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Recent Changes in New York Welfare and Work, Child Care, and Child Welfare Systems

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New York's welfare reform program shifted away from cash assistance and skill development to emphasizing a strong "work-first" philosophy.

Introduction

With welfare reform, New York's cash assistance program for families underwent a substantial philosophical shift. A system formerly focused on prompt and accurate delivery of cash benefits was required to change into an employment-focused, work-first program. Interest in making these changes began well before New York's new welfare program was signed into law in August 1997, but the program's final form took some time to work out. The final legislative compromise softened some of the most dramatic plans for overhauling the existing welfare system that Governor Pataki had put forward in 1996.

New York's version of Temporary Assistance for Needy Families (TANF) is called Family Assistance (FA). With FA came a more pronounced focus on work. New York's benefit levels were not changed and remain among the most generous in the nation, but its cost of living is also among the highest. A five-year lifetime limit on benefits was included, as required by federal law. But certain categories of recipients who exceed this limit may continue to receive assistance with state funds. At the same time, generous child care assistance is guaranteed to working families receiving FA and for 12 months after leaving FA. Other priority groups are also eligible for child care subsidies.

The legislation that authorized FA also authorized another public assistance program, Safety Net Assistance (SNA). SNA, financed with state and local funds, incorporates and expands Home Relief, New York's former General Assistance program that made cash benefits available to childless adults for up to two years. SNA continues New York's long-standing commitment to aiding poor households by providing cash benefits to those not eligible for FA, including income-eligible families exceeding the 60-month TANF time limit, children living apart from any adult relative, families of persons refusing drug screening, and legal aliens during their first five years in the country. After two years of receiving cash assistance from SNA, eligible recipients were to transition to the noncash SNA system to receive voucher payments for rent and utilities and a small cash grant.[1]

To strengthen FA's programmatic shift to an employment focus, the governor moved all state supervisory responsibility for employment programs to the Department of Labor. The move facilitated creation of an integrated workforce development system by consolidating all employment and training programs in one agency.

This brief updates *Income Support and Social Services for Low-Income People in New York*, an overview of benefits and services in the state in 1997. Most of the implementation of welfare reform in New York took place after the baseline visits that yielded the information presented in the earlier report. Therefore, the FA program described in this brief represents a departure from the program described in the earlier report. Indeed, since 1997, New York and the other states in the *Assessing the New Federalism* study have made many changes across the spectrum of social safety net programs. This brief concentrates on a three important areas of change—FA and workforce development, child care, and child welfare.

This brief begins with a short profile of New York's population, its social, economic, and political conditions, its safety net, and changes in caseloads since 1997. The subsequent three sections offer a more detailed description of current policies and recent changes in the areas of FA and workforce development, child care, and child welfare. The final section highlights other key changes in New York's safety net and their implications for understanding the effects of devolution and welfare reform.

Information presented in this brief comes from reviews of state and local program documents and interviews with selected officials responsible for policy and program operations in Erie County (Buffalo) and New York City. Researchers visited New York during the latter half of 1999 and the first half of 2000. Child welfare was the focus of visits made in October 1999 to Erie County, where interviews were conducted with county policy and operations officials in the child welfare and FA agencies, and with child welfare line supervisors and caseworkers. Visits to New York City between October and December 1999 included interviews with child welfare finance and research staff, child welfare advocates, and a focus group with child welfare caseworkers. Child welfare information from Erie County and New York City was supplemented with telephone interviews with one local office administrator in a dozen randomly selected additional counties across the state.[2]

Child care was the focus of visits to Erie County in October 1999 and New York City in November 1999. The visits included interviews with city/county officials and focus groups with child care caseworkers, providers, and parents using child care subsidy programs. Telephone interviews with selected state officials completed the child care data collection. Site visits and interviews for the FA and workforce development systems occurred in May 2000 in Erie County; we were unable to conduct interviews with state or New York City officials.[3] However, valuable information was obtained from reviews of written materials from the state and city.

Social and Political Context

Social and Economic Conditions

New York is now the third most populous state after California and Texas, with a population of about 18 million in 1999 and a growth rate during the 1990s of about one-ninth the pace of the national average. Table 1 presents an overview of New York's characteristics on a number of social and economic indicators and compares them with national averages. While the state's minority population (22 percent) is near the national average (24 percent), the proportion of noncitizen immigrants is nearly double that of the U.S. as a whole. Births to teens, at approximately 38 per 1,000 births, are considerably below the national level (51 per 1,000), but births to unmarried women age 15 to 44 and even to unmarried teens were close to the national averages, at roughly 35 versus 33 percent and 7.5 versus 9.7 percent, respectively. Finally, New York's population overwhelmingly resides in metropolitan areas, with only 8 percent residing in nonmetropolitan areas compared with 20 percent for the nation.

Economic indicators in table 1 reveal a state per capita income of $33,890, nearly 20 percent higher than the national average. The state's per capita income rose from $29,500 in 1995 to $33,890 in 1999. Nevertheless, the proportion of children living in poverty was 21.6 percent compared with a national average of 17.5 percent, despite a marked reduction in the child poverty rate of almost 12 percent between 1996 and 1998. The state's employment rate was roughly a percentage point lower than the nation, while the unemployment rate was a percentage point higher. It should be noted that New York City's unemployment rate was 6.8 percent in June 1999. When the state's unemployment rate is computed excluding the city—a statistic that the state includes in some of its publications—the rate

TABLE 1. New York State Characteristics

	New York	United States
Population Characteristics		
Population (1999)[a] (in thousands)	18,196	272,690
Percent under age 18 (1999)[b]	24.4%	25.7%
Percent Hispanic (1999)[c]	14.6%	11.5%
Percent black (1999)[d]	17.7%	12.8%
Percent noncitizen immigrant (1998)[e]	12.2%	6.3%
Percent nonmetropolitan (1996)[f]	8.2%	20.1%
Percent change in population (1990-99)[g]	1.1%	9.6%
Percent births to unmarried women, age 15–44 (1998)[h]	34.9%	32.8%
Percent births to unmarried teens, age 15–19 (1997)[i]	7.5%	9.7%
Birth rates (births per 1,000) females age 15–44 (1998)[h]	14.2	14.6
Birth rates (births per 1,000) females age 15–19 (1998)[h]	38.5	51.1
State Economic Characteristics		
Per capita income (1999)[j]	$33,890	$28,542
Percent change per capita income (1995-99)[j]	11.8%	10.8%
Unemployment rate (1999)[k]	5.2%	4.2%
Employment rate (1999)[l]	80.4%	81.5%
Percent jobs in manufacturing (1998)[m]	11.1%	14.8%
Percent jobs in service sector (1998)[m]	34.2%	29.9%
Percent jobs in public sector (1998)[m]	16.7%	15.8%
Family Profile		
Percent children living in two-parent families (1999)[n]	60.2%	63.6%
Percent children living in one-parent families (1999)[n]	29.8%	24.8%
Percent children in poverty (1998)[o]*	21.6%	17.5%
Percent change children in poverty (1996-98)[o]*	-11.8%	-15.0%
Percent adults in poverty (1998)[o]*	12.8%	11.2%
Percent change adults in poverty (1996-98)[o]*	-9.9%	-10.4%
Political		
Governor's affiliation (1999)[p]	Republican	
Party composition of senate (1999)[q]	26D-35R	
Party composition of house (1999)[q]	98D-51R-1	

* 1998 national and state, adult and child poverty estimates show statistically significant decreases from the 1996 estimates at the 0.10 confidence level, as calculated by the *Assessing the New Federalism* project, The Urban Institute.

Table 1 notes begin on page 21.

was 4.2 percent in June 1999 compared with the overall state unemployment rate of 5.2 percent in that period, as shown in table 1.

