

***State of New York  
Office of the State Comptroller  
Division of Management Audit  
and State Financial Services  
Division of Municipal Affairs***

**IMPLEMENTATION OF WELFARE  
REFORM IN NEW YORK STATE: A  
STATUS REPORT**

**REPORT 97-D-19**



***H. Carl McCall***

*Comptroller*



# State of New York Office of the State Comptroller

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**Division of Management Audit and  
State Financial Services  
Division of Municipal Affairs**

**Report 97-D-19**

Mr. Brian J. Wing  
Commissioner  
Office of Temporary and Disability  
Assistance  
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Mr. James J. McGowan  
Commissioner  
Department of Labor  
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Albany, NY 12240

Dear Commissioners Mr. Wing and Mr. McGowan:

The following is our study on the status of New York State's implementation of welfare reform legislation.

This study was performed pursuant to the State Comptroller's authority as set forth in Section 1, Article V of the State Constitution; Section 8, Article 2 of the State Finance Law; and Article 3 of the General Municipal Law. Major contributors to this report are listed in Appendix B.

*Office of the State Comptroller  
Division of Management Audit  
and State Financial Services  
Division of Municipal Affairs*

October 22, 1998

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## Executive Summary

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# Implementation of Welfare Reform in New York State: A Status Report

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### Scope of Study

In August 1996, Congress altered the nature of the public assistance programs commonly known as welfare by enacting the Personal Responsibility and Work Opportunity Reconciliation Act (the Federal Act) of 1996. In the Federal Act, Congress ended the Aid to Families with Dependent Children program (AFDC) and replaced it with the Temporary Assistance for Needy Families (TANF) block grants that are distributed to the states. Unlike prior public assistance programs, TANF is not an entitlement program, in which benefits are provided to individuals as long as they are eligible for the benefits. Rather, TANF benefits are granted based on individual or family need and the individuals are required to engage in activities calculated to help them achieve self-sufficiency. The benefit recipients may be required to work or be trained to work as part of these activities.

In New York State, TANF funds are used for the Family Assistance program, which is administered by the counties and overseen by the State Office of Temporary and Disability Assistance (OTDA). Related job training programs are overseen by the State Department of Labor (DOL). The Family Assistance program is supplemented by a State-funded Safety Net Assistance program, in which benefits are provided to recipients not eligible for TANF funds. According to OTDA, as of October 1997, public assistance benefits were provided to 1.2 million New Yorkers.

Our study addressed the following questions about New York State's implementation of welfare reform legislation for the period August 30, 1996 through March 31, 1998:

- How have responsibilities been assigned among State and local governments in the reformed welfare system, and what has been done to fulfill these responsibilities?
- How will the performance of the reformed welfare system be measured?
- What are the risks in terms of continued reliance on public assistance and additional costs to the State and counties if welfare reform programs are not successful and if the legislative requirements are not met?

Because New York City officials denied us access to City personnel and records, we are generally unable to report on the implementation of welfare reform legislation in New York City.

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What emerges from this study are a series of pivotal questions that need to be addressed by policymakers and program practitioners as they pursue this extraordinary challenge. The effectiveness of this effort will hinge on the degree to which State agencies and counties are able to provide clear program direction, to track program participants, to evaluate the effectiveness of the welfare-to-work programs, and to invest State resources wisely in services that support program efforts. Most people who seek assistance from counties will be touched by these programs. A complete list of questions we developed as a result of our research can be found at the end of this report in the section entitled Issues for Further Consideration.

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## **Observations**

We conclude that much has been done in New York State to implement the requirements of the State and Federal Welfare Reform legislation. A total of 58 local governments and eight State agencies share the responsibility for implementing the requirements of welfare reform, and we found that the eight major State agencies as well as the nine counties we visited have been active in moving forward to fulfill their responsibilities. We also found that, while plans have been made for measuring the effectiveness of New York State's welfare reform efforts, additional plans are needed if the effectiveness of the efforts is to be adequately evaluated. New York State could lose significant amounts of TANF funding if it does not meet the requirements of the Federal welfare reform legislation.

The local governments (57 counties and New York City) determine whether applicants are eligible for public assistance, distribute benefits to eligible individuals, place individuals in job training, and help individuals find jobs. In addition to OTDA and DOL, the State University of New York and the State Education Department administer job training programs; the Office of Children and Family Services oversees the provision of child welfare services, helps to support teen parents, and helps ensure adequate day care services are available for individuals participating in welfare-to-work programs; the Office of Alcoholism and Substance Abuse Services helped develop a standardized form used by counties in screening applicants for alcohol and substance abuse; the Department of Health ensures that Medicaid regulations are consistent with the requirements of welfare reform legislation; and the Empire State Development Corporation participates in employment programs for public assistance recipients. We visited all eight of these State agencies and nine of the counties. We found they have been active in moving toward fulfilling their responsibilities and have also engaged in a number of collaborative efforts. (See pp. 15-40)

A wide array of job training and work experience programs are provided to New York State's public assistance recipients. However, according to State and local officials, additional programs may be needed for recipients with significant barriers to employment, and additional post-employment services may be needed to help individuals either stay employed or get better jobs. In addition, State and local governments will need to think

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about developing and financing a child care plan that is of sufficient size and flexibility to meet the needs and employment requirements of those seeking to move from welfare to work, and ways to improve transportation services available to public assistance recipients participating in welfare-to-work programs. It should be noted that we have also recently issued an audit to OCFS, "Child Care Planning Under Welfare Reform" (97-S-50) which addresses this issue in detail. (See pp. 36-40)

State agency officials plan to develop information systems that can evaluate the effectiveness of New York's welfare reform efforts. However, we believe these efforts will not be adequately evaluated unless additional performance measurement plans are made and reliable data is captured. In particular, the overall effectiveness of the State's various welfare-to-work programs must be evaluated, and the effectiveness of these programs cannot be evaluated unless systems are established for tracking public assistance recipients after they become employed or after they exhaust their benefits and are no longer eligible for TANF funds. (See pp. 41-45)

According to DOL, during the year ended September 30, 1997, about 33 percent of the families in New York receiving TANF funds either worked or were involved in work-related activities such as job training. This work participation rate far exceeded New York's required rate for that year (which was estimated to be about 19 percent, after adjustments). However, when we asked DOL officials for documentation supporting the reported work participation rate, we were told that as required, they provided the case sample to the Federal Department of Health and Human Services (DHHS) whose job it is to calculate the participation rates. DOL officials told us that they were uncomfortable sharing their data with us until DHHS accepted the sampling methodology and the sample results. This data reportedly substantiates the DOL statements that NYS had exceeded the all family and two-family participation rates for the year ended September 30, 1997. (See p. 47)

According to the 1996 Federal legislation, New York State's TANF block grant will total \$2.43 billion a year through the Federal fiscal year ending in 2002. In order to receive the full amount of funding, the State must meet certain requirements. For example, each year a certain percentage of the families receiving TANF funding must either work or be involved in work-related activities such as job training, and this required work participation rate (which is subject to certain adjustments in each state) increases from 25 percent in 1997 to 50 percent in 2001. If the Federal requirements are not met, New York State can lose between 1 percent (\$24.3 million) and 5 percent (\$118 million) of the annual block grant for each separate incidence of noncompliance. Moreover, the penalties for separate incidences can be combined and individual penalties can escalate to as much as 21 percent of the block grant (\$497 million). (See pp. 7-14)

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The effectiveness of the State's welfare reform initiative needs to result in large numbers of people moving from welfare into job opportunities that assist families toward independence and toward improving their standard of living. This recent round of welfare reform takes on heightened importance because accountability for the families and government programs is tied directly to time limits and fixed allocation. If the programs are not successful the consequences for the family are likely to be persistent poverty and additional costs for state and local governments. Even if New York meets the Federal requirements and avoids the financial penalties, it is subject to other financial risks in the reformed welfare system. For example, New York's TANF block grant is fixed at \$2.43 billion annually through 2002. Therefore, if Family Assistance caseloads increase during this period, the State may not be able to meet the additional demand for services without supplementing the static Federal funding with additional State funds. Total State expenditures for public assistance programs could also increase if a significant number of people lose their eligibility for TANF funds and become eligible for the State-funded Safety Net Assistance program. (See pp. 13-14)

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## **Comments of Participants to Study**

Participants to this study generally agreed with the contents of this report and the issues we raise for further consideration.

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# **State Agencies, County Governments and New York City Agencies Visited**

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## **State Agencies**

Department of Education  
Department of Health  
Department of Labor  
State University of New York  
Empire State Development Corporation  
Office of Alcoholism and Substance Abuse Services  
Office of Children and Family Services  
Office of Temporary and Disability Assistance

## **Counties**

Broome  
Chautauqua  
Erie  
Monroe  
Nassau  
Onondaga  
Rensselaer  
Saratoga  
Westchester

## **New York City**

City University of New York  
Board of Education

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## Acronyms Used in This Report

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AFDC	Aid to Families with Dependent Children
CUNY	City University of New York
DOH	New York State Department of Health
DOL	New York State Department of Labor
EDGE	Education for Gainful Employment
ESDC	Empire State Development Corporation
HRA	New York City Human Resources Administration
JOBS	Job Opportunity and Basic Skills Training
OASAS	New York State Office of Alcoholism and Substance Abuse Services
OCFS	New York State Office of Children and Family Services
OTDA	New York State Office of Temporary and Disability Assistance
SED	New York State Education Department
SNA	Safety Net Assistance
SUNY	State University of New York
TANF	Temporary Assistance for Needy Families

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# Introduction

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## Background

In August 1996, Congress altered the nature of the public assistance programs commonly known as welfare by enacting the Personal Responsibility and Work Opportunity Reconciliation Act (the Federal Act) of 1996. In the Federal Act, Congress ended the Aid to Families with Dependent Children program (AFDC) and replaced it with the Temporary Assistance for Needy Families (TANF) block grants that are distributed to the states. These block grants are to be used to provide temporary cash assistance and other benefits to eligible individuals. Benefits are granted based on individual or family need, and the individual(s) are required to engage in activities calculated to help them achieve self-sufficiency. These activities could include work or work related training. While the states are given considerable discretion in their use of TANF block grants, they are subject to financial penalties if certain Federal requirements are not met. For example, a state may be penalized if too few of its families receiving TANF assistance either work or participate in work-related activities such as employment training.

In August 1997, the New York State Legislature passed welfare reform legislation similar to the Federal Act. In fiscal year 1997, New York State received \$2.43 billion in TANF funds and reportedly placed about 52,500 adult TANF recipients into work-related activities. In the year 2002, it is expected that New York will be required to place an additional 107,000 adult TANF recipients into work-related activities. If the required placements are not made each year, New York can be penalized 5 percent of its TANF funds (\$122 million in 1997), and the penalty can increase to as much as 21 percent of TANF funds. In New York State, the administration of TANF block grants is shared by a number of State agencies and the counties.

According to information maintained by the New York State Office of Temporary and Disability Assistance (OTDA), as of December 1997, nearly 1.2 million New Yorkers received public assistance, a decrease of nearly 25 percent from December 31, 1994. In addition, as of June 1997, about 45 percent of New York's public assistance recipients had been on public assistance for five or more years.

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## **Scope, Objectives and Methodology of Study**

We studied the implementation of welfare reform requirements in New York State at both the State and county levels for the period August 30, 1996 through March 31, 1998. We did not evaluate the effectiveness of these implementation efforts. Rather, our purpose is to report on the status of these efforts and, where appropriate, raise questions for further consideration by State and local policymakers. The specific objectives of our study were to identify:

- how responsibilities have been assigned among State and local governments in the reformed welfare system, and what has been done to fulfill these responsibilities;
- how the performance of the reformed welfare system will be measured; and
- what the risks are in terms of continued reliance on public assistance and additional costs to the State and counties if welfare reform programs are not successful and if the legislative requirements are not met.

To accomplish our objectives, we reviewed Federal and State laws, rules and regulations; performed Internet searches to obtain information on welfare reform; interviewed officials from eight State agencies (the Department of Labor, the Office of Temporary and Disability Assistance, the State University of New York, the State Education Department, the Office of Children and Family Services, the Office of Alcoholism and Substance Abuse Services, the Department of Health, and the Empire State Development Corporation), two entities based in New York City (the City University of New York and the New York City Board of Education), and nine selected counties (Broome, Chautauqua, Erie, Monroe, Nassau, Onondaga, Rensselaer, Saratoga, and Westchester). We selected these counties based on their size and mix of rural and urban influences. At these locations, we reviewed supporting documentation provided by officials, including performance measurement and statistical information, as well as evidence of planning, training, monitoring, reporting and coordinating activities.

We also requested information from six New York City based entities: the New York City Human Resources Administration (HRA), the New York City Department of Employment, the New York City Administration for Children's Services, the New York City Department of Health, the New York City Economic Development Corporation, and the Metropolitan Transportation Authority. The information we requested relates to the

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City's efforts to implement Federal and State welfare reform requirements. However, although there were more than 695,000 welfare recipients in New York City as of December 31, 1997, City officials refused us access to HRA, the Departments of Employment and Health, and the Administration for Children's Services personnel and records. Any information in this report related to New York City agencies was obtained from State and City based sources.

