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OFFICE OF THE STATE COMPTROLLER

April 8, 2003

Mr. Brian J. Wing  
Commissioner  
Office of Temporary and Disability Assistance  
40 North Pearl Street  
Albany, NY 12243

Re: Report 2002-F-49

Dear Mr. Wing:

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, we have reviewed the actions taken by officials of the Office of Temporary and Disability Assistance (OTDA) as of January 14, 2003 to implement the recommendations contained in our audit report, *Monitoring the Services Provided to Pregnant and Parenting Teens* (Report 98-S-76). Our report, issued on February 15, 2000, examined the questions of whether OTDA adequately monitors the manner in which local social services districts (LSSDs) verify that teenage clients are complying with residence and education requirements and whether OTDA has adequate assurance that teens who are pregnant and/or parenting are making progress toward self-sufficiency.

**Background**

Effective October 1, 1996, pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the Federal government changed the standards by which it funds public assistance, from an entitlement program (Aid to Families with Dependent Children) to a block grant program (Temporary Assistance for Needy Families, or TANF). This Federal act - and the New York State legislation approved to implement it - embody what is commonly referred to as "welfare reform." The intent of welfare reform, which is characterized by a five-year lifetime limit on assistance payments and an emphasis on employment, is to reduce the numbers of people receiving TANF benefits by helping them achieve self-sufficiency. It also sets certain expectations for people who want to become or remain eligible for TANF benefits. OTDA is responsible for overseeing LSSDs whose caseworkers verify that recipients are in compliance with TANF eligibility requirements.

Welfare reform has had a major impact on pregnant and parenting teens who receive TANF benefits. To be eligible, the teens must be less than 18 years old and unmarried, separated, or divorced; must live with a parent, guardian, or adult relative; and must be able to document the adequacy of their living arrangements. Exemptions from the residence requirement are allowed if it

is determined that it is not suitable for the teen to live with the parent, guardian, or adult relative. Unless they are deemed incapable of doing so, teen parents who are under 18 and have a child more than 12 weeks old must also satisfy a TANF education requirement by continuing with their high school education or another approved vocational program. Caseworkers are required to maintain documentation that will verify enrollment, such as letters from the school, report cards, or caseworker notes. LSSD caseworkers must determine whether teens qualify for TANF benefits and must re-certify recipients' continued eligibility every six months. TANF benefits may be reduced for recipients who do not meet the eligibility requirements.

### **Summary Conclusions**

In our prior audit, we found that OTDA officials did not know the true size of the State's population of pregnant and parenting teens. Furthermore, they did not have assurance that the teen clients were meeting TANF residence and education requirements; and officials were not measuring the overall effectiveness of LSSD efforts to help the teens become self-sufficient.

In our follow-up review, we found that OTDA has made progress in implementing the recommendations contained in our prior audit, providing additional oversight through TANF reviews, implementing changes in how data is being entered on the Welfare Management System (WMS), and providing LSSD staff and supervisors with additional training.

### **Summary of Status of Prior Audit Recommendations**

Of the eight prior audit recommendations, OTDA officials have implemented six recommendations and partially implemented two recommendations.

### **Follow-up Observations**

#### **Recommendations 1 and 2**

*Review the discrepancies in teen parent data on WMS and take appropriate action to correct the data.*

*Develop a single WMS code to identify pregnant teens and another code to identify teen parents.*

Status - Implemented

Agency Action - Officials stated that the discrepancies in teen parent data collected at two of the three upstate LSSDs we examined were the result of changes that had occurred in the cases between the time we obtained data from WMS and the time we reviewed the case files. They also stated that the discrepancies at the third LSSD occurred because district staff used criteria for identifying teen parent cases that were different from OTDA's. Our review of documentation from OTDA's Division of Temporary Assistance (DTA) showed that DTA staff were able to view the WMS coding and verify that the coding errors had been corrected. Our examination of TANF review checklists indicated that OTDA has established separate WMS codes for pregnant and parenting teens that should help resolve future discrepancies. In addition, OTDA has completed a number of case file reviews at 17 upstate and 23 New

York City LSSDs that officials believe will help prevent recurrences of the type of data discrepancies found in our prior audit.

