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Roundtable on Comprehensive Community Initiatives for Children and Families

Working Paper Series

Recommendations on Human Services Policy for the Next New York City Mayor and Council

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November 2001

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Introduction

The thorough political and governmental transition that New York City must make in late 2001 and 2002 is occurring in a period of severe economic uncertainty and heightened concern for security. Because newly elected and appointed officials will need to make important decisions about policy and organization of New York City's human services programs, early attention to determining priorities and direction is essential. The new City government will take office in a high-pressure environment that increases the difficulty of setting goals for the complex array of New York's programs for people in need. The September 11 tragedy and its aftermath put additional burdens on the City's services, while also increasing the challenges of solving many longer-term problems.

This report reviews and makes recommendations about New York's pressing human services problems, discusses the organizational implications for the structure of City government, and then identifies opportunities for improving service delivery in communities and neighborhoods. The report is broadly conceived to include issues and programs that are the responsibility of many different government agencies that provide, support, and oversee public human services in New York City. The report highlights both accomplishments and problems in welfare reform, child care, child welfare, youth development, homelessness, employment and training, healthcare, senior citizen, and other inter-related health and social services.

The report is based on extensive interviews with experts and participants in providing and analyzing human services. Recent forums, reports of organizations, and research and policy studies have also helped to inform the findings and recommendations. The Appendix lists some of the many people and references that have been helpful.

Both the current context and experience suggest giving priority to these challenges:

- **The next Mayor and City Council should ensure that current policies are reviewed to determine what to retain and where to shape new directions in providing human services for the City's poorest citizens. Establishing direction quickly following the election and in the first few months in office is crucial**. The quality, clarity, and speed of the review process will–along with key appointments–set the tone and direction for the new government. To take advantage of this opportunity, new City officials must make early judgments about what is right and what is wrong with the way these services have been organized and provided.

- **Policy pronouncements matter only to the extent that they are reinforced by management actions**. Policy implementation then must be managed through operational directives to frontline City workers, changes in the City's contracting process with nonprofit service delivery agencies, and greater collaboration among City departments in supporting service networks in New York neighborhoods. The chance for change will slip away unless there is a management strategy that can withstand the daily crises of governing that will inevitably develop.

- **In setting policy and managing services, City government works with networks of nonprofit community organizations**. New York City has a long tradition of providing—with City, State, and federal government funds—a broad range of social and health services for its citizens. Because of the size, structure, and breadth of New York City government, the City administration determines the philosophy and objectives for managing these services–within parameters of federal and State law and regulation–to a much greater extent than other local governments. But these services are provided through a mixed structure that includes both direct provision by City government and an extensive network of contracts with local nonprofit agencies that all must work well as a system.

- **A lesson to be taken from both the historical and the current structure is that organizational issues are not what matter most**. The recent history of the way City government has organized and reorganized these human services programs is instructive. Neither the carefully designed comprehensive organization of the 1960s and 1970s, nor the more ad hoc fragmented government structure that obtains today, provide ready answers to poverty, unemployment, welfare dependency, child abuse and neglect, and youth development. Past problems with umbrella human services agencies in New York and elsewhere have demonstrated that there is no permanent organizational solution to the underlying social and economic problems with which these agencies grapple. There are, however, consequences that flow from the existing structure of government that need to be recognized and addressed.

- **New City officials will be determining in a tight timeframe both how to organize and manage the City's complex human services functions and what positions to advocate in important federal and State legislative proceedings**. Because human services policy is subject to federal and state law, regulation, and financing, it is important to anticipate and prepare for developments at those levels of government. The key federal welfare reform and related legislation must be reauthorized within the next year (by September 2002) and will have major fiscal and programmatic implications for the City. New York State, which must enact enabling legislation for any significant changes in federal law, will be electing a new Governor and Legislature in 2002, just as the Congressional actions are likely to be occurring.

Principles for Managing the City's Human Services

This report recommends several principles for setting the City's overall direction in human services management:

1. **Actions taken by new officials should reflect the fact that human services programs vary in current operating effectiveness and require different approaches to management and change**. Ongoing management reforms and service improvements should not be delayed, however, while each program is reviewed de novo. As the Administration and City Council gain experience, they can return to particular programs and issues to make changes where needed, but it would be a mistake to freeze ongoing operations overall, putting existing programs in limbo, while new officials conduct a full-scale review from top to bottom. A differentiated approach is likely to be more effective, as summarized here and described more fully in the Programs and Policies section that follows.

   Because of the downturn in the City's economy and basic questions about the impact of **welfare reform** beyond caseload reduction, the effectiveness of ongoing welfare-to-work strategies does need to be reviewed. Also, the approach to **child care** policy, where needs for high-quality center and family-based programs run far beyond the existing capacity, requires attention to determine why available funding has not been used effectively for expansion to serve more children. Development of overall City priorities for **employment and job** training policy has suffered from reduced support and visibility, while program funds and responsibilities have been divided among specific welfare reform initiatives, summer youth jobs, and delayed implementation of new federal requirements for one-stop service centers.

   By contrast, **child welfare** reforms promise continuing improvement in this complex and difficult system, and emphasis should be placed on how to sustain and deepen positive effects on children and families. **Youth development** agencies have vast experience in working with City youth in need of support, but have been starved of funding for many years. **Homelessness** continues to embarrass the City, despite demonstrated effectiveness of solutions that could be increased in scale with reallocated funds that need not increase overall public expenditures.

   Health care insurance for low-income families has attracted broad public support and consensus among policy-makers, but lack of effective program integration and management prevents more dramatic progress in increasing coverage. City priorities in programs for the **aging** are driven by the types of public financing utilized historically, which often inhibits adjustments to changing demographic, geographic, and program needs. In sum, there should be a tailored approach to each human services system, as discussed in the section on Programs and Policies.

2. **There will be a strong tendency for a new City administration to want to restructure and reorganize human services functions and departments to address problems and indicate a fresh start**. This tendency should be resisted. Reorganizations inevitably take major amounts of time and attention–and are rarely the solutions to fundamental problems. The current structure of human service agencies has many flaws, as indicated in this and other reports, but adjustments should be made incrementally to address specific objectives that are not otherwise achievable. Experience has demonstrated that operations can be improved by better program planning, well-focused objectives driven by top managers, enhancements to staffing and program resources when justified, and other approaches to change that minimize disruption to ongoing administration and services. Large-scale reorganization of the structure of government agencies is often more symbolic than substantive and should be employed only when there are clear and essential purposes to be served that cannot be achieved by these other means.

3. **What does and does not work effectively at the neighborhood level may be a more important factor in structuring programs than the table of organization at the top of City government. It is important that City administrators recognize and support effectively the nonprofit organizations and networks that are the essential delivery vehicles for publicly funded human services in New York**. Community based service providers have important perspectives on the inter-relationships and problems in public human services that City policy-makers and government managers need to understand. How to achieve more effective program integration of City-funded services at the neighborhood level should be an important objective. Such recognition does not mean uncritically accepting the views of service providers. Public accountability for sound management, effective service delivery, and performance measurement are required. The City's side of the bargain should include timely contract procedures, adequate cash flow to community providers, and realistic reporting expectations.

4. **Throughout New York City human services operations, there should be open information systems—both data collection and public dissemination of results and impacts—so that all those with stakes in policy outcomes can see what is happening**. Other than data on caseloads, expenditures, and (recently) recipient activities, the unavailability of public information about the impacts and consequences of welfare reform has inhibited the management and design of programs, preventing both overall assessment of progress and more specific guidance for particular program initiatives. A different approach has been taken in child welfare, where the Administration for Children's Services has consistently emphasized production and publication of basic data and indicators of progress. A new City government should start with a policy of generating and publicizing basic needs data, program results, and social and economic impacts—collaborating, where productive and appropriate with outside researchers.

Review of Programs and Policies

During the past eight years, the Giuliani Administration has aggressively pursued particular policy objectives, while paying less attention to many others and to important issues that cut across departmental administrative lines. Often in political transitions, effective programs are stalled in execution, eliminated, or substantially modified by newly elected officials and their appointed agency heads. Conducting a review in advance to note programs that are working well may help to sustain important initiatives through this inevitable transition process, as well as indicating areas where new directions are needed.