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## **Response of Participants to Study**

We provided information about the results of our study to participating State and local officials for their review and comment. Their comments were considered in preparing this report and appear as Appendix C of this report.

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# Overview

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We found that much has been done in New York State to implement the requirements of State and Federal welfare reform legislation. We also found that plans have been made for evaluating the effectiveness of welfare reform efforts. However, we believe the next phase of implementation requires the State to address basic questions about program direction; establish uniform performance measurements across agencies and identify the priority questions for its evaluation effort. In particular, the effectiveness of these programs will be difficult to determine if the State does not devise a method to track individual families who are diverted from the system, find employment or exhaust their benefits due to the new program.

We also found that, while a wide array of training programs are provided to New York State's public assistance recipients, additional programs may be needed for recipients with significant barriers to employment, and additional programs may be needed to help recipients after they become employed. We further found that some public assistance recipients may not be able to participate in welfare-to-work programs unless they have better access to transportation and child care. Finally, while the reformed welfare system is characterized by a lifetime limit on payments and an emphasis on employment, New Yorkers who exhaust their benefits or do not find employment may be eligible for another public assistance program (New York's Safety Net Assistance program). Therefore, it is not certain whether the total cost of public assistance programs in New York State can be reduced as a result of welfare reform. This could be especially true in those instances where recipients requiring significant levels of education and training exhaust their family assistance benefits. In these instances, the recipients would remain eligible for the SNA program. This program is funded entirely by State and county funds.

While we raise a number of issues at the end of this report about New York State's implementation of welfare reform requirements, our chief concerns can be summarized by the following questions:

- Will the State's evaluation plan adequately assess those welfare-to-work programs that best assist families in moving from welfare to sustained self-sufficiency?
- What methodology should New York State use to routinely track public assistance recipients for more than 90 days after they

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become employed to evaluate the effectiveness of its welfare-to-work programs?

- What actions need to be taken so that jobs can be found for public assistance recipients with significant barriers to employment?
- Will the State develop and finance a child care plan that is of sufficient size and flexibility to meet the needs and employment requirements of those seeking to move from welfare to work?
- What can be done to improve transportation services available to public assistance recipients participating in welfare-to-work programs?
- Will the total cost of New York State and its counties' public assistance programs be reduced by welfare reform?
- Will the overall quality of life improve for former public assistance recipients?

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# Welfare Reform Legislation

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## Federal Legislation

The TANF block grant program, which has been in effect in New York State since December 2, 1996, replaced the Aid to Families with Dependent Children (AFDC) national welfare program, and the related programs known as Job Opportunity and Basic Skills Training (JOBS), and Emergency Assistance to Families. The block grant total has been set at \$16.4 billion each Federal fiscal year through 2003. The Federal government allots each state a fixed annual amount based upon past AFDC, JOBS and Emergency Assistance to Families expenditures. New York receives \$2.43 billion annually.

The Federal Act, which is intended to increase the flexibility of the states in operating public assistance programs, specifies broad categorical rules within which the states have discretion to set up programs to deliver TANF funds to needy families. TANF differs from its predecessor programs in many ways, including the following:

- As an entitlement, AFDC required the Federal government to repay each state a portion of the benefits provided to each eligible family. If the number of eligible families increased, so did Federal funding. TANF, however, is a fixed block grant that does not change as the caseload changes.
- TANF gives states more discretion than AFDC over how the funds are used. For example, states can design their own programs, define who will be eligible, establish what benefits and services will be available, and develop their own strategies for achieving program goals, including how to help public assistance recipients move into the work force.
- Under AFDC, there was no limit on the time that a person could receive benefits. Under TANF, most families cannot receive assistance for more than a five-year cumulative lifetime period. States may make the lifetime limit less than five years, and may also exempt up to 20 percent of the caseload from the time limit.
- TANF places much more emphasis on work than did its predecessor programs. For example, under TANF, states must demon-

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strate that they will require families to be in work-related activities within two years of first receiving benefits.

Under TANF, a certain percentage of the families receiving benefits in each state must either work or participate in work-related activities such as employment training. The required work participation rates are shown in the following table:

**Required Work Participation Rates  
(Unadjusted for Declines in Welfare Caseload)**

<b>Federal Fiscal Year</b>	<b>All Families*</b>	<b>Two-Parent Families</b>
1997	25%	75%
1998	30%	75%
1999	35%	90%
2000	40%	90%
2001	45%	90%
2002	50%	90%

\*The combined all-families rate may be adjusted in each state for declines in that state's welfare caseload since 1996; accordingly, the required all-families rate for New York State for the federal fiscal year ended September 30, 1997 was estimated to be about 19 percent by the New York State Department of Labor.

Single-parent and two-parent families count in the all families rate if they participate in work or work related activities. The minimum amount of time that a single parent must spend in work or work-related activities to be counted as meeting the required participation rates rises from 20 hours per week in 1997 to 30 hours per week by the year 2000. For two-parent families, the parents must participate in work or work-related activities for a total of at least 35 hours per week. However, if a two-parent family receives federally-funded child care assistance the parents must participate for a total of at least 55 hours per week.

If states do not meet these work participation targets, or if they fail to meet other requirements contained in the Federal Act, they may lose TANF funding. Generally, these penalties range between 1 and 5 percent of a state's annual TANF block grant. For example, states may be

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penalized if their annual expenditures do not at least equal a certain percentage (generally 75 or 80 percent) of their previous AFDC expenditures. (Such a requirement is considered a “maintenance of effort” requirement.) States may also be penalized if they do not use TANF funds as intended, submit required reports, adequately verify recipient eligibility, enforce the five-year lifetime limit on benefits, reduce the benefits of recipients who refuse to work without good cause, enforce child support requirements, maintain assistance to adult custodial parents who cannot obtain child care for children under the age of six, or comply with other requirements.

The Federal Act also provides \$1 billion in performance bonuses for the states over five years. A total of \$200 million is offered each year to the states that show the best results at placing and keeping public assistance recipients in jobs. In responding to the draft of this report DOL provided clarification about the \$200 million performance bonus. These bonuses will be based on the amount of increase in wages for former and current public assistance recipients who go to work over certain periods of time on the job. Increased wages and length of employment is a function of the recipient and the employee. In DOL’s opinion, wage increases, therefore, are not an appropriate measure against which to evaluate the public assistance system.

While the Federal Act gives states the flexibility to design welfare programs to meet the particular needs of their welfare families, the Act also requires the states to report certain information relating to the effectiveness of their programs. States must submit quarterly reports, two annual reports, and other information about their programs. The Federal government will use this information to monitor state compliance with the Federal Act and to determine whether to penalize a state or make bonus payments to the state.

The Federal Act also consolidates certain child care funding sources into a Child Care Development block grant; this grant is to be used to fund child care services for families receiving public assistance, families at risk of becoming eligible for public assistance, and low-income working families. The Act further provides that single parents with children less than six years of age who cannot find child care are not to be penalized for failure to engage in work activities. In addition, the Federal Act restricts eligibility for food stamps and reduces benefits in that program. For example, unemployed persons with no dependent children cannot receive food stamps for more than three months in a 36 month period if

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they are not working or participating in an approved work program. The Federal Act also encourages stronger enforcement of child support obligations, restricts the public assistance eligibility of legal immigrants who are not citizens, and strengthens procedures intended to deny public assistance benefits to illegal immigrants.

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## **New York State Legislation**

New York State's plan outlining how it would implement the Federal Act, was effective December 2, 1996, and in August 1997, New York State passed its own Welfare Reform Act (NYS Act). The NYS Act closely mirrors the Federal Act and replaces AFDC with the Family Assistance program.

One significant difference between the Federal Act and the NYS Act is that the NYS Act includes a Safety Net Assistance (SNA) program. The SNA program was implemented to meet New York State's constitutional requirement to provide for the needy, ensuring that no New Yorker facing destitution is left without access to food, shelter, clothing or the means to get a job. This program replaces the Home Relief program and will primarily serve able-bodied adults and childless couples. It will also serve families that have exhausted the five-year lifetime limit on Federal assistance, persons (and their families) who cannot work because of alcohol or substance abuse problems, the children of persons who refuse to participate in drug or alcohol screening or treatment, and certain non-citizens who are legally present in the United States but not eligible for benefits under the Federal Act. The benefits provided by the SNA program are comparable to the benefits provided by the Family Assistance program, but SNA benefits may be provided through vouchers rather than through cash payments.

Like the Federal Act, the NYS Act imposes time limits and work participation requirements. Unmarried teen parents who have a child, but no child(ren) under 12 weeks old, must participate in educational activities aimed at obtaining a high school diploma or GED, or an alternative education or training program, to receive TANF assistance. Counties must deny public assistance to teen parents who are not living at home or in an approved, adult-supervised setting.

The NYS Act also includes the following provisions:

- If an adult member of a family refuses to engage in work activities without good cause, the public assistance grant must be reduced by the adult's prorated share of the grant.

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- Effective December 1, 1999, vouchers will be used to provide benefits to SNA recipients who have received SNA or Home Relief benefits for a total of twenty-four months after August 4, 1997.
  - Counties must screen public assistance recipients for alcohol and substance abuse using the standardized screening instrument developed by the New York State Office of Alcoholism and Substance Abuse Services (OASAS) in consultation with OTDA. When the screening indicates that there is reason to believe an individual is abusing or dependent on alcohol or drugs, counties must require the individual to undergo a formal assessment conducted by an OASAS-credentialed professional. If the assessment determines that abuse is a barrier to work, counties must send the abuser to appropriate treatment in a facility certified or licensed by OASAS. Individuals who fail to cooperate in the screening or assessment are ineligible for public assistance. If an individual refuses or fails to cooperate in treatment, the individual will be subject to benefit reductions until such time as the individual cooperates on treatment.

The NYS Act also abolished the New York State Department of Social Services and created a new agency in its place: the Department of Family Assistance. The Department of Family Assistance is composed of two independent agencies: OTDA and the Office of Children and Family Services (OCFS). Several State agencies are involved with the implementation of welfare reform in New York, particularly OTDA and the Department of Labor (DOL). OTDA is responsible for administering the financial assistance programs (Family Assistance, SNA, and the Food Stamps program) and oversees the activities of the counties. The NYS Act transferred from the Department of Social Services to DOL the responsibility for overseeing employment and training activities for public assistance recipients. Other agencies with roles in implementing welfare reform requirements include the State University of New York (SUNY), the State Education Department (SED), OCFS, OASAS, the Department of Health (DOH), and the Empire State Development Corporation (ESDC). In addition, the City University of New York and the New York City Board of Education have roles in implementing welfare reform requirements.

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The counties (which include New York City) are directly responsible for administering public assistance programs. In particular, the counties are responsible for placing recipients in work and work-related activities that will lead recipients from public assistance to self-sufficiency. Like the Federal Act, the NYS Act will penalize counties that fail to meet the required work participation rates and will award performance bonuses to counties that perform well in meeting program goals. For example, a county's State reimbursement for administration of income maintenance, Food Stamps, Child Support and employment programs will be reduced by one-half of 1 percent, up to a maximum of 5 percent, whenever the county does not meet mandated work participation rates. In addition, OTDA is required to develop regulations by January 1, 1999 for a program to provide financial incentives to the counties that are most successful at placing recipients of public assistance in unsubsidized employment. In this program, the ten counties ranked highest will receive a pro rata share of funds from the twenty lowest ranked counties and other funds made available for such purposes. The twenty counties ranked lowest shall pay OTDA an amount equal to 3 percent of the county's State and Federal reimbursement for employment or work-related activities. According to DOL, it is the lead agency for employment support activities and will calculate incentive awards in this area.

OTDA is also authorized to make performance awards to counties based on their achievement of certain performance goals. At the option of any county, OTDA shall negotiate an agreement for each State fiscal year which will set goals for the county to achieve in one or more of the following areas:

- placement of public assistance applicants and recipients in jobs;
- prevention and reduction of the incidence of out-of-wedlock pregnancies;
- placement of recipients from temporary emergency housing (homeless shelters) into permanent housing;
- establishment of paternity for purposes of improvements in the child support enforcement program; and
- increases in administrative efficiency, including automated management system enhancements.

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## Risks to New York State

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The Federal Act contains many incentives and sanctions to encourage states to meet the goals of the TANF funded program. The TANF block grant has been fixed for New York State at \$2.43 billion annually through 2002. Under the TANF block grant structure, states that successfully move families from welfare to work do not receive less Federal funding, but receive the same amount of TANF block grant funding, and may reinvest these funds in data systems, work programs, supportive services or other activities, or may set funding aside in anticipation of future economic downturns. Moreover, states may receive additional performance awards if they do better than other states in meeting program goals. If New York State does not receive any performance awards, it will miss an opportunity to supplement its public assistance funding by millions of dollars annually.

While the new block grant system provides an incentive to reduce costs, it also contains a risk if expenditures grow. For example, if New York State does not meet the requirements contained in the Federal Act, i.e., moving public assistance recipients into employment or if an economic downturn adds more people to the caseloads then it may exhaust its block grant before meeting the needs of those eligible for the program. Under the New York State system, these individuals would still be eligible for assistance under the SNA program but the costs would be borne by state and county governments. There are also risks of losing substantial amounts of TANF funding. As already described, penalties for noncompliance range between 1 and 5 percent of a state's annual block grant for each separate incidence of noncompliance. Moreover, the penalties for separate incidences of noncompliance can be combined, and individual penalties can escalate to as much as 21 percent of a state's block grant. For New York State, a 21 percent penalty would total \$510 million, while a penalty of 5 percent would total \$122 million.

