

*A REPORT BY THE NEW YORK STATE
OFFICE OF THE STATE COMPTROLLER*

**Alan G. Hevesi
COMPTROLLER**



***OFFICE OF TEMPORARY AND DISABILITY
ASSISTANCE***

BARRIERS TO SELF-SUFFICIENCY

2003-S-15

DIVISION OF STATE SERVICES

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Alan G. Hevesi
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Report 2003-S-15

Mr. Robert Doar
Commissioner
Office of Temporary and Disability Assistance
40 North Pearl Street
Albany, New York 12243

Dear Mr. Doar:

The following is our audit report addressing the practices used in local social services districts to identify and alleviate the barriers to self-sufficiency for public assistance recipients.

This audit was performed 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. Major contributors to this report are listed in Appendix A.

Office of the State Comptroller
Division of State Services

June 7, 2005

EXECUTIVE SUMMARY

OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

BARRIERS TO SELF-SUFFICIENCY

SCOPE OF AUDIT

In New York State, low-income adults with dependent children may receive cash assistance through the Temporary Assistance for Needy Families (TANF) program. A recipient's lifetime eligibility for TANF cash assistance is limited to five years. Recipients who reach this limit may be eligible for New York's Safety Net Assistance (SNA) program, which provides cash assistance to individuals and families not eligible for the TANF program and has no lifetime limit on eligibility. While the TANF program is partly funded by the Federal government, the SNA program is funded entirely by the State and 58 local social services districts (57 counties and New York City).

The TANF and SNA programs are overseen by the Office of Temporary and Disability Assistance (OTDA), and are administered by the local districts. The local districts are expected to refer public assistance recipients to the services they need to overcome their barriers to self-sufficiency. If these barriers are not identified by the local districts and alleviated through appropriate services (e.g., job training, child day care, and treatment for disabling conditions such as mental illness and substance abuse), the recipients are less likely to attain self-sufficiency and more likely to need the ongoing support of public assistance programs. Between 1998 and 2003, New York's TANF caseload declined by more than 180,000 cases; however, between 2001 and 2003, about 49,240 cases moved from the TANF program to the SNA program, due to the five-year limit on TANF eligibility, and received more than \$567 million in SNA cash benefits. Our audit addressed the following questions about the practices used in local districts to identify and alleviate public assistance recipients' barriers to self-sufficiency for the period January 1, 2001 through March 31, 2004.

- What data is maintained, for program planning and development purposes, on the rate of incidence for particular types of barriers to self-sufficiency?
- Have the local districts attempted to identify, and offer services to alleviate, each public assistance recipient's barriers to self-sufficiency?

AUDIT OBSERVATIONS AND CONCLUSIONS

We found that most local districts have a formal process for identifying recipients' barriers to self-sufficiency. However, the process is not always as thorough as it could be, and even when barriers are identified, services may not be provided to alleviate the barriers. We also found that, due to a lack of data on the rate of incidence for particular types of barriers to self-sufficiency, the services available in a local district may not always match the needs of the recipients in the district.

Not all public assistance recipients are faced with the same barriers to self-sufficiency. If a local district is to be in a position to offer its recipients the services they need to overcome their particular barriers to self-sufficiency, the district must know how many recipients need each type of service. In the absence of such data, a district's program planning and development efforts are less likely to be effective. We found that at least two local districts (Chemung and Jefferson Counties) maintain this type of data. For example, data from Chemung County showed that the number of recipients with mental health barriers increased from 38 to 63 over an eleven-month period. Information such as this can help a district plan program services for recipients and ensure that sufficient services are available to meet the recipients' needs. (See pp. 15-17)

However, most local districts do not maintain this type of data. In response to our questionnaire, many districts indicated they would find such information helpful. For example, Columbia County stated it "would be helpful to have data that specifically identifies the number of people affected by each barrier and that such information would allow [the County] to concentrate on the barriers that affect the most people." Such data could also help OTDA, as each year it must review and approve the districts' TANF services plans. We therefore recommend OTDA work with the local districts to develop an automated process for accumulating and maintaining information about the incidence of particular kinds of barriers to self-sufficiency in each local district. (See p. 17)

We also examined local district practices for identifying and alleviating public assistance recipients' barriers to self-sufficiency. We sent a questionnaire to all 58 local districts and reviewed a sample of cases at four districts (Albany County, New York City, Onondaga County and Westchester County). We found that a number of improvements are needed, as the districts may not assess all recipients to identify their particular barriers to self-sufficiency, and the assessments that are performed may not be complete or timely. For example, the assessment process in some districts does not attempt to identify a lack of English language proficiency. Even when barriers are identified, the recipients may not be referred to services that are intended to alleviate those barriers. Such an action was documented in only 18 of the 120 cases that we reviewed, and in 13 of these cases, the recipient was referred for services that were not directly related to the recipient's barriers to self-sufficiency. (See pp. 19-23)

In their responses to our questionnaire, a number of local districts stated that they cannot always offer services to address recipients' barriers to self-sufficiency, because they do not have enough resources to develop all the programs that would be needed by all their recipients. In addition, OTDA officials state that they focus on the strengths of the recipients and take a "work first" approach to public assistance, based on the concept that finding a job is the best way for families to become self-sufficient. We agree that recipients need employment, but note that if recipients are not able to overcome barriers to self-sufficiency, they may be unable to obtain the kind of long-term employment that constitutes self-sufficiency, and may be more likely to remain on public assistance at considerable cost to the State and the local districts. We recommend OTDA work with the local districts to improve the practices used in identifying and alleviating recipients' barriers to self-sufficiency. (See pp. 23-25)

COMMENTS OF OTDA OFFICIALS

A draft copy of this report was provided to OTDA officials for their review and comment. Their comments were considered in preparing this report. In addition, the State Comptroller's Notes to OTDA's response are included as Appendix C.