Obviously, a new Mayor, Commissioners, City Council Members, and others will develop their own understandings of what is working and what is not. They have this information from many sources—their own prior government and community experience, what they heard while campaigning, and advisors in government positions, campaign jobs, and private professions. Not all determinations can be made prior to taking office, given the short period between election and inauguration and the differences between positions taken for campaign purposes and those for making governmental decisions. But it is important to be clear about what decisions can be resolved quickly and what needs to remain open for further review.

Answering key questions can help to provide a context for deciding what should be done. **What have been the major policy thrusts of the Giuliani Administration, and what issues have been avoided? What directions should be continued, and where does change need to occur? How is the current system organized and what are its implications?**

Welfare Reform

The focus of the City's welfare reform effort during the first term and much of the second was on tough eligibility verification procedures and required work experience (workfare). Although the reduction of the number of people on the welfare rolls has been impressive, much debate has ensued about the consequences for former recipients and those whose applications were diverted or denied. There has not been a corresponding rise in families' overall incomes, despite the strong City and national economies during most of the last eight years. Poverty rates in New York have declined modestly.

Whether welfare can be maintained at current or lower levels is an economic question, but also a political and a programmatic issue for a new Administration. Welfare management requires judgments about balancing access for people in genuine need against caseload reduction through stringent eligibility measures and work requirements. There is broad agreement that the welfare system must emphasize work over public assistance and dependency. How that agreement is implemented remains controversial. **Workfare, whatever one's philosophical perspective about its validity and fairness, has not, for most participants, focused on the development of work skills that lead to either private sector employment or placement into available public jobs. The perspective of this report emphasizes improving program design, rather than debating ideology**.

Although there is little empirical data available in New York City, other cities and states that have engaged in analysis of their welfare reform efforts have evidence that roughly 60 percent of people leaving welfare do go to work, but most have total incomes that are little or no higher than when they received public assistance. Human Resources Administration Commissioner Jason Turner has stated that people who work are better off financially than those remaining on welfare and that they can leave poverty, but this is only true when a minimum wage, full-time worker also gets supplementary welfare (through the income disregards in State law), Food Stamps, Earned Income Tax Credit assistance, and presumably child care and Medicaid. **Food Stamp and Medicaid utilization have dropped sharply for people leaving public assistance, and HRA has not generally been effective in ensuring that people receive these transitional benefits for which they are eligible when they leave welfare for work**. Supplementary welfare will no longer be a federally supported cash benefit for people reaching their five-year federal time limits beginning this December, but State/local Safety Net Assistance should continue to be available in some form, possibly after an HRA-mandated re-application.

Increasingly, the objective of public policy-makers–in managing welfare and in economic policy more generally–should be to "make work pay" for those who have gone to work, but whose overall incomes have not risen at all or enough to reduce poverty. Some recommendations for New York based on local and national experiences are presented by Gordon Berlin in the recent Century Foundation publication *Rethinking the Urban Agenda* and in the report *Building a Ladder to Jobs and Higher Wages* from the Working Group on New York City's Low-Wage Labor Market (available from the Community Service Society).

Providing the necessary program support to help working families has been only a recent concern of the Human Resources Administration, one that has yet to be implemented fully. During the past year or two, workfare has gradually given way to a broader focus on the specific needs of recipients (drug treatment, attention to mental handicaps, basic education, job training, and placement assistance). **Through contractors, the City has belatedly initiated support services and training to add a human capital dimension to the exclusive "workfare/work first" approach it practiced for its first six or seven years in office**.

Now that some promising approaches are in place, with large providers overseeing emerging networks of community based organizations to provide placement and training help to welfare recipients, it is probably better to build on and improve this system than to throw it out and start over. No doubt, there will be some pressure to do just that, but an incremental improvement strategy will be faster and likely to be more effective. These nascent education, training, and job placement contractors and networks need to be analyzed. Where appropriate, their sponsors should be strengthened, given increased program responsibility, and helped to become more financially stable.

The goal for welfare reform and employment policy is to reduce dependency, while identifying those individuals and families who need, at least temporarily, government

assistance for work and subsistence. Key strategies that the City should adopt to improve welfare administration include:

1) **Ensure that people coming to centers have an opportunity to apply for assistance and demonstrate need. Monitor eligibility determination decisions to avoid both excessive zeal in diversions and denials and excessive leniency**. The Giuliani Administration will leave office having dramatically and steadily reduced the number of people on welfare. The record is more clouded with regard to whether truly destitute people receive at least the temporary assistance they need.

   HRA should cooperate with universities and policy research organizations to collect and analyze data on people coming to job centers, whether applications are accepted or denied; people leaving welfare for work and other reasons; and people's experiences with different support service and employment contractors and other program components. Publish these findings on a regular and timely basis. Evaluation and research are essential to good program management.

2) **Provide Food Stamps, Medicaid, and child care on a reliable basis as transitional benefits for welfare leavers**. It is counter-productive not to assist people who are going from welfare to work to get the medical, food, and child care benefits for which they are eligible and that they need to reduce and eliminate welfare dependence. Controversies over continuation of benefits for people leaving welfare, as well as access to initial applications, have led to litigation and operational changes that still remain under scrutiny. **These transitional benefits are particularly critical for people entering the labor force with employers that lack on-the-job benefits**.

3) **Strengthen connections between work experience job sites and regular employment opportunities; and continue to broaden the availability of training, education, and support services that assist the transition from welfare to work**. Work experience (workfare) can be an effective means to motivate some welfare recipients with minimal job skills, work habits, and desire to get into the work force. **To be a bridge to regular employment, ensure that work sites become "developmental" opportunities for recipients: that is, job placement assistance should be available throughout the work experience period, and support services and education should be provided for those needing this assistance**. Opportunities for positions in City government, as well as in private companies and nonprofit organizations, should be routinely sought for those who perform well on their work sites.

4) Contractors that are part of training and support services networks now in place should have the resources and cash flow to provide the services intended for current, past, and potential welfare recipients. **Monitor contractors closely and continue to pay for performance (i.e. job placements and retention), but develop a system of recoupable advances that provides up-front cash flow to contracting agencies, while continuing to ensure their accountability through recapturing funds when warranted**.

5) **Commit to tracking people after placement to avoid welfare recidivism by assisting in retention and advancement as they move in and out of future jobs**. National studies indicate that many people lose jobs after initial placements off welfare. Many need assistance finding new jobs, getting continuing education, skill training to meet current or prospective job requirements, and ongoing support services.

6) **Clarify the mission of City government in developing the workforce capacities of its residents**. The Giuliani Administration gave de facto authority to HRA to oversee the adult programs of the Department of Employment, thereby utilizing funds from the federal Workforce Investment Act as a resource for welfare-to-work programs. But workforce development is intended to serve needs broader than those of welfare recipients, as underscored by the job displacements that have occurred since the September 11 tragedy.

   An effective role for City government in developing the skills and preparation of the city's workforce (the "supply side" of the economy) has historically been an elusive pubic policy objective, and should now get high-level attention. Workforce development takes on growing significance as more low-wage, low-skill workers enter the labor force due to welfare reform, continuing high levels of immigration, and the September 11 shock—all in the face of downward shifts in the economy.

   The Workforce Investment Act, already three years old as national policy, has been implemented very slowly in New York. The City's Workforce Investment Board has advocated a substantial increase in employer involvement in direction, development, and provision of job training. "One stop" career centers, required and supported by the federal Act, are just taking hold with one center operating in Queens and contracts pending for centers in the other boroughs.

7) **Ask the Department for Youth and Community Development to assist the Workforce Investment Board to develop an improved youth employment strategy for the City**. Employment programs for youth have floundered without strong programming beyond ad hoc efforts each year to mount a short-term summer jobs campaign. Better direction might come by addressing employment along with DYCD's other youth development activities.

8) **As welfare recipients reach the five-year time limits under the federal Temporary Assistance for Needy Families (TANF) program, differentiate among those who are already working, those with severe disabilities preventing employment, and those who are not motivated to work**. Since the New York State Constitution provides for "aid, care and support of the needy," people no longer eligible for TANF aid can receive assistance under Safety Net Assistance (SNA), whose costs are shared by the City and State. The City and State want to minimize these fiscal impacts, but must prepare realistically for increases that cannot be avoided, despite ongoing efforts to move people from welfare to work.

As of December 31, 2001, the first group of recipients—more than 30,000 cases–are likely to reach that limit, with more to follow in subsequent months. It is estimated that 11,000 people in the first group are already working, but are allowed under the State's income disregard policy to continue receiving some supplemental public assistance because their earnings are low. The Human Resources Administration wants to require a complete new application process for SNA, a requirement which State Office of Temporary and Disability Assistance officials who oversee HRA seem unlikely to oppose. **It is not productive to require a new application from those who have already demonstrated their motivation by working**. Requiring them to re-apply could jeopardize their status in their workplaces by taking time to go through a new application process.