If New York State is penalized because of noncompliance with the Federal Act, OTDA is generally required to reduce the Federal reimbursement to each county by an appropriate amount. OTDA and DOL have the authority to decide county fault only to the extent that its review identifies specific county actions or inactions that resulted in the county's failure to meet the Federal requirements. Such reduction in Federal reimbursement shall be made without State financial participation in the resulting costs. If New York State is penalized for failing to maintain an adequate level

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of expenditures in its public assistance programs, the penalty is shared equally between the State and the counties.

There is also a risk that SNA expenditures could grow considerably. For example, if New York State does not succeed in moving public assistance recipients into sustained employment within the five-year lifetime limit, such recipients could become eligible for the SNA program, including recipients who come from other states that do not offer such assistance. State law provides reduced SNA benefits to new residents for one year, but after that year they are eligible for full benefits.

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# **Implementation of Welfare Reform Responsibilities**

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We reviewed implementation practices at eight State agencies, two New York City entities, and nine selected counties, and found that significant steps have been taken to implement welfare reform.

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## **Collaborative Efforts**

Since a total of eight State agencies and 58 local governments are responsible for implementing various aspects of the welfare reform legislation, it is critical that these government agencies plan and cooperate with one another. According to the United States' Department of Health and Human Services, the Federal Act changes the way such agencies do business, requiring that they engage in genuine partnerships with each other, businesses, community organizations and needy families. During our study we identified many such collaborative efforts, including, but not limited to, the following examples.

### **Article VII Team**

This team was the main policy development workgroup for OTDA and included representatives from OTDA, OCFS, DOH, DOL, and the New York State Division of the Budget (DOB). This workgroup began meeting in 1995 to discuss the various proposed welfare reform initiatives. After the NYS Act was enacted, this workgroup set implementation goals and developed policy for the public assistance programs including development of more than 20 regulations, eight administrative directives and training materials.

### **Welfare Reform State Implementation Team**

State agency efforts have primarily been coordinated through the formation and operation of a multi-agency work group, the Welfare Reform State Implementation Team, and through the various committees of this work group. This team is coordinated and chaired by a representative from OTDA. The team holds periodic meetings to discuss issues relating to welfare reform. These meetings also serve as briefing sessions at which the agencies share information. During our study we noted that most of the eight responsible State agencies participate on this team.

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### **Welfare Reform Technical Team**

OTDA, OCFS, DOH, DOL and DOB officials formed this team that had primary responsibility for dealing with the cross-agency technical issues related to Federal and NYS Acts. This team has continued to operate to identify potential problems and to develop solutions to remedy the problems before they can impact welfare programs. For example, this team worked to develop and implement the procedures necessary to institute the substance abuse screening required by the Acts.

### **Workforce Development System**

SED and DOL officials have taken the lead in a multi-agency collaborative initiative for designing a statewide workforce development system. The goal of the initiative is to create a system that ensures skilled workers are available to employers, that helps job seekers and the underemployed to find work, that fosters economic development, and that allows New York State workers to compete in the global economy. Most of the eight responsible State agencies, the City University of New York, the New York City Board of Education, and most of the nine counties we visited participate in this initiative.

The initiative began in 1995, prior to welfare reform, when officials from DOL and New York Association of Training and Employment Professionals began meeting to discuss a framework for an integrated, accountable workforce development system. According to a publication produced by this task force, New York State had about 70 job development programs administered by 15 government agencies, and the programs are characterized by a lack of accountability, a lack of common definitions and goals, a lack of common skill outcomes and customer satisfaction outcomes, and a lack of common quality standards. The goal of the task force is to integrate these programs to provide enhanced opportunities for the citizens of New York and help the State to compete in the global economy.

In the Fall of 1996, the task force created design teams that were representative of the major stakeholders in the workforce development system (organized labor, educational institutions, training providers, businesses, economic development organizations, and local and regional governments). The teams did research into other states' welfare-to-work activities. They utilized focus groups to obtain input from employers, students, the unemployed, and public assistance recipients. A final report was issued in February 1998 that summarizes the work of the design

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teams. The report outlines a policy framework for an integrated workforce development system and includes recommendations to State and local policymakers.

### **Other Collaborative Efforts**

DOL, OTDA, SUNY and SED jointly issue a welfare-to-work newsletter to provide information on best practices, legislative actions, resources, and technology updates, as well as a schedule of upcoming events. For example, the October 1997 issue of the newsletter reported that information on the needs and concerns of providers of education and employment training services, local social services districts and DOL had been collected and organized into regional profiles, and this information had been distributed to DOL, SED, and SUNY staff to assist in their planning efforts.

DOL initiated a welfare-to-work Technical Assistance Team with SUNY, SED, and specialists from the field. This team provides training and seminars to county administrators and program providers. For example, the team provides training on reporting requirements and program accountability. This team has also created and maintains a collection of nationwide welfare-to-work information sources. This information includes lists of potential contacts such as professional organizations, resource materials such as journals and publications, and web sites. This information is distributed to the counties and program providers during the training sessions.

DOL, SUNY and SED coordinate in developing strategies to achieve employment and worker retention and provide joint training sessions concerning these strategies. For example, throughout the State they regularly hold Reporting Performance and Monitoring sessions, which are attended by county representatives and training providers. At each of these sessions, a list of questions and issues is compiled; the questions are answered by SUNY, which distributes the written responses to the participants.

The State Office of Child Support Enforcement used its on-going monthly meetings with representatives of the State Office of Court Administration to begin planning and preparing for the changes being brought about by welfare reform especially the adoption of the Uniform Interstate Family Support Act. As part of this effort the State Office of Child Support

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Enforcement provided training on this act to court hearing examiners and court clerks.

The NYS Act adopted the Family Violence Option of the Federal Act. This workgroup comprises officials from the Governor's Office, OTDA, OCFS, the Office for the Prevention of Domestic Violence, the Coalition Against Domestic Violence as well as advocates and service providers. These officials developed policy, regulations and an administrative directive to implement the NYS Act.

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## **State Agencies**

We identified eight State agencies with responsibilities for implementing the welfare reform legislation: OTDA, DOL, SUNY, SED, OCFS, OASAS, DOH and ESDC. Most of these responsibilities have been assigned to OTDA and DOL, and on March 31, 1998, the two agencies signed a memorandum of understanding describing how these responsibilities are to be shared by the two agencies. However, no such agreement has been formalized between OTDA and OCFS. In the absence of such a written agreement, there is an increased risk that expectations and responsibilities may not be clearly understood and these agencies are therefore less likely to coordinate with one another as effectively and efficiently as possible. OTDA officials believe the lack of these agreements does not hamper their ability to implement welfare reform as OTDA receives direct and specific guidance from New York State's Governor's Office.

### **Office of Temporary and Disability Assistance**

Under the Act, OTDA is responsible for providing financial support services, enforcing child and spouse support payments, distributing food stamps, processing low-income home energy assistance payments, processing supplemental security income payments, making disability determinations, and administering programs serving homeless adults. OTDA also oversees the activities of New York City and 57 other counties in the State which directly administer the TANF, Safety Net Assistance and Food Stamps programs.

We found that OTDA is in the process of reassessing its service delivery operations and has developed a strategic plan for implementing welfare reform requirements. The plan includes target dates for completing critical tasks, and OTDA has taken numerous steps toward accomplishing the plan. These steps include:

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- preparing several administrative memos to guide counties in such matters as reporting requirements and the new eligibility requirements for financial assistance;
  - identifying the fundamental data elements and information system changes needed to meet Federal reporting and monitoring requirements;
  - providing quarterly performance reports to the counties to help them identify areas requiring corrective action;
  - training county employees on such topics as reporting requirements, technology support, needs assessment, performance measures, program evaluation and eligibility determination;
  - conducting regional meetings to provide technical assistance to the counties about any significant issues that have developed;
  - helping counties to identify gaps in the service delivery system; and
  - working with OASAS to develop the standardized instrument to be used by the counties to screen public assistance applicants for alcohol and substance abuse.

OTDA has also taken steps to meet the new child support enforcement requirements of the Federal Act. For example, OTDA has implemented changes to the Certified Child Support Management System to capture the data needed for reporting to the Federal government, has worked to ensure the Federal child support requirements were enacted into State law and is working with the New York State Department of Taxation and Finance to implement a Hire Reporting System to match child support orders to quarterly wage reporting documents. In addition, OTDA has implemented many of the significant child support ingredients of welfare reform. For example, during the past three years, New York State has implemented a drivers license suspension program and an automated property seizure program. OTDA's Office of Child Support Enforcement has received grant funds to establish a training and monitoring project on the new child support cooperation requirements and the new domestic violence provisions.

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According to OTDA officials, many factors could significantly affect New York State's ability to meet welfare reform mandates. Such factors include short time frames in which to meet Federal requirements, limited financial resources, and overburdened county staff. OTDA officials also indicated that it could be much more difficult to meet the required work participation rates when economic conditions are less favorable. In such circumstances, State officials would have to seek relief from Congress to avoid the resulting financial penalties. OTDA officials further indicated that TANF administrative costs, which are capped at 15 percent by the Federal Act, have not been clearly defined.

In addition, OTDA officials believe the reporting requirements proposed by the Federal government place an excessive burden on New York State. The proposed reporting requirements, which differ significantly from the present reporting requirements, contain a total of 172 data elements. As a result of these extensive requirements, intake workers may have to devote more of their time to collecting information rather than assisting clients. Moreover, since the reporting regulations have not been finalized, the nature of the data to be reported may not be specifically defined (for example, it is not clear whether certain activities can be included in the reported work participation rates). Until these requirements are clarified, State officials cannot know whether their reported work participation rates will be accepted by Federal officials. If the rates are not accepted as reported and are adjusted downward, State officials may learn that they failed to meet the required participation rates, and are subject to financial penalties, when it is too late to take actions to increase the rates.

At the time of this study, historical data was not readily available to establish the baseline to measure all of the outcomes proposed by the Federal Act. Moreover, for those outcomes in which historical information is available, data is not compiled until several months have elapsed. For example, the OTDA caseload report produced in January 1998 contained some data from 1995 and no data more recent than October 1997. OTDA officials told us that they currently conduct manual samples and edits of disaggregate caseload information to meet Federal data reporting requirements. OTDA officials stated that systems should be in place by December 31, 1998 to compile the needed information for Federal reporting purposes. We also found that OTDA does not always accumulate data in a manner consistent with Federal requirements. For example, OTDA's county quarterly reports do not identify the two-parent families with 35 hours or more of work hours.

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In response to the draft of this report, OTDA officials stated that New York is among the nationally recognized leaders in complying with HHS' Emergency TANF Reporting Requirements and in meeting federal deadlines and complying with HHS "Good Faith Effort" requirement.

### **Department of Labor**

DOL is responsible for administering employment and training programs for public assistance recipients. This responsibility was transferred to DOL from the former Department of Social Services. In carrying out this responsibility, DOL staff, who are co-located with local social services staff in the majority of counties, identify available jobs, screen applicants for these jobs, provide support services to the applicants, provide job readiness training, and provide support services to employers. DOL has also developed an employer network with special programs available to assist in placing public assistance recipients.

DOL is also responsible for reporting to the Federal government statistics showing the extent to which New York State is meeting mandated work participation requirements, and helps OTDA and the State Division of the Budget review and approve the plans submitted by the counties identifying how their public assistance funds will be spent. In addition, DOL has issued new regulations concerning public assistance programs, including new work requirements for receiving food stamps.

DOL has entered into formal agreements with SUNY, SED and ESDC to conduct programs or initiatives directed toward the training and employment of public assistance recipients. The agreements with SUNY and SED are for work-based education and training programs. Under both agreements DOL is responsible for assisting in the planning, monitoring and oversight of the programs. DOL requires monthly performance reports from both SUNY and SED on the programs' achievements in getting participants placed and retained in jobs and in helping the State meet the Federal work participation requirements. DOL includes these results when reporting to the Federal government. In response to our study, DOL officials stated they have negotiated nearly 75 job placement contracts that DOL has with local not-for-profit and for-profit organizations.

DOL has an agreement with ESDC requiring the two agencies to collaborate to increase job placement of TANF recipients and to spur economic development. DOL has agreed to make available up to \$2

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million of TANF funds to ESDC to provide training funds to designated employers for the training of public assistance recipients. According to the agreement, the funds will generally be used for on-the-job training. ESDC will provide financial assistance for up to six months for each public assistance recipient, and DOL will monitor the participants. DOL will require employers to report for each participant the number of hours they worked, the wages they received, and the success they had in fulfilling the defined job duties.

