State of New York
Office of the State Comptroller
Division of Management Audit

DIVISION FOR YOUTH

OVERSIGHT OF DELINQUENCY PREVENTION PROGRAMS

REPORT 95-S-137

H. Carl McCall

Comptroller

State of New York
Office of the State Comptroller

Division of Management Audit

Report 95-S-137

Mr. John A. Johnson
Director
Division for Youth
Capital View Office Park
52 Washington Street
Rensselaer, New York 12144-2735

Dear Mr. Johnson:

The following is our report on the Division for Youth's oversight of delinquency prevention programs.

This audit was done according to the State Comptroller's authority as set forth in Section 1, Article V of the State Constitution and Section 8, Article 2 of the State Finance Law. We list major contributors to this report in Appendix A.

Office of the State Comptroller
Division of Management Audit

January 29, 1998

Executive Summary

Division For Youth
Oversight Of Delinquency Prevention Programs

Scope of Audit

Division for Youth (Division) management oversees delinquency prevention programs, which are provided by municipalities and local not-for-profit corporations. While some of the programs are administered directly by the Division, most of the programs are administered by the counties under the overall direction of the Division. A large portion of the costs incurred by these programs is reimbursed by the Division. During 1995, these reimbursements totaled $51 million. New York State's juvenile crime rate is one of the highest in the nation, and violent crimes committed by youth are increasing nationwide. We audited the Division's oversight of delinquency prevention programs for the period January 1, 1993 to October 31, 1996.

Our audit addressed the following questions about Division management's oversight of delinquency prevention programs:

- Has management provided effective direction in meeting program objectives?
- Are program services planned, monitored and delivered in accordance with program intent?
- Does management evaluate programs for their effectiveness in controlling juvenile delinquency?

Audit Observations and Conclusions

In the past, reports from the State Comptroller, State Legislature, Division of the Budget and Council on Children and Families have recommended changes to improve the efficiency and effectiveness of delinquency prevention programs. We found that Division managers still need to take additional steps to ensure that the programs are properly planned, monitored and evaluated, and that resources are properly managed and accounted for.

Based on our review and testing of program costs, we found that an average of 25 cents of every dollar spent on this program goes toward administration. In addition, as described later, our limited testing of program expenditures showed that more than $200,000 of almost $1 million (or 20 cents of every dollar) were either not consistent with Division reimbursement guidelines or not directly related to program services. Furthermore, while the remaining 55 cents of every dollar goes directly toward programs, management does not take sufficient action to determine whether these programs are effective in helping to prevent juvenile delinquency.

Counties are required to develop formal plans describing the problems faced by their youths and the strategies needed to address these problems. We found differences between the program needs identified by the plans approved by the Division and the programs that were eventually funded. This increases the risk that some programs funded by the Division may not address the problems most in need of attention. (See pp. 9-10)

We examined the procedures used to monitor the performance of program providers and found that, generally, the providers are not monitored closely. Also, we found that some providers are not monitored at all. Further, many providers receive funding year after year while not meeting contract requirements and goals. Although the type of service or program may be needed, the Division does not always take steps to improve provider performance. Therefore, Division managers cannot be assured that these programs are serving youths as intended and that funds are expended for their intended purpose. (See pp. 11-12)

Our review of a limited sample of $1 million in provider reimbursements disclosed that about $200,000 of these reimbursements should not have been made because they were contrary to Division guidelines. For example, some providers were reimbursed for expenditures unrelated to delinquency prevention programs and other providers were reimbursed for expenditures that were already covered by fees charged to participating youths. (See p. 13)

Division officials are also responsible for ensuring that the effectiveness of the programs is evaluated. However, we found that the Division does not perform such evaluations. As a result, Division officials cannot be assured that the programs are effective. (See pp. 16-17)

We also examined Division management's procedures for reimbursing providers' administrative costs. We found that Division management has no controls for preventing excessive administrative costs. When we analyzed a sample of provider reimbursements, we found that about 25 percent of the reimbursements related to administrative costs. We question whether such a percentage is excessive, especially when considerable administrative costs are also incurred by the Division and the counties. We also note that, because of a lack of adequate coordination among the Division and other State agencies, excessive administrative costs may be incurred for delinquency prevention programs that are funded by more than one State agency. (See pp. 19-23)

We conclude that Division management needs to assess the overall effectiveness of delinquency prevention programs and take a more active role in facilitating and monitoring the course of local delinquency prevention efforts. More attention should also be placed on cross-agency coordination. We recommend therefore that Division management work with State and local policy makers to establish a more coordinated system of program planning, oversight and accountability. (See pp. 5-7)

Comments of Division Officials

Division officials, claimed that the report includes inaccuracies, generalizations based on inappropriate sample sizes and unsupported conclusions. They stated, however, that they have begun to implement many of the constructive recommendations identified in the audit.

Contents

Introduction

Background 1
Audit Scope, Objectives and Methodology 2
Comments of Division Officials 3

Program Direction 5

Program Planning, Monitoring and Evaluation

Assessing Youth Needs and Planning Program Services 9
Program Monitoring 11
Program Evaluation 16

Other Matters 19

Appendix A Major Contributors to This Report

Appendix B Comments of Division Officials

Introduction

Background

The Division for Youth (Division) was created by Chapter 881 of the Laws of 1960. Its primary mission is to prevent delinquency through positive youth development. The Executive Law authorizes the Division to establish, operate, maintain or contract for youth development and work training programs to prevent and control juvenile delinquency. Approximately 4,000 agencies receive Division funding to operate these programs. Most of these agencies are community-based not-for-profit corporations, and some are municipal governments. These youth development and work training programs are generally non-residential programs that furnish such services as individual and group counseling, remedial and tutorial assistance, opportunities for recreation and physical exercise, and guidance in preparing for employment.

There are three types of delinquency prevention programs: (1) Youth Development and Delinquency Prevention programs, which target the general youth population; (2) Special Delinquency Prevention programs, which target high-risk youth and communities; and (3) Runaway and Homeless Youth Act programs, which provide shelters and support services for runaway and homeless youths. In addition, each year the State Legislature identifies specific program providers and appropriates delinquency prevention funds for their use.

Delinquency prevention programs are allocated approximately $49 million annually in State funds. Funds are allocated to the counties based on their youth census or youth arrest statistics. Under the overall direction provided by the Division, county governments select, monitor and partially finance most delinquency prevention programs. They can contract with delinquency prevention agencies, run programs themselves, and/or have their cities, villages, towns, etc. contract with delinquency prevention providers. In addition, some providers contract directly with the Division.

The Division reimburses delinquency prevention agencies up to 100 percent of approved program costs, depending on the type of program and the monies available. Grants for administrative costs are also provided to county and municipal youth bureaus. Delinquency prevention programs may also receive funding from local governments, other State agencies, and private sources.