Many initiatives have been put in place to determine the characteristics and service needs of non-working recipients who are reaching their time limits. Some of the call-in efforts to reach these recipients were delayed in the aftermath of the September 11 tragedy. Such efforts should be continued to refine and develop information about how to move as many TANF recipients as possible into employment and/or appropriate support and treatment services. It is not clear how requiring them to re-apply for New York State Safety Net Assistance will further this process. The City's Job Centers are already working with these recipients to assist them to get off welfare. **Rather than using HRA staff to process new applications from those in the system, their time would be better spent determining what can be done about recipients' barriers to employment**.

On the other hand, some recipients reaching their time limits are under sanctions for non-compliance with program requirements. Sanctions can include removal of the adult recipient from a case, while lesser benefits continue based on needs of the children. **These sanctioned cases require additional scrutiny, since the circumstances and reasons for non-compliance are not always known, and sanctioned recipients may not be cooperating with HRA staff. A new application for Safety Net Assistance should be required for clear cases of non-compliance**.

9) **Encourage the State to continue to delay the administratively daunting mix of non-cash types of benefits for SNA recipients, since snafus for both staff and recipients seem unavoidable**. The State has proposed to make direct vendor payments to landlords and utility companies, issue vouchers and debit cards, and provide only limited cash for SNA recipients. Full implementation is temporarily on hold, because electronic systems development has not reached the point that the Office of Temporary and Disability Administration is prepared for full implementation. A question is whether such a system makes sense in light of its management complexity and potential for misuse.

10) **Make a final-hour effort to use the TANF surplus effectively**. Underutilization of surplus federal TANF block grant funds that are available due to caseload decreases–over $1.4 billion in the current State fiscal year–continues to spotlight a great missed opportunity. To date, much of the money has been set aside in reserve and unspent pools, used for tax relief and supplantation of State and local expenditures, or committed to smaller programs favored by particular legislators. There are some notable positive exceptions, such as providing funding for increased child care spending and the State Earned Income Credit. But efforts to mount a functioning public job creation program have not had much success. Nor have efforts been made to utilize TANF for subsidizing or stimulating production of affordable housing for potential welfare recipients and those going to work, including those at risk of losing their Jiggetts rent supplements. With TANF reauthorization looming in 2002, New York State can accomplish important program objectives, while better justifying maintenance of its block grant funding level, by utilizing the surplus for important programmatic purposes.

    Fiscal monitors, such as the New York City Independent Budget Office, note that child care and various other social services programs financed by TANF surplus funds would be at risk if Congress reauthorizes New York's block grant at a lower level and/or if there are large welfare caseload increases that require spending from the TANF reserve funds. However, the amounts of unspent funds and reserves for future caseload growth appear adequate to allow new program development, if carefully structured as non-recurring or limited-duration expenditures for housing assistance.

Child Care

The need for expanded child care and related programs has been universally recognized, but lack of implementation is threatening to undermine the funding commitments that have already been made and should be made in the future. The quality of child care for children of working parents is important for both the economic success of families and the health, educational, and emotional development of children. Recently, the financial commitments for expanded child care have run ahead of the City's capacity to create the new spaces for children that are so clearly needed. Although further funding is still needed, the City has not fully utilized existing support for expanding the supply of high quality, licensed child care, despite the availability of the resources to do so. Child care in community based centers, family child care in providers' homes, Head Start programs, and Pre-Kindergarten classes supported through the education system are all vehicles for more and better early childhood education, which is both development for children and essential support for working parents.

There is a recognition that welfare reform cannot occur without adequate child care. But support is even broader. Head Start continues to get expanded funding. The City Council added more child care funds in the 2002 City budget. The State has committed more than $300 million more this year for child care under the federal Child Care Development Block Grant and Temporary Assistance for Needy Families (TANF) programs.

There are three management goals for improving child care that deserve attention:

1) **Develop greater capacity to utilize existing funds to increase the supply of child care slots in both center-based and family care**. Making use of committed funds has been a problem. Delays in requests for proposals, contracts, and other steps in expansion planning and implementation have occurred. The City's Agency for Child Development, which is part of the Administration for Children's Services, has been slow to fund existing and new expansion sites with these funds. Current and future funding are clouded by the State and City budget uncertainties, but the case for support will be weakened if the City is not using effectively the money that has already been made available.

   The opportunity to bring more children into child care centers and family child care could be lost if the City does not move quickly to apply these funds. There is a special urgency, since the need for good quality child care for low- and middle-income parents in the City is so clear. More licensed group care centers are needed to increase both the quality and quantity of child care offerings. (See material from the Early Childhood Strategic Group, Child Care That Works Campaign, and other advocates.) Utilizing capital construction money for building new and expanded group care centers presents the special added challenges of securing sites, designing center space, and constructing new or rehabilitated facilities—all while complying with City construction and child care licensing requirements.

2) **Increase the quality (and licensing potential) of less formal child care arrangements that are publicly financed**. Under welfare reform, HRA has met child care needs primarily by paying for "informal care" by relatives and baby sitters, rather than by licensed group and family care, which is regulated to provide safer and better developmental care for the children. Parents on public assistance may frequently choose this informal child care because they are not sufficiently informed about other options which may provide their children with higher quality and better regulated programs, such as those available in organized family child care programs.

3) **Develop joint efforts among the government agencies and their grantees involved in the various elements of early childhood programs. To manage child care expansion effectively requires ongoing collaborations at both citywide and neighborhood levels**. ACD in ACS is the primary City agency responsible and has taken the lead with provider and children's advocacy organizations to prepare a new child care plan for the City. The test will be whether and how well it is implemented. Complications include the disparate administrative units involved: the Human Resources Administration, the Board of Education, and the Department of Health have program and regulatory roles, not to mention the City's construction and land-use oversight agencies, as well as the approximately 400 nonprofit child care provider agencies. What makes management of this complex of programs and agencies especially challenging is the inherently different perspectives on child care—as a social service, but also as a public education program, emphasizing early childhood development.

Although it is located within ACS, the Head Start program for very low-income children and their families, has, since its origins in the War on Poverty in the 1960s, operated separately with direct federal involvement. Contracting procedures remain separate. Efforts to achieve economies between Head Start and child care, even under the same sponsoring organizations, have been difficult to achieve—leading to such anomalies as separate kitchens, cooking staff, and management. (A demonstration of merged programs by several settlement houses under United Neighborhood Houses leadership has been the exception to the rule.)

In addition to Head Start and to HRA's role in financing informal care for welfare recipients' children when parents go to work, the Board of Education manages the State initiative to establish Universal Pre-Kindergarten. The State made a commitment to Universal Pre-K several years ago, and despite some State budgetary reductions, advocacy organizations have pushed hard to sustain it. Implementation has been better than in the other parts of early childhood programming because Community School Districts worked effectively with community based providers to locate space and program capacity in each district. As a result, pre-k programs are operating in a mix of school and CBO environments, making possible some combination of program resources to extend the part-day programs to serve the children of working parents. **This effort in pre-kindergarten programs demonstrates the potential for joint planning and program development in neighborhoods for children's services—an approach that could beneficially be broadened to include a wider array of family and youth development programs.**

Child Welfare

Under the Administration for Children's Services, the past five years of reforms in foster care, family services, and child abuse and neglect investigations stand as a major achievement in an area where past reforms have failed or been short-lived. These reforms followed decades of poor performance by the child welfare system and have been sustained by steady and resourceful leadership. To maintain this positive momentum, three initiatives out of the many important reforms underway are especially important to highlight:

1) **Sustain and strengthen the improvements that have been made in qualifications, training, supervision, and tenure of the child protective services workers who conduct child abuse and neglect investigations**. Although the reduction in numbers of children in foster care from more than 40,000 to fewer than 30,000 is an important positive social indicator, the number of abuse and neglect reports and the rate of substantiation of those reports remain very high. The number of allegations has remained consistently above 50,000 per year, involving more than 80,000 children. The gains in quality of protective services staff, one of the most critical and difficult jobs in City government, must be preserved by providing support over time to ensure that a skilled, experienced, and stable workforce develops. This staff requires the capacity and confidence, developed with experience and tenure in their positions, to make judgments which safeguard children, while preserving families when possible. They also need opportunities to develop broad knowledge of family and neighborhood resources.

