

Redesigning the Human Services System

Allegheny County Department of Human Services

Allegheny County, PA



This *Raise the Local Voice* profile is one of a series from APHSA addressing specific policies and recommendations that support the four outcome impact areas identified under our members' *Pathways* initiative. This profile illustrates the outcomes of **Achieving Gainful Employment and Independence, Stronger Families, Adults, and Communities**, and **Sustained Well-Being of Children and Youth**.

General Description

Over the last decade, Allegheny County has received a number of plaudits in the national media and some prestigious awards for the results achieved in redesigning human services in Allegheny County. While the emphasis has been chiefly on programmatic outcomes (reduced foster placements and greater permanency for children; innovative, effective alternatives and follow-up to incarceration; expanding opportunities for aging in place; community-based services in less restrictive settings for treating behavioral and developmental health issues), the root of all these changes lies in the restructuring of the administration and operation of the Department of Human Services (DHS).

Click [here](#) to view a copy of the full DHS report titled “Challenge & Change: Transforming an administrative infrastructure to support program integration.”

In 1995 the Allegheny County Commissioners recognized that major changes were in order for county government. Not the least of the challenges was to streamline 30 separate departments, each reporting to the Commissioners. To guide in the overall restructuring of county government, the Commissioners appointed a blue ribbon Committee to Prepare Allegheny County for the 21st Century (ComPAC 21). Chaired by Dr. John Murray, President of Duquesne University, the Committee's report noted that the current structures would hamper the County in “competing effectively with other regions that are experiencing vibrant growth.”

Among the recommended changes was to reorganize county government into fewer mega departments, including one encompassing human services. DHS would consolidate multiple functions previously housed in four separate departments with little interaction among them: child protective services; aging; employment and other safety net services; and mental health, mental retardation, drug & alcohol and homelessness services. In January 1997, Child Welfare Director Marc Cherna was asked to expand his duties to become the first director of the new umbrella human services department.

Designing DHS and Redesigning the Human Service System

Envisioning a new mega department that would ensure consumers receive the most effective services possible, in the most efficient manner, did not occur overnight.



The American Public Human Services Association is a bipartisan, nonprofit membership organization representing state and local human service agencies through their top-level leadership. APHSA's mission is to pursue excellence in health and human services by supporting state and local agencies, informing policymakers, and working with our partners to drive innovative, integrated, and efficient solutions in policy and practice.

A community-based visioning process sought input and assistance from a broad range of stakeholders: representatives from the general public, foundations, universities, corporations, government, faith-based organizations, and nonprofit organizations. Philosophical, functional, and structural foundations for DHS were laid in the process. As a result, the DHS vision statement and guiding principles as well as its basic organization, reflect community input.

Members of the Greater Pittsburgh Chamber of Commerce, along with university experts and the DHS Oversight Committee, took the lead in developing theoretical solutions to the challenges. Representing a cross section of the community, the Oversight Committee was chaired by ComPAC 21 Chair John Murray. Vice Chair was James Roddey, who would become the first county executive. Funding the required changes demanded a flexible, forward-thinking, out-of-the-box approach. The foundation community stepped in to provide assistance in addressing all of these issues and more.

Funding the Changes

The commitment of local foundations was crucial to the success of the newly designed DHS. Created in 1997, the Human Services Integration Fund (HSIF), an expeditious partnering of local, socially focused foundations, was a particularly welcome means of advancing the goals of the restructuring plans.

An original group of eight local foundations came together to form HSIF; eventually the group grew to a total of 17 foundations. HSIF served as a flexible funding pool to support projects and activities that foster departmental integration/restructuring and are difficult or impossible to accomplish with public-sector dollars. State monies are categorical and cannot be used creatively or without restriction. HSIF supported projects and activities that help DHS to:

- establish consistent service priorities
- consolidate administration and services
- maximize use of state and federal funds

DHS (and thereby the residents of Allegheny County) has received nearly \$8 million in HSIF and other foundation support since 1997.

Outcomes Goals and Measures

What are the outcome goals and measures you are using to guide your efforts? How are you specifically measuring progress toward this outcome?

Our charge was to provide services more effectively and more efficiently. This was to be a total transformation resulting in significantly improved client outcomes and more efficient use of funds. Tracking data, fiscal and programmatic, was a huge challenge for this effort.