### **Recommendation 3**

*Review the cases we identified that did not have adequate residence or education verification. Require that the LSSDs obtain the necessary documentation to foster recipient compliance with TANF requirements.*

Status - Implemented

Agency Action - OTDA's Office of Audit and Quality Control (A&QC) corrected the deficiencies cited in our report by exchanging information with the three LSSDs in our sample. Officials asked LSSDs to submit documentation that would prove that files in which we found errors during our prior audit had been corrected. To ensure that coding errors found during our prior audit had also been corrected, DTA compared coding information input by the LSSDs onto the WMS. In addition, DTA and A&QC have conducted TANF case reviews at approximately 17 upstate and 23 New York City LSSDs that included searches for these policy elements as well as appropriate documentation, noting exceptions for district action. Reviewers also used the entrance and closing conferences for instructing LSSD staff on the importance of correct coding, documentation, and application of policies, including the policies related to living arrangements for pregnant and parenting teens and education requirements for teen parents. These efforts should help identify and prevent future problems in coding and documentation.

### **Recommendations 4 and 5**

*Re-emphasize to caseworkers the importance of documenting compliance with (or exemptions from) TANF residence and education requirements.*

*Instruct supervisors at LSSDs to review case files to verify the accuracy of WMS data, the completeness of case information and the adequacy of compliance documentation.*

Status - Implemented

Agency Action - OTDA officials have provided training through annual conferences that address the importance of documenting compliance with TANF residence and educational requirements. By viewing the conference agenda, we confirmed that data reporting was among the topics addressed. In addition, we observed TANF review checklists, which verify that case files contain these requirements. Officials told us they also use these onsite reviews to instruct local staff on the importance of properly documenting the recipients' eligibility.

### **Recommendation 6**

*Perform periodic reviews of LSSD case files to determine whether LSSDs are meeting TANF requirements for teen parents.*

Status - Implemented

Agency Action - As previously discussed, DTA has conducted 17 TANF reviews at upstate LSSDs and 6 at New York City locations. A&QC has also conducted TANF reviews at 17 New York City locations. These TANF reviews include a review of case files and follow a standard checklist developed by DTA staff. A report listing the findings and recommendations is generated for each review. We reviewed ten of these reports, along with a summary of the most common findings and recommendations resulting from the TANF reviews. As previously stated, OTDA uses these reviews as an opportunity to instruct staff on policies and procedures.

### **Recommendation 7**

*Obtain data relating to educational progress and outcomes by LSSD and education program. Use this data to identify successful programs and share this information with LSSDs.*

Status - Partially Implemented

Agency Action - DTA staff do not collect data on educational outcomes for the purpose of identifying successful programs and sharing this information with the local districts. Instead, DTA holds yearly conferences during which representatives of LSSDs, OTDA, and other State and local resources present information about innovative programs. Among the many workshop topics presented at these conferences are: School/Community Collaboration, At-Risk Youth and Families in the Justice System, New Approaches to Confronting Crime and Drugs, Helping Parents To Help Their Kids, Youth Entrepreneurship Training, and Pregnancy Prevention Programs. LSSD representatives at these conferences gain information on successful programs and take it to their LSSDs. Although LSSD employees may learn about successful programs this way, OTDA cannot determine whether the programs are meeting expected goals without measuring outcomes.

### **Recommendation 8**

*Study the feasibility of establishing education incentive programs that will encourage teen parents to obtain the skills needed to achieve self-sufficiency.*

Status - Partially Implemented

Agency Action - We were told by OTDA officials that local districts use block grant monies to fund some monetary incentive programs designed to encourage teen parents to obtain the skills they need to achieve self-sufficiency. However, OTDA has not yet studied the effects of

providing additional incentives to teen parents or compared incentive programs with non-incentive programs to determine which would work better.

Major contributors to this report were John Buyce, Joel Biederman, and Don Wilson.

We would appreciate your response to this report within 30 days, indicating any actions planned or taken to address any unresolved matters discussed in this report. We also thank the management and staff of the Office of Temporary and Disability Assistance for the courtesies and cooperation extended to our auditors during this review.

Yours truly,

Frank J. Houston  
Audit Director

cc: David Dorpfeld, OTDA  
Deirdre Taylor, Division of the Budget