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March 14, 2002

Ms. Verna Eggleston
Administrator/Commissioner
New York City Human Resources Administration
180 Water Street 25th Floor
New York, NY 10038

Mr. William C. Bell
Commissioner
New York City Administration for Children's Services
150 William Street 18th Floor
New York, NY 10038

Re: Report 2001-F-57

Dear Ms. Eggleston and Mr. Bell:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution, and Article II, Section 8 of the State Finance Law, and Article III of the General Municipal Law, we have reviewed the actions taken by officials of the New York City Human Resources Administration (HRA) and the Agency for Children's Services (ACS) as of February 4, 2002, to implement the recommendations contained in our report: *New York City Human Resources Administration and Administration for Children's Services - A Status Report of Selected Aspects of the Implementation of Welfare Reform in New York City* (Report 99-N-4). The report, issued August 21, 2000, examined how the responsibilities under the reformed welfare system had been assigned among New York City agencies, and what steps had been taken to fulfill those responsibilities.

Background

In August 1996, Congress altered the nature of public assistance programs by replacing the Aid to Families With Dependent Children program with a block grant to the states, known as Temporary Assistance to Needy Families (TANF). TANF provides cash assistance to eligible individuals while they engage in activities intended to help them achieve self-sufficiency. While states have considerable discretion in their use of TANF block grants, they are subject to financial penalties if they do not meet certain Federal requirements. For example, the Federal government

may penalize a state if too few of its families receiving TANF assistance work or participate in work-related activities such as employment training.

As of November 30, 2001, about 469,000 New York City residents received public assistance, 389,000 residents received Family Assistance Program (FAP) funds, and about 80,000 residents received Safety Net Assistance (SNA) funds.

Summary Conclusions

Our prior audit found that the most significant responsibilities under the reformed welfare system had been assigned to HRA, for administering financial assistance programs and for placing public assistance recipients into work and work-related activities, and to ACS for providing additional day care slots for children of public assistance recipients required to participate in work and work-related activities. We found that HRA needed to improve its actions to appropriately disseminate information to applicants about the availability of programs designed to remove barriers to employment. We also found that information about the Medicaid program and the services of HRA's Domestic Violence Liaison Unit may not have been reaching all applicants. We also found that officials and caseworkers at one HRA Job Center we reviewed were not aware that recipients did not need to participate in work-related activities if their day care needs were not met. In addition, HRA needed to develop appropriate measures relevant to the intended outcome of welfare reform if the long-term effectiveness was to be assessed and evaluated. Also, ACS needed to finalize and implement its plans to address the need for additional day care services if the goals of welfare reform were to be fully achieved.

Our follow-up review found that HRA has strengthened controls over the policies and procedures regarding the actions of its Job Center staff in providing information to all applicants and recipients. Medicaid, child care and other information are now included in the application packets and discussed with applicants/recipients by Center staff. In addition, HRA and ACS have begun to implement a plan to expand the number of day care slots.

Summary of Status of Prior Recommendations

Based on our follow-up review, we conclude that of our six recommendations, HRA has implemented five recommendations addressed to it (Recommendations 1, 2, 3, 5 and 6), and ACS has partially implemented the recommendation addressed to it (Recommendation 4).

Follow-up Observations

Recommendation 1

Instruct Job Center staff to inform all public assistance recipients that they may be excused from required work-related activities if they are unable to find childcare that is appropriate, accessible, and affordable.

Status – Implemented

Agency Action – HRA has updated its “Application Kit,” and issued guidelines to Job Center staff, to inform all public assistance applicants/recipients that they may be excused from required work-related activities if they are unable to find “appropriate, accessible, affordable and suitable childcare.” Our review shows that Form LDSS-4647 identifies the right to continue to receive cash assistance when appropriate, accessible, affordable, and suitable child care is not available.

Recommendation 2

Verify that Centers provide all recipients with the required information about the Medicaid program.

Status – Implemented

Agency Action – During this review, we visited two HRA Job Centers and found that they were providing applicants/recipients with the required information about the Medicaid program. HRA updated its “Application Kit” to contain Form MAP 2020, “Yes! You Can Still Apply for Medicaid,” and State Form LDSS-4148, “New Information About Medical Assistance” to provide applicants/recipients with the required information about the Medicaid program.

Recommendation 3

Assign a domestic violence liaison to each office where public assistance applications are processed.

Status – Implemented

Agency Action – HRA provided us with a listing of the personnel it has assigned as domestic violence liaisons to the Job Centers where public assistance applications are processed. As of December 2001, there were 27 Domestic Violence Liaisons serving all the Centers, some providing services for more than one Center. For example, the Greenwood Center is sharing a Liaison with the Fulton Center.

Recommendation 4

Implement the plan for addressing the day care needs of public assistance recipients in New York City.

Status – Partially Implemented

Agency Action – The plan for addressing the day care needs of public assistance recipients had been incorporated into a Memorandum of Understanding between ACS and HRA in March 2000. ACS has now implemented the policies and procedures in the Memorandum of Understanding with regards to three of the four priorities as follows:

- ACS is sharing its data processing system (ACCIS) to enable HRA to directly enroll welfare-to-work recipients' children in ACS' childcare system;
- As a result of the sharing of the data processing system, HRA now conducts the eligibility verification process for the children it places directly into day care; and
- ACS and HRA share the same payment agent and are directly paying day care providers from two separate bank accounts.

However, ACS was unable to expand of the number of day care slots to the extent called for in the plan. ACS officials told us that a lack of funding prevented them from creating 5,000 new day care slots and from converting 4,000 to 4,500 slots from part-day to 10-hour day slots. ACS received a Federal grant to fund between 500-600 new day care slots. ACS is in the process of soliciting providers for these slots. In addition, as of December 2001, ACS has converted 196 part-day slots to full-day slots.

Recommendation 5

Monitor the performance of staff against established performance standards.

Status – Implemented

Agency Action – Our review of HRA's monthly Job Center report shows that HRA monitors the performance of the majority of the staff who work at the Centers against established performance standards such as the timeliness of application processing, and recertifications, and the number of job placements.

Recommendation 6

Develop and report performance measurements related to the intended outcomes of welfare reform, such as the extent to which public assistance recipients are placed in long-term employment that ends their need for public assistance.

Status – Implemented

Agency Action – HRA has developed and reported on performance measurements related to the intended outcomes of welfare reform. The September 2001 employment outcome status report for the Jamaica Job Center, and the citywide Job Placement Update report for the week ended November 11, 2001, contained long-term employment -related indicators such as 3-month and 6-month job retention, recipients no longer in need of public assistance, and applicants placed in jobs with no public assistance case opened.

Major contributors to this report were Richard Sturm, Barry Mordowitz, Emma Wohlberg and Hector Mercedes.

We would appreciate your response to this report within 30 days, indicating any actions planned or taken to address the unresolved matter discussed in this report. We also thank the management and staff of HRA and ACS for the courtesies and cooperation extended to us during this review.

Very truly yours,

William P. Challice
Audit Director

cc: Hope Henderson
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