliance with federal and state reporting rules, appropriate separation of duties, and internal controls. In addition, Fiscal Monitors communicate and coordinate audit findings, responses, follow-up, and resolution with Office of the Controller, DHHS Office of Internal Audit, and Office of the State Auditor. Currently there are two fiscal monitors who are not able to cover all counties well.

- Four (4) Data Analysts to both provide technical assistance to counties in analyzing and using data to improve practice and identify needs and conduct state level data analysis for continuous quality improvement and accountability in the areas of child welfare, child support, economic services, and aging and adult services. Currently there are no data analysts to support counties.

- Four (4) Policy Consultants to provide higher-level policy consultation and information to counties – two (2) for child welfare, and one each for aging and adult services, and economic services. Currently there are policy consultants to support counties.

<u>Positions Repurposed/Needed:</u>

Maximizing efficient use of existing personnel was a top priority in developing the reorganization plan. DHHS conducted extensive analyses which resulted in recommendations to repurpose/redeploy exiting central and home-based staff and identify the number of new positions needed. We have determined that one-hundred and four (104) positions can be repurposed/redeployed from existing positions and forty-three (43) new positions are needed.

While DHHS recognizes that counties also need support and consultation in human resources, we do not recommend establishing human resources consultants outside of the Office of State Human Resources (OSHR). OSHR provides support to counties through its Local Government Support Office. This small team is dedicated to providing consultation on human resources for counties. If additional support is needed, expanding this team could be explored.

DHHS recommends moving forward with repurposing/redeploying one-hundred and four (104) positions to support regionalization, repurposing/redeploying all managerial staff needed to support

regionalization in the central office, and phasing in funding and positions to support forty-three (43) new regional and central office staff described above. DHHS further recommends prioritizing staffing to improve the child welfare system and moving to full implementation of a regional model (with offices) by March 2022.

Recommendation 2: Appropriate funding and positions in fiscal year 2019-20 to support 11 new staff to improve regional supervision and support of child welfare services, and direct DHHS to establish seven regions for regional supervision of child welfare and begin providing oversight and support within those regions beginning in March 2020 as required by Rylan's Law.

Recommendation 3: Appropriate funding and positions in fiscal years 2020-2021 and 2021-2022 to support 32 new staff to improve regional supervision and support of social services, and direct DHHS to begin providing oversight and support for all social services within those regions beginning in 2022 with periodic review of regional staffing needs and functions.

D. Operational Needs

Most of work done regionally should occur inside county agencies, providing direct support and monitoring activities tailored to the needs of the individual agencies. Further, as is current practice, field staff will have home offices or set up temporary work space as needed within local DSS agencies.

However, DHHS concurs with the recommendations from the SSWG that regional "bricks and mortar" offices would be optimal to facilitating high-quality regional supervision to support: 1) on-site trainings and other educational events in-person or via distance-learning technologies; 2) meetings with counties, stakeholders, partners, and staff; and 3) coordination and appropriate supervision among the staff for each region. DHHS recommends that regional offices include:

- a training/meeting space large enough to accommodate fifty (50) persons;
- a conference room with space to accommodate up to thirty (30) participants;
- four (4) to six (6) private offices and an area of cubicles or communal space to house other regional staff who may, from time to time, need remote work space in the office;
- An appropriate workspace and other appropriate technologies, particularly video and teleconferencing platforms, necessary to fulfill the role.

Existing State properties – including those occupied by DHHS, other agencies, or technical colleges – may have appropriate existing space, while some locations may require build-to-suit office space due to market availability. Locations, once determined, would be subject to leasing option discussions and standard procurement processes for renovations to ensure compliance with state procurement laws, rules, and regulations. The Department's Division of Property and Construction (DPC) made a general estimate of the space necessary to satisfy these requirements, approximately 4,831 square feet per regional office. Table 4 provides a sample of space and costs estimates, and is only for illustration purposes.

Table 4. Sample Space Analysis and Cost Estimate

DIVISION OF PROPERTY AND CONSTRUCTION

Office Space Analysis and Cost Estimates

Region	County	Area of Focus	Cost Per SF	Annual Cost	Other Comments
1	Buncombe County	Asheville	$22.00	$106,282.00	High likelihood of leasing existing office space through bid process
2	Iredell County	Statesville	$17.00	$82,127.00	High likelihood of leasing existing office space through bid process
3	Guilford County	Greensboro	$18.00	$86,958.00	High likelihood of leasing existing office space through bid process
4	Montgomery County	Troy	$22.50	$108,697.50	High likelihood of requiring build-to-suit office space due to market size and lack of available office space
5	Wake County	Raleigh	$23.50	$113,528.50	High likelihood of leasing existing office space through bid process
6	Duplin County	Kenansville	$22.50	$108,697.50	High likelihood of requiring build-to-suit office space due to market size and lack of available office space
7	Martin County	Williamston	$22.50	$108,697.50	High likelihood of requiring build-to-suit office space due to market size and lack of available office space

The offices would require the standard complement of desks, tables, chairs, telephones, copiers, printers, computers, etc., commensurate with an office that size. DHHS also recommends that each office be equipped with video and teleconferencing technologies that allow for virtual meetings, the broadcast and/or recording of on-demand or real-time trainings, and other similar activities.