From the start, we recognized that integration would pose very significant challenges for the new department's Information Technology systems, since the formerly independent departments stored information on clients, providers, and services in more than 80 disparate databases and systems. A synthesis project conducted by Carnegie Mellon University recommended developing two separate information systems, one to accommodate the programmatic data of the department and the other to track the fiscal or financial processes of DHS. A Chamber of Commerce Information Systems Task Force recommended creating a Data Warehouse application to allow shared client information throughout the Department.

With the backing of HSIF, DHS followed the Chamber of Commerce's recommendations to develop a computing architecture to support the business process of an integrated DHS that would include a common-client-identifier operating ap-

plication and the Data Warehouse to integrate information from the separate program offices. Building the basic structure of the DHS Data Warehouse began in 1999. Today, it contains more than 25 million client records, receives data from 29 human service program areas, works in conjunction with the US Census Bureau and is capable of reporting data in real time—meaning, if required, the system can be refreshed at short intervals. The Data Warehouse has evolved into a central repository of social services data, which allows DHS to track and report client demographic and service data across its program offices and beyond. By enabling data-driven decision-making among DHS staff, it also makes possible better outcomes for the individuals served by the Department, and by making the data readily available to providers throughout the region, it has become a significant community asset.

Details of the 2007 10-year report, *Realizing a Community Vision*, which summarizes the first decade of progress and includes comments from a variety of leaders in the public and private sectors may be accessed on the DHS web site at www.alleghenycounty.us/dhs/research.aspx.

Program Coordination and Integration

How are you working with multiple programs (rules and requirements, funds) to coordinate them, build collaborative activities around them, or integrate them? What are the primary barriers you face in doing so and how are you addressing them?

The crucial ingredient in Allegheny County's transformation has been the extraordinary collaboration among county government, businesses, universities, community-based organizations, service providers, and private and community foundations, with the guidance of an Oversight Committee, advisory committees in each discipline, and the active involvement of staff members at all levels. The creation of the new DHS was a major challenge and one that could not have been achieved without a community that was engaged.

For the purposes of this report we want to highlight the foundational elements required to integrate and coordinate services towards improved outcomes and cost saving by addressing the consolidation and restructuring of the basic administration functions. The functions include:

- human resources
- financial management
- budget and contract compliance
- facility management

The New Structure

In the end, the four former County departments were reorganized into five DHS program offices, which better reflect programmatic requirements. The program offices are:

- Area Agency on Aging (AAA), the former Department of Aging
- Office of Behavioral Health (OBH), a portion of the former Department of Mental Health/ Mental Retardation/ Drug & Alcohol/Hunger & Homeless (MH/MR/D&A/H&H)
- Office of Children, Youth and Families (CYF), continuing the functions of the former Children and Youth Services with, as the new name suggests, a greater emphasis on engaging families
- Office of Community Services (OCS), incorporating the former Department of Federal Programs plus the Hunger and Homeless portions of the former Department of MH/MR/D&A/H&H and the child welfare prevention programs from CYS

- Office of Mental Retardation/Developmental Disabilities (MR/DD), a portion of the former MH/MR/D&A/H&H. In 2010, in acknowledgment of community preferences and current thinking, this office was renamed Office of Intellectual Disability (OID).

Functions that were previously non-existent or handled separately by each department, including any support staff providing fiscal, human resources, planning, information systems, research, evaluation, and community and media relations assistance to the program staff, were consolidated into three offices:

- Office of Administrative and Information Management Services (AIMS) includes information management and administrative functions.
- Evaluation and research functions along with quality assurance measures are now part of a new Office of Data Analysis, Research, and Evaluation (DARE).
- Office of Community Relations (OCR), responsible for internal/external communications and public relations.