2) **Continue efforts to change the system of established public and private voluntary foster care agencies by building their roots in City neighborhoods**. It will take more time and involvement of other community based organizations to produce improved outcomes for children and families on a more consistent basis. Evaluations of City direct care and voluntary agency family and congregate care are newly re-established tools for accountability, but there is a history of past City assessment systems that were resisted and ultimately defeated.

   Foster care contracts have been decentralized to community districts, but more time and effort are required to complete the transfer and development of foster homes in the neighborhood based system and then to create family service networks in communities. Connecting child welfare services to the other community resources which serve families and children, as the Agenda for Children Tomorrow demonstrations do, requires commitments and cooperation from a much wider circle of City departments and neighborhood organizations than those that are contractors of the Administration for Children's Services. The pre-kindergarten planning networks described above may provide examples of a broader linkage that may be feasible.

The progress in child welfare under ACS cannot be separated from other City human services and social conditions affecting these same families. Child and family poverty remain very high, as do family homelessness and other indicators of distress among children and youth.

3) **Address the needs of adolescents, both while in foster care and when they age out and leave for independent living**. While recognized, the needs of too many adolescents have not been effectively met in child welfare or other youth-serving systems. The quality and consistency of group care provided by voluntary agencies and the City comprise one set of concerns. Making the transition to independent living is a multi-faceted challenge that calls for education, employment, housing, and many other resources to be provided for youth who are essentially leaving the child welfare system and disappearing as a primary concern of the agencies where the youth lived or were supervised. Instances of homelessness and other subsequent social distress among former foster children have been documented in national and New York analyses.

   Whether some of the broader policies in child welfare and welfare reform are effective for adolescents should be examined. Some youth do not agree that the Administration for Children's Services policy of making foster care placements in their communities of origin work best for them, although it may be right for younger children. (See *Foster Care Youth United*, Sept./Oct. 2001 issue.)

   And early research findings on how children of welfare parents fare after their mothers go to work indicate that when overall family incomes rise, the health and education outcomes for younger children are better—but not for adolescents, who had worse outcomes. These are difficult problems without clear programmatic solutions. However, it is critical that attention not wane when youths move out of one public system into a less structured environment, where there next encounters with public agencies may be entirely negative ones.

Youth Development

Youth development programs to assist young people to navigate adolescence and make the transition to adulthood have suffered from too many years on the back-burner of City policymaking. The after-school movement has developed throughout the City, secured some of the public funding commitments intended to match private grants, and generated broad support and growth. Beacon Schools have also expanded in number and geographic coverage of the City, providing an important service enhancement. But individual Beacon Schools have not received additional funding for program costs or capacity increases. And other approaches to youth development have suffered. Youth employment programs, other than the annual rush to create summer jobs, have atrophied. Funding for youth programs have been cut substantially, and would have suffered even more if the City Council had not restored mayoral reductions each year.

Despite the limited City funding, there is a network of capable, well-led youth development organizations in communities throughout the City. These organizations have attracted funding from a wide range of public and philanthropic sources. **They have great potential for further growth and effective linkage with other human services programs, if they are given stronger City support**. Given their experience with adolescents, for example, these youth-oriented community based organizations have program development capability which the Administration for Children's Services could utilize if it conceived broadly the scope of its family and children's services networks.

Reducing Homelessness; Providing Housing

Despite some progress, homelessness has continued to embarrass New York for more than twenty years and has recently been increasing. The number of individual homeless had declined in the mid-1990s, but has grown again to more than 7,000 men and women in City adult shelters. There have been particularly large increases in homeless families in shelters during the past year, with the number exceeding 6,500 in September, more than 20 percent above that of the prior year. The population in publicly supported shelters now exceeds 28,000 people.

Nevertheless, progress has been made. Publicly supported shelter has improved for individuals through City support for more service-oriented, nonprofit-run facilities, and the gradual elimination of armories and other large public buildings; and for families through development of nonprofit apartment shelters as alternatives to welfare hotels. In addition, a strong network of organizations now manages permanent supportive housing for more than 10,000 formerly homeless people, many of whom have suffered from mental illness and/or addiction. There are additional steps to improve conditions for both individuals and families who are homeless:

1) **For individuals, provide more stable housing with appropriate services–an approach which has proven to reduce both homelessness and associated government costs**. The problem of homeless individuals appears to include a discrete and definable group of people with AIDS, alcohol, drug, and mental illness problems who can be reached in shelters, the streets, and other public places through experienced programs and dedicated, skilled outreach workers. These are men and women who appear individually at shelters, drop-in centers, public transportation facilities, and other venues. They are regarded as the individual adult homeless, although many have children elsewhere.

   An experienced cadre of nonprofit housing and service organizations has, over two decades, developed a varied array of transitional and permanent housing geared to the particular needs of these individuals. The capacity to develop additional such

housing clearly exists. **If resources for more permanent supportive housing can be provided through the joint City/State "New York/New York" program for homeless mentally ill and other funding mechanisms, the numbers of homeless individuals is likely to decline, as it did in the mid-1990s after the first round of New York/New York funding was applied**. Once in permanent housing with appropriate services offered to them, people with severe mental illness were stabilized and have, with few exceptions, remained in these settings.

A recent report on this program by the Center for Mental Health Policy and Research at the University of Pennsylvania demonstrates that, after entering supportive housing, this previously unstable population experienced large savings in shelter, mental hospital, public hospital, jail and prison, and other institutional costs. Compared with a control group of other comparable homeless mentally ill people, expenditures avoided for those in supportive housing were nearly equal to the costs of developing additional permanent housing and services. This study of supportive housing for former residents of City homeless shelters was the product of careful methodology by experienced researchers and provides persuasive evidence for shifting funds from these institution-based services to construction of permanent service-enriched housing. But without very strong policy direction—in this case, at both City and State levels—such funding shifts are unlikely to occur.

The dilemma of homeless housing continues to be the fear of attracting more people to shelters in a City with an inadequate supply of affordable housing. One approach is to concentrate on the people who are already the most expensive to serve in other public systems, those with the most intensive services needs—such as mental illness, AIDS, substance abuse, and other disabilities. If they are provided permanent housing with built-in treatment resources, some others may ask whether they are worthy of this scarce resource. We now know from the University of Pennsylvania study that we are spending on them anyway.

2) **Continue to seek solutions for the growing problems of homeless families**. The number of homeless families in publicly funded shelters in the City has spiked in the past year to exceptionally high levels, affecting more than 21,000 people, including more than 12,000 children living in temporary shelters. Efforts to utilize primarily nonprofit shelters, which provide important services for homeless parents and children, and to reduce the use of expensive and badly functioning welfare hotels had been succeeding for a number of years. Now, these efforts have been set back sharply. Once below a thousand, the number of families in commercial hotels and scatter-site facilities now exceeds 2,400.

There are undoubtedly multiple causes which are difficult to pinpoint in analyzing homelessness, but this surge, with its severe social and economic consequences for families, may be one by-product of the reduction in the public assistance caseload. Social effects can take a long time to develop, and it is important to determine whether family homelessness is a delayed consequence of the welfare changes that began in the mid-1990s and whether the phenomenon is likely to continue to grow. The homeless family crisis has no clear solution, as long as housing production remains low and large numbers of families are living doubled up with relatives and friends.

There might, however, be ways to mitigate some of the impact on these vulnerable families. The City's Emergency Assistance Unit is the only access point to family shelter. During years of litigation, it has been criticized for condemning families to rejection, repeated short-term shelter stays, and constant movement—all without meeting basic needs for housing or services. **Renewed effort should be made to make more stable shelter referrals for families and to replace the short-term stays that families now undergo with more accessible shelter that will help them to meet longer-term housing and social service needs**. The risk of this approach, which has been tried before, notably when greater housing resources were available during the early Dinkins Administration, is that it could attract more doubled-up and vulnerable families into public shelter. To be effective, linkages will be needed with government and community based service agencies and with groups in the affected neighborhoods—both to address problems with the families coming into shelters in neighborhoods and to provide preventive services to forestall large numbers of new homeless from leaving their existing housing arrangements.

Availability of housing is an underlying issue in all areas of human services. Without stable housing, the effectiveness of social services and treatment are greatly diminished. The City's shortage and lack of production of housing for low-income people is exacerbated for groups with intensive service needs.