Political Context

Governor George Pataki is a Republican who was first elected in 1994 and re-elected in 1998 to a term that expires in January 2003. Since taking office, Pataki has reduced state spending for the first time since 1943, and has cut taxes more than any other state. The governor has used several State of the State addresses to point with pride to the welfare caseload reductions achieved under his watch, which he attributes not only to his "bold reforms" that have moved people from welfare into jobs, but also to better efforts to root out fraud and abuse.

During the legislative session in state fiscal year (SFY) 1999—the year of our data collection—the Senate was Republican-controlled with 35 Republicans and 26 Democrats. The Assembly was Democrat-controlled with 98 Democrats and 52 Republicans.

At the local level New York City's then-Mayor Rudolph Guiliani was a Republican, presiding over a city of 8 million people. Erie County is the third largest county in the state with a population of 950,000; its largest city is Buffalo. The county executive does not run on a party platform, so published documents do not identify his party affiliation.

Finally, it is important to point out that New York City and 57 counties administer public assistance programs, exercising perhaps more independence from state oversight than in most other states. The local administering entities, usually called Departments of Social Services, must match federal and state funds with 25 percent county funds for cash benefits. New York is one of only eleven states in the nation that still requires cost sharing by its counties, and the local share of 25 percent for FA and 50 percent for SNA is one of the highest in the nation. The theme of local fiscal burden was one repeated often during interviews with child welfare and TANF and workforce development staff, particularly in Erie County and New York City, but also in other counties in which child welfare telephone interviews were conducted.

The New York Social Safety Net

Table 2 presents data on the social safety net in New York and comparison data for the United States. No matter the political line-up of the legislature and the governor over the years, New York has a long tradition of generosity to its citizens in need of safety net assistance. For example, the maximum monthly welfare benefit for a family of three with no other income was $577 in New York, compared with a median TANF payment in the U.S. of $421. Maximum payments for that family size in 1999 in the ANF study states ranged from a low of $164 in Alabama to a high of $628 in Wisconsin.[4] Among all 50 states and the District of Columbia only six states paid a higher maximum monthly benefit for that family size.[5] The ratio of children receiving FA in 1998 to all poor children, a rough measure of welfare coverage, was 64 percent in New York compared with 50 percent across the U.S.

Because of aggressive outreach, among other factors, New York's proportion of children without health insurance in 1999 was smaller than the national average, at 9.7 percent for the state compared with 12.5 percent on average across the U.S. This represented a drop in uninsured children in New York, while the proportion in the U.S. remained virtually unchanged. Similarly, the income cutoff for children's eligibility for Medicaid or the Children's Health Insurance Program was 230 percent of the federal poverty level (FPL) in the state in 2000, up from 101 percent in 1996. At that time the national average income cutoff was 205 percent of FPL, up from 123 percent in 1996. Finally, the income cutoff for children's eligibility for child care subsidies was 194 percent of FPL compared with a national average of 178 percent in 1999.

TABLE 2. *The Safety Net in New York, in National Context*

	New York	United States
Welfare Benefits—Maximum Monthly Benefit (Family of Three, No Income)		
1996 (AFDC)[a]	$577	Median: $415
1998 (TANF)[a]	$577	Median: $421
2000 (TANF)[a]	$577	Median: $421
Ratio of Children Receiving Welfare to All Poor Children		
1996 (AFDC)[b]	70.1%	59.3%
1998 (TANF)[b]	64.1%	49.9%
Percent of All Children without Health Insurance		
1997[c]	11.2%	12.2%
1999[c]	9.7%	12.5%
Income Cutoff for Children's Eligibility for Medicaid/State Children's Health Insurance Program (Percent of Federal Poverty Level)		
1996[d,e]	101.3%	123.8%
1998[d,f]	185.0%	178.4%
2000[d,g]	230.0%	205.1%
Income Cutoff for Children's Eligibility for Child Care Subsidy (Percent of State Median Income/ Federal Poverty Level)		
1998 (January)[h]	63% / 202%	57% / 182%
1999 (June)[h, i]	61% / 194%	59% / 178%

Table 2 notes begin on page 21

Caseloads

Statewide, TANF caseloads have declined significantly compared to their pre-TANF levels. In August 1996, the total number of TANF recipients was 1.14 million statewide, but by December 1999 it had dropped by 33 percent to about 761,000. In New York City, the number of recipients declined from 779,284 in August 1996 to 524,740 in December 1999—another 33 percent decline. New York City's caseload accounts for nearly 70 percent of the state's caseload. Erie County saw a 34 percent decline, from 53,000 recipients to 35,000 in December 1999, but the county's caseload accounts for a mere 4.6 percent of the statewide caseload.

State initiatives to root out fraud and abuse have also received some credit for caseload declines. These include a finger-imaging system for all TANF and SNA recipients. The system is credited with causing 32,200 cases to be closed. Another effort, the Front End Detection Program, is said to have resulted in denials or withdrawals of 164,005 benefits applications.

Welfare and Work

New York's welfare reform program is characterized by a significant shift away from a system driven by accurate and timely delivery of cash assistance plus some efforts to enhance the work-related skills of recipients to one that emphasizes a strong work-first philosophy. The following sections detail how that shift in emphasis is reflected in policy, program, and service delivery in the cash assistance and workforce development systems.

State Family Assistance Policy and Program Emphasis

Governor Pataki first introduced proposals for welfare reform during the 1995 and 1996 legislative sessions. While many of these proposals were defeated, those enacted and implemented focused principally on strengthening requirements for work and work-related activities and on intensifying efforts to prevent fraud and verify eligibility. These early legislative changes paved the way for the current extensive use of Workfare assignments in New York City and for widespread implementation of front-door diversion practices[6] designed to promote work and work-related activities in local offices throughout the state.

Implementation of state welfare legislation in 1997 further promoted the philosophical shift to a "work first" emphasis and away from the skills enhancement activities that had previously been the norm. Rather than postponing employment until recipients received training for a job that would eliminate the need for public assistance, recipients are now expected to take any job. Short-term training and work-related activities are emphasized; two-year training programs are no longer approved.[7]

Eligibility and Diversion. Because FA is a county-administered and partially county-financed program, some variation exists in how counties determine eligibility and organize and deliver services. "Front door" employment activities, designed to help divert individuals into employment rather than receipt of public assistance, are in place in many localities throughout the state, although the state does not report having an official diversion policy.[8] Some counties require applicants to conduct a job search as a condition of eligibility.

Erie County, for example, requires all new applicants to register for benefits at one central location. All individuals must go through the "front door" program—a series of activities designed to divert new applicants from enrolling for benefits. To begin, all applicants must participate in an orientation session describing the temporary nature of assistance and the importance of work as a goal. Efforts to steer employable applicants away from public assistance include referrals to Department of Labor staff located on site, or to child support enforcement or child care staff for individuals with those specific needs. Applicants with a one-time, immediate financial need (for instance, a person with a job offer who needs money to repair a car in order to accept the job, or one facing eviction or utility cutoffs for lack of funds to pay the rent or utility bill) could be referred to the Self-Sufficiency/Welfare Diversion Unit for a lump-sum diversion payment.[9] Referrals to other community social service agencies for specific needs may also be made at the time of TANF application.[10]

New York did not adopt a family cap on new children born to FA families. Pregnant women with no other children are eligible for cash benefits in the first month of their pregnancy, a policy more generous than in all but six other states. The other 31 states that pay benefits to pregnant women with no other children generally begin payments near the last trimester of pregnancy. Workers require mandatory drug assessment for all new applicants (and recipients upon recertification), and this may include a drug test. Refusal to submit to drug assessment and/or drug testing is grounds for denial of FA eligibility, although these individuals may still be eligible for SNA. Drug felons are eligible for FA.