DOL also administers programs in which tax incentives are provided to employers that hire public assistance recipients. For example, in the Work Opportunity Tax Credit program, employers hiring public assistance recipients and individuals from other targeted groups can receive a Federal tax credit of up to \$2,400 per employee. Between April 1997 and January 1998, DOL approved more than 11,000 employer certifications for persons in target groups. Of this group, 7,000 were former public assistance recipients. According to DOL, the affected employers may potentially save more than \$26 million in Federal employment taxes. DOL estimates that New York State and county governments may save as much as \$35 million in reduced public assistance payments to these individuals. In addition, on January 1, 1998 DOL began administering the Welfare To Work Tax Credit program, in which employers who hire long-term TANF recipients are eligible for up to \$8,500 in tax credits over a two-year period.

### **State University of New York**

Under a formal agreement with DOL and OTDA, SUNY administers a welfare-to-work program known as the Bridge program. The program, which is provided at 15 SUNY locations, provides public assistance recipients with the education and training needed to find and retain a job. The Bridge program was operating prior to welfare reform as part of the JOBS program, and according to SUNY officials, will serve about 12,000 participants during the 1997-98 program year. SUNY submits monthly reports to DOL that show the performance of the program against established performance targets, along with statistics about individual job placements and retention. SUNY tracks Bridge program participants for 90 days after they leave the program.

SUNY is in the process of implementing three new Bridge program initiatives. These initiatives are intended to (1) train TANF recipients to become employed in day care, (2) provide employer-specific training on

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behalf of employers that agree to hire recipients, and (3) expand the Bridge program to all community colleges (Bridge College to Work Initiative) to take advantage of these colleges' proven ability to provide short-term education and training tied closely to local job markets.

SUNY officials also are interested in encouraging stronger linkages between economic development programs and welfare-to-work programs. They have taken part in preliminary discussions regarding specific welfare-to-work connections to economic development initiatives. They note that New York State is implementing major economic development initiatives with employers in retail trades and food service industries, and anticipate involvement as these job opportunities are developed at the local level. In fact, the Bridge program initiative "Bridge College To Work" is targeted at meeting the needs of employers such as these.

SUNY officials told us the space at their facilities is not adequate for the Bridge program. They state that they have sought funding in the past to increase facility space, but it was not provided. They state that they can compensate for the shortage of space to an extent by holding more sessions, but this leads to other problems such as faculty burnout.

SUNY officials recognize the importance of data collection and evaluation to the success of the Bridge Program and while current data reporting systems are sufficient to track participant progress and outcomes, the Bridge Program is in the process of developing a more robust and uniform data base to meet the changing requirements of TANF. SUNY officials further told us they are concerned about the availability of health care coverage for former public assistance recipients who become employed and about the availability of child care and transportation for public assistance recipients who participate in training and work programs. The officials note that the Bridge program can help to address the child care problem, because it trains public assistance recipients to become child care providers. The officials are attempting to address the transportation problem. For example, they have met with public transportation officials to discuss alternative routes and times.

On a broader scale, SUNY officials state that they have made suggestions to the Legislature about selling used State vehicles to employed TANF recipients at a reasonable price, instead of auctioning them off. These vehicles, which would be used by the recipients to get to job and child care sites, could be repaired by TANF recipients at SUNY community colleges and BOCES sites with vehicle repair facilities and programs.

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TANF recipients would learn vehicle repair, and have a car for their transportation needs. SUNY officials have also proposed using the university campuses' child care facilities for children of welfare recipients in the evenings and on weekends when their parents are likely fulfilling significant portions of their weekly work, training or other activities required by the counties.

SUNY officials stated that the Bridge Project, over its six years of existence, operating in seventeen locations, has placed more than 6,000 TANF recipients into gainful employment. Similar to other TANF programs Bridge has a ninety-day retention benchmark and provides follow-up case management services for six months. On average, Bridge participants entering employment work approximately 28 hours per week at an average hourly salary of \$6.82. This represents an increase of 139 percent of unsubsidized income annually, and an average welfare grant savings of almost \$5,000 per individual placed in gainful employment.

The State University fully supports welfare reform, not only through its Bridge Program, but also through its Educational Opportunity Centers and its Small Business Development Centers. The Educational Opportunity Centers have played a key role in the lives of public assistance recipients by providing academic and vocational training, college and job placement services to economically and academically disadvantaged and under-prepared adults. These Centers are located in major urban areas throughout New York State. The Educational Opportunity Centers commit more than \$5.5 million annually in support to the Bridge Program.

The University's Small Business Development Centers (SBDC) through their twenty-two strategically located campus-based regional centers provide technical assistance, counseling and training to start-up and existing small business firms in New York State. This year special emphasis is being placed on assisting welfare recipients achieve the American dream--a business of their own.

### **State Education Department**

SED and DOL administer a welfare-to-work program known as the Education for Gainful Employment (EDGE) program. This program provides undereducated adult and teen parent public assistance recipients with the education and training needed to find and retain a job. SED officials note that 50 to 56 percent of TANF recipients lack a high school diploma and about 75 percent lack adequate literacy or English profi-

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ciency, and these recipients are the target population for the EDGE program. The 55 counties that choose to participate in the EDGE program develop their program plans within parameters and guidelines set by SED and DOL. The local plans reflect the mix of work activities that are needed at the local level to meet Federal work participation rates.

The EDGE program was operating prior to welfare reform as part of the JOBS program which began in 1988. According to SED officials, about 31,000 individuals a year participate in the EDGE program. SED submits monthly reports to DOL that show the performance of the program against established performance targets, along with statistics about individual job placements and retention. SED tracks EDGE participants for 90 days after they begin employment.

SED and DOL are in the process of implementing four new EDGE "PLUS" welfare-to-work initiatives. These new initiatives are optional programs to provide services to recipients with specialized needs including low-level reading and/or math skills, poor English language literacy, and disabilities.

SED officials performed a significant amount of planning for their role in the implementation of welfare reform in New York State. For example, in September 1996, SED established a Welfare Reform Work Group. This group, comprising staff from various SED offices, holds weekly meetings to identify the roles that the education community can play in welfare reform and disseminates information to the field and to educators on welfare reform.

The SED Board of Regents established a subcommittee on welfare reform. As part of its efforts, the subcommittee sponsors informal dialogue sessions on the education community's role in welfare reform. Subcommittee members meet with key stakeholders in welfare reform to identify the stakeholders' perspectives, which will be used to define issues and develop policy recommendations. Identified stakeholders include national researchers, selected county executives and local commissioners of social services, employers, labor organizations, program providers, State agency commissioners and public assistance recipients.

SED officials expressed concerns regarding their capacity to serve all those in need. They note there are waiting lists for the EDGE program in some counties, especially in New York City, where about 50,000 people await training in English language literacy. To help meet this

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need, the officials note that training hours may have to be expanded to evenings. The officials also note that many program participants have a very low level of English language literacy and basic skills, and are particularly difficult to serve. They say that teens are the hardest population to serve, and that the most chronic welfare recipients start as teens. SED officials are concerned about the disproportionate number of recipients with disabilities affecting their ability to work. Estimates range from 18 to 50 percent in the case of long-term recipients. With more than 1 year of the 5 year Federal time clock expired, having sufficient time to assist these individuals with significant barriers to employment in obtaining and retaining employment is a critical issue.

SED officials also expressed concern for the children of recipients and the working poor. They estimate there are 770,000 children of welfare recipients and another 1 million children of the working poor in New York State. The officials say that the conditions associated with poverty put these children at risk for school failure and for becoming future welfare recipients. They added that education and comprehensive support services are the keys for breaking these children out of the cycle of poverty and that success in learning has the biggest impact for getting and keeping families off welfare assistance.

### **Office of Children and Family Services**

The role of OCFS in New York State's reformed welfare system is to fund and supervise the provision by social services districts of day care services, child welfare services, and residential and non-residential services for victims of domestic violence. It also directly funds day care and child care resource and referral programs. OCFS also funds the provision by social services districts and community agencies of supportive services for teen parents. We found that OCFS has been active in fulfilling this role. For example, OCFS has performed the following activities:

- coordinated with OTDA and DOL to assess the need for adequate day care and to allocate funding to the counties for this purpose;
- helped develop regulations and procedures for screening public assistance recipients for indications of domestic violence and determining whether recipients who are victims of domestic violence will be put at risk of further violence by any of the requirements of welfare reform;

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- headed a committee that will make recommendations to the Governor about reducing the State's adolescent and out-of-wedlock pregnancy rates; and
  - worked with OTDA to develop options for teen parents who cannot remain with their own parents and to establish the paternity of children of teen mothers on public assistance.

OCFS is also evaluating how changes in public assistance funding will affect its service obligations, data collection, funding methods, and eligibility determinations. In addition, OCFS has helped to identify some of the data that is needed to meet new Federal reporting requirements, especially in the areas of child care, domestic violence and teen parents. In our recent audit, *Child Day Care Planning Under Welfare Reform* (Report 97-S-50), we note improvements can be made in the planning done by OCFS to ensure that child care services will be available for public assistance recipients who participate in training and work programs.

#### **Office of Alcoholism and Substance Abuse Services**

In the NYS Act, OASAS was directed to work with OTDA in developing an instrument for screening public assistance applicants for alcohol and substance abuse. In compliance with this requirement, OASAS developed a standardized screening form. The form contains nine questions and does not require any special expertise to administer. This document is not intended to determine whether the applicant has an alcohol or substance abuse problem, but to determine whether the potential for a problem exists. OASAS provided the form to OTDA, which developed instructions for the counties on performing the screening and referring applicants for treatment. As of November 1, 1997, the counties were required to use this standard form when performing eligibility determinations to screen all adult applicants and the adult household members of applicants for alcohol or substance abuse.

The NYS Act also requires that if, based upon screening, the county determines that there is reason to believe an applicant or recipient is abusing or dependent on alcohol or drugs, the county must require the applicant to undergo a formal alcohol or substance abuse assessment. This formal assessment must be performed by a professional credentialed by OASAS. If the formal assessment determines that the applicant is unable to work due to the need for treatment for alcohol or substance abuse, the county must refer the applicant to an appropriate alcohol and/or

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substance abuse treatment program. This program must be licensed or certified by OASAS.

Because of the mandatory drug and alcohol screening, the need for OASAS-credentialed counselors and OASAS licensed or certified treatment programs may increase. In the year ended June 30, 1997, about 325,700 individuals were active in or admitted to programs that were licensed and/or funded by OASAS. OASAS does collect data regarding clients' receipt of some form of public assistance and Medicaid, but the nature of these data elements does not permit OASAS to track or identify, with certainty, the number of clients receiving public assistance.

OASAS officials have coordinated with other State agencies, but they have not had any formal contact with the counties. They also have not issued any formal guidance or directives to drug and alcohol treatment program providers relating specifically to the implementation of welfare reform.

### **Department of Health**

In the Medicaid program, people with low incomes are eligible to receive certain medical services. DOH is responsible for overall management of the Medicaid program in New York State, and is therefore responsible for implementing the parts of welfare reform that relate to Medicaid. Before welfare reform, persons receiving AFDC cash assistance or Home Relief were categorically eligible for Medicaid. However, as a result of the Federal Act, public assistance recipients are no longer categorically eligible for Medicaid, and DOH has had to implement new Medicaid eligibility criteria for individuals receiving TANF or SNA funds. According to the criteria developed by DOH, the overwhelming majority of TANF and SNA recipients will continue to qualify for Medicaid.

DOH has informed the counties about the changes in Medicaid resulting from welfare reform, has provided training to the counties concerning these changes, and is in the process of developing new Medicaid regulations to incorporate these changes.

### **Empire State Development Corporation**

ESDC, a public benefit corporation that promotes economic development in New York State, is involved in welfare reform because of its link with the private sector. As mentioned previously, pursuant to an agreement with ESDC, DOL is making available up to \$2 million in TANF funds to

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provide funds to designated employers for the training of public assistance recipients.

ESDC officials told us they have done a significant amount of planning in preparation for their role in welfare reform. Through Opportunity America (a private company providing job development and job placement services) and the New York City Partnership (a group of top industry leaders in New York City), ESDC has worked to identify employers that would be willing to participate in a welfare-to-work program, the types of employers most likely to hire public assistance recipients, and the number of entry-level jobs the employers estimate will be available in the short term. ESDC officials also told us they have worked closely with DOL officials to identify the best strategy for job development for public assistance recipients and to identify those counties where ESDC may want to target its efforts. In addition, ESDC and DOL officials met jointly with a group of employers in the pharmaceutical/retail industry to discuss job opportunities for TANF recipients. According to ESDC officials, ESDC has commitments with these employers to hire about 1,500 TANF recipients in both full-time and part-time positions.

In addition, as part of its routine operations, ESDC staff meet with employers to discuss ESDC's various programs. After such a meeting, ESDC prepares an "offer" letter outlining various incentives to that employer to encourage the employer to remain in or expand its operation in New York State. ESDC has begun to include its welfare-to-work program in these letters.

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## **CUNY and the New York City Board of Education**

In New York City, welfare reform requirements are implemented by four City agencies (the New York City Human Resources Administration, the New York City Department of Employment, the New York City Administration for Children's Services, and the New York City Department of Health) and two entities located in the City (the City University of New York and the New York City Board of Education). We requested information about the welfare reform implementation efforts of all six entities. We found that City University of New York (CUNY) and the New York City Board of Education (Board) have been active in the implementation effort. However, we were not allowed access by New York City to the personnel and records of the four City agencies, and accordingly cannot report on their implementation efforts.