Audit Scope, Objectives and Methodology

We audited the Division's oversight of delinquency prevention programs for the period January 1, 1993 through October 31, 1996. We focused on programs in New York City, Albany County, Erie County and Onondaga County, where approximately 50 percent of the Division's delinquency prevention funds are spent. The objectives of our performance audit were to determine whether (1) Division management provided effective direction in meeting program objectives, (2) program services were planned, monitored and delivered in accordance with program intent, and (3) the programs were evaluated for their effectiveness in controlling juvenile delinquency. To accomplish our objectives, we reviewed applicable laws, rules, regulations, policies and procedures; interviewed Division, local youth bureau and provider employees; observed program employees performing their responsibilities; and reviewed Division, local youth bureau and provider records. We also reviewed reports prepared by other government organizations addressing Division delinquency prevention programs.

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

We use a risk-based approach when selecting activities to be audited. This approach focuses our audit efforts on those operations that have been identified through a preliminary survey as having the greatest probability for needing improvement. Consequently, by design, finite audit resources are used to identify where and how improvements can be made. Thus, little audit effort is devoted to reviewing operations that may be relatively efficient or effective. As a result, our audit reports are prepared on an "exception basis." This report, therefore, highlights those areas needing improvement and does not address activities that may be functioning properly.

(In response to the draft report, Division officials indicate that, in their opinion, the audit did not adhere to generally accepted government auditing standards and they question the accuracy of the conclusions reached based on examination of a very limited sample of programs and reimbursements. However, the response also indicates that action has been taken to implement many of the constructive recommendations.

Contrary to Division officials' assertions, this audit was done according to generally accepted government auditing standards. Furthermore, the report reflects the conditions found at the time of our audit. It is significant to note that the auditors found problems at each of the 51 programs they visited across the State. Therefore, the conditions reported on such as program weaknesses, questionable expenditures, and non-compliance do not appear to be isolated and the selection of a larger sample would not have significantly changed the results.)

Comments of Division Officials

Draft copies of the matters contained in this report were provided to Division officials for their review and comment. Their comments have been considered in preparing this report and are included as Appendix B.

Division officials claimed that the report includes inaccuracies, overly broad generalizations and unsupported conclusions drawn from limited audit testing. In addition, Division officials disagreed that there is a legitimate basis to question program effectiveness. Nevertheless, officials stated they have already begun to implement many of the constructive recommendations identified in the report.

Contrary to Division officials' assertion, the report accurately portrays the conditions which existed at the time of our audit. Based on these conditions, we believe it is reasonable to conclude that there is a legitimate basis to question overall program effectiveness. In this regard, Division officials have taken some steps to improve program planning and oversight, but need to take further corrective action.

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

Program Direction

One of the Division's primary missions is to help prevent juvenile delinquency through positive youth development programs. Over the past 25 years, the Legislature, State Comptroller, Division of the Budget and the Council on Children and Families have raised concerns about the effectiveness of delinquency prevention programs. These concerns include the need for input into and coordination with local programs, the absence of effective systems for program planning, monitoring, evaluation and accountability, and whether or not the resulting programs and services delivered to youths are effective in helping prevent delinquency.

State aid to local delinquency prevention programs has grown from about $3 million in 1960 to $51 million in 1995. This funding rise has resulted in a proliferation of programs, local providers and service contracts, which the Division and local agencies must coordinate and administer. Based on our review of several of the Division's activities such as how it monitored performance of program providers, evaluated the effectiveness of programs and reviewed providers' administrative costs; we concluded that Division and local agency efforts are not focused sufficiently on actively directing, overseeing and evaluating program results. Consequently, there continues to be insufficient evidence either to support or refute the effectiveness of Division efforts to prevent delinquency.

(In response to the draft report, Division officials claim that $97 million was allocated for these programs, and includes the three fiscal years 1993-94 through 1995-96. However, our audit only covered the $51 million reimbursed to providers for 1995 costs, based on Division records provided to us.)

Current nationwide trends in juvenile arrests for crimes indicate that juvenile delinquency is increasing, despite existing networks of programs for delinquency prevention, intervention and treatment. Given this environment, there is a need to evaluate current delinquency prevention efforts and focus more on whether such programs are effective in addressing the root causes of delinquency rather than the symptoms.

For example, reports from the Federal government and other agencies indicate that arrests of juveniles for crimes, especially violent crimes, continue to increase, and the number of juveniles held in custody is increasing. In addition, the number of violent crimes committed against youths has increased. By 2005, the total population of youths aged 15 to 19 is projected

to grow by an estimated 23 percent. A November 1995 United States Department of Justice report states, "The ominous increase in juvenile crime coupled with population trends portend future crime and violence at nearly unprecedented levels." Division reports of youths admitted to custody also indicate that crimes against persons are on the rise, whereas crimes against property are decreasing. In addition, controlled substance and weapons offenses have increased. In addition, a recent report by the Annie E. Casey Foundation, a non-profit organization, indicated that New York's juvenile crime rate is the highest in the nation, based on juvenile arrests per 100,000 population from 1992 to 1994.

In February 1994, the Federal Office of Juvenile Justice and Delinquency Prevention issued funding guidelines for Title V incentive grants for local delinquency prevention programs. The guidelines include the following four major precepts:

- programs must be based on sound theory supported by positive research results;

- programs must collect and analyze data to evaluate outcomes and performance;

- efforts must be collaborative and draw on public, private and volunteer resources; and

- programs must be planned, with periodic assessment and prioritizing of risk factors to address community and youth needs.

Our review of the Division's practices disclosed that it did not have established performance measures for all of the programs that were funded, programs that did not meet the service levels stated in the contract continued to be funded without any evidence that the lower level was justified, it reimbursed providers for expenses that were not consistent with Division guidelines and reimbursed programs whose administrative costs actually were as high as 100 percent of the funds received (which are described in the following sections of this report). Therefore, we conclude that Division management needs to take a more active role in facilitating and monitoring the course of local delinquency prevention efforts. This should include establishing a program framework which includes precepts that address areas such as those stated above for Title V programs. Division officials replied that presentation of these guidelines are inappropriate. However, we believe that the use of these guidelines is appropriate to demonstrate that other government funded delinquency programs do measure performance and

outcomes. In addition, existing programs need to be evaluated to determine whether they are efficient and effective.

Recommendation

1. Establish working groups, comprised of State and local policy makers and service providers, to determine the best ways to establish appropriate mechanisms to plan, coordinate, facilitate, monitor and evaluate delinquency prevention programs, and to help ensure that the programs deliver services as intended to youths.

   (Division officials stated they have historically participated in collaborative endeavors with various local government officials and other stakeholders to plan and develop appropriate youth programs and to address the audit issues. Officials added they are currently involved in reviewing and revising the rules and regulations governing Youth Development and Delinquency Prevention programs. While these activities are noteworthy, it must be emphasized that program monitoring and evaluation are necessary to ensure that programs are effective and that youth benefit from them.)

Program Planning, Monitoring and Evaluation

Delinquency prevention programs are undertaken through the combined efforts of the Division, local youth bureaus and other local governmental agencies, as well as local not-for-profit service providers. To maximize the likelihood that the programs will operate efficiently and effectively, County Comprehensive Plan guidelines state that a coordinated system of program planning, oversight and accountability should be established. Key activities in such a system include assessing youth needs and required youth services, monitoring program activities, evaluating the effectiveness of these activities, and taking corrective action.

However, we found that Division managers need to take additional steps to ensure that delinquency prevention programs are effectively planned, monitored and evaluated. Otherwise, the programs are less likely to foster positive youth development and minimize delinquency.