Teen parent eligibility is conditioned on the teen living with a parent, relative, or in a supervised living arrangement, and attending school if their child is over 12 weeks old and the teen has not completed high school. Refusal results in denial (or removal) from FA and eligibility only for SNA.

Continued eligibility thresholds have been considerably enhanced with welfare reform. The law permits FA recipients to keep more of what they earn and continue to remain eligible for and receive cash assistance. The amount of this earnings disregard was raised in 1998 from its 1996 and 1997 levels. In the earlier years, state policy disregarded the first $30 of earnings and 33.3 percent of remaining earnings for the first four months of employment; then a flat $30 per month for the next 8 months of employment. In 1998 the disregard became the first $90 of earnings per month plus 45 percent of the remaining earnings in that month, for as long as the recipient works and continues to receive cash benefits. The amount over $90 per month is indexed to the federal poverty level, so as of June 2002, the disregard is up to 50 percent of earnings. The change was designed to be a substantial incentive to sustaining employment.

Work Requirements and Exemptions. Mothers of children younger than 12 months old are exempt from work requirements for up to three months for any single child. In addition, heads of household are exempt if they are ill or incapacitated (or caring for someone who has such a condition), age 60 or older, or in their ninth month of pregnancy. States must meet certain work activity participation rates for TANF recipients. New York's participation rate requirement for 1999 was 19.7 percent, which it exceeded with a rate of nearly 36 percent for all families.[11]

Time Limits. Consistent with PRWORA, the state's lifetime limit on cash benefits is five years, with 24 months of permissible cash assistance before work requirements are invoked. These limits are more theoretical and fiscal than they are real. First, when the legislature passed and Governor Pataki signed into law the state's welfare reform program, the package contained provisions abolishing the old Home Relief program,[12] which provided cash welfare payments to able-bodied childless adults. In its place is a provision to implement SNA. SNA provides continued cash welfare payments, financed with state and local but no federal funds, to families exceeding the 60-month time limit on federally financed TANF assistance. Children living apart from any adult relative, families of persons refusing drug screening, and legal aliens during their first five years in the country are also eligible for SNA. However, SNA has its own time limit of two years of assistance, after which benefits are to continue in the form of direct payment vouchers for rent and utilities as well as a small cash grant. This noncash system is still not fully operational. Second, New York's extensive diversion program, in which many counties require a job search and/or participation in other kinds of work activities before an application can be approved, has the effect of shortening a written policy ostensibly permitting 24 months of cash assistance before facing a work requirement.[13]

Sanctions. The state imposes a variety of sanctions for a client's failure to participate in the FA work requirement. For the first failure or refusal to comply with a work requirement, the cash grant is reduced by the adult's share until the individual is willing to comply. For the second incident, it is reduced by the adult's share for a minimum of three months and thereafter until compliance. For a third incident, the grant is reduced by the adult's share for a period of six months and thereafter until compliance.[14]

The definition of noncompliant behavior with respect to working includes failure to comply with public assistance and food stamp employment requirements. A recipient of public assistance or food stamps who quits or reduces his/her hours of employment without good cause shall be considered to have failed to comply. Applicants for or recipients of assistance have an affirmative duty to accept any offer of lawful employment with wages. Failure to do so can result in sanction. Voluntarily quitting a job or reducing earnings capacity for the purpose of qualifying for initial or increased public assistance results in disqualification from receiving assistance (for applicants for 90 days, and for recipients according to the foregoing sanction rules).

In Erie County workers reported that staff vary in how much latitude they allow in the imposition of sanctions, and what constitutes a "good cause" reason for failing to comply with work requirements. Many reported efforts to work with clients to bring them into compliance, rather than immediately imposing sanctions.

Organization of Welfare and Work Programs

At the state level, the FA/TANF program is administered by the Department of Family Assistance's (DFA) Office of Temporary and Disability Assistance (OTDA) (table 3). This is a significant organizational change from the time of our baseline visit. In August 1997, as

TABLE 3. *Administration of Income Support and Social Services in New York*

Federal or generic program name	What the program is called in New York	Which agency administers the program in New York
TANF	Family Assistance (FA)	Office of Temporary and Disability Assistance (OTDA), Department of Family Assistance (DFA)
Workforce Investment Act	Workforce Investment Act	Department of Labor (DOL)
Child Care Development Block Grant	Child Care and Development Block Grant	OTDA/DFA
Food Stamps	Food Stamps	OTDA/DFA
Child Welfare	Child Welfare	Office of Children and Family Services (OCFS), DFA
Medicaid	Medicaid	Department of Health

part of a major restructuring at the state level, the existing Department of Social Services (DSS) was replaced by the new Department of Family Assistance. DFA is comprised of two autonomous state offices: OTDA and the Office of Children and Family Services (OCFS). OTDA supervises FA, SNA, Child Support Enforcement, and Food Stamps. DFA and OTDA supervise the administration of their programs by 57 county Departments of Social Services and by New York City's Human Resources Administration (HRA).

In January 1997, state supervisory responsibility for all employment programs under FA, Food Stamps, and SNA was moved from OTDA to the Department of Labor (DOL). This move, made with the strong support of the governor, was implemented to reflect public assistance's programmatic shift to a focus on employment and to facilitate the creation of an integrated workforce development system by having all employment and training programs in one agency.

Despite housing all employment and training programs in one state-level agency, the majority of public assistance employment programs at the local level continue to be administered by the local Departments of Social Services (and HRA in New York City), though often with colocation of DOL staff. Local social service districts are required to submit a biennial employment plan to DOL for approval. The plan must describe the district's employment programs, including the assessment process, work assignments, policies for approval of training, and supportive services available for public assistance and food stamp recipients.

The Office of Children and Family Services within DFA supervises child welfare (child protective services, abuse and neglect investigations, family preservation and support, foster care, adoption assistance, and independent living) and all child care programs. The same 57 county and one New York City departments administer these programs locally. Medicaid was moved from DSS to the Department of Health in 1996.

The result of these organizational changes, some of which slightly predated FA implementation, is that local social service districts are now required to interact with and answer to four separate state agencies on policy and regulation related to services provided by their offices. The four are OTDA, OCFS, DOL, and the Department of Health (for both Medicaid and the Children's Health Insurance Program).

As was the case during this study's baseline visits, workforce development services in New York are still supervised by a number of state agencies. However, the majority of these programs are still housed within DOL. In addition to employment programs for FA, SNA, and Food Stamps, DOL also administers Job Training Partnership Act (JTPA) programs, the federal Department of Labor's Welfare-to-Work programs (WtW), Wagner-

Peyser-funded employment programs, the unemployment insurance system, the labor exchange system, worker protection, and veterans' employment and training programs. Moreover, DOL is acting as the lead agency for implementation and administration of all programs under the Workforce Investment Act (WIA), overseeing the 33 WIA local areas that administer WIA-funded services. DOL also continues to take the lead in coordinating efforts to create a statewide Workforce Development System.[15]

Two other state agencies, the State University of New York (SUNY) and the State Education Department (SED) provide additional statewide work-based education and training programs for public assistance recipients. Under an agreement with DOL and ODTA, SUNY's Bridge program provides work-based training, job readiness and job search activities, case management, enhanced work experience, and postemployment services to FA recipients at Educational Opportunities Centers throughout the state.

In addition, SED and DOL jointly administer the Education for Gainful Employment (EDGE) program that provides adult and teen parent public assistance recipients with education and training services they need to find and keep a job. These services are targeted to those who lack a high school diploma and those with limited literacy and/or English proficiency. Finally, SED administers school-to-work, vocational education, statewide adult education and literacy programs, and vocational education services for individuals with disabilities.