Health Insurance

Despite recent attention by the City and State to health insurance for low-income families, especially children, the numbers of uninsured remain very high—1.7 million people in New York City and 3 million in the State. Increasing publicly provided health coverage has been a priority for the State and City for several years. Unfortunately, in the transition from welfare to work, many eligible families lost Medicaid coverage which they should have retained as a transitional benefit. In addition, the expansion of Child Health Plus and the planned implementation of Family Health Plus to cover people just above the Medicaid income levels have not yet enrolled large numbers of eligible uninsured in the City.

As a result, "self pay" (i.e. uninsured) people do not seek good preventive healthcare and continue to put great service and financial pressure on the "safety net provider" health centers and hospitals in low-income neighborhoods. Of particular concern is the precarious financial condition of the Health and Hospitals Corporation (HHC) facilities, including the child health clinic network it operates after transfer from the Department of Health. Since the City's subsidy to HHC has been virtually eliminated, revenues from third-party insurance, especially Medicaid and other public sources of health coverage, have become even more critical to the quality and survival of clinics and hospitals.

The implementation of Mandatory Medicaid Managed Care, which was intended both to save money and improve preventive care by enrolling Medicaid recipients in managed care plans, has been very slow to develop. One handicap for these managed care organizations, a group which now consists almost entirely of nonprofit HMOs, has been the turnover of the enrollees who lost their Medicaid coverage when they left welfare.

Organizations, such as the United Hospital Fund, Commonwealth Fund, and Children's Defense Fund have advocated ways to increase and stabilize health insurance coverage. To be effective, steps to improve the situation will require high level attention from the new Mayor and City administration:

1) **Streamline, simplify, and make more accessible the health insurance coverage programs to assist low-income families and individuals**. Late in the Giuliani Administration, HealthStat was established in the Mayor's office to promote outreach to enroll eligible people in these health insurance programs. Child Health Plus has stimulated outreach activities for children above the Medicaid levels, and efforts have been made to create "seamless" eligibility procedures to encourage and simplify enrollment in both Medicaid and Child Health Plus. With final federal approval, the State is also ready to begin implementing Family Health Plus in the City to reach parents, childless couples, and individuals not previously covered by public health insurance coverage.

   There are many complexities and inconsistent provisions in these various programs, and different agencies have responsibility for administering and enrolling people in them. **To achieve the desired expansion in coverage, there must be a push from the top in City and State government to make the necessary legislative and administrative changes and enhancements**.

2) **Develop clear and consistent administrative directives to guide City government staff and community based organizations which are conducting eligibility for these still-developing programs**. Enrollment occurs in Job Centers (welfare offices), Medicaid offices, and other healthcare and public sector settings. Community based organizations are also involved in outreach and enrollment for these programs. The

"seamlessness" of all these organizations in advising and enrolling participants is easier stated as a goal than it has been to achieve at the local sites where the activities occur. In addition, it must be remembered that, while accessibility is the driving objective, it will also be important to ensure program integrity so that a future eligibility scandal does not undermine the programs, as has too often happened in public benefit programs.

3) **Continue efforts to address the objective of rationalizing the delivery of primary care**. People in low-income neighborhoods continue to use hospital emergency rooms in large numbers for routine health needs that would be better handled in ambulatory care clinics where continuity of care could be provided. The objectives of making large-scale shifts in utilization patterns and producing cost savings through Medicaid Managed Care and Child Health Plus managed care organizations have not yet been achieved. Managed care implementation was long delayed, enrollments have grown slowly, and people's preferences for emergency rooms continue to prevent substantial reductions in hospital workloads.

   Without the now-defunct Health Systems Agency, there also is no venue beyond the marketplace to plan where primary care is needed. Needs assessment has been done under the Mandatory Medicaid Managed Care Initiative, but hospitals have opened and closed ambulatory care facilities based on ever-changing judgments about their individual competitive positions, while community based healthcare providers get caught in the patterns established by the large institutions. **The promise of preventive care still awaits a more stable and accessible system of primary provider**s.

Programs for the Aging

The City continues to maintain an important network of health and social services for its senior citizens, but expanding and adjusting these services to changing demographic and geographic patterns of need has proven difficult. The fixed nature of most funding sources has limited the City's flexibility. The Department for the Aging (DFTA) supports 340 senior citizen centers throughout the City, providing congregate meals, social, and other activities, primarily through nonprofit community based organizations. The Meals on Wheels program also provides individual meals to seniors at home. Home care is provided for 5,300 elderly people whose incomes are above the Medicaid eligibility level.

By contrast, the much larger Home Care program managed by HRA serves more than 65,000 elderly and disabled who meet the Medicaid low income and asset tests. Once the medical necessity for in-home care is determined, an eligible person will receive services because the Medicaid funding source has long been a federal entitlement program and is not limited in numbers served by the kind of fixed funding source that governs other senior programs.

Among ongoing issues are how to establish senior centers in underserved areas, improve the utilization of existing centers, find capital to meet physical rehabilitation needs of centers, and maintain adequate processing time for Senior Citizen Rent Increase Exemption Program (SCRIE) applications. In addition, a growing number of seniors are aging in their own housing and requiring increasing levels of service in "naturally occurring retirement communities."

Developing additional resources to expand these services is a challenging objective for senior citizen programming. Like other areas of social services, services for senior citizens depend on policy and budget decisions made at federal and State levels, as well as by City government. Much of the funding for DFTA programs is now discretionary City money, since the federal formula funding under the Older Americans Act has declined as a share of the overall cost of senior services provided in New York.

Structure of City Services—It's Not About More Reorganizing

This review of programs and policies shows the large number of City government departments that are involved in providing human services. There is a great need for effective mechanisms for planning and program interactions among the departments and the thousands of nonprofit organizations with which they contract for the actual delivery of most social services.

Despite the lure of reorganization strategies as a response to the complex picture of human services agencies, reorganization rarely results in making government services actually work better. At the outset of a new City administration, the motivation might be to demonstrate a new beginning or, once in office, to respond to particular crises, scandals, tragic cases, and other public embarrassments. A new government will be tempted to announce reorganization studies to buy time for decisions that officials are not yet ready to make. The price to be paid is the anxiety created and the sacrifice of time that key policy-makers and top managers could be spending administering and improving services. Instead, their attention will be diverted to studying functional relationships, redrawing lines of responsibility, and dealing with elected officials and myriad constituency groups affected by any organizational changes.

Reorganizations also divert the attention of middle managers and line staff from providing services to concerns about status, reporting and supervision changes, pay, and other important, but non-programmatic, issues. Reorganizations usually take longer than anticipated to plan, while service delivery issues and improvement projects remain in hiatus. Once planned, implementing the new structure is also likely to result in further delays. The more sweeping the reorganization, the more likely these ill effects are to befall the services that are its subject.

The argument here is not to leave everything as is. Governmental structures need to be reviewed and changed from time to time. But the lesson of many past reorganizations

should be to make them as limited, focused, and brief in planning and execution as possible. There is no perfect organization for human services, as the history described below will indicate. The programs and relationships are complex and ever-changing. Organization and structure, especially at the Citywide "downtown" level, are rarely determinative of program quality and performance in service delivery. Focusing on questions of resources, support, access, and other factors that are more directly involved in program operations will generally be more productive.

A brief historical review of human services in the City may help to provide a context for discussion of future directions. Since the 1960s, New York has undergone many changes in the way its human services are structured. The current organization and responsibilities of the public agencies that manage the City's wide range of human services programs are not the product of any overall study or plan. In fact, the last comprehensive plan for human services was done for the late Mayor John Lindsay in 1966, proposing that the Human Resources Administration be created. HRA was then established by executive order along with other "super-agencies" that characterized government organization in the Lindsay era.

The Human Resources Administration that was established 35 years ago was in both concept and actuality an organization broadly encompassing the City's human services functions. The report to Mayor Lindsay, which was organized by the man who then became his first HRA Commissioner, Mike Sviridoff (who, like Lindsay, died recently after a long career in labor, community development, government, and foundation work), gave the rationale for a single overarching agency:

> "…we believe that the city will be taking a long step forward if it decides to bring together the now separate efforts in the field of human resources in a comprehensive program…. The essence of our proposals is integration or coordination of functions. By pulling together the many threads that now run separately, it will also be more feasible to relate human resources programs to those of other city departments, agencies and administrations…. The kind of organization we propose cannot do its job unless it cooperates closely with the many existing private groups and institutions, and above all the voluntary agencies, in the city whose long experience will be an indispensable source of assistance and advice. The HRA's effectiveness also depends to a large degree on effective working relationships with business and labor."