Assessing Youth Needs and Planning Program Services

Each county providing delinquency prevention programs is expected to develop a three-year County Comprehensive Plan for Youth Services (Plan). The Plan should describe the problems faced by youths in the county as well as those strategies needed to effectively deal with the problems. Division approval of the Plan is required for State reimbursement. After the Division approves the Plan, counties identify providers and attempt to match identified needs with available services. Provider contracts are then submitted to the Division for approval and funding.

We found differences between identified program needs, the programs eventually funded, and the demand for program services. This occurred, in part, because Division managers did not appear to match local needs to actual programs funded to verify that the Plan is being carried out.

- Erie County officials identified a major need for teen pregnancy prevention programs, but funded only one program that deals specifically with preventing teen pregnancy. (In response to the draft report, Division officials stated that the needs identified were addressed through local Department of Social Service (DSS) programs. However, there was no evidence that the Erie County youth bureau was aware that the local DSS provided such programs, or whether such programs adequately addressed the need.)

- Onondaga County officials told us that there is a need for more shelters for runaway and homeless youths. However, the occupancy rate for 4 of

5 shelters we reviewed was less than capacity, in fact one was only 65 percent.

- Albany County officials did not indicate a need for youth mediation and career awareness programs; however, programs in Albany County addressing these issues were funded by the Division.

As a result of these differences between what is identified as needed and what is funded, it is less likely that local delinquency problems are effectively addressed.

We also found that the needs assessment portions of some Plans are very general. For example, in Onondaga County, the 1995-98 needs assessment for education programs indicates that youths may not have the necessary education and training to succeed at available jobs. We saw no documentation or statistics to confirm this need. In New York City, while some community boards provided statistics confirming their youth program needs, several community boards provided no documentation to support their needs.

Recommendation

2. Take a more active role in working with localities and providers to identify and prioritize program needs and services. Develop a comprehensive plan which helps ensures that community and youth needs are met by providing appropriate services and funds.

   (Division officials stated they recognize the need to strengthen the County Comprehensive Planning process, through which local youth bureaus identify youth needs and resources for Division funding. They are involved in the implementation of a streamlined county youth planning process which will be piloted in counties and is based on resources being available in FY 1997-98.)

Program Monitoring

The Division monitors providers who contract directly with the Division, while local youth bureaus are responsible for monitoring the remaining providers. This monitoring is necessary to provide assurance that providers deliver the services specified in their contracts. We found that Division management's oversight of localities and providers which contract directly with the Division needs improvement.

To determine the extent to which providers complied with contract requirements and otherwise met program objectives, we selected a judgmental

sample of 51 programs, which received approximately $3 million in funding for 1995. At these programs, we reviewed attendance records, case files, sign-in sheets, and other available records. We found that 24 programs (47 percent) served significantly fewer youths than the number of youths indicated in their funding applications. As a result, we calculated that as much as $640,000 of the $3 million paid to these providers was for programs which, according to their program application, were supposed to serve more youths than they did. The following are examples:

- A youth development program in Albany County served only 1,039 youths (23 percent) of the 4,500 listed on its program application.

- A New York City program received $325,000 to provide recreation to 160,000 youths. The program application indicated that recreation would be provided seven days a week year round; however, we found the program operated for only seven months, and only on weekends for five of the seven months. Based upon the records provided, we estimate that only 39,772 youths (25 percent) received services.

- An Onondaga County after school tutorial program received almost $51,000 for the salaries and fringe benefits for two part-time administrators and ten part-time educators (three teachers were funded by the locality). This program was slated to serve 85 youth and operate at three sites for four hours each day Monday to Thursday. However, based on our review, at least one of program's three sites appeared to operate for only about one hour daily, and only during the ten-month school year. We visited this site on three occasions during April and May 1996 (between 3:00 p.m. and 4:55 p.m.) and observed no youth being served. For example, on May 20, 1996 at 4:55 p.m. the classroom was locked, and the cleaner told us that the floor had been vacated by 3:30 p.m. We also found serious problems with the reliability and validity of the available attendance records. For example, some youths were recorded as present in this after school program, even though they were absent from regular school. In addition, when we asked why no youth were being served on those days we visited, officials stated that the youths just departed. At a second program site, no attendance records were even maintained.

- An Erie County 24-hour hotline crisis/counseling program was to serve 110 inner city at-risk youths, however only 17 were served.

To some extent, intended services may not be provided because programs are not adequately monitored. We found that when monitors do visit, their visits are generally limited in scope or duration, and the fiscal and program records may not be reviewed. For example, officials at one youth bureau visited none

of their providers during 1993, 1994 and 1995, and the Executive Director of another youth bureau told us that he did not review the counseling records of many providers because he considered the records to be confidential. (When we visited such providers, we were given access to counseling records.) We also found that many providers, such as park and recreation departments, agencies receiving funding from legislative initiatives and certain municipality-operated programs, are not monitored at all. Consequently, there is no accountability over these programs, which received almost $12.5 million in funding for 1995.

To determine whether a provider has complied with the terms of its program contract, youth bureau staff and Division staff must clearly understand the services required and the number of youths to be served. However, we found that the required services are often not clear. For example, the application for a runaway and homeless youth program in Albany County indicated that 30 to 50 youths would be served, while the narrative attached to the application indicated that between 695 and 775 youths would be served. In fact, available records we reviewed at the provider indicated that only 20 youths were served. In addition, a $50,000 legislative initiative in New York City was to distribute funds to community organizations. The program application did not specify the number of youths to be served nor the allowable purpose of these funds.

We also found that certain providers and youth bureaus reported youths as fully served even when only negligible services were provided. For example:

- In one employment training program, youths who telephone only to report an address change are counted as fully served by the provider and youth bureau.

- A provider in Albany County that matches adult role models with youths considers a youth fully served when interviewed and qualified for a match, even if the match is not made. However, another provider in the same area does not consider a youth fully served until the youth has been matched.

- A Staten Island provider was supposed to provide ongoing counseling and related case management services to victims of domestic violence. However, according to the program director, the provider counsels the victims only once and then refers them to another program.

Staff at local youth bureaus and the Division do perform desk audits of provider fiscal records, but we found these audits have serious shortcomings. In general, providers merely submit a listing of payroll costs or purchases and

are not required to supply vendor invoices, employee payroll records or canceled checks to corroborate these expenditures. As a result, program monitors cannot be assured that the expenditure claims are valid and accurate.

We selected a judgmental sample of reimbursed expenditures from 1995 totaling almost $1 million and found that more than $200,000 (20 percent) of these reimbursements were not consistent with Division guidelines. Following are examples of the some of the major exceptions we found:

- One New York City provider was reimbursed $115,383 for personal services not identified in the contract. In addition, the provider could not support $35,165 in other reimbursed costs.

- One New York City provider was reimbursed $14,706 as rental expense, however the funds were used to repay a bond for the purchase and renovation of the program site which are non-reimbursable costs.

- Several providers claimed reimbursement for the value of volunteer services, which is not an expense and youth fees charged which are revenues.