Local Welfare and Work Structure. Under New York's state-supervised, county-administered system, the state sets policy, establishes regulations and statewide benefit amounts, and provides oversight and monitoring of local program operations, while the counties implement and operate the programs. Because New York City and the counties contribute one-quarter of the total cost of FA, local governments have an important stake in local program operations and are given substantial flexibility and latitude in decision-making. The consequence is substantial variation across the state in how programs are designed and the degree to which the work-first message is emphasized and enforced.

New York City. New York City runs a Work Experience Program that uses unpaid workfare assignments extensively for recipients who fail to find paid employment quickly. In 1998, HRA also began converting its income support welfare offices into Job Centers, moving its work program personnel into the same physical location as the staff who determine eligibility for cash assistance. Before this shift, staff at the income support centers referred recipients assigned to work program activities to Employment Offices for monitoring of work assignments. Thus eligibility and employment activities were separate functions handled in separate offices. Under the new organizational arrangements, eligible applicants must go to the Job Centers to apply for benefits, where they are also assisted in exploring alternatives to welfare through provision of job search and placement services, child care information, and referrals to child support enforcement, unemployment benefits, and food pantries.

All Job Center applicants are required to engage in a full-time four-week job search as a prerequisite for having their applications approved, and in a job retention program if they find employment. Those who do not find employment and are eligible for benefits are then required to participate in the unpaid Work Experience Program.

In addition to providing welfare employment services, HRA also plays a central role in administering and operating the U.S. Department of Labor's Welfare-to-Work program. Over $100 million in federal grant funds have been distributed in New York City, half of which has gone to HRA and the rest to other agencies (e.g., the Mayor's office) and organizations (e.g., nonprofit community-based employment and training entities). Together, the WtW grants support dozens of programs, which HRA plays a central role in coordinating.

Erie County. The Erie County Department of Social Services administers both FA and SNA, as well as the associated employment programs that are administered by DSS's Comprehensive Employment Division (CED). CED provides job search, job club, job placement, and job retention services directly and makes referrals to about 25 different contractors for a variety of employment and training programs. Some of these contracts are state-level partnerships (e.g., the Bridges and EDGE programs) but many are locally negotiated contracts with entities such as the Buffalo and Erie County Private Industry Council (a consortium of the city of Buffalo, Erie County, and the towns of Cheektowaga and Tonawanda), community colleges, and various community-based organizations. Administrators in Erie County reported that they are given a fair amount of latitude in determining both the types of services and the contractors to be used for their employment programs. Recipients can also be placed through the Community Work Experience Program placements into job slots with state and local government or nonprofit agencies, although at the time of our visit local administrators reported that this component was used less than it had been in the past.

The workforce development system in Erie County was in a state of flux when we visited, because of the impending transition to WIA. The Buffalo and Erie County Private Industry Council (PIC), the primary workforce development agency responsible for administering all JTPA programs and WtW contracts, was in the process of being phased out. A new city/county corporation chaired by the mayor and the county executive was being created to administer WIA. But it was still in the early stages of development and many decisions about organization and operations remained to be made. Other employment-related services such as occupational skills training, basic skills training, testing and counseling, and job placement assistance are available at the Access Center. The center is one of 54 similar career centers located throughout the state where programs operated by agencies such as DOL, DSS, SED, and the vocational education agency are housed.

Family Assistance and Workforce Development Service Delivery and Linkages

Significant variation exists in the ways local communities deliver and link FA and workforce development services. This section focuses on service delivery and linkages in Erie County, where we were able to interview local officials and caseworkers.

Local Service Delivery and Linkages. Erie County is noted both for its changes over the past several years to further emphasize the work first message, and its increasing worker attention on the specialized needs of the harder-to-serve who remain on assistance. Some of the shift to a more work-oriented approach had already occurred by our baseline visit. The focus on the harder-to-serve occurred after the substantial caseload declines of 1997 through the early part of 1999, when the more work-ready recipients became fully employed and their cases were closed.

The following process helps applicants after they have moved through the front door diversion program and still have not found employment. Applicants fitting this description are generally served by several workers, each performing specific functions. An applicant first meets with two types of financial workers, called social welfare examiners. A certification worker determines initial eligibility and then sends the approved client to an ongoing income maintenance worker. Usually the certification worker refers the client for an initial consultation to the CED employment counselor assigned to the worker's unit, and the meeting occurs on the same day as the eligibility meeting. Once the case is approved and opened, all clients are referred to the CED five-week job club/job search. Those who participate in this activity but do not find employment are assigned to an employment counselor for ongoing case management and development of an employment plan. The plan will usually include some type of work-related training or assignment to CWEP.

Over the past few years, administrators in Erie County have moved toward a model characterized by specialized "undercare" maintenance teams, whose duty is to focus on clients' specific needs. This shift was motivated by a recognition that the declining caseload was leaving behind identifiable subgroups with exceptional service needs. These teams include the Multi-Abuse Assessment Team (MAAT) for clients in need of substance and alcohol abuse treatment services, the Young Parent Program team for families with a parent under the age of 20,[16] and the Children's Service Coordination Team (still in the planning stage when we visited) for families in which one or more children are simultaneously being served by the child welfare system (e.g., families receiving services to prevent removal of children from the home). All other clients are assigned to Work First Teams, which concentrate on identifying and removing employment barriers.

At the time of our visit, once a client became employed (and has no substance abuse or child welfare service needs) the case was transferred to one of two specialized employment service teams—the Child Assistance Program (CAP) team or the Welfare-to-Work Transition team. CAP was a demonstration program implemented in the early 1990s in selected counties and designed to enhance welfare recipients' self-sufficiency. Open to single-parent TANF families that included a custodial parent who volunteered to participate and had at least one child covered by a child support order, CAP recipients' benefits were reduced by a smaller percentage than regular TANF clients in response to earnings. Additionally, CAP recipients' benefit formula was tied to the number of children in the family who had valid child support orders (an important predicate to child support collections that could theoretically be expected to hasten self-sufficiency).[17] The CAP program has been phased out in the state and in Erie County because TANF now offers a similar disregard so CAP lost its ability to attract clients. CAP was replaced by the Transitional Opportunities program, designed to offer better services to clients moving off TANF due to earnings by providing transitional Medicaid, Food Stamps, and child care in one location.

Welfare-to-Work Transition teams are for clients who have earned income but not enough to make them ineligible for cash assistance. These specialized employment service teams are staffed by social welfare examiners and employment counselors. The social welfare examiners on these teams carry a reduced caseload (compared with regular examiners) and both team members work with clients to improve their skills, retain employment, find better jobs with increased income, and make the transition from dependency to self-sufficiency. At the time of our site visit, there were four Welfare-to-Work transition teams with plans to increase that number.

Because of the concern in Erie County at the time of our visit regarding the large number of clients who were approaching their five-year time limit on cash assistance, administrators were considering the development of an Aging-Out team, which would focus on working with clients whose FA eligibility was nearing its end. Staff hoped to contact those clients who were exempt from work requirements and work with them to prepare for and secure employment. These specialized employment teams were created during 2000 and 2001.

The local workforce development network was in transition when we visited. However, the Buffalo-Erie County PIC was still providing services to some FA clients and other low-income individuals through traditional JTPA programs and through U.S. Department of Labor competitive and formula WtW grants programs. Locally, these are known as Greater Buffalo Works programs. Direct services under both competitive and formula WtW grants programs were contracted out to a number of service providers such as Goodwill, Catholic Charities, local educational institutions, and community-based organizations. The PIC had also recently been awarded a five-year, $32 million Youth Opportunity Unlimited grant.[18]

As in many other locations across the country, there were few referrals from the local DSS office to the WtW programs. Both DSS and PIC staff reported that collaborative links between the two agencies have historically been weak; in the past PIC staff had not focused their efforts on serving the needs of the welfare population. Staff indicated that implementation of the WtW program and the accompanying need for DSS referrals in order to increase WtW enrollments has forced a partnership of sorts that neither agency pursued. As a result, efforts to develop a systematic referral process were proving to be a struggle.