Details of the redesign are available in the vision document *Redesigning Human Services Delivery in Allegheny County* (1998), a subsequent *Progress Report* (1999), and the 2007 ten-year report, *Realizing a Community Vision*, which summarizes the first decade of progress and includes comments from a variety of leaders in the public and private sectors. (All three reports may be accessed on the DHS web site at [www.alleghenycounty.us/dhs/research.aspx/.](http://www.alleghenycounty.us/dhs/research.aspx/))

Human Resources

The challenges we faced were:

- Widely varying job categorizations, job titles and descriptions, and performance review procedures;
- Lack of a consistent, equitable compensation structure among similar functions in various program areas;
- Different procedures for time-keeping and administration of employee benefits;
- Inconsistent, cumbersome, and time-consuming practices for hiring new employees and maintaining personnel records;
- Separate training functions focused on program delivery (e.g., casework) rather than broader workplace skill development;
- Inconsistency in application of Civil Service classification to covered employees and the lack of participation in the State Civil Service System by the staff in one area; and
- An impasse in negotiations with two unions, the American Federation of State, County, and Municipal Employees (AFSCME) and the Service Employees International Union (SEIU), resulting in caseworkers working for three years without a contract.

What we did:

Personnel Audit resulting in:

- A uniform classification and compensation system and the ongoing updating of more than 900 job descriptions for DHS employees;
- A more competitive salary structure based on the benchmarking;
- A DHS Performance Management System, linking job descriptions to performance, expectations, and appraisals and involving each employee in a three-stage process: planning, monitoring, and appraising (self and supervisory appraisals); and

- An estimate of the number and type of positions, with projected compensation levels, required to support the Department in its mission and charges.

Electronic Information System

In September 2002, DHS began utilizing JD Edwards (JDE) software as its administrative information system. JDE software has enabled DHS to:

- Standardize procedures and act as one cohesive human resources unit that can respond to customer and employee needs in a more effective manner;
- Eliminate major staff redundancies and eventually reduce the number of HR staff from 21 in 2000 to just 11 in 2009, largely through attrition or reassignment and retooling—there were no layoffs;
- Reduce the resources required to process payroll functions for 900 employees from 5.5 full-time equivalent (FTE) employees in 2000 to 2.5 FTE in 2009;
- Reduce the time to process new hire transactions from six weeks or more to five business days, on average, thereby reducing costs by more than 25 percent; and
- Save, over the last decade, in excess of \$500,000 in personnel costs alone.

Training

To broaden the scope of employee training from a service delivery focus, the department created a new Training Analyst position in the Bureau of Human Resources. In addition to job-specific training, the Training Analyst provides training on organizational management topics such as time management, customer service (internal and external), communication, organization, diversity, supervisory skills, and performance management.

Civil Service Classification

To extend Civil Service classification to all areas, DHS worked with the State Department of Public Welfare (DPW) to qualify more than 30 employees for State Civil Service status. DHS also worked with DPW to develop classification specifications for upper management positions (Deputies and Administrators) to be exempted from the Civil Service System. Both changes benefited the Department and its employees in the following ways:

- Civil Service classification allowed employees to move from one office to another and even to compete across Departmental lines for job opportunities and promotion; it also facilitated recruitment of new hires from other county and outside sources, and
- Exemptions allowed for more flexibility in recruiting and identifying senior management personnel for the Department.

Collective Bargaining Negotiations

Negotiations with the two unions representing employees in the four agencies that were merged in the new DHS—AFSCME and SEIU—were at a standstill. Caseworkers had been working without a contract for three years, and compromise was not imminent. Extensive discussions regarding the variations in job complexity, seniority, and other factors led to a competitive package that acknowledged these differences and provided a higher level of support from the County.

A key outcome was the creation of a career ladder within DHS, with opportunities for advancement in responsibility and

salary within each program office and within the Department as a whole. This also enhanced staff morale and reduced turnover.

This consolidated bureau of human resources has established consistency in hiring, compensation, and promotion policies that ensured that staff members are supported and trained in order to stay informed of the best practices of their own and related disciplines. It has also reduced the functions' operating costs, reduced timecard error rates in processing payroll and personnel records, and established accessible, secure electronic records.

Financial Management

The challenges we faced were specifically focused on a wide array of financial management systems was in use by the various programs when they were consolidated into the new DHS. They ranged from very basic manual systems to customized software systems specific to a grant funding source.

What we did:

From a request for proposals developed by the Chamber of Commerce, Deloitte Consulting was awarded the contract to coordinate the fiscal integration project. Deloitte interviewed payroll and human resources staff from the merged programs, created a new vision for financial infrastructure, gathered system specifications, made recommendations for areas of consolidation, and compiled a short list of system vendors. The JDE system, which met the established criteria, was selected by DHS and approved by the County Manager's office in 2000. Indeed, the Controller's Office conducted a county-wide assessment to determine the feasibility of implementing the system across the entire county government; eventually this implementation occurred in 2002.