For those of us who were part of those heady (and in retrospect, naïve) days, the idea of combining the welfare department with the burgeoning 1960s War on Poverty programs in employment, community action, youth services, and other social services was the key to reducing dependency. It was a kind of success-by-association theory in which these opportunity programs would rub off on welfare dependency, somehow enabling people to get the support services they needed to go to work. Even a mayoral education staff, the Office of Education Liaison to deal with the Board of Education, was included in the original HRA structure, as was a drug addiction treatment arm. Mayor Lindsay later also

established within HRA the Agency for Child Development to plan and manage day care, Head Start, and other early childhood education programs.

In reality, the original broad umbrella HRA, which became a much-copied model in other cities and states, proved in New York City to have too many flashpoints of controversy, client pressures, program design problems, financing and personnel challenges, and administrative failings to be easily managed toward achieving its original goals.

Without any Mayor or City official explicitly planning or saying so, the City's pattern of government organization over the past three decades has been to dismantle gradually the original comprehensive umbrella Human Resources Administration of the Lindsay era in favor of separate, more narrowly focussed agencies. The Human Resources Administration that still exists today in name, only very partially reflects its original coordinating function. It is even narrower in scope than the welfare department of the administrations of Mayor Robert Wagner in the 1950s and early 1960s, which contained the Bureau of Child Welfare.

Although HRA today retains eligibility determination for Medicaid and Food Stamps and recently reacquired employment training responsibilities, it focuses primarily on the welfare caseload and is certainly far less comprehensive than when conceived and organized. Many functions were transferred out to newly created or independent City or State service agencies, according to the following rough (and not-comprehensive) chronology:

<u>1970s</u>

-mayoral education policy to the Mayor's Office;

-drug treatment to the New York State Office of Alcoholism and Substance Abuse Services;

-Medicaid provider payments to the New York State Department of Health;

-youth services first to a new Department of Youth Services, and more recently, to the Department of Youth and Community Development;

-juvenile detention and aftercare to the new Department of Juvenile Justice;

<u>1980s</u>

-community action (the heart of the original War on Poverty) to an independent Community Development Agency, and more recently, to the Department of Youth and Community Development;

-employment and training to a new Department of Employment, which recently was partially re-integrated back into HRA;

1990s

-senior citizen centers to the Department for the Aging;

-homeless shelters and services to a newly created Department of Homeless Services;

-child welfare services (child abuse/neglect investigations, family services, and foster care) to a newly created Administration for Children's Services;

-child support enforcement to the Administration for Children's Services; and

-Agency for Child Development (Head Start and day care) to the Administration for Children's Services, leaving within HRA the child care responsibilities for welfare recipients going to work.

These realignments were made by each of the Mayors along the way in response to particular situations each faced. No overall ideology, concept, or plan has guided the effort. Often, the motivating factor was the need to respond to a crisis and/or public embarrassment, although other reasons have been stated, as well.

While public scandal or perceived mismanagement have been primary reasons to reorganize functions, another was the desire to align functions with interested constituencies. This factor was the motivating force for transferring senior citizen centers to the Department for the Aging, although the transfer was made in the name of service coordination, financial savings, and greater efficiency.

Creation of the Department of Homeless Services in the administration of Mayor David Dinkins followed the recommendations of a commission chaired by Andrew Cuomo, then head of a homeless housing organization. An underlying objective of establishing a new department was to respond to providers and advocates who perceived that they would have a better working relationship with City government in a single-purpose agency outside the clumsier multi-function HRA operation.

Separating these services into independent agencies has provided the opportunity for greater high-level attention to the particular service by having a mayoral-appointed commissioner in charge and giving the agency control of its own support functions (budget, personnel, facilities, etc.). This rationale was explicitly stated in the Giuliani Administration for the transfers of child welfare, along with child care and child support, to the new Administration for Children's Services (ACS). While the creation of ACS followed the tragic and highly publicized death of Elisa Izquierdo in November 1995, the plan produced a year later developed a broad rationale for the benefits the new independent child welfare agency would provide. The most ambitious human services planning in recent years was the work of the Administration for Children's Services in 1996, when it was established, and last Spring, when it developed a "renewed plan" for the City's child welfare system.

Nevertheless, today key service areas are separate responsibilities of different City agencies. Commissioners of the various human services agencies in the Giuliani Administration report to four different Deputy Mayors, and one (the Commissioner of the Administration for Children's Services) reports directly to the Mayor. There have been no formal coordinating mechanisms.

The Human Resources Administration concentrates on welfare administration and some of the employment training and child care related to it. It also administers Food Stamps, Medicaid eligibility and protective services for adults. However, adult literacy programs, which are also crucial for many public assistance recipients, are the province of the Department of Youth and Community Development. And the Bureau of Child Support, which secures child support orders in Family Court and collects payments for welfare and non-welfare families from absent parents, is in the Administration for Children's Services.

Many of the families involved with the ACS-administered child welfare system (abuse and neglect allegations, foster care, and preventive family services) are also on public assistance. ACS runs the Agency for Child Development child care and Head Start programs for families in a variety of circumstances—welfare, child welfare, and working parents not engaged with either of these systems. And as described earlier, HRA, the Board of Education, and the Department of Health are also deeply involved in providing child care.

The Department of Youth and Community Development (DYCD) supports Beacon Schools and other youth services programs, but youth employment is still in the Department of Employment, which has had most of its adult training resources shifted to the control of the Human Resources Administration. Other important youth functions, including the detention facilities managed and overseen by the Department of Juvenile Justice and ACS activities for youth aging out of foster care, are also run separately from DYCD. Some programs under the City health, mental health and addiction treatment, and homeless departments also serve youth.

All senior citizen centers are now managed through the Department for the Aging. DFTA also provides home care to more than 5,000 seniors, but the 65,000-person Home Care program for the elderly and disabled receiving Medicaid is run through HRA.

Providing services to immigrants is relevant to all of these program areas.

The point of listing just these few examples is to show the structural inconsistencies in the way that City human services agencies are currently organized. Should there be another reorganization? When most of these functions were together in the original umbrella Human Resources Administration, there were frequent operational problems because of the scope, scale, and volatility of many of the services. Nor were policy-making, program planning, evaluation, and contract management for the agencies within HRA always done smoothly. However, a substantial capacity did develop to consider overall human services policy and legislative priorities, to conduct human services planning–as was done annually

to meet State and federal requirements–and to direct internal evaluation, audit, and research staff to the areas of greatest need within the broad framework of HRA programs.

The planning and assessment vacuum that now exists as a result of the separation of agencies could be filled in ways other than reorganizing. A deputy mayor or assistant to the mayor for human services could be appointed, although City Hall is not an environment conducive to program planning and evaluation functions. The Office of Management and Budget could establish a human services planning, evaluation, and coordinating unit, but OMB focuses on budget, not programmatic, issues, especially in difficult fiscal times. Similarly, the Office of Operations could establish such a unit, assuming that there was the requisite support from the Mayor's Office, which directs its day-to-day priorities. The Department of City Planning also provides some relevant human services data, but has not had responsibility for program and policy planning and coordination in human services. Recognizing the strengths and weaknesses of these different models, a mayor determined to make one of them work could do so. The key element is strong mayoral support for whatever option is chosen.

The sharp reductions over many years in agency analytic staffs have further reduced City government's capacity to make broad assessments of social and economic trends, review human services policies, and engage in overall program planning and evaluation. The cutback in the amount of program information about City services and needs made public by the current administration during most of its tenure has further inhibited public engagement in the direction of human services.

Information about social trends, service data, policy problems, and operational issues is important to nonprofit service provider organizations, just as it is to City government agencies. The ability of outside organizations—universities, policy research organizations, United Way, religious federations, and other voluntary social services agencies—to work with the City in examining trends and setting program direction has been sharply curtailed by the City Administration's refusal to release data and encourage outside research and analysis. With a few notable and generally very recent exceptions, most City government agencies have, during the Giuliani Administration, been closed to the kind of collaboration and information-sharing which characterized human services operations in past City administrations.

Indicating the problems associated with the current fragmented structure of government is not a call for another comprehensive reorganization. The difficult underlying social problems cannot be reorganized away. But the current fragmented pattern of government departments requires a compensating mechanism. Since there is no umbrella human services agency, other means must be employed for government to collect comprehensive data, identify socioeconomic trends, conduct needs assessments, evaluate current programs, stimulate new program development, and coordinate operations effectively.