Program Innovations and Challenges

At the time of our visits, New York had plentiful TANF resources available for public assistance employment programs. Rather than attempting to create or redesign these programs at the state level, DOL chose to issue requests for proposals from local social services districts to repackage services or develop new programs to meet individual local industry demands and employee skill requirements. These coordinated state-funded projects are generally for one-year periods. Because ample funding exists for a wide variety of training programs funded through many agencies, providers offering services to low-income residents have proliferated. Erie County's service providers indicated that they often found themselves in competition with other programs for participants. Along with inadequate referrals from DSS to WtW programs, many locales across the country mentioned competition among service providers for participants.

Erie County has used its flexibility to develop specialized case management teams to address the specialized needs of harder-to-serve clients who remain on the rolls. One of the challenges that administrators and staff face is coping with the fragmentation of services that results when functions are performed by so many different types and configurations of workers. Such fragmentation results in staff possessing little knowledge or understanding of functions outside their own. Other localities may face similar challenges in the future, as they attempt to address the specialized needs of the remaining hard-to-serve caseload.

New York is also just beginning to focus on postwelfare services (e.g., consumer credit counseling for the newly employed) as more and more clients leave FA. The FY 2000–01 state budget authorizes the expanded use of TANF funds to provide noncash services to individuals and families with incomes at or below 200 percent of FPL, including noncustodial parents.

One of the more daunting challenges facing New York and its counties is the impending shift of large numbers of clients from the federal-state-local-funded FA to the state-local-funded SNA program. The first FA clients hit the federal five-year time limit in December 2001. Local officials and program administrators were intensively planning for a doubling of fiscal responsibility for cash benefits to the county level of government (a shift from a 25 percent share to a 50 percent share). In developing an Aging Out team to work with long-term recipients facing the time limit, Erie County intends to hasten their transition into work just before they become a larger fiscal burden to the county.

Another challenge faced by the state entails efforts to upgrade a 20-year-old data management system. Currently there are two linked systems (eligibility and employment/training). But administrators reported that the systems do not communicate well with each other. Plans call for integration of data from all statewide human services programs.

Finally, New York is still in the process of pursuing its vision of an integrated workforce development system, as outlined in the 1998 report to the governor on New York's workforce development system.[19] A collaborative effort by the state labor and education departments, the report provides guidelines for building a statewide workforce development system that is consonant with both the employment needs of businesses and the training needs of workers. At the time we visited, full implementation of WIA at both the state and local level was yet to be accomplished; many programmatic and operational decisions were still to be made. However, state officials have written that they intend to use the transition to WIA as an embarkation point for a more integrated workforce development system.[20]

Child Care

As welfare programs have shifted dramatically toward requiring recipients to work or engage in activities leading to work, child care is now a cornerstone of state efforts to support these activities. People leaving FA because they have found employment often also need child care to make their transition a success. Though PRWORA eliminated the requirement that states provide child care assistance to these families—by eliminating any entitlement to child care for them—most states continue to give these transitional families high priority for child care subsidies. Our visits in New York examined the ways FA and post-FA families gain access to child care subsidies. We did the same for nonwelfare families, because they also need child care but often cannot afford it. Indeed, many of the states in our study find themselves having to make choices between providing subsidies to FA or to nonwelfare working families with low incomes.

Child Care Eligibility and Assistance

As of June 1999, a family of three in New York was eligible for child care subsidies if its annual income was below $26,964. This was equivalent to 61 percent of the 1999 state median income or 194 percent of the 1999 federal poverty level.[21] Once receiving subsidies, the family continued to be eligible as long as its income remained below this level. In 2000, the income eligibility level was increased to $28,644 for a family of three.

New York has established priority groups for receiving child care subsidies. The highest priority is given to families receiving FA and families transitioning off FA, both of which are guaranteed child care assistance. Families leaving FA retain this priority status for 12 months. Low-income working families and teens in a GED or high school program are also a priority, although these groups are not necessarily guaranteed assistance. Counties can set additional priority groups.

New York serves all of the FA and transitional families that apply for subsidies, although in both New York City and Erie County the use of transitional child care subsidies was reportedly low. New York does have waiting lists for child care subsidies in some areas of the state, generally composed of low-income working families not connected with the FA system. For example, New York City has a significant waiting list for both contract[22] and non-public assistance voucher subsidy programs. Contracted providers can be used by both FA and non-FA families, but FA families have a higher priority for openings at the contracted providers.[23] Erie County had no waiting list for child care subsidies at the time of our visit, although some non-FA parents reportedly experienced significant delays in getting an initial appointment to apply for subsidies.

Administrative Structure and Funding

Child care subsidy programs are currently supervised at the state level by the OCFS within DFA. The state agency sets the income eligibility level, the basic copayment formula, reimbursement rates, and some of the priorities for receiving subsidies. Counties are responsible for administering the program and how they organize that administration, and have some flexibility in their copayment formula and eligibility priorities within the state's general guidelines.

At the local level the subsidy program is administered by local social services districts. In both Erie County and New York City, multiple entities administer child care, loosely corresponding to a welfare/nonwelfare division. In Erie County, although the subsidy program is administered by the county's Department of Social Services, two separate units within this agency manage different parts of the subsidy program. The Public Assistance Unit serves families receiving FA, while the Day Care Unit serves non-FA families. In New York City, HRA provides subsidies to FA and transitional families through vouchers. The Agency for Child Development (ACD) has both a contract and voucher system and provides subsidies to non-FA families and any FA families who would like to use contracted child care providers.

The presence of multiple agencies/units administering the subsidy program in Erie County and New York City means that some families need to move from one to the other of these agencies/units in order to retain subsidies. This transition reportedly can be difficult for some parents. In Erie County, for example, families may be required to move between units as their eligibility status changes, which respondents noted was difficult for some parents and child care providers because the payment processes differed between the units.

The transition off welfare also may require a change in agencies—as well as the completion of additional requirements—in order to retain subsidies, though this transition is handled differently in the two sites. As noted earlier, families leaving welfare in New York can receive 12 months of transitional child care. In Erie County, parents change units when they leave FA and need to apply for subsidies at the new unit. They can then continue to receive subsidies as long as they are income-eligible, and do not experience a break in service at the end of the transition period.

In New York City, retaining subsidies when leaving FA can be complex for some parents, as they need to reapply for subsidies both when they initially leave FA and at the end of the 12-month transition period. Parents also need to change agencies at the end of the transition period. At the time of our site visits in 1999, parents leaving the transition period would lose their child care subsidy, as there was a long waiting list for subsidies through ACD. Interestingly, these transitions seemed to be smoother for FA parents using contracted providers because they were already in the ACD system when they left the transitional child care period, which allowed them to avoid the waiting list.

The elimination of separate federal funding streams for different population groups, which existed before federal welfare reform, has allowed New York to create one funding stream called the New York State Child Care Development Block Grant (CCDBG). Funds from the CCDBG are given to the county agency, which then divides them among the units/departments administering the program locally.

One of the most significant changes in New York since federal welfare reform has been a substantial increase in the money available for child care and an increase in the population served. In 1999, New York approved an 82 percent increase in Child Care and Development Fund funding, the largest in the state's history.[24] The increase in funding in New York is partly due to increases in federal and state CCDF funds, and partly due to the increasing use of transferred TANF funds. From FY 1998–99 to FY 1999–2000, the amount of TANF funds transferred into child care funding went from about $66.6 million to approximately $230 million.