While DHHS supports establishing physical offices for regional supervision of child welfare and social services, it will take significant time and cost to procure and renovate or build appropriate space. Therefore, DHHS recommends phasing in regional supervision by first establishing virtual regions and using existing community spaces for shared trainings and meetings, while the procurement of physical office space is pursued concurrently.

Recommendation 4: a) Direct DHHS to establish seven regions for regional supervision of child welfare and social services and begin providing oversight and support within those regions beginning in March 2020 as required by Rylan's Law; b) Appropriate physical offices within each of the seven regions beginning in March 2021, and appropriate funds necessary to support the full costs of the offices.

SECTION II: RECOMMENDED LEGISLATIVE CHANGES

Pursuant to Rylan's Law, the Department is "required to submit legislative changes necessary to implement the reform plan." The proposed legislative actions in this section address preliminary key changes needed to transform our social services and child welfare systems and are responsive to the preliminary recommendations identified in the CSF report and Stage Two of the SSWG report. Legislative changes, such as those specifically impacting child welfare, child support, and adult services are also listed here. These changes are important to ensure that our restructuring is responsive to the legislative intent

of Rylan's Law to enhance accountability and transparency, and improve outcomes for adults, children and families.

A. Child Fatality Review Process

North Carolina has multiple teams and processes to review child fatalities at the local and state level which involve both the social services and public health systems. The teams and processes have complex relationships with each other, each system performs varying types of fatality reviews, and there is not a centralized electronic data system. Streamlining these processes will serve to help collect and use statewide child fatality data to improve system efficiency and prevent child fatalities. The CSF report made recommendations to streamline the process, and the Child Fatality Task Force is submitting recommended legislative changes to the General Assembly to strengthen prevention of child fatalities and enhance system efficiency.

Recommendation 5: Adopt the child fatality review process recommendations made by the Child Fatality Task Force. Initial recommendations can be found at https://www.ncleg.gov/DocumentSites/Committees/NCCFTF/in%20the%20spotlight/CFTF%20Child%20Fatality%20Prevention%20System%20Recommendations%20for%202019.pdf .

B. Family First Prevention Services Act - Criminal Record and Registry Checks for Adults working in Group Homes and Residential Facilities

The Family First Prevention Services Act is federal legislation which (among other changes) amends title IV-E requirements of the Social Security Act, requiring enhanced criminal record and registry checks. Specifically, the state must have a plan for all child-caring institutions (i.e. group homes and residential facilities for children) to include procedures for fingerprint-based criminal records checks of national crime information databases, and child abuse and neglect and sex offender registry checks on any adult working in a child caring institution (defined as a group home, residential treatment center, shelter, or other congregate care setting.)

Currently, North Carolina only requires background checks on employees of these facilities who have direct contact with children, and fingerprint background checks are only required for applicants who have resided outside of North Carolina for the previous 5 years. These legislative changes serve to protect children by enhancing the scope and depth of background checks for employees of these child caring institutions. This modification to title IV-E of the Social Security Act requires changes to the North Carolina statues that govern criminal background checks for employees of facilities licensed by the Division of Health Services Regulation and the Division of Social Services.

Recommendation 6: Modify N.C.G.S. § 122C-80(b), N.C.G.S. § 143B-932 and N.C.G.S. § 131D-10.3A to require fingerprint background checks as well as checks of the abuse and neglect, and sex offender registries for *all* employees of licensed child caring institutions. DHHS further recommends the issuance of guidance related to appropriate evaluation and decision-making based on criminal record results.

C. Multi-Ethnic Placement Act Compliance

The federal Multi-Ethnic Placement Act (MEPA) prohibits race from being assessed when making placement decisions and evaluating prospective adoptive placements. Subsection (c) of NCGS § 48-3-303 states, "*The preplacement assessment shall, after a reasonable investigation, report on the following about the individual being assessed…age and date of birth, nationality, race, or ethnicity and any religious preference..."* However, subsection (e) of the statute requires that all the items in subsection (c), including race, nationality, ethnicity and religious preference, be used to determine the strengths and weaknesses of the individual to determine whether the individual is suitable to be an adoptive parent. Administrative rule 10A NCAC 70H .0405, which further elaborates on preplacement assessment requires in part that "*The agency shall assess the following areas and shall record the information in the adoptive applicant's record…the applicant's age, date of birth, nationality, race or ethnicity…"*

Recommendation 7: Modify N.C.G.S. §48-3.303(e) to comply with the Multi-Ethnic Placement Act and require the Division of Social Services to work with the Social Services Commission to modify 10A NCAC 70H .0405 to remove language inconsistent with MEPA.

D. Modification to the NC Reach Program

NC Reach, authorized by NC Session Law 2007-323 as the North Carolina Child Welfare Postsecondary Educational Support Program and established by section 10.34(a) of Session Law, is a state-funded scholarship that offers up to four (4) years of undergraduate study at NC public universities and community colleges for certain former foster youth. NC Reach provides comprehensive student support to help students navigate their post-secondary education. To be eligible for this program the youth must have been adopted from foster care after the age of 12, or, aged out of foster care from a North Carolina county department of social services at age 18. Available funding is awarded to students, after all other financial aid, public funds and scholarships have been processed.