The investment by HSIF, eventually totaling \$212,000, generated a decision by the County to commit \$12 million over five years to implement the project.

The fiscal integration project has resulted in numerous improvements and efficiencies:

- **Automated processing of vouchers.** The manual voucher payment system for vendors and employee payroll was replaced by an automated entry process. Now, more than 12,000 monthly payments to employees, consumers, foster parents, vendors, and agencies are processed with little or no manual intervention;
- **Automated voucher and batch control forms.** Staff members now can generate an Allegheny County "Standard Voucher for Services Form" automatically from JDE. The form is ready for signature and submission to the Controller's Office and includes bar coding functionality for use by the Controller's voucher imaging system;
- **Client-level expenditures and reporting.** Client-specific expenditure data entered into JDE is available for online review or for reporting of services received across all bureaus of DHS;
- **Elimination of off-line and silo systems.** The ability of staff to review and report online on the disposition of their own data has reduced the need to keep manual records of documents submitted to the Controller's Office;
- **Financial/funder reporting.** Staff now has access to real-time financial data, enabling them to produce reports monthly, quarterly, or annually, depending on the requirements of the funding sources;
- **Real-time tracking and search capabilities.** Real-time online inquiry capability allows staff to search for payment or contract status information previously available only from monthly reports provided from external sources. It has also given management the tools to monitor the status of payments and reduce the time necessary to process these payments;

- **Electronic purchasing.** Online purchase requisitions have replaced typed forms that had been hand-delivered to various offices;
- **Electronic workflow processes.** Email workflow business processes for procurement, accounts payable and human resource functions were established and standardized; and
- **Consolidated purchasing.** JDE has replaced manually processed and typed bills and purchase orders for submission to the County Controller's office with an entirely new process. Now, DHS enters purchase requests into the system for electronic approval and processing. The progress of the purchase can be tracked at each point—from entry to payment—by any authorized individual or party. In 2003, the County instituted purchasing cards to allow authorized staff to purchase office supplies via credit card, further expediting the process.

Random Moment Sampling

To implement more accurate cost allocation methods in compliance with federal reporting requirements, DHS—with funding from HSIF—installed, trained, and tested a Random Moment Time Study (RMTS), a recognized alternative to burdensome 100 percent time reporting. For a cost of \$21,700, the RMTS system saved:

- An estimated 320 hours of professional staff time;
- \$120,000/year in accountant costs; and
- 190 days/year through paperwork reduction.

Furthermore, revenue increased in all funded projects as a result of more accurate and timely claims submissions.

Integrated fiscal and budgetary functions have enhanced the ability of DHS to maximize available funding sources and to ensure that categorical funds are allocated to the intended programs and undesignated funds are used where they are most needed. They have reduced payment transaction time from 20 days to five to seven days and associated costs by as much as 20 percent, improved e-signatures and document management processes and allowed more time for analysis.

Budget Contract Compliance

The challenges we faced were:

No area in the consolidation was more fragmented than that dealing with contracts and compliance. Indeed, the first step was to consolidate the overlapping functions of budgeting, audit, and compliance into a single bureau responsible for contracts, service provider oversight, financial compliance reviews, budget analysis, audit reviews, and contract administration. More complex was the subsequent task of bringing consistency and efficiency to these functions as they existed in the merged program areas and to train and deploy staff in the new protocols.

Among the key problems identified were:

- All Requests for Executive Action (the County's authority to enter into an agreement and/ or expend funds) were handled through paper transfers circulated to the appropriate Deputy Director and the DHS Director for signature via interoffice mail, and then sent to the County Manager's Office for signature.
- DHS administered approximately 650 contracts with an estimated 400 providers. Each programmatic funding stream had its own contract with each provider, generating voluminous paperwork and files.
- Contracts were amended routinely to accommodate anticipated and actual changes in funding levels, thus generating additional paperwork and requiring excessive staff time.

- Yearly on-site audits were performed for most subcontractors, including all Workforce Investment Act (WIA) and Drug & Alcohol (D&A) providers.
- Potential providers were not pre-certified with regard to fiscal stability or other measures of organizational health.
- No technical assistance was provided to agencies at risk for failure to adhere to administrative protocols.