Child Care Fees and Reimbursement Rates

Households on FA are not required to provide a copayment (share the cost) for their child care expenses. Low-income working parent households not connected to the FA system must pay a copayment that is based on a sliding fee scale. The state has a standard formula, but local districts have some flexibility within the formula. The basic formula looks at excess income above the poverty level and then applies a percentage to that excess income to arrive at the copayment level. Counties may set the percentage between 10 and 35 percent, though most counties are in the 25–35 percent range.

In New York City, for example, as of December 2000 parent fees are calculated at 20 percent of a family's gross income in excess of the poverty level. A family of three with an annual income of $36,521 would make a copayment of $71 per week, while a family with an annual income below the poverty level of $14,322 would not make any copayment.[25] New York City also caps the parent fee so it does not exceed 10 percent of the family's gross annual income.

The state establishes a rate floor above which counties must reimburse providers for child care expenses, as well as a rate ceiling above which they cannot reimburse. As of June 1, 1999, the state reimbursement rate was set at the 75th percentile of the 1995 market rate.[26] In Erie County, both contracted and noncontracted providers are paid the same rate. In New York City, however, the city will pay the difference between the state maximum rate and the private pay rate for contracted providers who have rates above the state maximum rate.

Localities are given the flexibility to set up a subsidy payment process that works best for them. Erie and New York City's payment processes differ between the different agencies administering the subsidy program, in terms of whether they pay the provider or parent (who is expected to pay the provider). In both counties, the agency/unit that serves primarily non-FA parents always pays the provider directly, generally on a monthly basis. The agencies serving FA families, however, may pay the provider or parent depending on the type of provider parents used. In New York City, for example, if a TANF parent receiving subsidies through HRA uses an unregulated provider, the subsidy payment is issued biweekly to the parent who then pays the provider.

Other Early Childhood Programs

New York has a state universal prekindergarten program, which was being phased in at the time of our visits. This program provides early education to four-year-olds. The state also has an experimental prekindergarten program similar to Head Start, in that it provides comprehensive services for low-income children, ages three and four. In FY 1998–99, $67 million was spent on the universal prekindergarten program and $50.2 million on the experimental prekindergarten program.[27]

Program Innovations and Challenges

New York has increased child care funding significantly since welfare reform. The 82 percent increase in funding in 1999 was to be used in a variety of areas, including increasing the number of children receiving subsidies and reimbursement rates to providers. The effects of these additional funds were not yet visible at the time of our visits to Erie County and New York City. It is also not clear if all counties will benefit from the increase in funding.

At that time, some counties within New York faced challenges with serving all families who applied. New York City in particular had long waiting lists for non-FA families and families wanting to use contracted providers. Respondents also noted that there were eligible low-income families not connected with the FA system who did not know about subsidies or who did not apply. As a consequence, some respondents noted that the presence and length of a waiting list in an area may not reflect the full need for subsidies. In addition, in both sites we visited, use of transitional child care benefits was reportedly low.

Although New York has consolidated its child care subsidy funding into one funding stream at the state level, locally the subsidy programs in Erie County and New York City are administered by multiple agencies/units. This has meant that families changing eligibility status need to change agencies in order to retain subsidies. Respondents in both sites noted that there were some difficulties in coordination across agencies, though they have tried to focus on improving their communications.

Child Welfare

Child welfare agencies seek to protect children from abuse and neglect. They may intervene in families in which such behavior is suspected; may offer services to such families or require that families complete service programs; and may remove children from their homes and place them in state-supervised care if children face imminent or ongoing risk of abuse or neglect in the home. Nationally, many policymakers, researchers, and advocates expressed concern that families that did not fare well under the new welfare requirements might be referred to child welfare agencies for child abuse or neglect. However, welfare reform does not appear to have had a significant impact on child welfare caseloads in New York. It is not clear how PRWORA has affected child welfare financing; however, welfare reform has increased collaboration between FA and child welfare agencies in some counties.

In New York, child welfare services are county-administered and state-supervised by OCFS/DFA. Services are delivered through and administered by the same local DSS agencies that provide cash assistance and public assistance-related child care.[28] This means that the state provides guidance and oversight, but counties have considerable decisionmaking authority over designing and implementing programs to best meet local needs. The structure within which child welfare services are provided did not change since our baseline visit.

Child Welfare Caseloads

Despite widespread concerns in the state, welfare reform had not had a significant effect on child welfare caseloads by the time of our visits. In 1998, New York investigated allegations of abuse and neglect involving 240,655 children, a 10 percent increase since 1996. Of the children investigated in 1998, 35 percent were found to be victims of maltreatment, a decrease from 47 percent in 1996, and higher than the national median of 30 percent. New York's victimization rate, 18.6 cases of abuse per 1,000 children, is higher than the national median of 11.5.

The majority of counties surveyed said they had experienced increases in the number of reports received and in the number of children entering care. A majority of counties surveyed reported that cases involve more difficult children with mental illnesses, and the issues of substance and alcohol abuse and domestic violence continue to be leading factors in the abuse or neglect of children.

Financing

Although welfare reform is known for the block granting of federal income assistance, PRWORA also altered federal funding streams that many states have used to pay for child welfare services. The Emergency Assistance (EA) program was eliminated and the program's funds were rolled into the TANF block grant. The Social Services Block Grant (SSBG) was cut by 15 percent, and eligibility for Supplemental Security Income (SSI) was defined more narrowly.[29] At the time of our visit, state respondents reported that allocations of SSBG funds for child welfare purposes increased, while the change since 1996 in the amount of TANF funds was not clear. Local respondents reported that SSBG and TANF funds decreased because the funds were used to supplant state dollars and TANF funds replaced the SSBG cuts.

Based on more recent data, it appears that welfare reform had a significant impact on federal funding for child welfare in New York.[30] While federal spending between SFY 1996 and SFY 2000 increased 24 percent, state spending increased nine percent, and local spending increased at least 36 percent. A closer look at the federal funding streams altered by PRWORA reveals that TANF spending increased by $371 million when compared with EA spending in SFY 1996. This becomes an increase of $612 million when including TANF funds transferred to SSBG. SSBG spending increased 50 percent in the same time period, but when TANF funds transferred to SSBG are removed, pure SSBG spending declined by $142 million or 71 percent. It is not known what, if any, impact the change in eligibility for SSI has had.

In addition to the federal financing changes, in 1995 the state made a momentous change in the method it used to finance child welfare services. The legislature created the Family and Children's Services Block Grant, capping state funding for child protective services, preventive services, and foster care services.[31] According to state respondents, total funding (federal, state, and local resources) for child welfare services has increased since the inception of the block grant. However, local respondents gave mixed responses—six counties reported a decrease in total funding, while four counties reported an increase. Four counties stated that total funding had remained about the same.

Respondents in Erie County, New York City, and five of the twelve counties surveyed by phone reported that the block grant has substantially increased reliance on county funds. As counties run out of their block grant funding before the end of the fiscal year, they must fund all remaining child welfare costs with county funds until the start of the new state fiscal year in April. This may be part of the explanation for the increase in local spending noted above.

Collaboration between TANF and Child Welfare Agencies

Many families receiving services from child welfare agencies also receive TANF cash assistance. These dual-system families may face competing demands. They must meet the new requirements imposed on TANF recipients to receive assistance, while at the same time they must meet case plan goals developed by child welfare agencies to keep their children or have their children returned to them. Despite the overlap in populations, historically there has been little formal collaboration between child welfare and welfare agencies.