The current structure of this program excludes youth who exit foster care through guardianship. Session Law 2015-241 provided for the development of a Guardianship Assistance Program. Guardianship assistance provides an alternative route to permanence when reunification and adoption has been ruled out as appropriate plans for youth. As more youth exit foster care through guardianship, former foster youth are not able to benefit from the NC Reach program.

Recommendation 8: Modify session law 2007-323 Section 10.34(a) to include youth who exit foster care to a permanent home through the Guardianship Assistance Program.

E. Social Services Board Training

Social Services boards vary widely, from county to county. There are no standard requirements for what qualifies an individual to become a Social Services board member. This is in contrast to County Boards of Public Health, where interested individuals must meet specific minimum qualifications to be considered for a board position and must be appointed to the Board by the County Commissioners. Depending on county size, some board membership may be composed of professionals in areas that impact social services, while others may be composed of previous agency employees, former agency clients, or others with a personal interest.

Most new board members receive training at the annual association meeting. Depending on when a new board member joins a county social services board, there may be significant lag time between his or her joining the board, and the opportunity to receive training. Given the diverse backgrounds that board members bring, some members may not receive orientation to the complexities of social services structures and the needs of populations served well into their tenures. Additionally, it is unclear how ongoing training for existing board members is being provided.

Social services programs can undergo rapid change, based on changes to state and/or federal laws and regulations. Social Services Board Members have a fiduciary duty to the county and to municipal authorities for responsibilities such as selecting the county director; advising on policies and plans to improve the social conditions of the community; preparing budgets and other duties and responsibilities as the General Assembly, the Department of Health and Human Services, the Social Services Commission or the board of county commissioners may assign to it.[7] Providing more regular training for new and experienced board members will enhance competency and proficiency in their decision making processes.

Recommendation 9: Amend N.C.G.S § 108A to include a provision that training for Social Services Boards be provided no less than twice annually and direct DHHS to work with key stakeholders, including the North Carolina Association of County Boards of Social Services, DSS Directors Association, Association of County Commissioners, and the UNC School of Government, to create a formal education and training program.

F. Child Support Court Reform

CSF's preliminary recommendations illustrate the need for improvements related to enhancing engagement and collaboration between DHHS and the Administrative Office of the Courts (AOC) to improve outcomes for children and families served at the county level, particularly those in the child welfare system. Timeliness in court proceedings is essential to ensure children achieve stability and that parents receive due process.

The majority of child support matters that come before courts are standard. Because of federal statutes and child support guidelines for establishing support orders, most child support matters can be adjudicated relatively quickly. However, increasing the number of judicial officers that hear these matters is a critical step in achieving timeliness. Chapter 50 of the North Carolina General Statutes allows clerks, assistant clerks, and magistrates to serve as hearing officers. Anyone outside of that would require a statute change. Child support magistrates, court commissioners, or administrative law judges, for example, would expedite the establishment and enforcement of child support matters, at the same time freeing up precious court time for other matters. While expanding the scope of hearing officers is a statutory option, cross-agency collaboration is needed to determine potential funding and staffing strategies to support such a shift to improve timeliness in child support hearings.

Recommendation 10: Direct the Administrative Office of the Courts to conduct a feasibility and cost study and report to the General Assembly by April 1, 2020 of a proposed child support tribunal with dedicated court officers to hear child support matters using quasi-judicial procedures. The study should include strategies to address funding, staffing, and a plan for how the proposed changes would be implemented.

[7] *See* § 108A-9. Duties and responsibilities.

G. Conflicts of Interest

Conflicts of Interest (COI) in casework related to services provided by county departments of social services frequently occur in the provision of social services. Current state policy governing COIs relies on the discretion and professionalism of and the relationships among county directors. For example, county directors of social services 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. 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 promulgating regulations, and conforming existing policy.

Recommendation 11: Amend state law to provide a general framework for management of COIs. At a minimum, the law should: (1) define *conflict of interest*; (2) direct counties to resolve COIs as quickly as possible consistent with applicable law and policy; (3) require counties to notify DHHS (central or regional staff) when a COI is identified; (4) 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); (5) outline county financial and practice responsibilities associated with COIs; (6) grant the Social Services Commission rule-making authority related to COI management including establishing reasonable and specific timelines for resolving COIs; and (7) require the Social Services Commission to report back to the Joint Legislative Oversight Committee on Health and Human Services regarding the regulations adopted.

H. Publicly Funded Guardians

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.[8] 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.

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.[9] At that time, county social services agencies were not prepared to assume responsibility for over one-thousand wards, so the legislature allowed DHHS to temporarily procure the services of corporate guardians to manage the increased workload. These slots were assigned to counties based on where the adults were living.

[8] *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.").

[9] 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/.

Since that time, some of the adults have passed away, but operationally, slots have remained assigned to those counties and refilled. Therefore, the "temporary plan" has thus become more permanent. This approach creates inequities among counties, and inequity in the way the state supports individuals entering into guardianship arrangements.

