

ALAN G. HEVESI  
COMPTROLLER



110 STATE STREET  
ALBANY, NEW YORK 12236

STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

January 23, 2003

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

Re: Report 2002-F-48

Dear Mr. Wing:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have reviewed the actions taken by officials of the Office of Temporary and Disability Assistance (OTDA) as of December 16, 2002, to implement the recommendations contained in our audit report, *Alcohol and Substance Abuse Screening, Assessment, and Treatment of Family Assistance Recipients* (Report 99-S-37). Our report, which was issued on May 26, 2000, examined OTDA's implementation of the alcohol and substance abuse screening, assessment, and treatment requirements for family assistance recipients during the period of January 1, 1998 through January 30, 2000.

**Background**

The Federal government fundamentally altered the nature of welfare when it enacted the Personal Responsibility and Work Opportunity Reconciliation Act (Federal Act) of 1996. The Federal Act ended the open-ended Aid to Families with Dependent Children entitlement program, and replaced it with the Temporary Assistance for Needy Families (TANF) Block Grant. TANF limits assistance to needy families to a lifetime maximum of 60 months.

In August 1997, New York State (State) passed its own Welfare Reform Act (NYS Act). The NYS Act closely mirrors the Federal Act and includes a Safety Net Assistance program (Safety Net). Serving able-bodied adults and childless couples, Safety Net was implemented to meet the State's constitutional requirement to provide for the needy. It also serves families that have exhausted their five-year TANF benefits, individuals who cannot work because of alcohol and substance abuse problems, and certain non-citizens.

The implementation of the NYS Act includes the enforcement of work requirements, the collection of child support, restrictions on minor teens' ability to receive benefits as heads of household, and screening for alcohol and substance abuse. OTDA is responsible for disseminating policy, maintaining computerized recipient information on the Welfare Management System, and

monitoring and overseeing the 58 local social services districts (districts) that provide services to recipients.

Certain welfare reforms specifically address the barriers to employment some recipients face because they have engaged in alcohol or substance abuse. Applicants are now required to undergo screening for alcohol and substance abuse when applying for benefits. Districts may screen recipients periodically after the initial screening, but unless there is evidence to indicate abuse, it may not be done more often than every six months. Depending on the screening results, recipients or applicants may be required to undergo an assessment and may receive treatment. According to OTDA directives, districts are responsible for verifying that all recipients have complied with these requirements and thus are eligible for family assistance benefits.

### **Summary Conclusions**

In our prior audit, we found that OTDA did not have a system for capturing the data needed to monitor the implementation of the NYS Act and the associated costs of meeting the screening, assessment, and treatment requirements. In addition, OTDA had not developed performance and outcome measures that could be used to assess the efficiency and effectiveness of this process. As a result, OTDA did not have the data it needed to determine whether districts were meeting the implementation requirements or whether recipients were receiving necessary services.

In our follow-up review, we found that OTDA has made progress in implementing the recommendations contained in our prior audit.

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

Of the seven prior audit recommendations, OTDA officials have implemented four recommendations and partially implemented three recommendations.

### **Follow-up Observations**

#### **Recommendation 1**

*Require that districts periodically report data for screening, assessment, and treatment of TANF and Safety Net recipients for substance and alcohol abuse.*

Status – Implemented

Agency Action – On March 9, 2000, OTDA informed all districts that, beginning with the April to June 2000 quarter, they were to report quarterly activities related to the screening, assessment, and treatment of TANF and Safety Net recipients. According to officials, data compiled from these reports have been used to improve program performance. However, as of January 2003, these quarterly reports are being replaced with semi-annual performance measurement data that are to be used to identify trends and help determine program compliance and improvement recommendations. The data could also be used to target districts that need onsite reviews, presenting opportunities for the identification of possible corrective actions or the application of best practices.

### **Recommendation 2**

*Analyze the data obtained from the districts and report statewide results.*

Status – Partially Implemented

Agency Action – OTDA has implemented a quarterly report process that provides data on activities related to the screening, assessment, and treatment of TANF and Safety Net recipients. These reports are sent to the Bureau of Transitional Programs for review and analysis. According to officials, analysis of these data has resulted in program changes that have led to improvements in the program. As of January 2003, districts are being required to report performance measurement data on OTDA's TANF Tracking and Reporting and Control System (TRACS) instead of issuing quarterly reports. TRACS data are expected to enable OTDA officials to identify trends, both Statewide and district-wide, in program compliance, adding significantly to the reporting process and providing OTDA with a better tool for data analysis.

### **Recommendation 3**

*Use the data to identify those districts that are not adequately implementing the screening, assessment, and treatment requirements, and take necessary corrective measures.*

Status – Implemented

Agency Action – OTDA has identified issues and taken corrective action after audit reviews at the ten largest districts and in New York City. As of January 2003, districts are being required to report performance measurement data. This data can be used to identify trends by districts in the treatment-to-employment program and could be used to identify districts where corrective actions or program improvements are needed.

### **Recommendation 4**

*Develop performance and outcome measures for the screening, assessment, and treatment process.*

Status – Implemented

Agency Action – As of January 2003, districts are being required to report performance measurement data on TRACS, replacing the quarterly reports. These data will enable OTDA to identify both Statewide and district-wide trends in program compliance. They can also be used to determine program compliance and to identify districts where corrective actions can be undertaken or program improvements can be made, although noticeable results may not be obtained until after several recording periods. OTDA should have sufficient data by then to develop the measures recommended.

### **Recommendation 5**

*Establish a Memorandum of Understanding among the relevant agencies to identify whose responsibility it is to develop and report performance measures.*

Status – Implemented

Agency Action – OTDA has established collaboration between itself, the Department of Labor, and the Office of Alcohol and Substance Abuse Services (OASAS) to report wage data and to address the deficiencies OTDA's audits identified at the districts. Although this is not a Memorandum of Understanding, as recommended in our prior audit report, it serves as a working agreement between parties to ensure that program goals are attained.

### **Recommendation 6**

*Analyze and compare reported data to performance measures and outcomes on the ability of recipients to maintain participation in work activities. Make program changes where necessary.*

Status – Partially Implemented

Agency Action – Although OTDA has taken steps to develop a reporting system and the performance measures needed to translate data into trends, recommendations for corrective actions or program improvements will not be ready for some time and may not have any relevant usefulness for several reporting periods after January 2003. Because OTDA has developed the TRACS reporting system and the performance criteria, data will be available for the type of analysis recommended as soon as the districts begin using it.

### **Recommendation 7**

*Analyze data relating to the cost of alcohol and substance abuse screening and assessment for TANF and Safety Net recipients. Use this data to monitor cost by district.*

Status – Partially Implemented

Agency Action – Officials state that costs related to the screening and assessment of TANF and Safety Net recipients cannot be monitored easily. Since screening is part of the overall eligibility determination process for TANF, OTDA cannot isolate its costs from the overall eligibility costs. For assessment, districts' programs vary so widely that it is virtually impossible to compare costs. However, as part of its TANF review plan for each district, OTDA does monitor the costs.

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

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

Very truly yours,

Frank J. Houston  
Audit Director

cc: David Dorpfeld, OTDA  
Deirdre Taylor, DOB