What we did:

The Katz/DHS teams successfully designed a new contract monitoring model by November 2000. In order to present the model to staff and begin implementation, several informational “Change Management Training” sessions were held. The following initiatives were undertaken to create a consistent, flexible, and efficient contracting and audit system for the department.

Contract Tracking System

An application designed to streamline and automate the contracts and grants approval process was developed and implemented.

Modification Cycle

To further cut down on excessive paperwork, DHS worked with the program offices to establish an adjustment cycle, whereby the contracts were amended each quarter, if necessary.

Contract Template/Electronic Processing

A standardized boilerplate contract was developed and the unique aspects of each program or funding stream were written into Contract Specifications Manuals. Agreements incorporated the manuals’ content through references, but the full manuals did not need to be circulated with the boilerplate for signature. A work-statement format was standardized through a work group composed of administrative, executive, and program staff.

Technology

During FY 2008–2009, three technology advances contributed to improvements in the contracting process:

1. *Internal document management* (The County Controller’s Office implemented OnBase, an internal document management system.)
2. *Electronic signature*
3. *DHS web site*—The Department’s web site (www.alleghenycounty.us/dhs), located on the County’s web server, provides an extensive resource for consumers, referring agencies, the press, and DHS staff.

Audit Risk Assessment

To reduce the strain posed by the annual program audits, DHS introduced an audit risk assessment for all providers, requiring only “at risk” providers to participate in an annual on-site audit. For example, WIA providers are now audited only when they are deemed to be “at risk” or every three years; as a result, each contract monitor audits an average of only six providers yearly.

Financial Compliance Reviews

DHS created procedures to standardize the process of selecting, conducting, and reporting on on-site provider financial compliance reviews.

Audit Guidelines

DHS also standardized procedures for the submission, follow-up, and review of provider-certified audit reports. These efficiencies have enabled DHS to cut the time required to perform an audit from five or six days to just one day and to reduce costs by 25 percent.

State Monitoring

New protocols and increased use of electronic technology has facilitated reporting and compliance with state monitoring procedures.

By moving budget analysis functions into financial management, standardizing contracting and audit procedures across all program areas, and by making full use of electronic communication and data management we have made this function more efficient and timely, less burdened by paper, more transparent, and environmentally sustainable. Contract processing time to execute an agreement from 112 days before automation to 55 currently resulting in a 10 percent cost savings. The savings in paper, time, staff, and collection procedures have benefited DHS, the county, and providers.

Facilities Management

The challenges we faced were:

Symbolic of the “silo-based” system of human service delivery, the physical distribution of the four original programs stretched across the downtown area, thus discouraging communication among staff members as well as coordination of services for consumers with multiple needs or diagnoses. Among the problems posed by the dispersion of program offices were:

- The four programs continued to operate as more or less discreet entities rather than integral parts of a single department;
- Many employee tasks were needlessly duplicated, particularly in shared support areas such as payroll, facility management, contracting and compliance, human resources, and information technology;
- Consistency in procedures and job responsibility was difficult to implement;
- Communication among the programs and among the staff was limited, leading to misunderstandings and errors and limiting the capacity to provide multi-disciplinary services to consumers with multiple needs; and
- Consumers, faced with the multiple points of entry into the service system, often failed to follow through on referrals when they involved traveling to additional sites.

What we did:

Faced with the challenges of creating a “holistic, culturally competent, and strengths-based partnership across all direct service areas” that would create a single door for consumers and caseworkers, DHS assigned a high priority to centralization and the re-grouping of staff members with similar or shared responsibilities.

Developing a Relocation Plan

The first step was to develop a strategic relocation plan that would also co-locate staff with similar functions.

To minimize the impact on the programs' daily operations, the Project Team:

- surveyed existing conditions, including room layouts, dimensions, furnishings, and electrical, phone, and data locations;
- developed new floor plans for the new buildings, taking into consideration necessary structural changes, architectural code reviews, and proposed employee and department units;
- solicited bids from moving companies and prepared a master move schedule;
- created an information management system plan to electronically identify data hubs and locate electrical needs; and
- reviewed proposals for phone and data wiring, panel installation, and general moving.

Throughout the review and planning process, all relevant stakeholders were involved.