Recommendation 12: Direct DHHS to conduct a feasibility study and make recommendations to the General Assembly by April 1, 2020 for transferring adult guardianship cases from the Department to counties. The study and recommendations should address equitable distribution of slots and funds, capacity needs of counties to manage the cases, as well as any necessary legislative changes.

SECTION III: OTHER KEY ENABLERS OF IMPROVED CHILD WELFARE AND SOCIAL SERVICES

A. County Staffing Capacity

Many county departments of social services have significant staff challenges that negatively impact the provision of quality, timely services to their citizens. Primarily those issues center on staffing: 1) having enough authorized FTEs necessary to meet the demand in any given county; 2) recruiting, hiring, and training enough qualified individuals into those positions; and 3) once hired, retaining them by offering competitive, fair salaries.

While all counties do not face an FTE deficit, the CSF report provides data that demonstrates shortages across multiple divisions and sections of social services. Child Protective Services faces significant staffing shortages. Its staffing survey indicates that the number of available FTEs was approximately 250 fewer than the number needed to meet statewide standards. Counties face a 21% shortage between available FTEs compared to the number of FTEs assessors deem as required.

Even when positions are authorized and filled, turnover among caseworkers remains high. In that same staffing survey, CSF reported that in any given year, Child Welfare Services across counties must recruit, hire, and train more than one-third (1/3) of their frontline social worker staff. Focus groups and interviews indicated that the primary reason for such upheaval was "caseworker burnout exacerbated by stressful work [and] workloads that are perceived as impossible to complete within a 40-hour workweek."[10]

Additionally, many entry-level caseworkers spend their formative professional years under the employ of smaller counties only to leave for a better salary in a different (often larger) county. This adds to the high levels of caseworker turnover and can foster tension between counties. CSF comprehensively documented this disparity across counties in their Social Services Preliminary Reform Plan. This discrepancy results in high turnover and decreased productivity for lower paying counties – typically rural and lower-resourced counties – as they continuously must find and train new staff.

High turnover and competition among counties for staff results in inconsistent quality of services across counties, and in more severe cases puts children and adults at greater risk.

[10] Center for Support of Families, *Child Welfare Preliminary Reform Plan*, p. 161-165, https://www.osbm.nc.gov/social-services-and-child-welfare-reform-reports, September 2018.

Recommendation 13: Direct DHHS to conduct a feasibility and cost study and report to the General Assembly by April 1, 2020 on establishing caseload range guidelines, pay scales, a funding equity formula and salary pool for county child welfare and social services staff.

B. Child Welfare and Social Services Workforce Development, Recruitment and Retention

A competent workforce provides a foundation that is essential for improving outcomes for children and families. The National Child Welfare Workforce Institute has outlined an approach for leadership and workforce development that includes several critical components including, but not limited to: creating minimum standards for positions; preparing the workforce through the formal educational opportunities; effective recruitment and selection processes; creating monetary and non-monetary incentives to retain employees, promoting a healthy organizational culture and climate; engaging in strong community partnerships; providing effective supervision; and offering ongoing professional development.

Counties are facing significant challenges with recruiting, training, and retaining qualified employees at all levels in the organization. To achieve a high-quality social services system with consistent practices across the state, 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 for social services and child welfare services to ensure a pipeline of competent and qualified people are employed and equipped to effectively manage the work in this complex system.

Recommendation 14: Direct DHHS, in collaboration with community colleges, a state public university partner, and key stakeholder groups, to study and recommend to the General Assembly by January 15, 2021 a workforce development model for key positions in county departments of social services, regional offices, and the central offices.

SECTION IV: SUMMARY OF RECOMMENDATIONS FOR CHILD WELFARE AND SOCIAL SERVICES REFORM

NC Session Law 2017-41, Rylan's Law[11] requires the Department of Health and Human Services (DHHS) to submit *"a plan [to the Joint Legislative Oversight Committee on Health and Human Services] that outlines regional supervision of and collaboration by local social services programs,"* and also requires DHHS to submit "*preliminary recommendations to the Committee…regarding legislative changes necessary to implement …a plan to reform the State supervision and accountability for the social services system, including child welfare, adult protective services and guardianship, public assistance, and child support enforcement."*

The recommendations presented by both the Social Services Working Group (SSWG) and the Center for Support of Families (CSF) were carefully analyzed by DHHS and have significantly informed the recommendations presented in this report. SSWG and CSF included significant external stakeholder input gathered through both surveys and focus groups held across the state in developing their reports. DHHS senior leadership actively participated as members of the SSWG, and the Secretary's leadership team, as well as various division directors and section chiefs engaged in informing the CSF report.

[11] NC Session Law 2017-41, Rylan's Law: https://www.ncleg.net/Sessions/2017/Bills/House/PDF/H630v6.pdf

DHHS also considered the following goals in developing recommendations:

- All North Carolina citizens should have equal access to whole person-centered, high-quality social services that:
    - Protect the safety, security, and well-being of children and vulnerable adults.
    - Ensure children get a healthy start and develop to their full potential in safe and nurturing families, schools, and communities.
    - Promote family economic independence and self-sufficiency.
    - Support individuals with disabilities and older adults in leading healthy and fulfilling lives.