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## City University of New York

Under agreements with the New York City Human Resources Administration (HRA), CUNY operates several programs that provide public assistance recipients with formal education and other services such as, counseling and job placement services. The COPE and REACH programs serve individuals in vocationally-oriented associate degree programs; REACH also operates a credit-bearing certificate program. Between them, the two programs operate on 11 of CUNY's 17 campuses, serve more than 8,000 pupils, and expect to place more than 1,100 participants in jobs lasting at least 90 days by June 30, 1998. The Family College Program is a special component of the COPE program that operates on three campuses and, in collaboration with the New York City Board of Education, offers an on campus pre-kindergarten through second grade satellite school for the general and special education children of participants. Approximately 150 parents and 170 children participated in this program in FY 1988. The BEGIN program provides short-term literacy, ESL and GED instruction to more than 2,000 participants at three campuses. CUNY and HRA have collaborated in providing BEGIN since 1990, Family College since 1992, and COPE and REACH since 1993. The goal for these programs is to help participants develop skills that will move them toward economic self-sufficiency.

CUNY collaborates with HRA on many non-educational programs and services as well. Since the start of the COPE program, CUNY has sent HRA three reports each semester to document the attendance and progress of all public assistance students to whom HRA provided childcare and carfare supplements to support their college participation. CUNY also provides employment counseling and job placement assistance to community residents through ACCESS Centers, which operate on eight campuses located throughout the five boroughs of New York City and are funded by SED. In addition, with HRA, CUNY serves public assistance recipients in workfare programs at four of its campuses. Two of these are pilot programs designed for CUNY students, while the other two are for the general welfare population. In these programs, public assistance recipients must work to receive their benefits. The two pilot programs were established in December 1996, while the two community programs were created prior to welfare reform. CUNY has submitted plans to HRA to expand workfare to the other 15 campuses. According to DOL officials, they have met several times with HRA and CUNY to move the implementation of a CUNY workfare program forward. Also, during the past four years the University has collaborated with HRA in a major

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initiative to provide training for new and veteran City workers in welfare reform policies and procedures. The CUNY training program has trained more than 5,000 City workers since its inception.

CUNY program staff expressed concern that, because the new Federal and State legislation has de-emphasized education in favor of direct placement, they have had to restructure their programs to emphasize job placement over educational development. They feel that this short-term focus on obtaining employment does not offer most participants a realistic chance for long-term self-sufficiency. Staff also stated that obtaining adequate childcare was difficult for some participants, noting that students participating in workfare programs need childcare outside of normal business hours to fit their school and work schedules. Staff at two colleges with community workfare programs expressed frustration because their students were not permitted to fulfill their workfare obligations on campus.

BEGIN staff noted that the six-month limitation for participation in that program was insufficient for many students to develop the skills to qualify either for a job or for the next level of training. The language barriers precluded many students from passing literacy tests required for training programs which they were otherwise qualified for, while others who could find employment do not adequately understand that they are eligible for transitional benefits (Medicaid and child support).

University officials point to the variety and continuity of their collaborations with HRA as evidence of CUNY's important role in New York City's welfare reform efforts. As we were completing this report, CUNY officials told us that by Fall 1998 semester campus-based workfare will be available at four campuses, and near-campus workfare at four additional campuses. CUNY will also be establishing a program in collaboration with HRA, DOL and SED that will provide short-term training to employed public assistance recipients to prepare them for employment that would result in their exit from welfare.

### **New York City Board of Education**

Under an agreement with HRA, the Board operates the Work Experience Program, in which public assistance recipients are given work experience at government and not-for-profit agencies in order to give the recipients skills and experience that can be used in finding and keeping jobs.

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The Board also administers the State mandated Learnfare program at three New York City public schools and will be required to initiate the program in three more schools by September 1998, and in the remaining 676 schools by September 1999. In this program, reductions are made in a family's public assistance payments when the children are absent from school for more than a certain number of days.

Board officials expressed concern that only limited funding is available for the Learnfare program, currently about \$100,000 per school. The officials estimate that about \$150,000 per school or approximately \$100 million could be needed to pay the salaries of the guidance counselors, outreach workers, and school aides necessary to operate the program, and they are concerned about how they will meet these costs when the program is expanded to additional City schools.

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## **Counties**

We visited the local Department of Social Services in nine counties: Broome, Chautauqua, Erie, Monroe, Nassau, Onondaga, Rensselaer, Saratoga, and Westchester. We found that all nine counties have taken steps to implement the welfare reform requirements of the Federal Act and the NYS Act. Some of the implementation strategies are similar, and some are unique to a particular county. Although the counties made some changes to their programs, county officials indicated that, with the exception of the work requirements, officials have not found it necessary to significantly change their operations as a result of welfare reform. While each of the counties provided us with information on their programs, we have included only a sample of the programs in our report. Since we did not evaluate the effectiveness of the counties' welfare implementation efforts, we do not intend to imply that the programs included in our report are the best county programs; rather, these programs are intended as examples of county efforts.

### **Planning**

In preparation for implementing welfare reform, some of the counties established steering committees or work groups to examine issues related to welfare reform. For example, in Onondaga County, the County Executive established a team comprising representatives from the County Executive's Office, the County Department of Social Services, and the contractor who provides employment related services to public assistance recipients in the County. According to County officials, the team was established because the County Executive was concerned about the fiscal impact of providing SNA benefits to recipients who have exhausted their

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five-year lifetime limit for TANF funding. Team members met monthly to determine how recipients can be kept from falling into the Safety Net, and identified a number of initiatives that can be pursued.

Saratoga County officials established an internal work group to review the communications provided by OTDA and DOL, to identify the changes that had to be made, and to determine how Saratoga County was going to implement those changes. Broome County created a steering committee which identified several major issues facing the County under welfare reform, such as job creation and the child care and transportation needs for public assistance recipients. Several individual teams were established to identify the specific problems associated with the larger issues and propose solutions to those problems.

### **Coordination and Communication**

Officials in each of the counties we visited stated that, overall, communication and coordination efforts have been good both at the county level and between State agencies and the counties. The counties have received written communications, including regulations and administrative directive memos, from both DOL and OTDA. County officials indicated that they have participated, and continue to participate, in teleconferences hosted by OTDA. Only one county indicated that these teleconferences were not very useful. County officials have also participated in technical assistance training programs offered by both DOL and OTDA, and officials stated that these programs were useful as well. Some county officials also participated on the task force for the New York State Workforce Development System as well as in the dialogue sessions hosted by SED's Regents subcommittee on welfare reform.

Generally, county officials told us that they have not experienced any significant problems from the reorganization of the New York State Department of Social Services. However, some county officials did indicate that, since the reorganization, it takes longer to obtain answers to their questions, and officials in two counties told us that circumstances have arisen in which the State liaison could not answer their questions. Officials of a third county told us that communication, training and support from the State could be improved if it were more frequent, complete and clear.

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At the local level, county officials told us that meetings of local program directors, county social services' commissioners, and the New York Public Welfare Association (which consists of representatives of county social services offices) are effective for sharing information. Several counties have coordinated the efforts of different county agencies and community members, and all the counties indicated that they have good relationships with the local Private Industry Councils (which are involved in job training efforts) and work with local DOL staff to provide training to public assistance recipients.

### **Delivering Services to Public Assistance Recipients**

In screening public assistance applicants, all nine counties indicated that they have implemented the mandatory screening requirements for alcohol and substance abuse problems and indicated that they use the screening instrument developed by OASAS in consultation with OTDA. Officials from some of the counties, such as Rensselaer and Onondaga Counties, told us that they contract with a local hospital for the assessments that must be conducted by OASAS-credentialed counselors. In contrast, other counties including Saratoga, Chautauqua, and Monroe, work with several providers to conduct the assessments.

Westchester County officials told us that they have worked closely with the local alcohol and substance abuse providers to provide evening and weekend hours to working public assistance recipients. The officials also indicated that the treatment providers have developed treatment programs specifically for mothers, and several providers offer programs in which mothers can bring their children to the treatment center. According to the officials, the programs incorporate parenting classes and provide transportation to the sessions.

Overall, all the counties stated that they have good working relationships with the local alcohol and substance abuse treatment providers. With the exception of Monroe County, county officials have not experienced a shortage of treatment providers. In addition to the mandatory screening for alcohol and substance abuse problems, the NYS Act requires that counties begin screening for domestic violence in April 1998. County officials also indicated that they are continuing their efforts at establishing paternity and obtaining child support for TANF recipients' children.

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Several counties indicated that they use a case management system in working with public assistance recipients (in such a system, a public assistance recipient is overseen by a single case manager while receiving public assistance). Officials in most counties also told us that they had provided training to their staff on the culture change (from benefit entitlement to self-sufficiency) associated with welfare reform. To assist their employees in the transition from the traditional role of application processor to the current role of serving more as a mentor, Nassau County officials told us that they provided training in cultural diversity and the implications of welfare reform. Nassau County officials indicated that they have suggested that the Civil Service Commission re-evaluate the skills required for welfare examiners because the responsibilities of this position have changed significantly.

Saratoga County officials told us that they changed their process in 1995 and began providing services using case managers to oversee a public assistance recipient's entire case. According to Saratoga County officials, they provided in-house training to the staff in an effort to change the culture of the office. Saratoga County began to focus on personalizing the process and working with recipients to focus on personal responsibility, with the ultimate goal of obtaining employment and self-sufficiency. Similarly, Monroe County officials told us that, anticipating the significant culture change, in 1992 they began training their staff to change the focus from application processing to mentoring public assistance recipients toward employment. Monroe County officials indicated that they continue to provide the case examiners with mentoring training.

Onondaga County officials began making changes in their process prior to welfare reform. These changes include contracting with Onondaga Community College to provide employment related services, attempting to find jobs for public assistance applicants, and preparing employable recipients for employment. The officials have also provided training to staff in an attempt to change the culture of the office and begin to shift the focus of the staff to being case managers. The officials note that while the staff liked the idea of the change, they said it is difficult to implement when caseloads are too large.

One of the significant changes brought about by welfare reform is the focus on placing recipients in work and work-related activities. Each of the counties have implemented strategies to find employment for public assistance recipients and work with local training providers to provide the necessary training to those recipients who are not ready for jobs.

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Officials in all the counties expressed concern about meeting the required work participation rates, especially when the rates increase in the future. The officials indicated that the most employable recipients have already left the public assistance rolls and the counties are now serving recipients with more difficult barriers to employment. Such recipients require extensive training in basic skills if they are to become employable, and if these basic training activities are not accepted by the Federal government as work-related activities, the required work participation rates will be especially difficult to meet.

Circumstances are not the same in each county. As a result, the counties use different methods to assess the applicants' employability, develop employability plans, and help recipients find employment. The employability plans outline the recipient's goals and the steps needed to accomplish those goals, and also identify support services, such as child care and transportation, that the recipient needs in order to participate in work or work-related activities. Some counties have contracts with outside vendors to provide employment-related services, some provide this service in-house with the assistance of DOL staff, and some use a combination of outside contractors and in-house staff.

In its JOBS plus! program, Onondaga County has contracted with Onondaga Community College since 1994 to provide employment-related services, including employability assessments and job placement activities. Public assistance applicants begin participating in the JOBS plus! program during the application stage, when staff make every effort to divert the individual from public assistance. All applicants for public assistance are required to participate in job search activities. Individuals who refuse to participate in or fail to satisfactorily complete job search activities are denied public assistance. Individuals who do not find a job and are determined eligible for public assistance are enrolled in an orientation session and become participants in a job club. Individuals participate in job club activities for four weeks, during which they receive training on interviewing skills, resume writing, and job readiness as well as the continuation of job search activities. Case managers monitor attendance, help the individual continue to look for a job, and ensure that necessary support services are provided.

Onondaga County officials also told us that they would like to be able to work more with non-custodial parents. According to the officials, Onondaga County has a high rate of child support orders, but a low child support collection rate. If the custodial parents on public assistance

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received child support payments, they would be able to support themselves and their children and be removed from public assistance. These child support payments could be made if jobs could be found for the non-custodial parents who are not working and are therefore unable to make the child support payments. However, non-custodial parents are not necessarily eligible for public assistance, and accordingly cannot be served by welfare-to-work programs. County officials have communicated this concern to DOL and have asked DOL to forward their concern to the United States Department of Labor.

Saratoga County provides in-house job placement services to recipients. The County works closely with DOL staff to identify employment and training opportunities for recipients. In addition, the DOL representative provides recipients with information on resume writing, interviewing skills, job search skills, basic skills, and job listings. The DOL representative also notifies recipients of local job fairs and coordinates group job search meetings in which the County brings in local employers to discuss job requirements and opportunities.