OTDA officials disagree with the report's findings, and claim that our findings and recommendations should be directed to other agencies - primarily, the Department of Labor. We acknowledge that the Department of Labor is now responsible for addressing such barriers to employment as education and training. However, many additional barriers to employment exist which do not fall within the purview of the Department of Labor (e.g. homelessness, domestic violence, etc.). If one accepts the position of OTDA, that the Legislature intended that various state agencies delegated responsibilities of the former Department of Social Services (DSS) are each autonomously responsible for monitoring the barriers to self-sufficiency that fall within their purview, one would have to conclude that the Legislature also intended that there not be a coordinated approach to addressing the problems of public assistance. This conclusion is belied by Chapter 436's call for memoranda of understanding to be entered into by the successor agencies of DSS to resolve issues concerning the responsibilities and functions held by the former DSS.

One of the responsibilities held by DSS was the duty to supervise all social services work in the State and the financial assistance granted by the State in connection with such work. In the absence of OTDA or one of the other successor agencies performing this supervisory role, the State is left without a means of assessing the overall effectiveness of its public assistance programs. We do not believe that the Legislature intended this to be a result of its welfare reform initiative. As one of two component agencies comprising the Department of Family Assistance, the entity expressly named by Chapter 436 as the successor to the former DSS, and as keeper of the Welfare Management Database, OTDA is the logical choice to assume the supervisory role formerly held by DSS. Absent such oversight, the State is left with a fragmented and uncoordinated approach to providing public assistance.

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INTRODUCTION

Background

In 1996, the United States Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act. This legislation made a number of changes in the nation's welfare policy. In particular, the existing entitlement program for public assistance recipients (the Aid to Families with Dependent Children program) was terminated, and in its place Congress established the Temporary Assistance for Needy Families (TANF) program.

In the TANF program, the states receive a fixed stream of Federal funding in the form of annual TANF block grants. These block grants may be used for various public assistance purposes, including cash assistance, job training and other support services intended to promote the self-sufficiency of the recipients. The states are given the flexibility to design their own particular TANF programs and develop their own strategies for promoting self-sufficiency. While certain Federal requirements must be met, most programmatic decisions are left to the states.

The TANF program is characterized by a five-year lifetime limit on the recipients' cash assistance and an emphasis on securing employment for recipients. These features are intended to encourage recipients to become economically self-sufficient and no longer reliant on public assistance. Between 1998 and 2003, the TANF caseload in New York State declined from approximately 324,000 cases to 141,000 cases.

In New York State, the TANF program is administered by both local and State agencies. At the local level, the program is administered by 58 local social services districts (57 counties and New York City). The local districts determine whether applicants are eligible for program benefits, administer the benefits for eligible recipients, and monitor the recipients' compliance with program requirements. In the course of administering program benefits, the local districts are expected to assess each recipient's job-readiness and determine whether any support services (such as job training, child day care,

transportation to and from the job site, or others) are needed by the recipient. If support services are needed, the local district is expected to arrange for these services, which are usually provided by contractors. Recipients who receive these services must be referred to the service providers by the local districts.

The local districts are overseen by a number of State agencies, including the Office of Temporary and Disability Assistance (OTDA), the Department of Labor, the Office of Children and Family Services, and the Department of Health. OTDA is responsible for overseeing the local districts' TANF eligibility determinations, their payment of cash assistance to recipients, and certain of the services provided to recipients through local district referrals (such as domestic violence prevention services). In addition, OTDA maintains New York State's Welfare Management System, which contains comprehensive information about the benefits and services provided to each TANF recipient, and tracks each recipient's progress in attaining self-sufficiency. OTDA also establishes rules and policies for TANF activities.

The State agencies other than OTDA are responsible for overseeing certain of the services provided to TANF recipients through local district referrals. For example, the Department of Labor oversees job training and job placement services; the Office of Children and Family Services oversees child day care and certain other family-related services; and the Department of Health oversees health care services provided to TANF recipients through the Medicaid program. In fulfilling its administrative responsibilities, OTDA often coordinates with these other State agencies.

TANF recipients who exhaust their five-year lifetime limit on cash assistance may be eligible for New York State's Safety Net Assistance (SNA) program. The SNA program was established in 1997, under New York's Welfare Reform Act, to provide assistance to individuals and families who are ineligible for TANF-funded benefits. Whereas TANF benefits may be provided only to adults with dependent children, SNA benefits may be provided to single adults, childless couples, aliens ineligible for TANF-funded assistance, and other individuals and families not eligible for TANF benefits. In addition, unlike the TANF program, there is no lifetime limit on eligibility for the SNA program.

Article 17, Section 1 of the Constitution provides that “[t]he aid, care and support of the needy are public concerns and shall be provided by the state and by such subdivisions, and in such manner and by such means, as the Legislature may from time to time determine”. Prior to the creation of the SNA program in 1997, individuals and families not eligible for the federally funded predecessor to the TANF program (the Aid to Families with Dependent Children program) could be eligible for the State’s predecessor to the SNA program (the Home Relief program).

The SNA program, like the TANF program, is administered by the local districts, OTDA and other State agencies. As of December 2003, there were a total of 292,721 SNA recipients in New York State. OTDA reported that 161,205 of these recipients (55 percent) were members of families that had exhausted their 60 months of TANF eligibility. About half the cost of New York’s TANF program is funded by Federal block grants; the balance is funded by the State and the local districts. In comparison, the State and local districts fund the entire cost of the SNA program.

Audit Scope, Objectives and Methodology

We audited the practices used by local social services districts and OTDA to identify and alleviate public assistance recipients’ barriers to self-sufficiency for the period January 1, 2001 through March 31, 2004. The objectives of our performance audit were to (1) identify the data maintained by the local districts and OTDA describing the rate of incidence for particular types of barriers to self-sufficiency, and (2) determine whether the local districts have attempted to identify, and offer services to alleviate, each recipient’s barriers to self-sufficiency.

Our audit did not address the quality of the services provided to the recipients through local district referrals. For this reason, we did not audit the actions of the Department of Labor, the Office of Children and Family Services, or the other State agencies responsible for overseeing the providers of these services. We audited OTDA because of its overall administrative responsibilities for public assistance programs; since OTDA is the agency that tracks the progress of recipients in attaining self-sufficiency, it is the State agency in the best position to initiate corrective action by notifying responsible agencies when

recipients do not receive the services they need to overcome their barriers to self-sufficiency.