- North Carolina's social services system should produce better outcomes for the citizens it serves and deliver maximum value to its customers, communities, and tax-payers by:
    - Providing high-quality training and professional development to support a well-qualified social services workforce.
    - Leveraging existing resources and partnerships.
    - Implementing processes to ensure effective, ongoing communication and feedback among stakeholders.
    - Implementing systems to ensure transparency, accountability, strong fiscal stewardship, and continuous quality improvement.

Detailed background and justifications for the fourteen (14) recommendations summarized below are contained in the full report.

A. GEOGRAPHIC REGIONS

The Department concurs with the recommendations from the SSWG regarding the following guiding principles related to how regional offices are ultimately established.

- No county should be split into different regions.
- Regions should be contiguous.
- Total county population and population served by each region should be comparable.
- Total geographic size should be comparable. This will allow the State to set up offices in naturally centralized locations and make it easier for staff to travel to their constituent counties.
- To the extent possible, judicial districts should not be disrupted. The child welfare system is inextricably linked to the court system.
- Regions should strive to preserve natural networks that have developed over time. Under our present system, many practitioners have built long-term professional relationships across county lines. A regional map should allow support for those networks to the extent possible.

Recommendation 1: Establish seven (7) regions for regional supervision of county-administered child welfare and other social services. Counties within each region should be contiguous. DHHS further recommends that any legislation directing the establishment of regions allow for flexibility in determining which counties fall within each of the regions. This will allow DHHS to make small adjustments as needed based on changes to judicial districts, new county level partnerships, significant population caseload changes, etc.

B. ROLES, RESPONSIBILITIES, AND STAFFING FOR REGIONAL SUPERSION

Both the CSF and SSWG Stage 1 reports recommended that each region be staffed with positions to cover all social services and child welfare areas, which are:

1. *Aging and Adult Services:* adult protective services, direct guardianship services and oversight of county guardianship, State and County Special Assistance cash supplement program for residential services, and administration of Social Services Block Grant funds which support an array of services including congregate and home-delivered meals and transportation.
2. *Child Support Services:* location, establishment of paternity, establishment or modifying of child support orders, enforcement of child support orders, and collection and processing of child support ordered payments.
3. *Child Welfare Services:* child protective services, prevention and in-home services, foster care, adoption, kinship care, and financial administration, including federal Title IV-E funds.
4. *Economic Services:* Food and Nutrition Services (FNS, formerly known as Food Stamps), Disaster Supplemental Nutrition Assistance Program (DSNAP), low-income energy programs, Work First cash assistance, and refugee assistance.

The Department concurs with the SSWG's general designation of key functions and responsibilities, as described below and in detail in Table 1 of this report. The Secretary holds general organizational and executive authority to set these expectations and responsibilities as a matter of departmental policy[12].
The SSWG report tasks regional offices with nine (9) functions to strengthen support and supervision to counties:

1) best practice dissemination,
2) compliance monitoring,
3) fiscal monitoring,
4) integrated data systems and recordkeeping,
5) interagency coordination,
6) policy guidance and technical assistance,
7) quality improvement,
8) staffing standards and support, and
9) training.

DHHS has identified a proposed staffing structure for the regions based on caseloads, complexity of the program, and current staffing and performance as illustrated in Table 1:

Table 1. Proposed Regional Office Structure

Role	Number of Positions	Function
Leadership		
Regional Director	1	Provide administrative direction and oversight to each regional staff member and function, develop strong relationships with county leaders, and liaise with the central office
Administrative Assistant	1	Provide clerical support for each regional office

[12] *See,* generally, provisions of G.S. 143B, the Executive Organization Act of 1973.

Role	Number of Positions	Function
Aging and Adult Services		
Continuous Quality Improvement Specialist	3	Provide technical assistance, policy interpretation, and monitoring of county performance in the areas of 1) Adult Protective Services/Guardianship, 2) Social Services Block Grant services, and 3) State-County Special Assistance Program
Child Support		
Continuous Quality Improvement Specialist/Trainer	2	Provide technical assistance, policy interpretation, training and monitoring of county performance in the areas of Adult Protective Services/Guardianship, Social Services Block Grant services, and State-County Special Assistance Program
Child Welfare		
Continuous Quality Improvement Specialist	3	Provide technical assistance, policy interpretation, and monitoring of program performance for child protective services and prevention and in-home services, foster care, adoption, and kinship care
Trainer	2	Deliver regional/onsite training sessions for 1) child protective services and prevention and in-home services policy and best practices, and 2) foster care, adoption, and kindship care policy and best practices
Economic Services		
Continuous Quality Improvement Specialist	3	Provide technical assistance, policy interpretation, and monitoring of county performance in the areas of 1) Food and Nutrition Services, 2) Work First, 3) Energy Programs, and 4) Refugee Services
Fiscal Support		
Local Business Liaison	2	Help counties maximize federal funds for social services, establish sound administrative procedures, and develop their social services budgets

In addition to the regionally based positions described in the section above, DHHS has sought to address the following resource deficiencies identified by CSF:

*"There are five primary resource issues that must be addressed in order to successfully reform the current social services system**: inconsistent policy development and dissemination; deficiencies in workforce development in the form of staff training**; a lack of high quality community resources; underserved populations in need of mental health services; and **no easy access to reliable program and performance data…The need for clear, consistent, accessible and timely policy and training was raised during focus groups, stakeholder interviews and calls, document reviews, and county and state-level conferences and meetings. The need for improved access to high-quality training cut across social services programs and was strongly voiced by counties of all sizes, types, and tier ranking."***

DHHS has determined that with appropriate restructuring, central office staffing is adequate with the following important exceptions:

- Two (2) additional quality control and program integrity staff for completing the federally required On Site Review Instrument (OSRI) process for all 100 counties.