- Providers were reimbursed for duplicate payments, expenses which exceeded allowable limits, costs incurred prior to the contract, inappropriate telephone charges, or other unsupported expenses.

We also found that certain providers receive funding year after year despite not meeting contract requirements and goals. While the specific type of service or program may be needed, the Division and local youth bureaus do not always take steps to improve the performance of such providers. In this respect, the Division and local youth bureaus appear to place greater emphasis on distributing funds than on program monitoring. In the absence of adequate monitoring, Division managers cannot be assured that these programs operate as intended and funds are expended for their intended purpose. In addition, when funds are improperly spent, less money is available for the youths in need of delinquency prevention services.

(In response to the draft report, Division officials claimed that the auditors examined a total of $3 million in program expenditures, rather than the $1 million actually reviewed. While records showed that these providers were allocated $3 million, auditors only reviewed a portion of these reported costs. Division officials added that our sample was too small and did not satisfy basic standards for audit testing. We believe that the sample size was adequate, and that the audit results stated in the report are based on sufficient evidence for the programs reviewed.)

Recommendations

3. Work with State and local policy makers to establish on-going fiscal accountability to:

   - ensure that all providers receiving delinquency prevention funds comply with contract terms,
   - ensure that the services expected from providers are clearly delineated in the contract, monitored and delivered,
   - require providers to submit complete documentation in support of expenditure claims, and
   - ensure that provider expenditure claims are not reimbursed unless they are consistent with Division guidelines.

   (Division officials stated they have implemented various improvements in contract compliance procedures in response to recommendations resulting from a 1994 Comptroller's audit. Procedures include more frequent fiscal monitoring, annual reporting by all programs, and self-monitoring by the localities and providers. However, more action is needed to fully address our current recommendation. As detailed on Pages 11 through 14 of this report, we found that many localities are not adequately monitoring their programs, and some localities do not monitor their programs at all. Consequently, reasonable assurance may not exist that programs are fulfilling contract expectations and that program expenditures are appropriate.)

4. Recover the $200,000 in inappropriate reimbursements identified by our audit.

   (Division officials stated they are currently examining the detailed listing of questioned costs, and will take appropriate follow-up steps to review applicable documentation and recoup funds should it be necessary. Officials added that they could not initially identify the $200,000 in inappropriate expenditures because of the general information contained in the draft report. However, throughout the audit, as well as in August 1996, we provided Division officials with all of the available information concerning these expenditures.)

Program Evaluation

Division managers, working with local youth bureaus and providers, are responsible for developing and maintaining a program evaluation system. Such a system enables management to determine the extent to which program goals are being achieved. Such a system also helps management to detect negative trends requiring corrective action and to properly allocate and manage resources.

We found that the Division and the local youth bureaus need to better evaluate the effectiveness of their delinquency prevention programs. We also found that providers often do not evaluate the effectiveness of their services. For example, only 7 of the 21 providers we sampled in Erie County during 1995 performed such evaluations. We commend the efforts made by these seven providers. Most notably, one of these providers, which was paid $225,000 to provide various services to 155 youths, established ten desired outcomes, six of which were objective and quantifiable, and measured the extent to which the desired outcomes were achieved. While the outcomes generally were not achieved, such an evaluation can be used to improve program effectiveness in the future.

In the absence of program evaluation, Division managers are less able to identify the types of programs that are most effective and devote additional resources to such programs. In fact, neither the providers, the local youth bureaus nor the Division can provide any evidence indicating that youths who participate in delinquency prevention programs are less likely to be involved in the juvenile justice system. The Executive Director of one provider told us that he would not evaluate his program even if funds were available to do so. He would instead provide additional direct services to youths. However, if these services are not effective, the youths will not benefit from the services, and program evaluation is required to determine whether the services are in fact effective.

Recommendations

5. Establish workshops with State and local managers and distribute guidance to reinforce the need for managers to take positive steps toward establishing program accountability and performance measures over delinquency prevention programs.

6. Develop and maintain a system of periodic program evaluation to determine whether delinquency prevention programs are effective in helping to prevent juvenile delinquency.

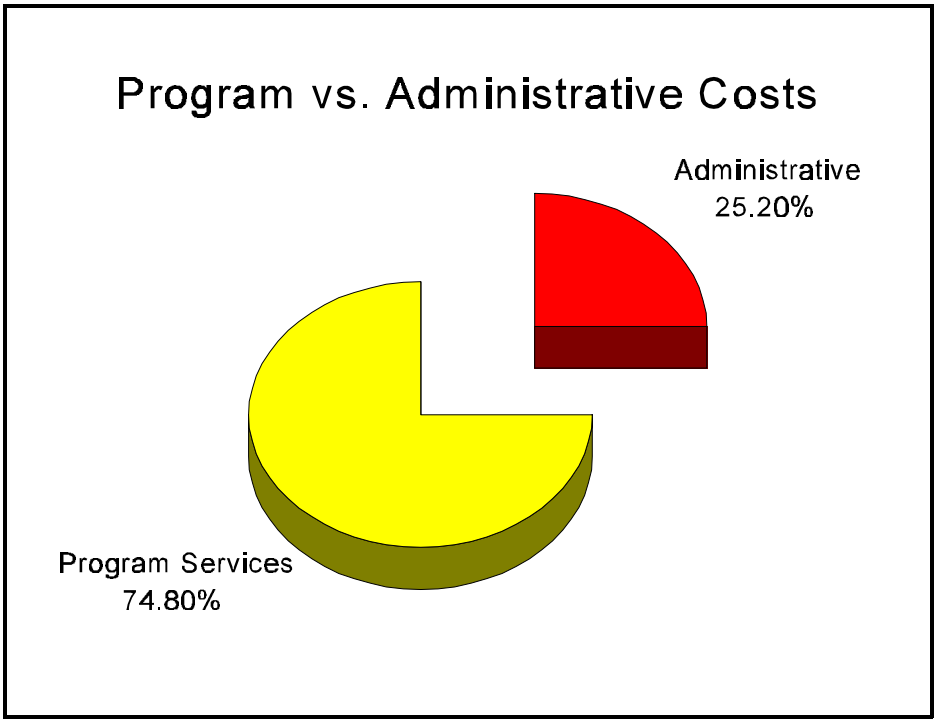
   (Division officials stated that, in June and July 1997, they conducted a series of workshops that addressed the need to provide managers of community-based organizations receiving State Delinquency Prevention Program funding with information and guidance regarding program accountability and performance measures. They added that effective January 1, 1998, program outcomes and results will drive program funding rather than just activities.)

Other Matters

We examined Division procedures for reimbursing providers' administrative costs. We also examined the delinquency prevention funds awarded to certain kinds of providers (local park departments, recipients of funding initiated by individual legislators, and providers funded by more than one State agency). We found that if improvements were made in each of these areas, more effective use could be made of delinquency prevention funds.

The administrative or overhead costs incurred by program providers primarily include office space charges and payroll costs for executive directors, assistants, coordinators, clerical staff and other employees who have no direct contact with the youths participating in the programs. To determine the extent to which the costs claimed by program providers are for administrative purposes, we analyzed the $3 million in expenses claimed during 1995 by the 51 providers in our judgmental sample. We determined that about $767,000 (25.2 percent) of the $3,040,000 in claimed expenses was spent on administrative or overhead costs.