To accomplish our audit objectives, we reviewed applicable laws, rules, regulations, policies and procedures. We interviewed OTDA officials and sent a questionnaire to all 58 local districts (we received completed questionnaires from 56 of the districts). In addition, we reviewed reports prepared by the U.S. General Accounting Office (GAO) addressing public assistance programs, and reviewed articles written by experts in the field of public assistance.

We also visited the offices of four local districts: the New York City Human Resources Administration, and the Department of Social Services for the counties of Albany, Onondaga and Westchester. At each of the four districts, we reviewed a sample of 15 active TANF cases and 15 active SNA cases (120 cases in total) to determine whether attempts had been made to identify barriers to self-sufficiency, and if barriers were identified, whether attempts had been made to alleviate these barriers. Our TANF samples were randomly selected from the active TANF cases in the four districts that had received benefits for more than 30 months as of January 27, 2004, and our SNA samples were randomly selected from the active SNA cases that had been transferred from the TANF program when the recipients' lifetime TANF benefits had been exhausted.

We conducted our audit in accordance with Generally Accepted Government Auditing Standards. Such standards require that we plan and perform our audit to adequately assess those operations that are included within our audit scope. Further, these standards require that we understand the internal control structure and compliance with those laws, rules and regulations that are relevant to the operations included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operating records and applying such other auditing procedures as we consider necessary in the circumstances. An audit also includes assessing the estimates, judgments, and decisions made by management. We believe our audit provides a reasonable basis for our findings, conclusions and recommendations.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State, several of which are

performed by the Division of State Services. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under Generally Accepted Government Auditing Standards. In our opinion, these management functions do not affect our ability to conduct independent audits of program performance.

Response of OTDA Officials to Audit

A draft copy of this report was provided to OTDA officials for their review and comment. Their comments were considered in preparing this report and are included as Appendix B. In addition, the State Comptroller's Notes to OTDA's response are included as Appendix C.

OTDA officials disagree with the report's findings, and claim that our findings and recommendations should be directed to other agencies - primarily, the Department of Labor. We acknowledge that the Department of Labor is now responsible for addressing such barriers to employment as education and training. However, many additional barriers to employment exist which do not fall within the purview of the Department of Labor (e.g. homelessness, domestic violence, etc.). If one accepts the position of OTDA, that the Legislature intended that various State agencies delegated responsibilities of the former Department of Social Services (DSS) are each autonomously responsible for monitoring the barriers to self-sufficiency that fall within their purview, one would have to conclude that the Legislature also intended that there not be a coordinated approach to addressing the problems of public assistance. This conclusion is belied by Chapter 436's call for memoranda of understanding to be entered into by the successor agencies of DSS to resolve issues concerning the responsibilities and functions held by the former DSS.

One of the responsibilities held by DSS was the duty to supervise all social services work in the State and the financial assistance granted by the State in connection with such work. In the absence of OTDA or one of the other successor agencies performing this supervisory role, the State is left without a

means of assessing the overall effectiveness of its public assistance programs. We do not believe that the Legislature intended this to be a result of its welfare reform initiative. As one of two component agencies comprising the Department of Family Assistance, the entity expressly named by Chapter 436 as the successor to the former DSS, and as keeper of the Welfare Management Database, OTDA is the logical choice to assume the supervisory role formerly held by DSS. Absent such oversight, the State is left with a fragmented and uncoordinated approach to providing public assistance.

Within 90 days of the final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Office of Temporary and Disability Assistance shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.

MAINTAINING DATA FOR PROGRAM PLANNING AND DEVELOPMENT

Various aspects of the TANF program have been examined by the GAO. According to GAO's reports, studies have shown that many TANF recipients have characteristics that make employment, and thus self-sufficiency, difficult to attain. For example, long-term recipients may have severe mental, physical, educational or other personal obstacles that hinder their transition to self-sufficiency. Obstacles such as learning disabilities, depression and other mental illness may be especially difficult to identify, since the recipients may be unaware of the conditions or reluctant to report them to TANF program officials. If such barriers to self-sufficiency are not identified and alleviated, the recipients are less likely to attain self-sufficiency and more likely to need the ongoing support of public assistance programs.

The local districts offer various services and programs to public assistance recipients in their efforts to help the recipients secure employment that enables self-sufficiency. For example, the districts offer job training programs for recipients lacking work experience, English as a second language programs for recipients lacking proficiency in English, substance abuse treatment programs for recipients with substance abuse problems, and protective services for recipients in danger of domestic abuse.

Inventorying Barriers to Self-Sufficiency

If public assistance recipients are to receive the services they need to overcome their barriers to self-sufficiency, local district officials need to know which particular barriers are an issue for the recipients in their district. Moreover, if appropriate programs are to be planned and developed for the recipients, the incidence (i.e., frequency) of each type of barrier needs to be known. Such information is especially important if appropriate programs are to be developed for hard-to-employ recipients with such barriers to self-sufficiency as learning disabilities and mental illness. As is noted by the GAO, in the absence of reliable data on the characteristics of the public assistance

recipients in a service area, it is difficult to develop programs tailored to the needs of the hard-to-employ recipients in the area.

Local districts could obtain this type of information by maintaining an inventory of the barriers to self-sufficiency within their service area. Such an inventory would list each type of barrier and the number of recipients having that barrier. Alternatively, a State agency such as OTDA could obtain the information for the districts through a similar inventory process. However, when we surveyed the local districts about their practices, we found that most of the districts do not maintain an inventory of the barriers to self-sufficiency facing the TANF and SNA recipients in the district. In addition, when we asked OTDA officials whether such data was maintained at the State level, we were told that OTDA maintained no such data.

To survey practices at the local districts, we sent a questionnaire to all 58 districts, of which 56 responded. In one of the questions, we asked if the districts had inventoried the types of barriers facing their clients, and if so, to provide us with a copy of their inventory. Sixteen of the 56 districts (29 percent) responding to the questionnaire indicated that they had inventoried the types of barriers facing their clients. In addition, two districts with relatively small caseloads reported that, while they had not prepared a formal inventory record, they knew the incidence of each barrier from daily involvement with the recipients' cases.