As child welfare is county-administered in New York, coordination between child welfare and FA staff is more appropriate at the local level than the state level. However, across the state, child welfare workers have access to the state's electronic Welfare Management System (WMS) to determine what public assistance services families are receiving (e.g., FA, Medicaid). FA workers generally do not have access to the child welfare system to determine whether an FA case is also involved with child welfare services. At the local level, the extent to which child welfare and FA collaborate varies. But in all counties except New York City, child welfare and FA are divisions within the same agency (DSS).

According to some county administrators, welfare reform has had some immeasurable effects on child welfare clients. A few county administrators we surveyed stated that clients' self-esteem has increased, while a few stated that the welfare requirements have increased the stress on families involved in both systems. A couple of administrators stated that the increased coordination between child welfare and FA staff has benefited clients—the two divisions are no longer requiring clients to meet competing demands.

Erie County administrators reported plans to collaborate in 2000 between the Division for Family Assistance and the Division for Child Welfare Services. At the time of our visits, some coordination was occurring around specific target populations (e.g., kinship cases, noncompliant families, and domestic violence). An FA worker was assigned to work with the child welfare kinship unit to expedite cash assistance for these relatives. Child welfare staff provide domestic violence screening and assess noncompliant cases for FA. The FA division has also appointed eligibility teams to work only with child welfare cases, and there are plans for their members to be colocated in the same building as child welfare staff. This decision occurred as a result of weekly meetings of all the division directors within the DSS in Erie County. However, even with these coordination efforts, there is no policy requiring child welfare and FA staff to collaborate on all cases involving dual-system clients, and child welfare workers received no formal training on the changes associated with welfare reform.

In New York City, Administration for Children's Services (ACS) workers are located in an emergency housing shelter to provide assistance in accessing housing subsidies and substance abuse treatment services. Moreover, selected collaboration had just begun in September 1999 between HRA and ACS over implementation of a new program called Learnfare. Learnfare was implemented in six public schools in 1998 in New York City; ACS is involved in this pilot at four of the six schools. The pilot program began as a collaboration between the Board of Education and HRA to promote school attendance and advancement. If a child in a family receiving FA payments has five unexcused absences in a marking period, the family's FA grant will be sanctioned. In 1999, HRA, ACS, and the Board signed a memorandum of understanding to include three ACS-contracted preventive services agencies in the pilot at four of the six schools. Now, once a child has three unexcused absences, the family is referred for counseling with one of the three preventive services agencies.

Aside from Learnfare, there is ad hoc coordination between ACS and HRA staff, on a case-by-case basis, but frontline child welfare staff have not received training on the changes brought about by welfare reform. Child welfare frontline staff did state that there have been preliminary reports of clients unable to meet the child welfare service plan (e.g., meet with mental health counselor, attend parenting education classes weekly) because it conflicts with the FA work plan (e.g., work at least 30 hours per week).

Other counties surveyed by phone vary in the extent to which collaboration occurs between child welfare and FA staff. In two counties, case conferencing between FA and child welfare staff occurs to avoid conflicts in the service plans. In one rural county, there is an employment worker who only works with 10 prevention/FA families. The worker creates the plans and manages the families' needs on both the employment and child welfare side. Child welfare workers also assess minor parents and make referrals in three counties. One county also uses child welfare workers in the screening process for a drug or alcohol exemption from FA work requirements. Two counties surveyed reported future plans for collaboration around sanctioned families and current dual-system families. In 11 of the 12 counties surveyed, staff received training about the changes brought about by welfare reform.

Other Changes Affecting Child Welfare

In addition to changes prompted by welfare reform, other policy changes have impacted New York's child welfare system in the past few years. The federal Adoption and Safe Families Act (ASFA) along with the statewide implementation of a new management information system (Connections) have made significant changes in how services are provided and documented, and in the workload pressures that local staff reported to us during our visits. ASFA imposes strict time limits on achieving permanency for children in foster care. These time limits force parents to achieve the goals in their service plan more quickly if they want to be reunited with their children. They have also placed more pressure on caseworkers to locate available programs and refer parents to the programs necessary to achieve the goals in the child welfare service plan.

Connections, New York's Statewide Automated Child Welfare Information System (SACWIS), was intended to be an electronic version of a case record (which must still be maintained on paper as well), simplifying the documentation and tracking of services provided. But workers and administrators felt it has doubled the work, requiring more time be spent on documentation than with the family.

Conclusion

Most social welfare programs in New York are state-supervised and county-administered. State agencies set overall policies, make rules, determine eligibility criteria, and set benefit levels. State agencies also monitor local practices and provide technical assistance to counties to ensure state policies are followed. The state welfare reform legislation provided counties with significantly more discretion in administering their welfare programs than they had previously. New York is one of five states in this study that devolved decision-making regarding the formulation of welfare programs to the counties. New York counties and New York City have flexibility for setting policies in the areas of diversion payments, youngest child exemptions (within the range of 12 weeks to one year), domestic violence exemptions (if the counties determine that any program requirements, including time limits and work requirements, put an individual at risk of further abuse), and design of their welfare-to-work programs (including determination of good cause for nonparticipation, allowable work-related activities, and the nature of community service jobs).

New York has traditionally provided relatively generous income support for its low-income population. Historically, its welfare benefit levels have been among the highest in the nation. FA is more generous than the TANF programs adopted by other states in response to PRWORA in the following ways:

- **Time Limits and Sanctions.** New York is one of only seven states that allow payments for families (adults and children) to continue at the end of the 60-month lifetime limit on cash assistance. FA also provides for limited (adult grant only) sanctions for continued failure to comply with work requirements.

- **Payment Levels.** FA maintains New York's benefit levels as among the highest in the country. As of January 2000, only six other states (Alaska, California, Connecticut, Hawaii, Vermont, and Wisconsin) were higher.

- **Income Eligibility Limits.** New York has a generous income eligibility limit, allowing recipients to keep the first $90 they earn plus 45 percent of remaining earnings. The large disregard and high limit are intended to offer a substantial incentive to working.

The state also requires counties to provide income support through Safety Net Assistance to all indigent childless adults, certain FA families that exceed the federal 60-month time limit, and legal aliens during their first five years in this country. New York is relatively unique among our study states in another way—counties and New York City are required to provide 25 percent of the funding for many programs from local resources. So their flexibility is counterbalanced by a major financial burden.

In addition, New York has increased the amount of resources it dedicates to child care by a considerable amount. TANF transfers for child care saw a threefold increase between SFY 1998 and SFY 1999, and state dollars also increased. Despite these investments, however, long waiting lists existed at the time of our visits for non-FA families. The state-level funding structure for child care was streamlined into one source with welfare reform. However, local structures for determining child care eligibility and paying providers remained divided in the two sites we visited. The consequence was that transitions in FA status (off of FA, and after the 12-month transition period) could be difficult. Families had to reapply, sometimes to different agencies, which may have been a reason why relatively few eligible families actually used transitional child care.

New York's child welfare agencies have faced a number of changes since welfare reform. Caseloads might have been affected by a slight increase in allegations investigated, but fewer such cases were found to be victims of maltreatment. The biggest impacts on child welfare in New York came from new state legislation governing child welfare funding, and the federal Adoption and Safe Families Act. The state's decision to cap state child welfare spending and give it to counties as a block grant has had a big impact. New York City and 9 of the 12 counties contacted for this study indicated that county child welfare spending had increased to meet demand when block grant funds ran out before a year ended.

Among the states in this study, New York counties and New York City reported higher levels than most other states of meaningful collaborative arrangements between child welfare and FA. Some of these were pilot projects while others focused on subgroups of children with particular vulnerabilities. As coordination mechanisms, programs used case conferencing, colocation, specialized caseloads, and/or cross-agency assessments (e.g., child welfare workers assessed FA clients for disabilities). Child welfare workers also had access to the computerized FA benefits system, which helped them know what benefits their clients were receiving.