The Division's reimbursement guidelines do not suggest an appropriate level



of administrative costs for program providers or include any other controls for preventing excessive administrative costs. In addition, because the Division does not track providers' administrative costs, it is less likely to identify instances when administrative costs are excessive. We also noted that considerable administrative costs are already incurred by the Division and the local youth bureaus. According to Division records, $5.6 million of the $51 million in program funds distributed by the Division in 1995 was used to fund administrative activities at the local youth bureaus and an additional $2.3 million was used to fund the Division's administrative activities. Without guidelines for preventing excessive administrative costs, there is less assurance that program funds are used in the most efficient and effective manner.

In general, delinquency prevention contracts specify personal service and other costs, but do not require a breakdown of administrative or program costs.

We note that, in some communities, the amount reimbursed for administrative costs exceeded the amount reimbursed for direct program costs. In fact, some providers used almost their entire grant for administrative purposes. Amounts reimbursed to providers as administrative or overhead costs actually ranged from zero to 100 percent of Division funds received. While this, by itself, is not an indication of any impropriety or abuse, the issue is whether or not the funds were used for the best possible purpose.

For instance, an Albany provider of emergency shelter and crisis intervention services used its full $26,000 for direct youth services. Also, an Erie County provider of recreational services used all of its $16,000 for direct services to youth. However, in contrast, we found a Brooklyn agency received $23,000 to help community organizations improve their management techniques, strengthen their fund raising capabilities and develop their resources. Another provider received $60,000 for employee coordination, planning, supervision and other administrative activities. We note that, in 1980, the Legislature also observed that a substantial portion of the Division's delinquency prevention funds was used for administrative purposes.

During 1995 the Division reimbursed $2 million in expenses that were claimed by local park and recreation departments. The reimbursed programs operated by these departments were supposed to help prevent juvenile delinquency. However, when we examined the programs that were reimbursed, we found that some of the programs related more to general park operations than to specific delinquency prevention activities. For example, Syracuse used such funding to operate ice rinks, pools, playgrounds and other programs. Some of these programs included services to adults. New York City also operated a Mobil Recreation Program involving sports and other table games for both adults and youth. We believe Division funding for parks

should be reassessed to ensure that it supports delinquency prevention efforts and does not simply supplement the funding intended for general park operations. Programs which target certain at-risk youth and have a positive effect on youth behavior should be emphasized.

In response to proposals by individual legislators (member items), the Legislature annually awards more than $3 million in delinquency prevention funding to specific providers. The State Comptroller's Office and Division of the Budget have issued guidelines for State agencies to administer, reimburse, monitor and evaluate member item contracts. It is expected that State agencies should apply the same controls and procedures for member items as is done for all contracts. Proper controls are necessary to help prevent fraud, waste, abuse and error.

We found that the Division does not closely monitor member item providers, and according to Division procedures, expenses normally considered non-reimbursable are reimbursed for these providers. If these providers are not adequately monitored, there is less assurance that services will be provided as intended and funds will be properly expended and accounted for.

For example, a little league in Rockland County received $50,000 to purchase land, which is normally a non-reimbursable cost. We also found that some of these providers do not directly serve youths and provide questionable benefit. For example, a New York City provider received $55,000 to publish a newsletter and identify youth needs. Another provider requested $50,000 to "offer services and activities to the community" without specifying the nature of these services and activities. Another provider received $125,000 to perform a feasibility study on developing a youth center in its community. We concluded that this study did not accomplish its objectives, and did not benefit youth. The consultant primarily reviewed existing documents and identified the same site which the provider previously found. Moreover, the site was later found to be unavailable, and additional research and funding is now needed to identify new sites.

Some providers receive funding from several State agencies in addition to the Division. For example, one provider in New York City received funding from the Crime Victims Board, Department of Health, Department of Social Services, Division of Criminal Justice Services, Division for Youth, Office of the Prevention of Domestic Violence, State Education Department and Unified Court System. Another provider in Albany received funding from four State agencies. Some of these agencies fund programs that target the same youths, share the same goals and provide identical services. A March 1996 report by the United States Government Accounting Office found that programs funded by multiple government agencies result in inefficiencies in services and excessive administrative costs. We believe delinquency prevention programs funded by more than one State agency could suffer from similar problems. Therefore, to prevent inefficiencies, funding for such programs should be coordinated among the sponsoring State agencies. However, we found that the Division has not established procedures or researched available approaches to coordinate funding for multiple funded delinquency prevention programs.

One way to coordinate funding for multiple funded programs is to consider developing a unified funding or consolidated grant/contract approach. Possible advantages of such an approach would be to simplify and reduce program administration; emphasize comprehensive and integrated services; and to coordinate program accountability with a focus on results.

In the early 1990's, the Council on Children and Families began working on pilot projects to develop master contracts for one large child care provider with multiple contracts from several agencies. While this process appeared to have merit, it has not been pursued on a wider scale.

We also note that private consultants are currently working with large localities to consolidate grants/contracts and to focus more effort on integrating services and producing results-based accountability.

Recommendation

7. Work with State and local officials to consider and determine how delinquency prevention funds could be utilized more efficiently and effectively. Activities should include, but not be limited to:

- establishing reimbursement guidelines indicating the appropriate percentages for administrative and direct program costs, and monitoring reimbursements to ensure compliance with these percentages,

- reassessing funding for local park and recreation departments to ensure that it supports delinquency prevention programs,

- actively monitoring providers that receive funding from legislative initiatives, and ensuring that the funds are used to support delinquency prevention programs, and

- establishing procedures and researching available approaches to coordinate funding for delinquency prevention programs funded by more than one State agency.

(Division officials stated they are committed to efficiently and effectively using program funds. They agree that reviewing administrative cost is appropriate, and will seek to coordinate contracts with other agencies.)

Major Contributors to This Report

David R. Hancox
Carmen Maldonado
Frank Russo
Fred Perlmutter
Ron Skantze
Gene Brenenson
Charles Kuonen
Craig Coutant
Kenneth Cox
Joanne Kavich
Andrea Lupul
Nadine Miranda
Michael Morrell
David Pleeter
Michael Wrobel
Dana Newhouse

NEW YORK STATE EXECUTIVE DEPARTMENT
DIVISION FOR YOUTH
CAPITAL VIEW OFFICE PARK
52 WASHINGTON STREET
RENSSELAER, NY 12144

JOHN A. JOHNSON
DIRECTOR

EDWARD J. BARTLEY
EXECUTIVE DEPUTY DIRECTOR

August 20, 1997

OFFICE OF THE STATE COMPTROLLER
AUG 22 1997
ROBERT H. ATTMORE
DEPUTY COMPTROLLER

Honorable H. Carl McCall
Comptroller, State of New York
Alfred E. Smith State Office Building
Albany, New York 12224

Dear Mr. McCall:

I have reviewed the Draft Audit Report #95-S-137 regarding "DFY Oversight of Delinquency Prevention Programs". This agency is committed to and engaged in continuous improvement in all areas of delinquency prevention service delivery and program oversight, and wish to thank you and your staff for your efforts to assist us in enhancing these operations.