Based on these responses, as many as 18 local districts may know the rate of incidence for the barriers in their districts. However, only 2 of these 18 districts (Chemung and Jefferson Counties) provided us with evidence of such knowledge, as they sent us copies of their inventory records, as we had requested.

For example, Chemung County provided us with a monthly barrier inventory report. The report, which is produced from a local database, classifies all barriers to self-sufficiency as follows: mental health, physical disability, low function, substance abuse, child care or poor work history. The monthly report also contains trend analyses; for example, the report sent to us showed that the number of recipients with mental health barriers had increased from 38 to 63 over an eleven-month period. Information such as this can help a local district plan program services for public assistance recipients and ensure that sufficient services are available to meet the needs of the

recipients in the district. If a local district does not have this type of information, it may be less able to meet the specific needs of the recipients in the district.

We note that, in response to our questionnaire, many of the districts lacking this type of information indicated that they would find such information helpful. For example, Columbia County stated it “would be helpful to have data that specifically identifies the number of people affected by each barrier and that such information would allow [the County] to concentrate on the barriers that affect the most people.” Nassau County suggested that “this data could be helpful in managing our TANF and SN[A] clients and providing better service to the TANF and SN[A] population.” Altogether, 38 of the 56 districts responding to our questionnaire stated that they lacked this kind of information, and 26 of these 38 districts indicated that they would find such information helpful.

We further note that this kind of information would be helpful to OTDA. Each year, OTDA must review the TANF services plans prepared by the local districts. The plans indicate which particular programs and support services the districts plan to make available to TANF recipients in the upcoming year. If a district’s plan is approved by OTDA, the district receives a certain portion of the State’s TANF block grant. If OTDA had data showing the incidence of particular barriers to self-sufficiency in each local district, it would have a better basis for deciding whether a TANF services plan should be approved as submitted or whether it should be modified to better address the particular needs of the recipients in that particular local district.

We therefore recommend that OTDA work with the local districts to develop an automated process for accumulating and maintaining information about the incidence of particular kinds of barriers to self-sufficiency in each local district. Such a process could be implemented through a single statewide computer system or through separate local computer systems. While the maintenance of such data is not required by the Federal law authorizing the TANF program or the Federal regulations governing the program, the states have the flexibility to collect any data they deem necessary to manage their TANF programs, and as was previously noted, many of the local districts agree that such data would help them plan and develop programs for TANF recipients.

Recommendation

1. Work with the local districts to develop an automated process for accumulating and maintaining summary information about the incidence of particular kinds of barriers to self-sufficiency in each local district.

HELPING INDIVIDUAL RECIPIENTS OVERCOME THEIR BARRIERS TO SELF-SUFFICIENCY

TANF recipients first began to exhaust their benefits in December 2001. In that month, the number of SNA recipients increased by 91 percent. Moreover, OTDA records indicate that, between December 2001 and December 2003, the SNA benefits paid to former TANF recipients who had exhausted their TANF eligibility exceeded \$567 million. Thus, to minimize the additional costs incurred by the State and the local districts and to maximize the opportunities for such recipients, all reasonable efforts must be made to identify and alleviate the recipients' barriers to self-sufficiency.

We examined local district practices for identifying and alleviating public assistance recipients' barriers to self-sufficiency, and found that a number of improvements are needed. For example, districts may not assess all recipients to identify their barriers, and the assessments that are performed may not be complete or timely. Moreover, even when barriers are identified, action may not be taken by the districts to alleviate the barriers. Such action was rarely documented in the 120 cases that we reviewed at four local districts. If the local districts do not attempt to alleviate recipients' barriers to self-sufficiency, the recipients are less likely to overcome those barriers and more likely to remain on public assistance, at considerable cost to the State and the local districts.

Assessment Process

If the local districts are to be effective in their efforts to help public assistance recipients overcome their barriers to self-sufficiency, they must be able to offer each recipient the services he or she needs to overcome his or her own particular barriers to self-sufficiency. If the districts are to be able to do this, they must first be able to identify each recipient's own particular barriers through an assessment process.

The need for an assessment process is noted by the GAO, which reported that the states must ensure that recipients with characteristics that impede employment have access to, and

are placed in, programs and activities that meet the needs presented by such characteristics. Similarly, an expert in the field (Dr. Frederica Kramer, Chairperson of the Department of Family and Consumer Sciences at Indiana State University, who has written several articles about self-sufficiency and public assistance recipients) has noted that screening and assessing for barriers allows TANF agencies to provide needed interventions and case management to move the recipient to self-sufficiency.

We found that most of the local districts use a formal, structured assessment process to identify each recipient's barriers to self-sufficiency. Specifically, 53 of the 56 districts responding to our questionnaire stated they use formal assessment tools such as questionnaires to identify these barriers in their assessments of the recipients' job-readiness. As a result of this structured process, these 53 districts are better able to identify their recipients' barriers to self-sufficiency. However, the other three districts are less able to make such determinations.

The assessment tools used by the local districts must meet certain requirements that are specified by the Department of Labor. However, the tools serve several purposes and each district is responsible for designing its own particular assessment process and own particular assessment tools. For example, some of the districts use more than one assessment tool, while others use just one assessment tool.

To determine whether the various assessment processes designed by the different districts are effective for the identification of recipients' barriers to self-sufficiency, we reviewed some of the assessment tools used by the districts. Specifically, we examined the assessment tools used by 25 of the districts to determine whether they were comprehensive (i.e., whether they attempted to identify all the generally recognized barriers to self-sufficiency). We selected these 25 districts because they stated in their response to our questionnaire that they used just one assessment tool to identify barriers to self-sufficiency; the other districts indicated that they used more than one assessment tool. The generally recognized barriers to self-sufficiency include poor health, lack of education, long-term unemployment, a young child to care for, a disabled person to care for, lack of proficiency in English, lack of transportation, learning disabilities, substance abuse, threat of domestic violence, lack of housing, lack of acculturation, and mental illness.