Nassau County uses both in-house staff and outside vendors to conduct the employability assessment and develop the employability plans. Westchester County also uses a combination of in-house and outside vendors for employment-related services. Nassau and Westchester Counties each use the employability assessment process to identify the job-readiness of recipients, classify recipients according to their readiness, and place recipients in activities based upon the classification of the recipient. Westchester County relies upon outside vendors, such as Westchester Community College and Pace University, to provide job search and job placement activities. Westchester County also entered into an agreement with the Volunteer Center of the United Way in November 1997 to develop 700 community work experience slots. The goal of this program is to prepare TANF recipients to enter the work force by acquiring work experience, learning job skills, developing a strong work ethic, and enhancing their self-esteem. Westchester County is also in the process of contracting with Opportunity America to provide job placement services as well as pre-employment services such as skills assessment, resume preparation, and interviewing techniques.

Erie County uses a referral and screening process started in 1995 for Home Relief applicants. In this process, public assistance applicants who state that they are ready to work and do not have medical problems are referred the same day to an employment counselor. County officials also

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use job clubs, in which public assistance applicants and recipients are trained in job-related skills and assisted in job searches. County officials told us they are working with private-sector employers to encourage the training and hiring of public assistance recipients.

Each of the counties we visited have DOL staff that work with the county to find employment for public assistance recipients. Most of the nine counties have DOL staff co-located with the county staff. However, Monroe and Westchester Counties have DOL staff located separately from the County staff. Although officials at Westchester County indicated that they have not experienced any problems resulting from the separate locations, Monroe County officials expressed some concern over the fact that public assistance recipients must travel to another location to obtain DOL services. Officials indicated that it would be beneficial if DOL staff and equipment were available in the County office. In response to our draft report, DOL officials stated the co-location of staff and equipment should be remedied when the one-stop workforce Development Sites are established in the Finger Lakes Region.

The employability plans also identify the support services needed by the recipient. Although several county officials indicated that they have not experienced a problem locating appropriate child care or transportation for public assistance recipients, some counties have experienced problems. For example, Chautauqua County officials told us that public assistance recipients who work during non-traditional hours have problems obtaining child care. County officials told us that they have tried to address this problem. One such effort has been to work with Jamestown Community College to train public assistance recipients to provide child care. Also, the Chautauqua County Legislature created the Chautauqua County Child Care Guidance Team to research Chautauqua County's child care system, forecast child care needs, and recommend a model which better meets the needs of the children. The Team concluded that the current child care system will be stressed as welfare reform is implemented and made a number of recommendations for coping with this stress.

Monroe and Onondaga County officials expressed concern over transportation issues. To address this problem, both counties began providing bus passes to public assistance recipients, and officials from both counties stated that the practice appears to be successful. Monroe County has also begun using Geographic Information System technology to map transportation needs and is working with the local bus operators

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to improve the access of public assistance recipients to public transportation.

Chautauqua County officials also plan to use the Geographic Information System technology to alter public transportation routes and ensure that public transportation is accessible to public assistance recipients. In addition, Chautauqua County officials are planning an “Earn a Car” program in which reliable, used cars will be made available to public assistance recipients who obtain employment. Recipients in the program will receive vocational training and fulfill their work requirements by refurbishing donated automobiles. Once employed, the recipient will secure a car through a bank loan that will cover the cost of repairs, insurance, and vehicle registration. Therefore, in addition to solving transportation problems, this program will help public assistance recipients establish good credit histories.

In addition to providing support services, some counties have recognized the importance of maintaining contact with individuals once they become employed. These counties have implemented or are planning various post-employment services. For example, Saratoga County officials created and filled a Job Developer position. Officials told us that this individual will be responsible for identifying the need for post-employment monitoring and counseling, and will help develop such services. Onondaga County is in the process of creating a post-employment center for public assistance recipients who have obtained employment. The primary goals of the center are to increase job retention, lower recidivism, and reduce the need for emergency assistance. According to officials, this center will provide workshops on transitional services, money management, and household budgeting. County officials also plan on working with community organizations to identify volunteers to serve as mentors to newly employed public assistance recipients.

Onondaga County officials are developing a program that will focus on individuals who have obtained employment but still are not self-sufficient (the “underemployed”). The officials plan to work with such individuals to provide the training necessary to upgrade their skills or develop new skills so that they can obtain employment that will allow them to become self-sufficient. Westchester County officials also hope to use TANF block grant funds to provide post-employment services. For example, they are considering working with Westchester Community College to provide assistance to the “underemployed.” This assistance could include identifying the need for and providing additional training, working with

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individuals and their employers to achieve full-time employment or promotions, and conducting job search activities in conjunction with employment. Westchester County officials note that, although they provide transitional services to recipients, and recipients can and do contact their training providers to obtain assistance, there is no clearly defined support system when an individual becomes employed.

Officials at some of the counties believe that New York State policymakers should think about the long-term nature of the State's welfare system. For example, Onondaga County officials believe that New York State may need to re-visit the SNA program, because total public assistance payments may not decrease if too many people are served by this program. The officials suggest that consideration be given to allowing the counties more flexibility in designing programs to work with SNA recipients. For example, counties could be allowed to provide in-kind services such as food and shelter to SNA recipients or to require recipients to participate in a Work Experience Program in which the benefits were paid by the employer.

Westchester County officials believe improvements can be made in the method used to penalize public assistance recipients who refuse to participate in required activities such as job searches or employment training. As an example, they cite a recipient who asked whether failure to participate in a required activity would result in losing health care for the children. According to the officials, because the penalty did not affect the children's health care, the recipient was willing to accept the penalty. The officials believe penalties would be more effective if benefits were provided through vouchers rather than cash, which can be spent on anything.

Westchester County officials also suggest that, if public assistance caseloads are reduced in New York State, the counties be allowed to use the resulting surplus in New York State's TANF block grant for additional welfare-to-work initiatives. The officials also believe the 15 percent cap on administrative expenditures should be eliminated so that the counties are able to hire enough staff to implement the required programs as well as initiate new programs that might improve performance or reduce costs in the long run.

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# Performance Measurement

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Accountability is an essential part of any program. To achieve this accountability, agency management should determine and report measurable results of performance to the public and their elected officials. The same kind of information is also needed by agency management to allocate resources to services and to assess the effectiveness of those services. Moreover, according to the Federal Act, specific performance information must be reported to the United States Department of Health and Human Services if New York State is to avoid penalties and be eligible for performance bonuses. It is therefore critical that appropriate information management systems be designed by New York State for its public assistance programs. We found that State policymakers are in the process of planning such systems.

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## Development and Improvement of Information Systems

The information systems that served New York State's public assistance programs before the welfare reform legislation were essentially data gathering and reporting systems that did little to integrate the data relating to the programs. Moreover, because system technology was old and the software was difficult to maintain and enhance, these systems had become an obstacle to re-engineering and integrating county operations.

Chapter 56 of the Laws of 1997 provided \$50 million to OTDA to allow the agency and DOL to perform such activities as designing and implementing short-term modifications and enhancements to New York State's Welfare Management System to meet the immediate requirements of the Federal Act and the NYS Act, and designing and implementing a welfare-to-work case management system to help employment specialists and clients meet the workforce participation requirements of the Acts on a long-term basis. These improvements are intended to result in a single, statewide system that will provide uniformity among the counties. At the time of our study, a number of short-term improvements had been made and the technical requirements for the long-term case management system were in the process of being identified.

County officials told us that they have not been asked to participate in the redesign of the Welfare Management System. They believe the counties should participate in this redesign. They note that much of the data required by the Federal government is not provided by the current Welfare Management System. As a result, County officials told us that they have

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had to develop their own databases to track the required information. In most instances, the effort to maintain these databases duplicates efforts to enter data to the Welfare Management System. A Monroe County official stated that members of his staff have been participating with staff from other counties in the redesign of the Welfare Management System. According to OTDA officials they are just beginning to redesign the Welfare Management System and this process will involve representatives of the counties.

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## **Evaluation of Welfare Reform**

During the legislative debate on the NYS Act, the Office of the State Comptroller released a report entitled *Evaluating Welfare Reform: A proposal for New York State*. The report analyzed the need for a professional, independent evaluation of the state's welfare reform effort; offered a discussion of the types of methods that might be employed; presented a detailed list of potential research questions; supplied legislative language for State officials and included a bibliography of significant research literature produced during the last thirty years.

When the State's 1997-98 budget was passed it included language to support a design study for a "comprehensive evaluation" of the State's welfare reform effort. The legislation directed DOL and OTDA to produce this study by December 1997. On December 31, 1997, DOL and OTDA issued a report entitled "Framework for Development of a Comprehensive Evaluation of Welfare Reform in New York" (Evaluation Plan). This report, which was issued in consultation with other State agencies, is intended to provide a basis for ensuring State officials "have the information they need to measure change and the extent to which goals of Welfare Reform are being achieved." To accomplish this purpose, the report proposes four main types of activities to monitor the State's implementation of welfare reform:

- tracking and analyzing the outcomes of welfare reform;
- describing and analyzing the key program design, implementation, and service delivery issues faced under welfare reform;
- improving the ability of the counties to monitor key service delivery and outcome issues; and
- developing the data files needed to support the evaluation activities.

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The report indicates the full implementation of the Evaluation Plan would require, besides the commitment of considerable staff resources from DOL, OTDA, and other State agencies, the use of expert consultant services and other resources. It also indicates the Evaluation Plan will require the development of data files that can track a range of services and benefits for periods after and before welfare reform. It will also involve ad hoc linking to other State files and outside data sources for certain analysis.

Ultimately, the Evaluation Plan, if implemented, would address the following key questions relating to the State's implementation of welfare reform:

- To what extent have the new welfare reform programs reduced the length of time individuals spend on public assistance?
- To what extent have the programs reduced recidivism?
- What changes are occurring in the level of cash benefits received?
- What are the effects on the use of other means-tested programs such the SNA program?
- What changes have occurred at the county level?
- Are the changes embodied in the welfare reform laws being effectively communicated to recipients?
- What innovations and solutions have been attempted at the various sites, and how successful have these efforts been?

The Evaluation Plan proposes methodologies to assess the impact of welfare reform. However, certain performance measurement issues remain unresolved. For example, the Evaluation Plan indicates there is limited data relating to the experiences of AFDC recipients before TANF implementation. As a result, it will not be possible to compare long-term outcomes for TANF recipients to long-term outcomes for AFDC recipients. We also note there is no provision for monitoring individuals who leave public assistance to determine whether they become self-sufficient and if it is sustained. We further note there is no provision for establishing performance benchmarks for the counties. Without such benchmarks, the counties may find it difficult to identify the specific areas

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or programs that are successful and those that need improvement. In response to our draft report, DOL officials stated that they are building a longitudinal wage record file that will be used to compare public assistance recipients' earnings before, during and after they were receiving TANF.

The Evaluation Plan indicates that it will be difficult to evaluate welfare reform using the present information systems, which are maintained by several State agencies, because performing analysis across multiple programs involves "staff-intensive and time consuming *ad hoc* construction of data files." Such construction involves drawing down the files and data elements, linking cases and individuals from different systems, exploring the resulting large number of non-matches, and examining the resulting data for accuracy, completeness and consistency over time. Moreover, this process must be repeated each month.

Accordingly, the Evaluation Plan proposes that consideration be given to creating a comprehensive and integrated database to support the evaluation of welfare reform. In particular, the Plan proposes that it be determined whether data is available to support the desired evaluation methodologies and performance measures. The Evaluation Plan also proposes that an assessment be made of the issues of confidentiality, common definitions, and technological barriers in accessing and using the data. No definite time frames are proposed for project completion, which will depend largely on the availability of resources and the response from the Legislature to the proposal.

On April 1, 1998, the Comptroller wrote the Governor, Senate Majority Leader, Chairman of the Senate Finance Committee, Speaker of the Assembly and Chairman of the Assembly Ways and Means Committee in response to this draft. The Comptroller also provided a detailed staff review of the DOL and OTDA Evaluation Plan. The Comptroller's response emphasized: the need to focus evaluation efforts on the question of how recipients, in particular mothers and children, are doing after they have left the welfare rolls; the need for a more open and public discussion on the research focus; and the need for an independent evaluation of the program. The Comptroller noted that the initial plan offered by DOL and OTDA is silent on this latter point. In responding to our draft report, DOL officials stated that the evaluation areas, priorities and evaluating organization will be determined in discussion forums with experts in the field of welfare research during the fall of 1998.

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OTDA publishes quarterly reports of selected county performance. These reports include the rankings of all counties, and within groups of districts that have similar case load sizes. These reports focus on key outcomes in major program areas, i.e., percent of assistance cases with earnings, entries to employment, percent of out-of-wedlock children with paternity established, etc. The reports also include inter-state comparisons of New York State with other states. However, the reports are of an informational nature as they do not compare county performance with pre-defined benchmarks. Without performance benchmarks, OTDA and the counties may have difficulty identifying specific areas or programs that are successful and those areas or programs that need improvement.

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## **Other Performance Measurement Activities**

We reviewed the performance measurement systems established by agencies assisting OTDA and DOL in their implementation of welfare reform legislation in New York State. We found that, while progress has been made in establishing such systems, additional progress is needed.

### **The Education Agencies**

The role of the education agencies (SUNY, SED, CUNY and the New York City Board of Education) in welfare reform is to administer training programs and work experience programs that will help public assistance recipients achieve and retain employment. Each of these agencies has established measurable performance targets for each program provider. The most important measures of performance are job placements and retention. The agencies have systems in place for collecting performance data from the providers, and for assessing overall program and individual provider performance. SUNY and SED also use the providers' performance data from the prior program year to establish the funding levels to the providers in the current program year.

