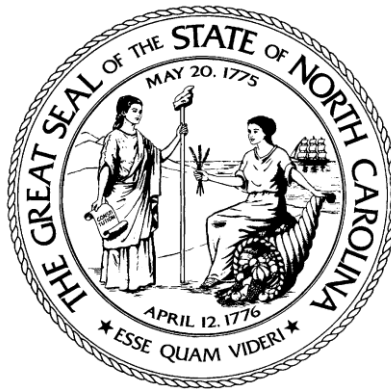


**Progress Report of Oversight of the Local Administration of Social  
Services Programs other than Medical Assistance**

**Session Law 2017-41 Section 3.3 (1)**



**Report to**

**The Joint Legislative Oversight Committee on Health and Human  
Services**

**by**

**NC Department of Health and Human Services**

**October 18, 2018**

## **BACKGROUND**

Session Law (S.L.) 2017-41, Section 3.3 (1) requires the Department of Health and Human Services (DHHS) to submit a report to the Joint Legislative Oversight Committee on Health and Human Services (Committee) by August 1 of every year regarding oversight of the local administration of social services programs other than medical assistance. The report shall include, at a minimum: (a) A copy of the template for the written agreement required by G.S. 108A-74(a1), (b) An evaluation of the implementation of the requirement for a written agreement, and (c) a summary of any oversight action taken by the Department pursuant to the agreement or G.S. 108A-74, including a list of any federal or State funds that were withheld as a result of the State's oversight.

Section 3.1(a) of S.L. 2017-41 rewrote G.S. 108A-74 to include the following:

- (a1) Beginning in fiscal year 2018-2019, the Secretary shall require all departments of social services to enter into a written agreement each year that specifies mandated performance requirements and administrative responsibilities with regard to all social services programs other than medical assistance.
  - (1) When possible, the mandated performance requirements shall be based upon standardized metrics utilizing reliable data.
  - (2) The administrative responsibilities shall address, at a minimum, staff training, data submission to the Department, and communication with the Department.
  - (3) The written agreement may be standardized or may be tailored to address issues in specific jurisdictions.
  - (4) The written agreement shall authorize the Department to withhold State and federal funds in the event the department fails to satisfy mandated performance requirements or comply with the terms of the agreement.

This report submitted by the Department of Health and Human Services (DHHS) reflects the progress on the implementation of the written agreement required by G.S. 108A-74(a1). A copy of the written agreement is attached to this report.

### **A. Evaluation of Implementation of Written Agreements**

The agreement, now called a Memorandum of Understanding, was designed to address expectations of both counties and the Department in addressing performance across all social services programs excluding medical assistance.

DHHS worked in collaboration with the NC Association of County Commissioners and the NC Association of County Directors of Social Services to develop the agreement. Additionally, feedback on the agreement was also sought directly from each county Director of Social Services. In response, these groups provided lengthy and detailed feedback on various drafts of the agreement and proposed performance requirements.

DHHS developed detailed talking points to accompany the third and fourth draft of the agreement to summarize all comments received and the progress made on the agreement. The talking points

specifically explained either how the feedback from counties was incorporated into the newest version of the agreement or provided an explanation of why any requested change could not be made.

In accordance with G.S. 108A-74(a1), the agreements include performance measures and administrative responsibilities. The administrative responsibilities of the county agreements are the same for all counties in FY 18-19. The administrative responsibilities include county and DHHS responsibilities related to staffing requirements and workforce development, compliance, data submission, communication and inter-agency cooperation. The performance measures are identical across all counties for the following program areas: Food and Nutrition Services, Work First, Energy Programs, Child Care Subsidy, Aging and Adult Services.

The performance measures for the two other program areas, Child Welfare Services and Child Support Services, were developed so that each county has its own performance measures. For Child Welfare Services, three of the measures are noted as growth measures; for these measures, the county-specific performance measures were developed based on the counties three years' prior performance. For Child Support Services, DHHS currently provides each county with an annual performance goal based on the previous year's performance. These performance targets have been incorporated into the FY 18-19 performance measures. The FY 18-19 performance measures are not intended to remain the only performance measures in future year agreements. DHHS will work collaboratively with counties to consider future outcome-based measures.

The Memorandum of Understanding Between DHHS and Counties was issued to counties on May 29, 2018 for signature. As of August 31<sup>st</sup>, ninety-eight (98) MOUs have been fully executed between DHHS and the counties. DHHS is in communication with the remaining two counties in hopes that we can work towards execution of the agreement.

Thirty-seven (37) counties returned the MOU and included a 'signing statement' or accompanying letter. The general intent in these statements was to provide notice to DHHS of the impediments that counties forecasted at the outset of the MOU largely related to achieving the established performance measurements. The language contained within many of the signing statements signified an intent to attach or incorporate the document to the terms of the MOU. DHHS worked closely with each of the counties upon receipt of the statements to come to a mutual understanding that the contents of the statement would not be incorporated into the terms of the MOU, but rather, DHHS would maintain each county's statement for consideration during the performance of the MOU. DHHS appreciates the candor in which the counties expressed their concerns and hopes to work collaboratively with all counties as we move forward with future agreements.

## **B. Oversight Actions Taken Pursuant to the Agreement**

At this time, there have been no corrective actions taken against any county pursuant to the agreement. However, the Department has continued to engage in existing program improvement and corrective action processes as it transitions into the new MOUs.