We found that 14 of the 25 assessment tools were not comprehensive, as they did not attempt to identify at least one generally recognized barrier to self-sufficiency. For example, seven assessment tools did not attempt to identify a lack of English language proficiency, eight assessments tools did not attempt to identify mental health barriers, and one assessment tool did not identify a recipient's educational level.

As a result of these omissions, the assessment process in these local districts is less likely to identify, and consequently, less likely to attempt to alleviate, all the barriers that can prevent public assistance recipients from attaining self-sufficiency. To prevent such omissions, we recommend OTDA review the assessment processes used by all 58 local districts and work with the districts to address any deficiencies that are identified. In particular, OTDA should determine whether the assessment tools in each district attempt to identify all the generally recognized barriers to self-sufficiency, and work with the districts to correct any omissions that are identified.

Identifying and Alleviating Barriers to Self-Sufficiency

When responding to our questionnaire, 53 local districts stated that they use formal assessment tools to identify each recipient's barriers to self-sufficiency. A significant number of these districts reported to us that they use the employability assessment and related timelines established by the Department of Labor. These timelines require that employability assessments be completed within 90 days of benefit authorization. We applied this criteria during our review of cases. We visited 4 of these 53 districts (Albany County, New York City, Onondaga County and Westchester County) to evaluate the thoroughness and timeliness of their assessment process. We selected these four districts because their total TANF/SNA caseloads were among the highest in the State, their numbers of SNA recipients who transferred from the TANF program were among the highest in the State, and they were dispersed geographically within the State.

At each district, we reviewed a sample of 15 active TANF cases and 15 active SNA cases. Thus, we reviewed 30 cases at each district, and 120 cases in total. We selected our samples from a caseload database provided by OTDA. The database, which was dated January 27, 2004, contained a total of 64,634 active

TANF and SNA cases from the four districts. After excluding from selection any child-only cases (such as children in the care of grandparents), our TANF samples for each district were randomly selected from the TANF cases that had received TANF benefits for more than 30 months, and our SNA samples were randomly selected from the SNA cases that had been transferred from the TANF program when the recipients' lifetime TANF benefits had been exhausted. For all 120 cases, we reviewed the documentation in the district's case file to determine whether the district (1) used its assessment tool(s) to identify the recipient's barriers to self-sufficiency, (2) clearly described each recipient's own particular barriers to self-sufficiency, (3) completed its assessment within 90 days of benefit authorization, and (4) referred the recipient for services to address the barriers that had been identified.

We found that, for 102 of the 120 cases, the documentation in the case file indicated that the district had used its assessment tool(s) to identify the recipient's barriers to self-sufficiency. In 75 of these 102 cases, the documentation indicated that all of the district's assessment tools for identifying barriers to self-sufficiency had been used. In the other 27 cases, it was the district's practice to use more than one tool when assessing such barriers, and while there was documentation indicating that at least one of these tools had been used, there was no documentation indicating that the other tool(s) had been used. Thus, in these 27 cases, certain barriers to self-sufficiency may not have been identified. In the remaining 18 cases, no assessment tools were documented in the case file.

We also found that, for 77 of the 120 cases, the district had clearly described the recipient's particular barriers to self-sufficiency. For the remaining 43 cases, we could find no documentation in the file that described the recipient's particular barriers to self-sufficiency. In the absence of such documentation, there is less assurance that the recipient's barriers to self-sufficiency were in fact identified. We note that Albany and Westchester use multiple assessment/screening tools, but do not consolidate or summarize the information from each tool to identify barriers in a clear and distinct manner. As a result, unless the caseworker describes the recipient's barriers to self-sufficiency on another document, it cannot readily be determined whether a recipient's barriers have in fact been identified. Rather, multiple documents would have to be reviewed and interpreted to reach a conclusion about the recipient's barriers.

As was previously noted, in 102 of the 120 cases, the case files contained a completed assessment tool. We determined that, in 46 of these 102 cases, the district completed its assessment within 90 days of benefit authorization. The remaining 56 assessments were not completed within this timeframe, and as a result, services that could help the recipient overcome barriers to self-sufficiency may have been delayed.

We also sought to determine whether the district referred the recipient for services to address the barriers that had been identified through the assessment process. Such referrals are to be indicated on the district's assessment tool(s), and as was noted, at least one completed assessment tool was present in 102 of the 120 case files. However, only 18 of these completed assessment tools contained a referral for services. We further determined that only 5 of these 18 referrals addressed barrier(s) specifically identified on the assessment tool. According to other documentation in the case files, the recipients in our sample received numerous services through the local districts. However, in the absence of documentation indicating these services were intended to address the recipients' own particular barriers to self-sufficiency, there is no assurance the services provided to the recipients were the services that were needed.

In their responses to our questionnaire, a number of local districts stated that they cannot always offer services to address recipients' barriers to self-sufficiency, because they do not have enough resources to develop all the programs that would be needed by all their recipients. These districts stated that, when they cannot offer the services that are specifically needed by a recipient, they offer the most appropriate of the services that are available. Some of these districts also stated that, since their case loads were not too large, caseworkers could personally work with recipients in an effort to alleviate their barriers to self-sufficiency.

On the basis of our sample results, we conclude that, in the four local districts we visited, improvements are needed in local district efforts to identify recipients' barriers to self-sufficiency, and significant improvements are needed in local district efforts to alleviate these barriers. We recommend that OTDA work with these four local districts to bring about these improvements. We further recommend that OTDA determine whether similar improvements are needed in the local districts we did not visit, and if so, take action to improve practices in those local districts.

We note that local district supervisors are required by OTDA to review public assistance cases to verify the caseworkers' eligibility determinations. However, the supervisors are not required to verify that recipients' barriers to self-sufficiency were properly assessed, and are not required to verify that services were provided to address these barriers. We recommend that local district supervisors be required to perform such verifications. In the districts we visited, only Westchester had developed a form to document that the supervisor had performed such verifications. However, Westchester does not require that its supervisors use the form, and none of the 30 Westchester case files in our sample contained the form.