Both SUNY and SED have had programs operational for more than seven years, and both agencies have established a performance standard of 90-day retention in a job for all programs. SUNY officials stated that national data shows the 90-day standard is very difficult to achieve. SUNY officials also stated that they are developing a process to track participants beyond the 90-day target as part of their post-employment services. SED officials stated that they do not track participants beyond the 90-day target. However, they note that many EDGE program providers have started to or plan to track participants for one year as part of their post-employment services, and SED is encouraging all providers to do the same. CUNY officials told us they would like to follow up on

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public assistance recipients after they become employed and no longer receive public assistance, but lack the funding for such follow-up evaluation of program success.

Under guidance from DOL, SED and SUNY adopted a performance standard of a 90-day retention in a job for every \$3,500 in expenditures. For example, the EDGE Literacy and Work Preparedness initiative, with funding of \$7.5 million, will try to place at least 2,143 public assistance recipients ( $\$7,500,000/\$3,500 = 2,143$ ) in jobs for at least 90 days each.

SUNY and SED also monitor the cost per participant placed and retained in a job. SUNY officials analyzed the costs they incurred in prior years, when they were providing long-term, more sophisticated training, and found these costs were higher than current costs. The current lower costs are based on shorter program cycles, with a quicker entry to the job market. SED officials indicate that they plan to have a national researcher evaluate the EDGE program to identify the most and least effective program components.

### **Office of Children and Family Services**

The role of OCFS in New York State's reformed welfare system is to fund and supervise the provision by social services districts of day care services, child welfare services and residential and non-residential services for victims of domestic violence. OCFS also directly funds day care and child care resource and referral programs. It also funds the provision by social services districts and community agencies of supportive services for parents. However, as we note in our report, *Child Day Care Planning Under Welfare Reform*, OCFS needs to improve its planning to ensure sufficient day care will be available for recipients entering work activities.

OCFS officials also told us that, as individuals are removed from public assistance, the reported incidents of child abuse may increase and more children may be placed in foster care. However, as we note in our audit on *Selected Aspects of the Foster Care Program* (Report 95-S-94, issued June 21, 1996), OCFS officials had not developed performance measurements relating to such potential problems, and had developed no other performance measurements relating to public assistance programs. Our follow-up review, Report 97-F-18, issued July 16, 1997, found that OCFS officials had fully implemented all of our recommendations.

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### **Office of Alcoholism and Substance Abuse Services**

OASAS officials recognize the importance of accountability and the need for performance measures. OASAS has developed and is in the process of implementing a performance measurement system. This system will give management information such as client retention rates and treatment completion rates. OASAS also captures information on all clients that could be used to analyze recidivism. OASAS has already used the system to monitor specific programs. However, OASAS officials told us they have not planned any specific performance measures that would relate solely to public assistance recipients or to OASAS' role in the implementation of welfare reform. OASAS officials told us that consistent with the NYS Act, OASAS will continue to serve OTDA in a consultive role, in the development, application and evaluation of any performance measures relating to the effectiveness of the public assistance screening and assessment functions. We believe such measurements are needed.

### **Empire State Development Corporation**

The role of ESDC in welfare reform is to identify potential employers for public assistance recipients, enter into contracts with the employers, and (upon approval by DOL) make payments to the employers to help cover the cost of the wages paid to the public assistance recipients. Since DOL is responsible for monitoring the performance of the recipients, ESDC officials told us they rely on DOL to give them information on program performance. Consequently, ESDC has not developed any performance measures specific to its role in the implementation of welfare reform. However, DOL officials told us that performance measures for the DOL/ESDC initiative do exist and include hours worked, payment schedules, length of payment period, etc. We believe DOL and ESDC should work together to develop appropriate performance measures for training programs involving public assistance recipients. In response to our draft report, DOL officials stated that they and OTDA officials have collaborated to establish uniform performance measures such as placement in employment and that these measures will be applied to programs in which ESDC identifies employers for public assistance recipients.

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### **Reported Work Participation Rates for New York State**

New York State was first required to submit a sample including demographic and employment program information to the Federal government for the Federal fiscal quarter ended September 30, 1997, and for every quarter thereafter. New York State submitted its data as of September 30, 1997, and according to a United States Department of

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Health and Human Services report, was one of only eight states to submit complete and appropriate data. The Federal Act allows states to select a statistical sample of public assistance recipients and use the sample as the basis of their required submission. New York used this method when reporting its rates for quarter ended September 30, 1997. According to the former acting Commissioner of DOL in testimony before the State Legislature in February 1998, the sampled data “indicates that more than 33 percent of all families met the TANF work requirement, far exceeding the Federal participation requirement [which is estimated to be about 19 percent]; furthermore, the estimated two-parent participation rate of approximately 66 percent also exceeds the adjusted Federal participation requirements [estimated to be about 62 percent].”

We asked DOL representatives for documentation supporting New York State’s reported work participation rates. In response to our request, DOL provided a one page summary that repeated the numbers mentioned in the Commissioner’s testimony. However, DOL did not provide us with the documentation that supported these numbers because they were uncomfortable sharing their data with us until DHHS accepted DOL’s sampling methodology and sample results.

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## Issues for Further Consideration

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If New York State is to successfully implement welfare reform, and if the quality of life for former welfare recipients is to be improved, we believe the following issues need to be considered by State and Local policymakers.

### Program Enhancement

1. What can be done to prevent children of public assistance recipients and children of the working poor from becoming future public assistance recipients?
2. Should more be done to make public assistance recipients aware of all the benefits they are entitled to?
3. What can be done to prevent the counties' public assistance caseloads from becoming too large?
4. What can be done to improve the child care and transportation services available to public assistance recipients participating in welfare-to-work programs?
5. What actions need to be taken so that jobs can be found for public assistance recipients with significant barriers to employment?
6. Should more extensive post-employment services be developed for public assistance recipients?
7. What opportunities are there for New York State to identify linkages between economic development incentives and the welfare-to-work initiatives operated by SUNY and other agencies?
8. Should the counties be given more flexibility over the design of their SNA programs?
9. Can improvements be made in the methods used to penalize public assistance recipients who refuse to participate in required activities?

### Program Results

1. How will New York State evaluate its welfare reform programs to determine which programs deliver the best long-term results for the cost?
2. What specific performance benchmarks should be developed for the counties?
3. What levels of resources will be adequate to account for what happens to individuals who leave public assistance?

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4. What methodology should New York State use to routinely track public assistance recipients for more than 90 days after they become employed to evaluate the effectiveness of its welfare-to-work programs?
  5. How will OASAS, in consultation with OTDA, evaluate the effectiveness of the alcohol/substance abuse screening form as well as the effectiveness of the required assessment and treatment of public assistance recipients for alcohol and substance abuse?
  6. What performance measures should OCFS develop relating to public assistance programs?
  7. What performance measures should DOL and ESDC develop for training programs involving public assistance recipients?
  8. Should the work participation rates reported by DOL be supported by written documentation that is open to public scrutiny?

#### Training and Education

1. Is enough attention given to ensuring that public assistance recipients are adequately educated?
2. Can training programs be developed that address the needs of public assistance recipients who have been trained in basic skills but are neither ready for jobs nor skilled enough to qualify for the next level of training?
3. Should SUNY be given additional facilities for conducting the Bridge program?
4. Should SUNY be given additional funding to develop a uniform database for the Bridge program?
5. What can be done to expand the capacity of SED's EDGE program?
6. Should additional State funding be provided to the Learnfare program in New York City?
7. Should more non-custodial parents be eligible for job training programs?

#### General Administration

1. What additional steps can New York State take to obtain and maintain quality information system programming and data processing resources for the systems relating to public assistance activities?
  2. Should counties be involved in systems redevelopment and redesign?
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3. Should OTDA and OCFS enter into a formal written agreement with one another to define their respective responsibilities for implementing welfare reform requirements?
  4. How will OTDA re-evaluate the data elements captured by its present and planned information systems to determine whether the information will meet the Federal requirements?
  5. What level of resources should be made available to the counties for implementing welfare reform requirements?
  6. Will additional OASAS-credentialed counselors and OASAS-certified treatment programs be needed as a result of the alcohol and substance abuse screening requirements of welfare reform?
  7. Should the roles, responsibilities and skills required for welfare examiners be re-examined by the Civil Service Commission?
  8. Will the total cost of New York State's public assistance programs be reduced by welfare reform?
  9. Should the 15 percent cap on administrative expenditures be eliminated?
  10. Will counties who lose administrative resources as a result of penalties be further hindered from improving their performances?

**AFDC/TANF CASELOAD COMPARISON  
1994 THROUGH 1997**

<b>County</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>
Albany	13434	11591	10731	9989
Allegany	3183	2736	2385	2291
*Broome	10480	9982	8465	7572
Cattaraugus	3406	2796	2534	2434
Cayuga	2607	1982	1706	1559
*Chautauqua	9025	7580	6655	6257
Chemung	4787	4102	3656	3431
Chenango	2095	1685	1377	1169
Clinton	2832	2209	2009	1878
Columbia	2252	1763	1597	1450
Cortland	2015	1786	1589	1476
Delaware	1817	1191	950	792
Dutchess	7210	6101	5145	4829
*Erie	60068	54548	50601	47603
Essex	1563	1300	950	854
Franklin	2181	1985	1797	1510
Fulton	2134	2027	1752	1571
Genesee	1497	1222	1090	901
Greene	1599	1526	1389	1280
Hamilton	52	48	54	39
Herkimer	2087	1718	1386	1199
Jefferson	5336	4655	4272	3895
Lewis	870	736	580	504
Livingston	2172	1933	1577	1333
Madison	1558	1088	886	706
*Monroe	50911	48922	45252	43326
Montgomery	1624	1494	1355	1253
*Nassau	20882	19691	16887	15474
Niagara	10313	9281	8530	8046
Oneida	11615	10256	8674	8383
*Onondaga	26036	25284	23108	21764
Ontario	3235	2542	2041	1843

Orange	11865	10738	10489	9449
Orleans	1759	1523	1322	1186
Oswego	5869	5629	4877	4098
Otsego	1398	1039	725	637
Putnam	603	429	367	346
*Rensselaer	6002	4968	4372	4007
Rockland	5275	5191	4468	4022
St. Lawrence	5834	5352	4881	4450
*Saratoga	2570	1732	1448	1162
Schenectady	5950	5563	5171	4672
Schoharie	795	571	490	437
Schuyler	839	596	373	298
Seneca	831	669	764	629
Steuben	4859	4177	4019	3731
Suffolk	39425	33138	28363	25775
Sullivan	3100	2891	2423	2204
Tioga	1981	1874	1516	1301
Tompkins	2460	2198	1782	1606
Ulster	6587	5844	5033	4515
Warren	1281	1022	757	656
Washington	2123	1877	1727	1530
Wayne	3253	2823	2527	2474
*Westchester	34768	32875	30531	28964
Wyoming	830	663	600	539
Yates	692	496	433	307
New York City	842246	825908	749996	695648
Totals	1264071	1205546	1090434	1011254

\* Counties visited during study

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# Study Participants

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## State

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**New York City**

Mr. Rudolph F. Crew  
Chancellor  
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Mr. Christopher M. Kimmich  
Interim Chancellor  
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## Major Contributors to This Report

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**George E. Pataki**  
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**Brian J. Wing**  
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October 13, 1998

Mr. William P. Challice  
Audit Director  
Office of the State Comptroller  
Alfred E. Smith State Office Building  
Albany, NY 12236

Dear Mr. Challice:

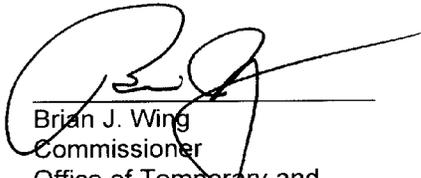
We are writing to offer our formal comments on the Comptroller's study titled, **Implementation of Welfare Reform in New York State: A Status Report, 97-D-19.**

Despite some specific differences that we have highlighted throughout the course of the study, we believe the Comptroller's study clearly shows that the Pataki Administration, local social services districts, and the education community have risen to the tremendous challenge of implementing historic change to the state's public welfare system. As the report points out, there was an unprecedented high level of cooperation, coordination and communication among the various parties involved in the implementation of welfare reform in New York State.

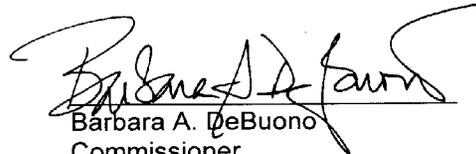
The following appendix is a collection of general and technical comments compiled from the various state and local agencies that have reviewed the draft report. We hope you will give these comments careful consideration as you finalize the study.

Thank you for the opportunity to comment on the report.