  Rationale: States are required to use the OSRI on a percentage of all child welfare cases as part of the federal monitoring process. Currently, DHHS currently has 5 OSRI Quality Control/Program Integrity staff who conduct the review for some counties, while other counties conduct their own

self-reviews. Previously, DHHS delegated this responsibility to certain counties due to resource constraints. DHHS should assume the role of quality control/program integrity for all counties to reduce this burden on counties and ensure equitable treatment and accountability.

- One (1) distance learning manager and four (4) curriculum specialists (2 child welfare, 1 economic services, and 1 aging and adult services curriculum specialist) to support a modernized approach to delivering child welfare and social services training that will ensure greater access to high-quality, interactive, in-depth training for county staff.

  Rationale: County departments of social services experience turnover of a full third of their staff each year in many cases, and the demand for well-qualified and trained staff is high. At the same time, child welfare and social services policy and service delivery is increasingly complex due to continuous changes in best practices, federal and state policy and laws, technology, and accountability for outcomes. High-quality training must be accessible across the state and available with sufficient frequency to meet demand. The state has not capitalized on new approaches to training that allows high-touch, interactive training and coaching that is delivered remotely.

- Four (4) business analyst liaisons to work within each program area to identify and create requirements for improvements or replacements for current technology programs supporting county implementation of child welfare and social services.

  Rationale: Technology products used to support child welfare and social service delivery require well-developed business requirements that specify what the product needs to do, how, and for what purpose. Further, technology must be continuously improved to increase productivity and remain current with new practices and requirements. Currently, there are no business analyst liaisons embedded in the program areas.

- Two (2) technical writers to support policy staff in writing and updating policy manuals, guidance, and other communications to support counties in implementing high-quality child welfare and social services. Currently, there are no technical writers.

  Rationale: Counties need easy-to-read, updated policy manuals, guidance and ongoing communications to stay current on federal and state requirements and best practices.

- Two (2) Trainers for Aging and Adult Services: Deliver regional/onsite training sessions for: 1) Adult Protective Services/Guardianship, 2) Social Services Block Grant services, and 3) State-County Special Assistance Program. Rather than put a trainer for Aging and Adult Services in every region, DHHS believes that two trainers can cover all regions, in combination with new distance learning modalities. Currently there are no trainers for Aging and Adult Services.

- Three (3) Trainers for Economic Services: Deliver regional/onsite training sessions on: 1) Food and Nutrition Services, 2) Work First, 3) Energy Programs, and 4) Refugee Services. Rather than put a trainer for Economic Services in every region, DHHS believes that three trainers can cover all regions, in combination with new distance learning modalities. Currently there are no trainers for Economic Services.

- Two (2) Fiscal Monitors: Audit county compliance with federal and state reporting rules, appropriate separation of duties, and internal controls. In addition, Fiscal Monitors communicate and coordinate audit findings, responses, follow-up, and resolution with Office of the Controller, DHHS Office of Internal Audit, and Office of the State Auditor. Currently there are two fiscal monitors who are not able to cover all counties well.

- Four (4) Data Analysts to both provide technical assistance to counties in analyzing and using data to improve practice and identify needs and conduct state level data analysis for continuous quality improvement and accountability in the areas of child welfare, child support, economic services, and aging and adult services. Currently there are no data analysts to support counties.
- Four (4) Policy Consultants to provide higher-level policy consultation and information to counties – two (2) for child welfare and one each for aging and adult services and economic services. Currently there are policy consultants to support counties.

Maximizing efficient use of existing personnel was a top priority in developing the reorganization plan. DHHS conducted extensive analyses which resulted in recommendations to repurpose/redeploy exiting central and home-based staff and identify the number of new positions needed. We have determined that one-hundred and four (104) positions can be repurposed/redeployed from existing positions and forty-three (43) new positions are needed.

DHHS recommends moving forward with repurposing/redeploying one-hundred and four (104) positions to support regionalization, repurposing/redeploying all managerial staff needed to support regionalization in the central office, and phasing in funding and positions to support forty-three (43) new regional and central office staff described above. DHHS further recommends prioritizing staffing to improve the child welfare system and moving to full implementation of a regional model (with offices) by March 2022.

Recommendation 2: Appropriate funding and positions in fiscal year 2019-20 to support 11 new staff to improve regional supervision and support of child welfare services, and direct DHHS to establish seven regions for regional supervision of child welfare and begin providing oversight and support within those regions beginning in March 2020 as required by Rylan's Law.