We also note that the New York City Human Resources Administration (HRA) has made a number of improvements in its practices. HRA developed electronic assessment tools to screen recipients for barriers to self-sufficiency. These assessment tools are capable of accumulating data to identify the types of barriers facing recipients and the incidence rate for each type of barrier. HRA also developed assessment performance measurements and made other changes that are intended to improve assessment practices. In addition, when we identified a flaw in the electronic assessment process, HRA acted to correct the flaw.

OTDA officials state that they focus on the strengths of the recipients and take a "work first" approach to public assistance. This approach is based on the concept that finding a job and earning a pay check is the best way for families to become self-sufficient. We agree that recipients need employment, but note that if a recipient is not able to overcome his or her barriers to self-sufficiency, the recipient may be unable to obtain the kind of long-term employment that constitutes self-sufficiency.

OTDA officials further point out that Section 20 of the Social Services Law was amended by Chapter 436 of the laws of 1997, Part B, Section 122. OTDA officials believe that Section 122 supersedes Section 20 and restricts OTDA's oversight function. According to OTDA officials, each agency (OTDA, Office of Children and Family Services, Department of Labor, Department of Health, etc.) that provides services to welfare recipients is responsible for tracking and documenting its respective services. We disagree. Section 122 delineates specific primary responsibilities to OTDA relating to the delivery of a variety of services. It does not, however, relieve OTDA of

its overall responsibility for administering the provision, by the local social services districts, of all needed services to recipients.

Recommendations

2. Review the process in each local district for identifying TANF recipients' barriers to self-sufficiency, and work with the districts to make any improvements that are needed in their assessment tools. In particular, determine whether the assessment tools attempt to identify all the generally recognized barriers to self-sufficiency, clearly describe or summarize each recipient's barriers to self-sufficiency, and are completed in a timely manner. If not, work with the local districts to address these deficiencies.
3. Require local district supervisors to verify that each recipient's barriers to self-sufficiency were properly assessed and services were provided to address these barriers. Require this supervisory review to be documented in the case file.
4. Periodically test cases, both at the four local districts we visited and the 54 local districts we did not visit, to determine whether recipients' barriers to self-sufficiency were properly assessed and services were provided to address these barriers. Work with the local districts to address any problems that are identified.
5. Follow up on the cases in our sample in which there was no documentation indicating that the recipient's barriers to self-sufficiency were properly assessed, and no documentation indicating that services were provided to address these barriers. If documentation of these actions cannot be provided, require the local districts to take the actions.

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September 17, 2004

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New York, NY 10038

Re: OSC Draft Report: Office of Temporary and Disability Assistance, Barriers to Self-Sufficiency, (2003-S-15)

Dear Mr. Challice:

The following is the New York State Office of Temporary and Disability Assistance (OTDA) response to the Office of the State Comptroller (OSC) recommendations offered in the draft report entitled "Office of Temporary and Disability Assistance, Barriers to Self-Sufficiency".

General Comments

1. The most obvious flaw in the report is that its underlying legal basis is flawed. The implication of the report is that OTDA is the successor to the former Department of Social Services (DSS) and has inherited all the powers and responsibilities of the former DSS. This simply is not true. The various powers and responsibilities have been delegated by statute to various agencies, among them OTDA, the Office of Children and Family Services (OCFS), the Department of Labor (Labor) and the Department of Health.

The particular functions being reviewed in the report are primarily within the purview of the Department of Labor. The requirement to assess the employment needs of applicants and recipient families is contained in Section 335 of the Social Services Law. The requirement to develop a local plan for the provision of "education, work, training and supportive services related to the operation of work activity programs pursuant to this title . . ." is contained in section 333 of the Social Services Law. The obligation for a district to provide supportive services is contained in section 332-a of the Social Services Law. What is significant is that all three of these sections are within the purview of Labor.

Section 330(1)(a) of the Social Services Law provides that for Title 9-B (Public Assistance Employment Programs), the term "commissioner" means the commissioner of the State Labor Department. Similarly, section 330(1)(b) provides that the term "department" means the State Labor Department. Confirming this division of legal responsibility, section 21 of the Labor Law in implementing the powers and duties of the Commissioner of Labor provides "(14) To supervise social services districts in the administration of the work programs created pursuant to title nine-B of article five of the social services law." All of these sections make it clear that Labor has the responsibility for supervising the districts in assessing recipients and identifying what services may assist

"providing temporary assistance for permanent change"

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recipients in achieving employment. Therefore, analysis about the timeliness or completeness of assessments and suggestions about how to assist districts in the process are better addressed to the Commissioner of Labor.

2. The thrust of the review is somewhat unusual. Usually an audit is performed to measure compliance with established standards. However, the necessity to remove "Barriers To Self Sufficiency" is not a statutorily or regulatory established standard. On page 2, the second paragraph states "The local districts are expected to refer public assistance recipients to the services they need to overcome their barriers to self-sufficiency." What is the statute or regulation that supports this statement? The report appears to reflect OSC's view about how employment programs should be conducted. The districts and Labor have adopted a "work first" approach that has been found in many nationwide studies to be the most effective one. Complete amelioration of any problem or barrier is not a prerequisite to obtaining employment. On pages 4 and 20, OSC seems to be second-guessing that approach. *
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3. We note that on page 2 of the audit, under Scope, it makes no mention of Labor even though the questions identified would fall under Labor's authority. *
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4. Also, in the second paragraph on page 2 under Scope, it mixes numbers. It describes caseload reduction in a number of cases (180,000 cases) while describing the number of time limited persons going to Safety Net Assistance in terms of individuals (160,000). By doing this, it creates the impression that almost all the TANF caseload reduction was attributable to the time limit transition into SNA. *
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5. The whole concept of "barriers" is misleading. The fact that a family is identified as having service needs does not mean that members cannot work until these service needs are resolved. Also, as we have commented before, it is OSC's apparent belief that if a case has been on temporary assistance for at least 30 months, there must be a barrier to identify. By that measure, a case with no identified barrier is in error. However, the barrier may not be case specific but may be something that impacts the population as a whole such as the regional economy. *
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6. On page 8, it states that OSC audited OTDA "because of its overall administrative responsibilities for public assistance programs . . .". As we have already discussed, this is not an accurate description of the responsibilities of the various agencies. The specific functions OSC was reviewing are under Labor's supervision. We had advised OSC of that repeatedly. *
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7. OSC does not seem to have a good understanding of how services are funded. Services are authorized or funded by a number of agencies. For example, children and family services, domestic violence services, prevention and protection services are primarily the responsibility of OCFS. Employment services are the primary responsibility of Labor. Various agencies have responsibility for aiding non-citizens, persons with substance abuse issues or persons with mental health issues. The TANF services plans referred to on page 13 are not intended to be comprehensive funding for a recipient's needs. Rather, the funds are used to provide districts with flexibility to deal with gaps or unmet needs in other services funding or delivery. *
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8. On page 16, it states that 53 districts use a formal assessment tool and three do not. OSC concludes that 53 districts are better able to identify barriers and three are less able. How is OSC able to make that qualitative determination without either an expert evaluation of the assessment tool or observing the assessments done by the other three districts? *
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9. On page 16, the report goes on to state that the assessment tools used by the local districts must meet certain requirements that are specified by the Department of Labor. On page 17, the report states that as a result of these omissions (on the assessment tools), the assessment process in these local districts is less likely to identify, and consequently, less likely to attempt to alleviate, all the barriers that can prevent public assistance recipients from *
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attaining self-sufficiency. To prevent such omissions, you are recommending that OTDA review the assessment processes used by all 58 districts. Since these are requirements specified by Labor, this recommendation should be directed to Labor.