I must, however, express my concern about the inaccurate statements, overly broad generalizations and unsupported conclusions drawn from information derived from an extremely limited sample that appears throughout the Draft Report. I do not agree that there is a legitimate basis to question the overall effectiveness of delinquency prevention programs under the Division's purview. Nevertheless, I appreciate the many useful recommendations and suggestions in areas where the Division can improve its operations. I have already begun to implement many of the constructive recommendations identified in the audit.

Please feel free to contact me if you have any questions or wish to discuss this further.

Sincerely,

John A. Johnson

cc: J. Natoli
P. Woodworth

Response to Draft Audit Report #95-S-137
"DFY Oversight of Delinquency Prevention Programs"

The Division has reviewed the draft audit report (#95-S-137) regarding DFY oversight of delinquency prevention programs. The agency agrees with the basic premises of the recommendations and has already taken steps to address various issues identified in the report. However, as specified below, we disagree with some inappropriate and unsupported conclusions drawn by the auditors based on information derived from a flawed and extremely limited sample. Additionally, some terminology used in the report is both inaccurate and misleading.

Audit Observations and Conclusions

The report states that "[program] providers are not monitored closely", "the Division does not perform [program] evaluations" and "Division management has no controls for preventing excessive administrative costs". The Division objects strenuously to such generalities, and questions the accuracy of the auditors' conclusions which were derived from limited information. Each of the conclusions cited above will be addressed in subsequent sections of this response.

Audit Scope, Objectives and Methodology

According to the report, the audit was conducted in accordance with generally accepted government auditing standards and "provides a reasonable basis for [the] findings, conclusions and recommendations." The Division disagrees regarding both the adequacy of adherence to the auditing standards and the legitimacy of conclusions based on examination of a very limited sample of programs and reimbursements, as described below:

- The report states that "during 1995, [provider] reimbursements totaled $51 million." **However, the figure of $51 million actually represents the total allocations for a combination of 1995 YDDP programs, SDPP and RHYA programs funded from FY 1993/94 and FY 1994/95 as well as Member Items funded from FY 1995/96.**

- The report cites the auditors' "limited testing of program expenditures" in which they "reviewed a sample of $1 million in provider reimbursements". **However, based on the information contained in the preliminary OSC Summary of Findings (issued during 1996), the Division's Bureau of Financial Services developed a summary which clearly demonstrates that the auditors examined a sample of at least $3 million. (Attachment A)**

*

* This attachment is available for review at the State Comptroller's Office.

- The attached summary further reflects that **the total allocation for the programs included in the audit sample is $97 million, not $51 million.** *

- Based on a universe of $97 million, **an examination of $3 million represents merely a three (3) per cent sample, which clearly does not satisfy basic standards for adequate audit testing.**

- The preliminary audit report issued August 19, 1996 stated that "to determine the extent of provider compliance and performance" [the auditors] selected a judgmental sample of 51 programs ...which received funding for 1995". Since both the preliminary and draft audit reports state that "approximately 4,000 agencies receive Division [delinquency prevention] funding", **a review of only 51 programs represents a sample of less than 1.5 per cent. The Division therefore asserts that the minuscule size of the sample invalidates the auditors' far-reaching conclusions regarding DFY oversight of delinquency prevention programs.**

Drawing overly-broad conclusions based upon review of such a limited sample violates the Government Auditing Standards - 1994 Revision, which states that "sufficient.....evidence is to be obtained to afford a reasonable basis for the auditors' conclusions." The Division does not believe that a basic requisite criterion of adequate testing was satisfied in connection with the selection of the audit samples that would provide sufficient and competent evidence upon which to base the broad conclusions cited above. Additionally, the inconsistent and inaccurate information contained in the preliminary and draft audit reports calls into question the auditors' methodology and standards, as well as the validity and reliability of their conclusions.

Program Direction

The report delineates four (4) major precepts contained in the federal funding guidelines for Title V incentive grants for local delinquency prevention programs, and states that the Division should "establish a program framework which includes [these] precepts." The agency takes exception to the auditors' inappropriate inclusion of Title V-related material in this report. Title V funds from the federal Office of Juvenile Justice Delinquency Prevention (OJJDP) are administered to fourteen (14) local programs statewide through the NYS Division of Criminal Justice Services (DCJS). These are the **only** programs in the state bound by the guidelines issued for Title V funding.

* This attachment is available for review at the State Comptroller's Office.

Program Planning, Monitoring and Evaluation

The report erroneously indicates that "Division policy states that a coordinated system of program planning, oversight and accountability should be established." The County Comprehensive Plan (CCP) Guidelines, **not** Division policy, is the correct attribution for a description of the elements of this coordinative process. *

The auditors state that Erie County identified the need for a teen pregnancy prevention program but the Youth Bureau did not adequately provide funds for programming to address this need. It must be noted, however, that Youth Bureaus are not generally the sole source of youth programs funds, and the needs identified through the CCP were addressed through programs funded by the County Department of Social Services.

Additionally, the report states that "Onondaga County officials indicated a need for more shelters for runaway and homeless youths." The Division disputes the accuracy of this statement; the Onondaga County CCP indicates the county **will continue to assess the needs for crisis shelter** during the 1995-1998 three-year CCP cycle. It **does not** specify a need for additional shelters.

The report states that "an Onondaga County after school tutorial program received almost $51,000 for the full-year salaries and fringe benefits for two administrators". This statement is inaccurate; the funding supports a part-time director, a part-time assistant director and ten (10) part-time educators. The report further questions the program's hours of operation and attendance records. The Division has directed the program to institute internal controls including new timesheet and participant attendance procedures. A recent agency monitoring visit reflected that the issues have been addressed adequately. **

The report makes general reference to reimbursed expenditures which "were not consistent with Division guidelines" but fails to identify the specific providers in question. It is agency policy to review and resolve all audit disallowances. The Division will review the supplementary details provided by the auditors (at our request, **after** the report was issued) relating to the questioned expenditures cited in the report and will commence the recoupment process as appropriate.

Other Matters

The report comments on the legislative Member Item awards made to specific providers for delinquency prevention funding, and states that "State agencies should apply the same controls and procedures for member items as is done for all contracts." The Division has followed the specific requirements of Budget Bulletin B-220 to

* Report changed on Page 9

** Report changed on Page 11

prevent fraud, waste abuse and error in programs under the agency's administrative control. In addition, we are responsive to the need for occasional revisions of Division policy and/or procedures to maintain compliance with Division of the Budget, Attorney General or OSC requirements.

The agency has followed appropriate requisites in designing the contracts, agreements and reports which must be completed by funding recipients. Member Item awardees use the same forms and policy/procedures manual used by other Division grant recipients, and Member Item claims are audited according to the same protocol. In addition, the Division more closely scrutinizes most documents submitted by Member Item recipients because these are traditionally completed by volunteers or are one-time grants, leading to a potentially higher level of error.

Through the State budget process, the Division is given more than 300 Member Item grants to administer annually. Most of the awards are for partial funding of youth programs (e.g. Little League, Police Athletic League). The listing of Member Item grants is reviewed closely to ensure that each program funded will provide services that will directly and positively benefit youth.