In particular, there are myriad operational problems that need resolution at the neighborhood level where City government field offices and community based organizations come together, or should. In addition, the human services agencies need mechanisms for effective interactions with education, housing, economic development, and related programs that affect the ability of the City's low-income residents to lead productive lives. A concerted City position is also essential vis a vis the policies, regulations, and financing decisions made by State and federal agencies that are determinative of many human services matters.

It's the Neighborhoods That Matter

The place where structure and organization matter most is at the neighborhood and community level where services are actually delivered to people. Facilitating better communications and program coordination with local service providers and improving contracting procedures need the attention of senior City officials. What changes in citywide policies will enhance operations in the field—for both City line staff and contractor agencies? How are families and individuals affected by the current fragmented nature of City human services, and how can improvements be made?

Assisting City-funded programs to be better managed at the neighborhood level should be a high priority for City program managers. Service provider problems with the current system translate into negative impacts on access and service continuity for the citizens who need assistance. **Top City officials should recognize that government human service agencies and their contractors are part of a system of mutual dependence and that effective City government cannot occur without enabling these nonprofit service organizations to operate well.**

The City also has responsibility to set service policies, conduct fiscal and programmatic reviews, and take enforcement actions when poor contractor performance necessitates it. Ensuring accountability remains an important public obligation, but City agencies could work more closely with service provider organizations to develop the mechanisms for carrying out these functions. Cooperation of contractors with review and assessment requirements of City departments will be that much greater if the basic mechanics of the City's contracting process are repaired.

Problems with the City's contracting process—including chronically late contracts, delayed payments for work done, and inadequate cash flows to community based organizations–must be addressed. These problems have worsened since the 1989 City Charter eliminated of the Board of Estimate and established mayoral control of contracting more than a decade ago. **Working with the departments, Comptroller, and Procurement Policy Board where needed, the Mayor's Office of Contracts should make improved timeliness and contracting procedures a high priority.**

Elaborating on these ideas, City officials should:

1) **Cooperate with strong and effective community organizations to develop locally based coordinating mechanisms for service delivery.** The notions of "one-stop" and all-purpose multi-service centers are probably naïve for a place of New York's scale with the scope and dimensions of its human services programs. But citizen access will be enhanced if City agencies work as part of community service consortiums to connect services in ways that are tailored to local conditions.

   These configurations may vary in composition and emphases from community to community, depending on service needs and the strength of different community organizations. In some cases, the Community Boards may be able to take a lead role. In others, an experienced service provider will be a better candidate. In a few, established mechanisms are already in place.

   Although service areas are hard to define universally, New York City's 59 Community Districts do have official status. They cover very large geographic areas, covering many distinct neighborhoods, that will work for some program planning and service delivery, but not for all. **Flexibility is the best guiding concept—both as to what organizations make effective service delivery leaders in each community and what the best geographic coverage areas are.**

2) **Enable the local offices of City human service agencies—welfare (Job) centers, Medicaid eligibility offices, child welfare field offices, and others—to work with the networks of nonprofit contractor agencies in each neighborhood.** City direct operations must be linked effectively with nonprofit service delivery. The statement sounds simple, but has proven difficult in practice. City priorities are transmitted to local field offices in hierarchical fashion through vertical chains of command, making horizontal program relationships in communities difficult to establish and sustain.

   Ideally, joint program goals and objectives can be established among City line units and the community based organizations they contract with. This does not mean they are performing the same functions. Often, the City role is determining eligibility for large benefit programs—public assistance, Medicaid, Food Stamps—or carrying out sensitive functions, such as the investigations required to determine the validity of child abuse and neglect allegations. Joint City/contractor understandings can enable local Job Centers and training contractors to operate welfare-to-work programs successfully. Preventive services to avert child removals to foster care need to be coordinated between City protective services caseworkers and community based service providers.

The City's unions are concerned about contracted services. District Council 37 and its locals have long opposed City contracting because of the impact–real and projected–on City jobs. This position complicates joint operations between City staff and contracted agency personnel who are sometimes part of unions seen as competitive with the City workforce.

A key issue for both City local offices and nonprofit community based organizations is what amount of discretion to allow at the line level. To what extent should City workers and nonprofit service staff follow specific rules and guidelines? How much flexibility should they have in assisting the clients who come before them? **City managers could maintain tight rules and procedures for eligibility workers (now called Job Opportunity Specialists) when administering cash assistance, while giving them more discretion, information, and resources to make client referrals to employment, education, and other support services that lead to jobs.**

Working with local services consortiums, City eligibility workers would be more effective if they had knowledge of and responsibility for a broader range of assistance programs. **The City and State should use the greater flexibility they now have as a result of "devolution" from federal to local control to reconcile differences in requirements, procedures, and documentation in order to make benefit determinations more uniform across programs.** Developing, at long last, the technology that connects these systems and providing joint training for line workers across benefit programs would enhance their ability to assist clients and reduce friction.

Rationalizing eligibility will also help to maintain the financial integrity of these benefit programs that is essential for their continued support. There is nothing more harmful to public and political support than publicized evidence of ineligible benefit recipients and mismanagement by program administrators.

3) **Take concrete steps to expedite Requests For Proposals and completion of contracting procedures, ensure timely payments, and make reporting by providers a less cumbersome and repetitive task.** Speeding up the logistical process of contracting and improving cash flow are actions that will allow both City managers and nonprofit service providers to address the more substantive aspects of delivering public services. These problems have long been matters of concern to the Human Services Council and other organizations representing the interests of providers. Improving practices would increase the ability of City agencies to require contractor accountability, undertake program evaluation, or engage in overall policy-making.

4) **Increase City capacity for contract management**. Besides improving the logistics of contracting, the City should be doing more to fulfill its contract management functions—and should probably be better staffed to do so. Managing a contracted service requires City staff to undertake program planning, conduct or oversee evaluations and audits, make decisions on program continuation, expansion, or termination, and provide technical assistance. Contract management is not a bare bones function, but rather one that must be adequately staffed.

5) **Maintain a residual capacity to operate some service programs directly with City staff.** As a general rule, the City should not relinquish its entire operational capacity to contractors in any program area. It should not become captive to any social services industry group—whether in foster care, homeless shelters, or other areas. By knowing the issues and costs to provide a service firsthand, the City can provide better planning, management, and oversight of a contractor-provided service than if it turns over all operations to contractors.

   There are also certain functions that City should continue to operate directly. These include the eligibility determination functions for large-scale benefit programs—public assistance, Medicaid, Food Stamps. It also must conduct abuse and neglect investigations directly, since the sensitivity of removing children from their families to be placed in the City' custody is so great.

6) **Develop more realistic and generic approaches to performance measurement and reporting by contractors.** There is a natural—and inappropriate—resistance on the part of contractors to be monitored and measured by the City. In recent years, most City departments have been developing and mandating performance measures and reports by their contractors to identify outcomes and program impact.

   While generally a positive step toward providing better accountability for results, the quality and value of the actual measures vary, and the process, viewed from the perspective of community based contractors, is highly problematic. Each City department, sometimes including different units within a department, has proceeded without regard to related reports and measures required by other departments. The numerous and frequents reports for each isolated measure create unnecessary burdens to the service delivery organizations and may prevent the City and its contractors from seeing broad service impacts. One well-regarded agency makes 30 reports a month to various public agencies.

A solution to this syndrome of focusing on the trees, rather than the forest, is to develop more generic reporting across City programs with related objectives. Emphasis should be on ensuring the performance measurement process is a feasible one for the reporting participants, as well as for the City. Development of such an approach will require substantial City effort and negotiations with contractors. Fortunately, much work on this problem has already been done by the Rennselaerville Institute, SEEDCO, Human Services Council, United Way, United Neighborhood Houses, and other organizations.

Example: Child Welfare Neighborhood-based Services

Long-established and sharply defined City and voluntary child welfare agency functions are now undergoing major changes. Reforms have been implemented to make foster care and preventive service contracts on a Community District basis. If the reforms are to be lasting ones, the move to neighborhood based foster care requires the City and voluntary agencies to figure out how to transfer foster homes and cases to match the geographic contracts that have been put in place. Also, nascent networks of children and family service providers in each neighborhood must be expanded and solidified. The goals of these networks can be narrowly focused on issues of concern to the child welfare system, or they can set agendas that take on more ambitious family and children's problems in each community—youth development and child care planning, for example.