The Move

The issue of space utilization and location remains a moving target because of two concerns that were not resolved by centralization, both of them related to consumer accessibility. They are:

Public Access

In locating program offices in the Human Services Building, special consideration was given to those offices providing direct services to walk-in consumers. These included information, referral, and emergency services; troubleshooting complaints and concerns through the Director's Action Line; the Medical Assistance transportation program; and the low-income energy assistance program. All were located on the building's first floor, with easy access to the building's entrance.

Regional Office Expansion

As we moved toward greater centralization, we realized that, in terms of direct services, regional outreach was invaluable. In addition:

- Two community-based "hoteling" offices were established to provide shared workspace for AAA caseworkers and case managers;
- CareerLinks centers for job counseling, assessment, and referral were located in three neighborhoods across the county; and
- In response to expanded service demands, regional offices for OID programming were opened in neighborhoods to the east and west of downtown Pittsburgh.

Results

What positive results are you experiencing from doing so, both in terms of lower costs and improved outcomes? What are your current outcomes and outcomes trends?

Since 1997 the Human Services budget has virtually tripled to \$914 million, with the number of employees remaining essentially the same. However, additional funding from state and federal government and private foundations has made us far less reliant on county tax dollars. As a result, Allegheny County residents are benefiting from an investment of funds that has nearly tripled over the last decade—but county taxpayers' share of those costs has declined nearly three-fold: from 9.4 percent in 1997 to 3.6 percent today.

More important, as we have expanded our fiscal resources, we have also increased the number of people we are serving, in settings that are more accessible and in ways that foster independence and permanency and address the totality of an in-

dividual's or a family's needs. Through technology we've established greater fiscal and qualitative accountability. And we've accomplished these efficiencies by consolidating administrative functions and data management as well as by the physical relocation of staff and services.

- Simplify the structure of county government by combining four disparate areas of human services into a single “mega” department with shared support functions and a common database of client services and community needs;
- Triple the total funding for human services while reducing the percentage paid with county tax dollars;
- Integrate fiscal and budgetary functions to maximize and leverage resources in 194 funding streams in order to facilitate the use of unrestricted funds where they are most needed;
- Connect 350 service providers through automated two-way communication with one another, with DHS, and with the central database;
- Consolidate programs and staff in four locations, reducing office space by 17,000 square feet and streamlining administrative procedures and processes to achieve a stronger, more centralized management system, thereby improving communication and collaboration among the various service areas;
- Cut the transaction time, through automation, for personnel paperwork from six weeks to five days and payment time for vendors from 20 days to five to seven days. Time to execute a contracting agreement is down to 55 days from 112 days prior to automation;
- Effect cost reductions of 10 to 30 percent by the reduction of processing time for hiring, payments, contracts, and audits. This transaction time savings enabled DHS to focus on data analysis, performance evaluation, and business process improvements;
- Reduce administrative staff from 101 filled positions to 80; and
- Improve the ability to complete and file timely expense reimbursement claims. Claims that were in excess of 12 months late are now accurately submitted within the required reporting timeline.

The 2007 ten-year report, *Realizing a Community Vision*, which summarizes the first decade of progress and includes comments from a variety of leaders in the public and private sectors may be accessed on the DHS web site at www.allegheny-county.us/dhs/research.aspx.

Why do you think this is the case? Please respond to this question from three perspectives:

- *Improving incentives and removing disincentives that positively impact the decisions and actions of those you serve.*
- *Enabling more effective and holistic client-level practices and service innovations.*
- *Improving system efficiency and capacity (e.g., staffing, technology, logistics).*

Stories and Anecdotes

To illustrate and reinforce your responses above, please share what you can about specific, real-world experiences of those you serve and those with whom you collaborate.

Follow this link to a series of “impact” pieces from Allegheny County: <http://www.alleghenycounty.us/dhs/impact.aspx>

Recommendations

From your experience, what related policy, program, or funding changes at the federal level would best serve to streamline, simplify, or integrate separate policies and programs?

True programmatic integration cannot be achieved without a concomitant federal commitment to break down their program funding categorical silos.

From your experience, how long would it take for these changes to take hold at the local level and either lower costs or improve outcomes?

This experience for Allegheny County has been more than 10 years in the making and continues to continuously improve.