- 10. On page 17, the report states that a significant number of districts use the employability assessment and related timelines established by Labor. These timelines require that the employability assessments be completed within 90 days of benefit authorization. On page 19, OSC determined that 56 assessments were not completed within 90 days and recommended on page 21 that OTDA determine whether the assessment tools are completed in a timely manner. Again, this recommendation should be directed to Labor.

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Our specific responses to individual findings and recommendations are as follows:

- 1. **Recommendation: Work with the local districts to develop an automated process for accumulating and maintaining summary information about the incidence of particular kinds of barriers to self-sufficiency in each local district.**

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Response: Since barriers may involve issues that fall under the purview of OCFS, DOL or DOH, we suggest that this matter be taken up with the sister agencies.

- 2. **Recommendation: Review the process in each local district for identifying TANF recipients' barriers to self-sufficiency, and work with the districts to make any improvements that are needed in their assessment tools. In particular, determine whether the assessment tools attempt to identify all the generally recognized barriers to self-sufficiency, clearly describe or summarize each recipient's barriers to self-sufficiency, and are completed in a timely manner. If not, work with the local districts to address these deficiencies.**

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Response: Same as #1.

- 3. **Recommendation: Require local district supervisors to verify that each recipient's barriers to self-sufficiency were properly assessed and services were provided to address these barriers. Require this supervisory review to be documented in the case file.**

Response: These requirements have already been communicated to districts in various OTDA releases, as well as those governing Labor programs. We may address this recommendation by an INF to remind districts of their obligation in this area. However, such a release would have to be done in consultation with Labor.

- 4. **Recommendations: Periodically test cases, both at the four local districts we visited and the 54 local districts we did not visit, to determine whether recipients' barriers to self-sufficiency were properly assessed and services were provide to address these barriers. Work with the local districts to address any problems that are identified.**

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Response: Same as #1.

- 5. **Recommendation: Follow up on the cases in our sample in which there was no documentation indicating that the recipient's barriers to self-sufficiency were properly assessed, and no documentation indicating that services were provided to address these barriers. If**

documentation of these actions cannot be provided, require the local districts to take the actions.

Response: The local districts should be asked to provide an itemized description of the assessments performed and the actions taken for each case. However, this must be done in consultation with Labor. Also, we do not believe that we have received a listing of specific cases that OSC reviewed.

In summary, I must say that the ideas put forth by OSC in this report sound like a voice from the past. Administration was totally centralized for years while the welfare rolls grew. We are not going back to the old way of doing things. We are prepared to match our record of achievement against your ideas.

Thank you for sharing the report with us and we trust that our comments will be considered and the appropriate changes made to the report prior to its final release.

Sincerely,



Robert Doar

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State Comptroller's Notes

1. We agree that establishing the procedures for identifying barriers and for providing the necessary services is the responsibility of other agencies as noted in OTDA's response. However, we believe OTDA does have a responsibility for monitoring and tracking the status of welfare recipients. We are aware that Chapter 436 made sweeping changes to the statutes governing the former Department of Social Services (DSS). Section 122 of Part B of Chapter 436 of the Laws of 1997 renamed the DSS as the Department of Family Assistance and provided that this Department was to be comprised of two autonomous offices, the Office of Children and Family Services (OCFS) and the OTDA. Responsibilities for specified functions, powers, duties and obligations performed by the former DSS were divided up among and delegated to the following agencies: OCFS, OTDA, Department of Health (DOH) and Department of Labor (DOL). However, what remains unclear from this legislation, is which agency at the state level is responsible for coordination of the various services available to welfare recipients.

The lack of legal clarity surrounding OTDA's duty and authority in this respect stems directly from the dearth of legislative history and subsequent documentation regarding Chapter 436 of the Laws of 1997, "The Welfare Reform Act of 1997," (hereafter, Chapter 436). Section 126 of Chapter 436 directs the commissioners of the newly created OCFS and OTDA as follows:

"[to] enter into a memorandum of understanding with each other and, where necessary, with other agencies affected by the provisions of sections one hundred twenty-two through one hundred forty of this act for the purpose of detailing the specific provisions which shall provide for the transfer of functions, powers, duties and obligations of the former department of social services and the former division for youth. **The memorandum of understanding shall resolve all issues with respect to the allocation of responsibilities and functions herein transferred,** including but not limited to issues concerning federal, state and local claiming, administrative hearing functions, consistent with the provisions of section 22 of the social services law and issues concerning systems support, among others (emphasis added)."