Sincerely,



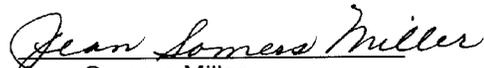
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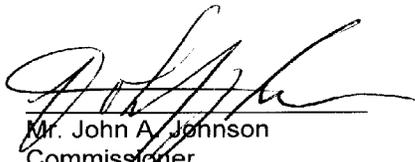
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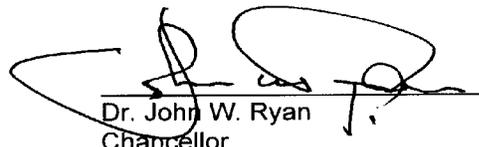
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Chancellor  
State University of New York

Attachment

**Response to Draft Study Report #97-D-19  
Implementation of Welfare Reform in New York State**

- Executive Summary, page 2, the second full paragraph under “Observations” on the second undesignated page of the draft report, the portion of the sentence relating to the Office of Children and Family Services should be revised to read “...; the Office of Children and Family Services oversees the provision of child welfare services, supports for teen parents, and day care services;...”. (CFS)
- Executive Summary, page 1, first full paragraph, last sentence, reads "Rather, TANF benefits are temporary and the benefit recipients may be required to work, or to be trained to work, in exchange for the benefits." Under law and regulations as amended by the federal act and the state act, no public assistance recipient works in exchange for any public assistance benefits. Public assistance benefits are granted based on individual or family need, and the individuals are required to engage in activities calculated to help them achieve self-sufficiency. The concept of working in exchange for benefits was abandoned in the adoption of welfare reform. (DOL)
- The report does not address one of the more significant changes in the transition from JOBS to TANF – the inclusion of the entire caseload, rather than the employables, for rate calculation purposes. In addition, in discussing DOL’s responsibilities, the report fails to mention the nearly 75 job placement contracts the agency has with local nonprofit and for profit organizations. (DOL)
- Page 1, first paragraph, second sentence. As pointed out in the Executive Summary, the draft refers to working in exchange for benefits. Public assistance recipients do not work in exchange for benefits. Public assistance benefits are granted based on the need of the family or the individual, who then must engage in activities calculated to help them achieve self-sufficiency. (DOL)
- Page 1, paragraph two: The 21% penalty would only be imposed if the state failed to meet rates for nine consecutive years and could, therefore, not occur until 2005. According to

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federal statute, the penalty increases in 2% increments for every consecutive year of failing to meet the rate requirement. (DOL)

- Page 5, first paragraph asks, "What actions need to be taken so that jobs can be found for public assistance recipients with significant barriers to employment?" The phrasing of this question ignores the changed presumptions, goals and realities of welfare reform. This is phrased in a way that assumes that someone else will take responsibility for taking action to find jobs for public assistance recipients with barriers. The realities of welfare reform dictate that local social services districts now will assist public assistance recipients, even those with significant barriers, to take the actions they need to find their own jobs. Welfare reform in New York State is about empowering individuals in achieving self-sufficiency. (DOL)
- Page 5, second full paragraph asks, "Will the State develop and finance a child care plan that is of sufficient size and flexibility to meet the needs and employment requirements of those seeking to move from welfare to work?" This question evinces a lack of understanding of the State's role in the administration of the public assistance system pursuant to the state and federal acts. The State will help provide financing for the child care needs of public assistance families and those families at risk of becoming eligible for public assistance to encourage and assist them to become and remain self-sufficient. Development of such a plan will be largely at the discretion of local social services districts, who have better knowledge of the needs of their particular caseloads. The additional fact entering into this "plan" will be the availability of child care opportunities on the open market and the desirability of creating such opportunities for current and potential child care providers. (DOL)
- Page 6, first paragraph. The July 1, 1997 date that is being used in this paragraph is inaccurate. That date is only for the few states that did not submit a TANF State Plan to HHS at an earlier time. The TANF block grant program has been in effect and an option to the states since October 1, 1996. NYS entered into this option with the submission of our TANF State Plan on October 16, 1996 and has been operating under the Plan since December 2, 1996. (OTDA)

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- Page 7, first full paragraph. There is no single-parent family rate. It is an all-families rate that includes single-parent and two-parent families. (DOL)
  - Page 7, notation (\*) after table: The two-parent rate can also be adjusted based on a decline in the two-parent families' caseload. Also, the adjustment in the rate is based on a decline in the all-families rate since FFY 1996, not 1995. (DOL)
  - Page 7, paragraph two: Single-parent and two-parent families count in the all-families rate if they participate 20 hours each week. Also, there are no longer any two-parent families with disabilities. Technical amendments to PRWORA in 1997 "deemed" such two-parent families to be treated like single-parent families (DOL)
  - Page 8, second sentence of the first full paragraph recites that "A total of \$200 million is offered each year to the states that show the best results at placing and keeping public assistance recipients in jobs." The \$200 million performance bonuses each year are based in large part on "wage increases," that is, the amount of increase in wages for former or current public assistance recipients who go to work over certain periods of time on the job. This, of course, is a function not of state TANF administrators, but largely of the individual and the employer. As such, this measure is inappropriate to use in judging the performance of a state public assistance system. This fact was repeatedly brought to the attention of, and ignored by, the federal agencies administering the performance bonuses. (DOL)
  - Page 9, third bullet in the second full paragraph states that "If an adult member of a family refuses to engage in work activities without good cause, the public assistance grant must be reduced by at least the adult's prorated share of the grant." The addition of the term at least is without support in law or regulation. State law and regulation require that in the case cited, the public assistance grant be reduced by the prorated share of the grant otherwise available. There is no authority in law or regulation currently to effect a larger sanction. (DOL)
  - Page 9, last paragraph. The statement, "The NYS Act also includes the following provisions:" is misleading. It implies that these bulleted provisions are in addition to the

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federal law when in fact the first two bullets (unmarried teen parent education rule and the offer of a home provision) are federal requirements and were implemented on December 2, 1996 with the acceptance of the NYS TANF State Plan. The last three bullets (pro-rata sanctioning, non-cash SNA and drug/alcohol screening/assessment) are additional provisions to the federal language.

In addition, there are other very significant provisions which were new with the enactment of the State Welfare Reform Act such as; 45% Earned Income Disregard, changes in the resource limits and domestic violence screening (family violence option). Each of these provisions is more significant in scope to welfare reform than the changes to the treatment of unmarried teen parents and the change to the offer of a home provision, and should be included as bulleted items in this section. (OTDA)

- Page 10, second and third sentences in the first bullet. For accuracy, as well as consistency with the text provided on pages 25 and 26 of the Report, the text should be modified to read: "When the screening indicates that there is reason to believe an individual is **abusing or is dependent on alcohol or drugs**, counties must require the individual to undergo a formal assessment conducted by an OASAS-credentialed **professional**. If the assessment determines that **the individual's abuse** is a barrier to work, counties must send the **individual** to appropriate treatment **in a facility certified or licensed by OASAS.**"

Further, the final sentence of the bullet should read: "Individuals who fail to cooperate in the screening or assessment processes are ineligible for public assistance." The requested modification to this sentence is the deletion of the words "or treatment" following the word assessment in the original Report text. If a person refuses or fails to cooperate in treatment, the statute indicates that durational sanctions will be employed, but it does not provide that such individuals are rendered ineligible. (OASAS)

- Page 11, second paragraph, third bullet. Instead of "homeless shelters", the operative term should be "temporary emergency housing". (OTDA)
- Page 11, second paragraph, fourth bullet. Instead of "establishment of paternity for purposes of," substitute "improvements in".

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- Page 14, under the heading "Collaborative Efforts". One additional team should receive mention. It is:

Domestic Violence Workgroup

The Welfare Reform Act of 1997 adopted the Family Violence Option, of the federal law. This workgroup came together to develop the policy, the regulations, the administrative directive and to provide the training to implement the law. The workgroup was comprised of representatives from the Governor's Office (which chaired the workgroup), OTDA, OCFS, the Office for the Prevention of Domestic Violence, local district staff, the NYS Coalition Against Domestic Violence as well other advocates and service providers. (OTDA)

- Page 19, paragraph two. The report speaks of proposed TANF reporting requirements containing a total of 172 elements. In addition, the November 20, 1997 proposed rules appear to require that states report on separate state programs and MOE programs in order to qualify for high performance bonuses, caseload reduction credits, and work penalty reductions. (OTDA)
- On page 19, paragraph 3, the report is critical of OTDA's accumulation of data to comply with federal reporting requirements. OSC fails to recognize that New York is among the nationally recognized leaders in complying with HHS's Emergency TANF Reporting Requirements. Federal welfare reform legislation has implemented the most sweeping changes ever seen in the nation's welfare history. Some states are so overwhelmed with the program and reporting changes that they cannot substantially comply with the federal reporting requirements. New York has been successful in meeting federal deadlines and complying with HHS's "Good Faith Effort" requirement. (OTDA)
- Page 20, paragraph one. OSC mentions the co-location of JOBS staff with local social services district staff. JOBS staff represent only one component of DOL's involvement in welfare reform. All local districts participate in programs administered by DOL. (DOL)
- Pages 24 and 44, the first full sentence in the first paragraph under "Office of Children and Family Services", both pages 24 and 44 should be deleted and replaced with the

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following: “the role of OCFS in New York State’s reformed welfare system is to fund and supervise the provision by social services districts of day care services, child welfare services, and residential and non-residential services for victims of domestic violence.” It also directly funds the start-up and expansion of day care programs and the operation of child care resource and referral programs. In addition, OCFS funds the provision by social services districts and community agencies of supportive services for teen parents. (CFS)

The two (2) referenced changes need to be made in order to correct the inaccurate statements in the draft report that imply the Office of Children and Family Services is responsible for either ensuring the provision of, or directly providing day care services, child welfare services and supports for teen parents. (CFS)

- Page 23, paragraph one. OTDA does not administer the EDGE program with SED and DOL. (DOL)
- Page 24, the findings were positive in that OSC indicated the agency had been active in ensuring “adequate day care services are available for public assistance recipients who participate in welfare-to-work programs and to provide services in such areas as child welfare, domestic violence and support for teen parents.” (CFS)
- Page 25, the first paragraph, OCFS concurs that we need to continue to enhance our on-going planning efforts in the area of child care. (CFS)
- Page 26, second sentence of the second paragraph, the words “licensed or funded” should be replaced with “licensed **and/or** funded”. (OASAS)
- Page 37, last sentence of the third paragraph. Monroe County expressed concern over the fact that DOL staff are not co-located with county public assistance staff. This should be remedied when the One-Stop Workforce Development sites are established in the Finger Lakes Region. (DOL)

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- Page 39, Development and Improvement of Information Systems Section. The description of systems initiatives appears to use Welfare-To-Work Caseload Management System (WTWCMS) and Welfare Management System (WMS) redesign interchangeably. In fact, these are two separate projects, funded along with the short-term TANF Reporting and Tracking Database. The WTWCMS for which DOL has responsibility for user requirements will be the primary source of participation data. (DOL)
  - Page 41, fifth sentence of the last paragraph states "...there is no provision for monitoring individuals who leave public assistance to determine whether they become self-sufficient and if it is sustained." The Labor Department is building a longitudinal wage record file that will be used to compare public assistance recipients' earnings before, during and after they were receiving TANF. State law permits using this file to track individuals for up to ten years. As the comptroller's staff was advised, DOL and OTDA are also actively engaged in developing a comprehensive welfare reform evaluation based on a proposal submitted to the NYS Legislature in December of 1997. (DOL)
  - Page 42, third and fourth sentences of third paragraph. The Comptroller noted the "...need for an independent evaluation of the program." The evaluation areas, priorities and evaluating organization will be determined in discussion forums with experts in the field of welfare research during the fall of 1998. (DOL)
  - Page 44, third paragraph, OSC has referenced follow-up report #97-F-18 issued July 16, 1997, indicating they "found that OCFS was in the process of implementing our recommendations". In reviewing that follow-up report, we find that OSC stated on page 2 that "Our follow-up review shows that department officials have fully implemented all of our recommendations." (CFS)
  - Page 45, last sentence of first full paragraph states that "We believe DOL and ESDC should work together to develop appropriate performance measures for training programs involving public assistance recipients." DOL and OTDA have collaborated to establish uniform performance measures such as placement in employment. These measures will be applied to programs in which ESDC identifies employers for public assistance recipients. (DOL)

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- Page 45, paragraph two. Unlike the JOBS program, under TANF we are required to submit a sample including demographic and employment program participation. We are not submitting our participation rates per se, but the sample includes data that enables HHS to calculate our rates. (DOL)
  - Page 48, question number 5, under the heading of *Program Results*, should be modified to be consistent with the derivative text noted in the last paragraph on page 44, and continuing at the top of page 45, which reads:

*“... consistent with the NYS Act, OASAS will continue to serve OTDA in a consultative role, in the development, application and evaluation of any performance measures relating to the effectiveness of the public assistance screening and assessment functions.”*

Accordingly, question number 5 should read: “How will **OTDA**, in consultation with **OASAS**, evaluate the effectiveness of the alcohol/substance abuse screening form as well as the effectiveness of the required assessment and treatment of public assistance recipients for alcohol and substance abuse?” (OASAS)

- Page 48, question number 6 under “Program Results”, OSC poses the question of “what performance measures should OCFS develop relating to public assistance programs?” This needs to be clarified or more specifically stated since, in general, OCFS would not be developing performance measures for public assistance programs. (CFS)
- Exhibit A: “Cattaragus” should be “Cattaraugus.” (DOL)