Response to Recommendations:

1. **Establish working groups, comprised of State and local policy makers and service providers, to determine the best ways to establish appropriate mechanisms to plan, coordinate, facilitate, monitor and evaluate delinquency prevention programs, and to help ensure that the programs deliver services as intended to youths.**

   The Division has historically participated in collaborative endeavors to address the audit issues cited above:

   - From the inception of the original YDDP legislation, there has been a continuing history of significant State and local involvement in the development of the legislation, the rules and regulations which make up the youth development and delinquency prevention system in New York. Public hearings, community forums and conferences have been utilized to ensure local input is considered in the administration of DFY-funded programs.

     Currently, the Division and the Association of New York State Youth Bureaus have been collaborating in a project to review and revise the rules and regulations which govern YDDP funding. Furthermore, as an outgrowth of the 1995 Regional Meetings hosted by the Division for Youth, and the 1996 Governor's Conference on Youth, the *Blueprint*

for State and Local Action was published which recommends DFY and the Youth Bureau Association work together in developing a strategy to consolidate all the State's planning for children, youth and families into a single county planning system modeled after the Division's existing County Comprehensive Planning Process.

- In conjunction with a number of other human service State agencies (Division of Probation and Correctional Alternatives, Division of Criminal Justice Services, Department of Social Services, Office of Mental Health, Office of Alcoholism and Substance Abuse Services, State Education Department), the Division is a member of four (4) workgroups which have oversight responsibilities for coordinating, planning, implementing, monitoring and evaluating major statewide initiatives designed to reduce the number of youths entering the juvenile justice system. In each of these initiatives, the interagency workgroups facilitated the establishment of corresponding county-level efforts to coordinate and improve delinquency prevention service systems.

- The Division is a member of the NYS Juvenile Justice Advisory Group (JJAG) which is responsible for developing the State's plans for utilizing federal delinquency prevention funding through OJJDP. This group, facilitated by DCJS, includes State agency commissioners as well as officials from county governments and various local programs which serve youth.

2. **Take a more active role in working with localities and providers to identify and prioritize program needs and services. Develop a comprehensive plan which helps ensure that community and youth needs are met by providing appropriate services and funds.**

The Division's County Comprehensive Planning Process (CCP) was established through legislation in 1974. CCP is a nationally recognized model and served as the basis of the model developed as part of the 1996 Youth Block Grant proposal. Director Johnson was invited to speak to a Senate panel in 1996 about establishing federal legislation which closely resembled New York State's success in comprehensive planning for youth. CCP provides for the broad-based community involvement necessary to develop strategies that effectively and efficiently meet the needs of young people. Through the CCP, Youth Bureaus identify youth needs and resources and implement strategies to promote public awareness, interest and commitment to address the developmental needs of all young people.

While many Youth Bureaus have had over two decades of experience in implementing the CCP process, there is a recognized need to strengthen this process. A report addressing this issue was recently developed by the Division and the NYS Association of Youth Bureaus, with input from thousands of representatives from the State's localities. New York Youth: A Blueprint for State and Local Action offers strategies for enhancing the overall quality of the county-based planning process, while ensuring that sufficient focus is placed on unique local conditions and circumstances.

An example of plans for improving the CCP process noted in the Blueprint and supported through the merger of the Division for Youth with the Department of Social Services' Division of Children and Family Services, is the implementation of one streamlined county-level youth planning process including participation by other State agencies. This initiative will be piloted in counties and is based on resources being available in FY 97-98. In collaboration with the other State agencies having charter responsibility for serving children, the CCP will be expanded to maximize the full potential of coordinated and comprehensive planning. The multiplicity of local departments for which planning of youth-related services is a responsibility will produce one, unified plan.

The CCP process requires local Legislative approval and oversight. Resources to address the needed services may come from a variety of public and private sources in addition to non-fiscal strategies. These non-fiscal strategies include community education, advocacy and networking functions which are essential elements in addressing identifiable needs, as defined in Guidelines for Comprehensive Planning.

In addition to partially funding programs, Youth Bureaus also perform a number of functions which may result in eventual funding through collaborative efforts: networking, application for private funds and other steps to develop funds to meet youth needs. Such advocacy often results in bringing outside funds, which may be administered by the Youth Bureau, into the county. In such instances, duplication of funding is avoided and Division funds are not required.

The New York State Division for Youth Technical Assistance Manuals - County Comprehensive Planning are provided to assist counties in their planning efforts pursuant to County Comprehensive Planning Guidelines. Once needs are identified and goals and objectives established, the planning process provides for the development of implementation strategies to achieve goals and objectives. The three (3) equally important strategies include Community Development/Advocacy, Coordination/Networking and Provision of Services. Under the

latter strategy would be the appropriate place for a county to identify specific services or programs that might be supported to address needs and achieve goals. In fact, the Plan does refer to these services in its strategies.

3. **Work with State and local policy makers to establish on-going fiscal accountability to:**

   - **ensure that all providers receiving delinquency prevention funds comply with contract terms,**
   - **ensure that the services expected from providers are clearly delineated in the contract, monitored and delivered,**
   - **require providers to submit complete documentation in support of expenditure claims, and**
   - **ensure that provider expenditure claims are not reimbursed unless they are consistent with Division guidelines.**

The Division has implemented a number of improvements in contract compliance procedures in recent years in response to OSC recommendations. Following the 1994 OSC audit, the Division strengthened contract compliance oversight through greater emphasis on fiscal monitoring. At that time additional questions were added to the DFY Monitoring Instrument to address specific recommendations noted in the 1994 audits. Additionally, the Division has established a risk-assessment protocol to determine frequency of monitoring. The programs receiving the greatest amount of funding are monitored most frequently. In addition, all RHYA programs are inspected annually.

The Division requires counties to develop and implement systems to ensure program accountability. These systems vary depending on the number of such programs within the county, and the level of available county resources. A county's system is monitored by the Division to ensure it is implemented as stated in the county's CCP. To determine if the county's monitoring system has been implemented, the Division inspects a random sample of county sub-contractor files to ensure that the on-site, self-reporting, and frequency of monitoring activities are in accordance with CCP commitments. The Division also determines if the county follows-up with subcontractors to ensure that the program implements necessary change to improve program performance.

In addition, the Division requires a Program Annual Report from all funded programs. The report requires a response to the following: "Describe the methods used to monitor this program during the reporting period. Include who conducted

the monitoring, when it was conducted, and how the results were used." These forms are certified as to their authenticity by the chief executive officer of the municipality.

The Division requires that Youth Bureaus have a system for monitoring and auditing claims for YDDP, RHYA, and SDPP programs. The Division does not request source documentation in those instances. As noted above, the Division monitors local systems on a cycle using a risk assessment protocol to determine frequency of monitoring. The system is designed to give higher priority to certain providers based on amount of state aid, length of time since last monitored, number of findings from the last monitoring, and recommendations from the Division's Office of Local Services and Bureau of Financial Services.