Recommendation 3: Appropriate funding and positions in fiscal years 2020-2021 and 2021-2022 to support 32 new staff to improve regional supervision and support of social services, and direct DHHS to begin providing oversight and support for all social services within those regions beginning in 2022 with periodic review of regional staffing needs and functions.

C. REGIONAL OFFICES

DHHS supports the SSWG's recommendation for establishing physical offices for regional supervision of child welfare and social services. However, it will take significant time and cost to procure and renovate or build appropriate space. Therefore, DHHS recommends phasing in regional supervision by first establishing virtual regions and using existing community spaces for shared trainings and meetings, while the procurement of physical office space is pursued concurrently.

Recommendation 4: a) Direct DHHS to establish seven regions for regional supervision of child welfare and social services and begin providing oversight and support within those regions through home-based staff and the central office team beginning in March 2020 as required by Rylan's Law; b) Appropriate physical offices within each of the seven regions beginning in March 2021, and appropriate funds necessary to support the full costs of the offices.

D. LEGISLATIVE CHANGES

The proposed legislative actions in this section address preliminary key changes needed to transform our social services and child welfare systems and are responsive to the preliminary recommendations identified in the CSF report and Stage Two of the SSWG report.

Child Fatality Review Process

North Carolina has multiple teams and processes to review child fatalities at the local and state level which involve both the social services and public health systems. The teams and processes have complex relationships with each other, each system performs varying types of fatality reviews, and there is not a centralized electronic data system. Streamlining these processes will serve to help collect and use statewide child fatality data to improve system efficiency and prevent child fatalities.

Recommendation 5: Adopt the child fatality review process recommendations made by the Child Fatality Task Force. Initial recommendations can be found at https://www.ncleg.gov/DocumentSites/Committees/NCCFTF/in%20the%20spotlight/CFTF%20Child%20Fatality%20Prevention%20System%20Recommendations%20for%202019.pdf

Family First Prevention Services Act - Criminal Record and Registry Checks for Adults working in Group Homes and Residential Facilities

The Family First Prevention Services Act is federal legislation which (among other changes) amends title IV-E requirements of the Social Security Act, requiring enhanced criminal record and registry checks. Specifically, the state must have a plan for all child-caring institutions (i.e. group homes and residential facilities for children) to include procedures for fingerprint-based criminal records checks of national crime information databases, and child abuse and neglect and sex offender registry checks on any adult working in a child caring institution. Currently, North Carolina only requires background checks on employees of these facilities who have direct contact with children, and fingerprint background checks are only required for applicants who have resided outside of North Carolina for the previous 5 years. These legislative changes serve to protect children by enhancing the scope and depth of background checks for employees of these child caring institutions.

Recommendation 6: Modify N.C.G.S. § 122C-80(b), N.C.G.S. § 131D-10.3A and N.C.G.S. § 143B-932 to require fingerprint background checks as well as checks of the abuse and neglect, and sex offender registries for *all* employees of licensed child caring institutions. DHHS further recommends the issuance of guidance related to appropriate evaluation and decision-making based on criminal record results.

Multi-Ethnic Placement Act Compliance

The federal Multi-Ethnic Placement Act (MEPA) prohibits race from being assessed when making placement decisions and evaluating prospective adoptive placements. Subsection (c) of NCGS § 48-3-303 states, "*The preplacement assessment shall, after a reasonable investigation, report on the following about the individual being assessed…age and date of birth, nationality, race, or ethnicity and any religious preference...*" However, subsection (e) of the statute requires that all the items in subsection (c), including race, nationality, ethnicity and religious preference, be used to determine the strengths and weaknesses of the individual to determine whether the individual is suitable to be an adoptive parent. Administrative

rule 10A NCAC 70H .0405, which further elaborates on preplacement assessment requires in part that "*The agency shall assess the following areas and shall record the information in the adoptive applicant's record…the applicant's age, date of birth, nationality, race or ethnicity…"*

Recommendation 7: Modify N.C.G.S. §48-3.303(e) to comply with the Multi-Ethnic Placement Act and require the Division of Social Services to work with the Social Services Commission to modify 10A NCAC 70H .0405 to remove language inconsistent with MEPA.

Modification to the NC Reach Program

NC Reach, authorized by NC Session Law 2007-323 as the North Carolina Child Welfare Postsecondary Educational Support Program and established by section 10.34(a) of Session Law, is a state-funded scholarship that offers up to four (4) years of undergraduate study at NC public universities and community colleges for certain former foster youth. NC Reach provides comprehensive student support to help students navigate their post-secondary education. The current structure of this program excludes youth who exit foster care through guardianship. Session Law 2015-241 provided for the development of a Guardianship Assistance Program. Guardianship assistance provides an alternative route to permanence when reunification and adoption has been ruled out as appropriate plans for youth.

Recommendation 8: Modify session law 2007-323 Section 10.34(a) to include youth who exit foster care to a permanent home through the Guardianship Assistance Program.