We requested a copy of each memorandum of understanding executed but received only two documents, neither of which provides the level of detail required by Chapter 436 concerning the transfer of functions, powers, duties and obligations of the former DSS to successor agencies. We received a memorandum of understanding between OTDA and DOL that addresses the issue of supervision of social service districts in administering local employment and training activities. A second agreement received, dated September 30, 1996, prior to the adoption of Chapter 436, is between DOH and DSS and relates

only to joint DOH-DSS supervision and administration of the medical assistance program.

While Chapter 436 overhauls former statutes with regard to areas of responsibility for delivery of services, this chapter neither repeals nor clearly addresses the general administrative and supervisory powers and duties of the former DSS set forth in section 20(2) of the NYS Social Services Law (SSL). SSL §20(2) provides, among other things, “The Department shall, as provided in this chapter: (a) administer all the forms of public welfare work for which the State is responsible; (b) supervise all social services work, as the same may be administered by any local unit of government and the social services officials thereof within the State, advise them in the performance of their official duties and regulate the financial assistance granted by the state in connection with said work.”

This statute clearly contemplates central administration and supervision of social services provided within the State. Read in conjunction with Chapter 436, the term “Department” under SSL section 20(2) now refers to the Department of Family Assistance, the successor agency to the former DSS within which Chapter 436 establishes the autonomous offices of Children and Family Services and Temporary and Disability Assistance. Since Chapter 436 does not repeal or directly refer to SSL §20, we maintain that the Legislature intended to transfer this overall administrative and supervisory function to the new Department of Family Assistance. Since, apparently, this new Department is merely a shell agency with no commissioner or staff, we have imputed these overall administrative and supervisory duties to OTDA for the following reasons: OTDA is the successor agency to the former DSS in core social services program areas; OTDA is the successor agency to the former DSS with respect to housing and supervising operations of the Welfare Management System database, an information repository of statistics for local social services districts statewide; and OTDA is the de facto successor agency to the former DSS regarding administrative hearings on social services benefits and penalties as well as the distribution of funding from both the state and federal government.

We accept that the Department of Labor is now responsible for addressing such barriers to employment as education and training. However, many additional barriers to employment exist which do not fall within the purview of the Department of Labor (e.g. homelessness, which falls within the purview of OTDA; domestic violence, which falls within the purview of OCFS; etc.). If one accepts the position of OTDA, that the Legislature intended that various state agencies delegated responsibilities of the former DSS are each autonomously responsible for monitoring the barriers to self-sufficiency that fall within their purview, one would have to conclude that the Legislature also intended that there not be a coordinated approach to addressing the problems of public assistance. This conclusion is belied by Chapter 436’s call for memoranda of understanding to be

entered into by the successor agencies to resolve issues concerning the responsibilities and functions held by the former DSS.

One of the responsibilities held by DSS was the duty to supervise all social services work in the State and the financial assistance granted by the State in connection with such work. In the absence of OTDA or one of the other successor agencies performing this supervisory role, the State is left without a means of assessing the overall effectiveness of its public assistance programs. As one of two component agencies comprising the Department of Family Assistance, the entity expressly named by Chapter 436 as the successor to the former DSS, and as keeper of the Welfare Management Database, OTDA is the logical choice to assume the supervisory role formerly held by DSS.

2. Our report does not prescribe how employment programs are to be conducted, nor does it state or imply that all or any barrier be ameliorated as a prerequisite to a recipient obtaining employment. Section 331 of the Social Services Law states, "...individuals receiving public assistance will be furnished work activities and **necessary services in order to secure unsubsidized employment that will assist participants to achieve economic independence** (emphasis added)." We believe this language is clear and unambiguous and is the fundamental standard by which we conclude that the State must operate a program that will help long term, hard to serve recipients overcome their barriers and achieve self-sufficiency. Our report findings clearly show that records maintained by several local districts reflect a somewhat haphazard approach to documenting both the identification of barriers and the referral of recipients to needed services. OTDA management should be troubled by this finding and moved to take corrective action, rather than attempt to confuse the short-term perspective of the "work first" approach with the equally important long-term program goal of assisting recipients achieve economic independence.
3. We have clarified our report to reflect a more appropriate comparison of caseload transition into SNA.
4. As stated in Note 2, we do not state or imply that recipients cannot work until their barriers have been identified or resolved. We used the 30-month criteria for selecting cases as a strategy to choose only cases where there should have been a clear record of the local districts' efforts to identify barriers and make referrals for needed services when necessary. If a district concluded that a recipient's barrier was based on the regional economy, the district should have clearly documented this conclusion in the case records. If we saw this kind of documentation, we would have concluded the district performed adequately. Lacking this documentation, it is not possible to definitively determine why a recipient remained on temporary assistance. Assumptions by OTDA about possible regional factors do not provide such a determination.

5. We understand that TANF service plans are not intended to be comprehensive funding for a recipient's needs. The point being raised in our report is that there is a benefit to be derived from having an inventory of the types of barriers experienced by each local district. Many of the local districts indicated they would find this information helpful in managing and planning services for recipients. Incorporating this information into OTDA's review and approval of TANF service plans would aid in determining the appropriateness of a plan, even without regard to funding levels.
6. According to a report prepared by the Urban Institute for the U.S. Department of Health and Human Services, the use of formal assessment tools or instruments has the advantage of a structured approach that provides greater consistency regarding the population screened and the key information collected. Lacking the guidance inherent in a structured approach or formal assessment tool, local districts must rely on staff to perform assessments in a manner that each individually deems appropriate. Thus, the likelihood of a comprehensive and useful assessment of recipients' often multiple barriers diminishes with districts that do not follow a structured approach.
7. We provided OTDA with a listing of the specific cases included in our sample.
8. It appears OTDA is attributing the reduction in the welfare rolls to the decentralization of the State's administration. This argument fails to account for the significant effect that the Federally-driven welfare-to-work policy had, in general, on the drop in welfare rolls. We are not suggesting that OTDA go "back to the old way of doing things." More importantly, our position that there needs to be a coordinated effort among the State agencies responsible for providing services to recipients is supported by the Legislature's mandate that OTDA and these agencies enter into a memorandum of understanding for the transfer of responsibilities and functions of the former Department of Social Services.