The Bureau of Financial Services currently requires source documentation on a judgmental sample of all recipients. This sample is derived by analyzing the exposure the Division has against inappropriate reimbursement and a historical prospective of certain recipients. During the last six-month period, source documents were collected from the following percentages of funding recipients:

- SDPP funded Direct Programs 20%
- SDPP Funded County Programs 13%
- Member Item Funded Programs 33%

4. Recover the $200,000 in inappropriate reimbursements identified by our audit.

Based upon the very general information contained in the draft report, the Division could not initially identify the "$200,000 in inappropriate reimbursements identified in [the] audit." At the Division's request, the auditors provided supplementary identifying details which were sufficient to enable the Bureau of Financial Services to develop an itemized listing of questioned costs (Attachment A).

*

The Division is currently examining the detailed listing of questioned costs and, should recoupment be necessary, will take the following steps to begin the recoupment process:

- The financial files of each contract in question will be reviewed.
- Documentation to support all questioned expenses and/or a check for the total of all questioned costs will be requested from the provider, as appropriate.

* This attachment is available for review at the State Comptroller's Office.

- All documentation submitted will be reviewed and the amount due the Division will be adjusted, as necessary.

- In the event a recipient does not respond to the agency's demand letters (an initial and follow-up letter), the matter will be referred to the NYS Attorney General for collection.

5. **Establish workshops with State and local managers and distribute guidance to reinforce the need for managers to take positive steps toward establishing program accountability and performance measures over delinquency prevention programs.**

and

6. **Develop and maintain a system of periodic program evaluation to determine whether delinquency prevention programs are effective in helping to prevent juvenile delinquency.**

The Division has addressed the need to provide managers with information and guidance regarding program accountability and performance measures as follows:

- During June, 1997 the agency conducted a series of Outcome Funding Overview workshops in Albany, Buffalo and New York City for managers of community-based organizations receiving SDPP funding. The purpose of the workshops was to introduce providers to the basic principles and goals of the Division's new Outcome Funding Initiative.

- The Division has redesigned the SDPP application format to reflect the outcome funding focus and will implement a new application review protocol for the SDPP-direct contracts.

- During July, 1997 the agency conducted a series of Technical Assistance Training Workshops for SDPP recipients for the purpose of assisting providers in completion of the newly designed outcome funding grant applications.

The Division has developed the outcome funding structure to be implemented for all SDPP direct contracts effective January 1, 1998. Under the Outcome Funding Initiative, the Division will specify the expected return for State funding. Beginning January 1998 the Division will be "buying" results (i.e. outcomes) for all the SDPP direct contracts. These outcomes are defined as positive changes in the conditions or behavior of youth. The local providers in which the Division invests will be viewed as project managers and agents of change. This process will enable providers to better focus on youth and their needs, to improve their product (outcomes)

and to concentrate on **results** rather than just activities. This structure permits specific measurements not only of the outcomes at the end of the project, but also of performance targets and milestones during project implementation. This approach will facilitate enhanced monitoring and evaluation activities and will improve service delivery and the ability of both the provider and the Division to evaluate program success.

7. **Work with State and local officials to consider and determine how delinquency prevention funds could be utilized more efficiently and effectively. Activities should include, but not be limited to:**

   - **establishing reimbursement guidelines indicating the appropriate percentages for administrative and direct program costs, and monitoring reimbursements to ensure compliance with these percentages,**

   - **reassessing funding for local park and recreation departments to ensure that it supports delinquency prevention programs,**

   - **actively monitoring providers that receive funding from legislative initiatives, and ensuring that the funds are used to support delinquency prevention programs, and**

   - **establishing procedures and researching available approaches to coordinate funding for delinquency prevention programs funded by more than one State agency.**

   The Division is committed to the efficient and effective utilization of delinquency prevention funds and notes the following, which address the specific recommendations cited above:

   - The New York Codes, Rules and Regulations Part 165-1.2 (b)(1) states, in part, "Expenditures connected with the establishment, operation or maintenance of a youth program are eligible for State aid reimbursement, provided they are listed in the approved project or amendment thereto. Such expenditures may include: administrative expenses...".

     Certain administrative costs are an essential part of program funding to ensure that the agency remains capable of providing proper services to youth. The size of the program and existing staff responsibilities are related to the extent of direct/indirect contact with youth served by the program. Many titles that may appear to be administrative are actually direct service positions. (For example, the Director of a small program with few staff,

out of necessity, must often undertake administrative, as well as direct service activities.)

The Division acknowledges that an examination of administrative versus direct services costs is appropriate, and will review agency policies to determine the best method for achieving a workable, rational allocation between administrative and direct program costs. Recommendations resulting from this review will be presented to Division management during 1998.

- Executive Law Article 19-A clearly recognizes recreation funding as a cornerstone in youth development. The ability of adolescents and their families to engage in constructive use of leisure time, channel boundless energy in sports and recreation, learn to participate as a team member and value the park and recreational opportunities in New York State is essential to positive youth development.

- The Division has a long-standing partnership with the New York State Parks and Recreation Department to provide training opportunities for youth agency personnel to be more sensitive to the needs of at-risk youth for whom effective services can be provided through recreation and leisure programs. This training is a "train the trainer" model which allows those participating in the training to conduct training for other individuals and groups, thereby expanding the impact. Since 1995, thirty-four (34) sessions have been conducted with 828 participants.

  This approach is substantiated by research. In October of 1994 the National Recreation and Parks Association released a nationwide study of prevention programs which offered compelling information that recreation and training can contribute directly to a decline in crime and juvenile arrest rates. Based on a twenty-six per cent (26%) drop in juvenile arrests after a recreation-oriented gang intervention program in Dallas and a twenty-seven per cent (27%) drop in juvenile crime in Ft. Myers, Florida after the operation of an academic recreation program, many judges and law enforcement officials are realizing the value of recreation as a true prevention initiative.

  Developing pro-social attitudes and skills for the management of discretionary time is fundamental to the prevention of delinquency. Discretionary and free time comprises forty per cent (40%) of a youth's day and frequently in excess of sixty (60) hours per week. Negative anti-social or illegal behavior can easily occur during this discretionary time without the positive intervention and utilization of recreational and parks programs and

services. Recreation and parks services and activities are a cornerstone of the Division's strategy on delinquency prevention, offering positive services to youth in all communities.

- The Division makes every effort to ensure that funding from legislative initiatives is used to support delinquency prevention programs. While following the legislative intent of Member Item grants, the Division has a system of checks and balances in place to ensure that funds are properly expended and that expenditures are well documented. Member Item grant recipients adhere to the Division's Fiscal Guidelines and Procedures Manual (allowing for legislative intent in terms of allowable expenditures) in addition to the rules, regulations, policies and procedures already approved by OSC.

  The purpose of legislative initiatives is determined solely by the sponsor without consultation with the Division or Youth Bureaus, and the Division must continue to respect the role of the Legislature in this regard. However, the Division immediately contacts the Finance Committees of the Assembly and Senate in those instances where a grant assigned to the agency does not appear to serve youth. On occasion, grants have been refocused and administered by other State agencies after having been inappropriately placed with the Division.

- As discussed in detail previously in this response, the Division has a history of collaboration with other State agencies to coordinate delinquency prevention services. We anticipate that the merger between the Division for Youth and the Department of Social Services may create opportunities for coordinated contract efforts in which the Division will participate to the fullest extent possible.