Similarly, investigation and child protection functions have been primarily City responsibilities, as they should be. However, other cities have developed more encompassing approaches to ensuring child protection, involving community organizations under foundation-supported initiatives. The essence of child protective services is the quality, training, experience, and stability of the caseworker staff. ACS has made improvements in this area, but the test of accomplishment over a longer period of time includes both whether the better prepared and trained workforce becomes stable and experienced and whether City caseworkers work effectively with other organizations and resources in local communities where they are assigned.

Encouraging voluntary child welfare agencies to break down their isolation from the communities they serve by establishing linkages with community based service agencies can be reinforced by performance monitoring. In the early 1980s and again today, the City has put mechanisms in place to assess performance of foster care agencies and to make fiscal and program decisions accordingly. There is a latent, sometimes overt, voluntary agency resistance to City oversight, perhaps based on their charitable institutions legacy, in which large voluntary foster care agencies, most religiously based, operated for much of the last century without effective public oversight. City child welfare policy-setting is still a fairly recent phenomenon of the past twenty years, and even during that time, it has not always been practiced. Some foster care agencies have developed or participate in effective local service networks, but not all.

Connecting foster care to other community organizations and resources is also essential for assisting the transition out of foster care for the large number of adolescents in the system who will neither return to their natural parents nor be adopted. Creating effective transitions to independent living has been a major unmet need in New York City child welfare for decades. Despite a few effective programs and sporadic attention to the issue, it has never been dealt with adequately.

Using Money Effectively

The City and State are facing large deficits. The economy is weak. Rebuilding activities are getting the highest priority. There will be pressures on human services programs to reduce expenditures. Any improvements will require creative use of resources. Several strategies are worth noting:

1) **Make full use of available sources of federal and State funding**. Since human service programs are generally financed with revenue from all three levels of government, City budget and finance staff try to maximize reimbursement from State and federal sources and to conserve expenditures from City tax levy sources. In recent years, however, the City has not always fully utilized available resources available from higher levels of government. Under-spending has occurred in revenues for child care and workforce development—both program areas in which the need for service exceeds available supply.

   As described earlier, the City can increase the capacity of child care and Head Start center, family **child care**, and pre-kindergarten classes through more effective management of the expansion process afforded by increased federal and State funding. To do so, there must be better coordination and oversight of the agencies involved—Agency for Child Development in the Administration for Children's Services, Human Resources Administration, Department of Health, and Board of Education. Mayoral leadership will be needed to establish the mechanism and provide the impetus to make this expansion a priority.

   Federal Department of Labor **workforce development** funds from the Workforce Investment Act are in danger of being recaptured because the City has not applied its allocation on an effective and timely basis, despite the importance of expanded training opportunities to meet the needs of both welfare recipients entering the labor force and other low-wage workers displaced by the shrinking economy and the after-effects of the September 11 tragedy. These resources can enable the City's business community to identify shortage occupations, prepare and train the workforce, retain jobs, and stimulate economic growth.

In addition, the City can work with the State to use the remaining **TANF block grant surplus** to enable more people to move from welfare to work, particularly those with intensive service needs, such as drug, alcohol, and mental health. A bolder initiative would be development of ways to use these surplus funds to subsidize housing development for selective current, past, and potential welfare recipients.

2) **Identify specific opportunities to capture savings in institutional expenditures by developing more cost-effective services.** These opportunities occur in several program areas–including mental health, health care, and child welfare. In most cases, these opportunities have not been fully realized because the savings and the services to which they would be applied do not occur in the same agencies. Leadership is needed to overcome the bureaucratic tendencies to protect budgets and expenditures, even if the program results are neither beneficial to the recipients or the best value for taxpayers.

The study described previously that documents savings that occur in **mental health** and related public shelter and institutional costs when supportive housing is developed for homeless mentally ill people justifies such a reallocation of public expenditures. However, implementing this transformation requires decisions by multiple City, State, and federal agencies to convert reduced institutional costs into financing for housing and services. Although agreements would need to be negotiated at the executive levels of government, the improvements in people's conditions and the more efficient use of public revenues would be worth the effort.

The long-delayed implementation of Medicaid Managed Care is finally underway, along with provisions for monitoring the quality of **healthcare** that participants receive. So far, low and volatile Medicaid enrollment levels and stubborn participant behavior have prevented the anticipated hospital cost savings (in emergency room utilization and in-patient care) that were expected. Nevertheless, Medicaid enrollment can be stabilized, if doing so becomes a City government objective. The managed care organizations are in a position to continue increasing participation, which together with more coordinated and streamlined rules and procedures for Child Health Plus, Family Health Plus, and Medicaid can then reduce the numbers of uninsured in a cost-effective manner.

In **child welfare**, achieving further reductions in the numbers of children in foster care can be facilitated by changes in the financing formula to create greater incentives for provision of family and children's preventive services. Capacity to identify and intervene in family problems before they reach the crisis stage where removal of children is necessary should increase through the neighborhood-based approach to child welfare contracting and the creation of broad community networks of service providers. Since savings from further foster care reductions are likely to come after the system reorientation occurs, continuing up-front investment will be needed.

The approach of utilizing savings from institutional funds for program development could also apply to two other groups that are part of the child welfare system–**youths aging out of foster care** to independent living, many of whom later become homeless; and parents whose children were placed in foster care because of parental mental illness or other disability, for whom casework judgment suggests that **family reunification** would be possible in a stable housing setting which has appropriate services available. In both cases, there are potential savings to offset the costs of housing development—generated by reductions in future homeless shelter and related costs for the youth, and in current foster care costs for the families where reunification is a potential action.

Better use of available resources could enable young people on the streets and in shelters, many with a foster care history, to benefit from a stable housing environment geared to their needs. Small pilots have started, based on a European model, and they should be tested and measured to determine their potential to produce savings similar to those already documented for homeless mentally ill adults. Overall, the budget management challenge is to develop a steady stream of program and housing resources that would be justified by future savings in ongoing institutional costs.

3) **Use resources to mitigate the "notch" problems in many human services programs, which cause disincentives or hardships for people to move from welfare dependency to work.** The notch occurs when a person earns too much to qualify for a public benefit–such as housing assistance, health insurance, or child care. Although current laws address some of the notches by providing for transitional benefits, the City has not effectively ensured that people making the welfare-to-work transition receive them.

In certain other cases, there is no mitigation. Some welfare recipients receive rent allowances higher than the standard shelter allowance in the State welfare grant payment, due to the Jiggetts litigation. When these families leave public assistance, they lose the special allowance and risk losing their housing. Providing a rent supplement on a transitional basis, which could be done utilizing TANF surplus funds, would be one solution to this problem.

Conclusion

Many of the program recommendations in this report require attention from both City policy-makers and human services advocacy organizations. Not only are the City departments separated, but advocacy groups, too, are highly specialized. Much advocacy follows the structural lines of government. There are few venues that join housing, healthcare, welfare and social service organizations.

Although some broadly based organizations do work across lines, there need to be more forums, supported by credible research and analysis, in which senior City managers, City and State budget officials, and representatives of the Legislature and City Council—many of whom are also specialists—can understand the interrelationships among programs. We are in a particularly difficult time for human services programs, particularly for securing new resources to improve them. The needs of the low-income residents of the City are pressing, and many changes in program management can be made that use public funds more effectively than currently.

Other changes require the City officials and nonprofit community leaders to develop better service systems in the City's neighborhoods. It is important at this time of new City leadership to commit to addressing human services issues directly, not by relying on reorganization studies which dodge basic decisions about program content and management.

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The Aspen Institute Roundtable on Comprehensive Community Initiatives is a forum for leaders working to improve the life circumstances of children and families in distressed urban neighborhoods. It provides a venue where they can discuss challenges, emerging lessons and work on issues of common concern. Established in 1992 under the auspices of the National Academy of Sciences, the Roundtable became a policy program of the Aspen Institute in 1994. Its membership includes foundation officers, program directors, scholars and public officials.

The Working Paper Series is the Roundtable's effort to share the early products of our work with a broad audience of people who are concerned with residents of low-income communities and the host of factors that affect their well-being. We encourage all who read our working papers to send us any comments, thoughts, and ideas that are stimulated by the papers. We welcome your feedback.

For information about other Roundtable projects, publications and internet resources please visit our website at www.aspenroundtable.org.

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