Social Services Board Training

Social Services boards vary widely, from county to county. There are no standard requirements for what qualifies an individual to become a Social Services board member. Social services programs can undergo rapid change, based on changes to state and/or federal laws and regulations. Board Members have a fiduciary duty to the county and to municipal authorities for responsibilities such as selecting the county director; advising on policies and plans to improve the social conditions of the community; preparing budgets and other duties and responsibilities as the General Assembly, the Department of Health and Human Services or the Social Services Commission or the board of county commissioners may assign to it.[13] Providing more regular training for new and experienced board members will enhance competency and proficiency in their decision making processes.

Recommendation 9: Amend N.C.G.S § 108A to include a provision that training for Social Services Boards be provided no less than twice annually and direct DHHS to work with key stakeholders, including the North Carolina Association of County Boards of Social Services, DSS Directors Association, Association of County Commissioners, and the UNC School of Government, to create a formal education and training program.

Child Support Court Reform

The majority of child support matters that come before courts are standard. Because of federal statutes and child support guidelines for establishing support orders, most child support matters can be

[13] *See* § 108A-9. Duties and responsibilities.

adjudicated relatively quickly. However, increasing the number of judicial officers that hear these matters is a critical step in achieving timeliness. Chapter 50 of the North Carolina General Statutes allows clerks, assistant clerks, and magistrates to serve as hearing officers. Anyone outside of that would require a statute change. Child support magistrates, court commissioners, or administrative law judges, for example, would expedite the establishment and enforcement of child support matters, at the same time freeing up precious court time for other matters. While expanding the scope of hearing officers is a statutory option, cross-agency collaboration is needed to determine potential funding and staffing strategies to support such a shift to improve timeliness in child support hearings.

Recommendation 10: Direct the Administrative Office of the Courts to conduct a feasibility and cost study and report to the General Assembly by April 1, 2020 of a proposed child support tribunal with dedicated court officers to hear child support matters using quasi-judicial procedures. The study should include strategies to address funding, staffing, and a plan for how the proposed changes would be implemented.

Conflicts of Interest

Conflicts of Interest (COI) in casework related to services provided by county departments of social services frequently occur in the provision of social services. Current state policy governing COIs relies on the discretion and professionalism of and the relationships among county directors. For example, county directors of social services 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. 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 promulgating regulations, and conforming existing policy.

Recommendation 11: Amend state law to provide a general framework for management of COIs. At a minimum, the law should: (1) define *conflict of interest*; (2) direct counties to resolve COIs as quickly as possible consistent with applicable law and policy; (3) require counties to notify DHHS (central or regional staff) when a COI is identified; (4) 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); (5) outline county financial and practice responsibilities associated with COIs; (6) grant the Social Services Commission rule-making authority related to COI management including establishing reasonable and specific timelines for resolving COIs; and (7) require the Social Services Commission to report back to the Joint Legislative Oversight Committee on Health and Human Services regarding the regulations adopted.

Publicly Funded Guardians

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.[14] 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. In 2012, the state began funding and

[14] *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.").

directly overseeing 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.[15] At that time, county social services agencies were not prepared to assume responsibility for over one-thousand wards, so the legislature allowed DHHS to temporarily procure the services of corporate guardians to manage the increased workload. These slots were assigned to counties based on where the adults were living. Since that time, some of the adults have passed away, but operationally, slots have remained assigned to those counties and refilled. Therefore, the "temporary plan" has thus become more permanent. This approach creates inequities among counties, and inequity in the way the state supports individuals entering into guardianship arrangements.

Recommendation 12: Direct DHHS to conduct a feasibility study and make recommendations to the General Assembly by April 1, 2020 for transferring adult guardianship cases from the Department to counties. The study and recommendations should address equitable distribution of slots and funds, capacity needs of counties to manage the cases, as well as any necessary legislative changes.

E. OTHER KEY ENABLERS OF IMPROVED CHILD WELFARE AND SOCIAL SERVICES

County Staffing Capacity

Many county departments of social services have significant staff challenges that negatively impact the provision of quality, timely services to their citizens. Primarily those issues center on staffing: 1) having enough authorized FTEs necessary to meet the demand in any given county; 2) recruiting, hiring, and training enough qualified individuals into those positions; and 3) once hired, retaining them by offering competitive, fair salaries. High turnover and competition among counties for staff results in inconsistent quality of services across counties, and in more severe cases puts children and adults at greater risk.

Recommendation 13: Direct DHHS to conduct a feasibility and cost study and report to the General Assembly by April 1, 2020 on establishing caseload range guidelines, pay scales, a funding equity formula and salary pool for county child welfare and social services staff.

Child Welfare and Social Services Workforce Development, Recruitment and Retention

A competent workforce provides a foundation that is essential for improving outcomes for children and families. Counties are facing significant challenges with recruiting, training, and retaining qualified employees at all levels in the organization. To achieve a high-quality social services system with consistent practices across the state, 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 for social services and child welfare services to ensure a pipeline of competent and qualified people are employed and equipped to effectively manage the work in this complex system.

Recommendation 14: Direct DHHS, in collaboration with community colleges, a state public university partner, and key stakeholder groups, to study and recommend to the General Assembly by January 15, 2021 a workforce development model for key positions in county departments of social services, regional offices, and the central offices.

[15] 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/.