In summary, FA's initial implementation has resulted in several trends among TANF, employment development, child care, and child welfare agencies. These include increased county discretion in determining local FA-related policies, significant reductions in FA caseloads, and substantial new resources dedicated to child care for FA families. Counties are facing greater local financial burdens related to child welfare, but simultaneously appear to be exercising initiative and creativity in developing collaborative arrangements between child welfare and FA staff.

Endnotes

1. As of early 2002, SNA was still operating as a cash system. The SNA noncash voucher system had yet to take effect statewide.

2. Counties included were Allegany, Chautauqua, Cortland, Dutchess, Franklin, Fulton, Greene, Madison, Monroe, Suffolk, Tompkins, and Ulster.

3. Since many executive branch officials from the state and New York City were unable to meet with us during our visit, we are limited in our ability to understand and reflect state and city policy options and choices.

4. This amount was paid to families not exempt from the regular work requirements of the state's W2 Transition program.

5. Gretchen Rowe. 2000. *Welfare Rules Databook: State TANF Policies as of July 1999.* Washington, D.C.: The Urban Institute.

6. Diversion practices require applicants for cash assistance to search for employment for a specified period as a condition of the agency continuing to process and approve the application.

7. Certain education and training programs can be approved by local offices, on a case-by-case basis.

8. Gretchen Rowe. 2000. *Welfare Rules Databook: State TANF Policies as of July 1999.* Washington, D.C.: The Urban Institute.

9. Applicants are also referred to the Self-Sufficiency/Diversion unit for assistance to prevent them from returning to public assistance.

10. The application process also includes automated finger-imaging, a statewide initiative to confirm applicant/client identity and prevent fraud and abuse.

11. U.S. Department of Health and Human Services. 2000. *Temporary Assistance for Needy Families (TANF) Program: Third Annual Report to Congress.* August. Washington, D.C. Table 3:1.

12. Home Relief was New York's state- and local-funded General Assistance program.

13. In reviewing our draft report, the Citizens' Committee for Children of New York, Inc., asserted that the diversion program contributed directly to dramatic declines in Medicaid and food stamp receipt, triggering a federal investigation and lawsuit. It was beyond the scope and methodology of our study to determine if such declines occurred.

14. State Department of Labor Employment Policy Manual, Section 1300.

15. New York's vision for its Workforce Development System is described in "New York's Workforce Development System: Report to Governor George E. Pataki," issued in May 1998 by DOL and SED.

16. The Young Parent Program was in place even before this effort to specialize services for the hard-to-serve.

17. For additional information about CAP, see Susan A. Riedinger, Laudan Aron, Pamela Loprest, and Carolyn O'Brien. 1999. *Income Support and Social Services for Low-Income People in New York.* Washington, D.C.: The Urban Institute. *Assessing the New Federalism* State Reports.

18. When the award was made and during our visit, the PIC was still called the PIC, but was soon to reorganize under terms of the WIA legislation and adopt a new name.

19. New York's vision for its Workforce Development System is described in "New York's Workforce Development System: Report to Governor George Pataki," issued in May 1998 by the State DOL and State Education Department.

20. New York Strategic Five Year State Plan, http://www.wdsny.org/stateplanfinal. (Accessed March 30, 2000.)

21. Helen Blank and Nicole Oxendine Poersch. 2000. *State Developments in Child Care and Early Education 1999.* Washington, D.C.: Children's Defense Fund.

22. Under this approach, the agency enters into a contract with child care providers and agrees up front to pay the provider a certain amount for a certain number of children. The provider can count on getting the promised funds as long as they comply with requirements and provide the services in the contract.

23. TANF families in the City receive subsidies through vouchers provided by the Human Resource Agency, but they have the option to place their name on the waiting lists for contracted providers.

24. Helen Blank and Nicole Oxendine Poersch. 2000. *State Developments in Child Care and Early Education 1999.* Washington D.C.: Children's Defense Fund.

25. Copayment calculation from New York City's Revised Income Eligibility Levels and Fee Schedule for Child Care that went into effect on December 18, 2000.

26. A market rate survey is conducted, as required by federal law, to determine the rates charged by child care providers in the community. The maximum rate a state will pay is set at the 75th percentile of the market rate, which means that it will be sufficient to pay the rates charged by three-quarters (75 percent) of the providers in the community. States will then pay the amount the provider charges to private paying parents, or the maximum rate, whichever is less. Data from Blank and Poersch 2000.

27. Children's Defense Fund. 1999. *Seeds of Success: State Prekindergarten Initiatives 1998–1999.* Washington D.C.: Children's Defense Fund.

28. In New York City child welfare services are provided by the Administration for Children's Services, an independent agency created by executive order in 1996.

29. For additional information about these changes see Rob Geen, Shelley Waters Boots, and Karen C. Tumlin. 1999. *The Cost of Protecting Vulnerable Children: Understanding Federal, State, and Local Child Welfare Spending.* Washington, D.C.: The Urban Institute. *Assessing the New Federalism* Occasional Paper No. 20.

30. Based on data reported by OCFS as part of the 2001 Urban Institute child welfare survey. In SFY 2000, New York's total spending from all sources was at least $2.2 billion; federal spending was at least $1.3 billion, state spending was at least $592 million, and local spending was at least $292 million.

31. Child protective services were removed from the block grant in 1999.

Table 1 Notes

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p. The National Governors' Association. 2000. "The Governors, Political Affiliations, and Terms of Office 2000." http://www.nga.org/Governor/GovMasterList.htm. (Accessed February 2001.)

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Table 2 Notes

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b. Two Urban Institute calculations: (1) Average monthly number of AFDC 1996 recipient children divided by number of children in poverty 1996: U.S. Department of Health and Human Services. Administration for Children and Families. 1997. *Characteristics and Financial Circumstances of AFDC Recipients FY 1996.* Table 18.

"Percent Distribution of AFDC Recipient Children by Age (October 1995–September 1996)"; (2) Average monthly number of TANF 1998 recipient children divided by number of children in poverty 1998: U.S. Department of Health and Human Services. Administration for Children and Families. 1999. *Second Annual Report to Congress August 1999.* Table 9:22. "Percent Distribution of TANF Recipient Children by Age Group (October 1997–September 1998)." The numbers of children in poverty in 1996 and 1998 are Urban Institute calculations from the *National Survey of America's Families II.*

c. Genevieve Kenney, Lisa Dubay, and Jennifer Haley. 2000. "Health Insurance, Access, and Health Status of Children: Findings from the National Survey of American Families." In *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families.* Washington, D.C.: The Urban Institute.

d. Based on three sources: (1) Urban Institute's TRIM [Transfer Income Model]; (2) Vernon K. Smith. 1999. "Enrollment Increases in State CHIP Programs: December 1998 to June 1999": Health Management Associates, July; (3) Urban Institute analysis of *1999 SCHIP [State Children's Health Insurance Program] Annual Report.* Rules for 1996 and 1998 are policies in place the majority of the year. Rules for 2000 represent plans approved as of January 1, 2000.

e. In 1996, the thresholds represent the state Medicaid thresholds for poverty-related eligibility or AFDC-related eligibility. Higher thresholds for separate state-financed programs (such as in New York) are not represented here.

f. In 1998, some states' thresholds represent Medicaid eligibility, and others are either Medicaid expansions or stand-alone programs enacted under the SCHIP legislation.

g. In 2000, all states covered at least some children through SCHIP; certain groups in some states are eligible only through Medicaid.

h. Data for 1998 are from January 1, 1998, compared with 1997 federal poverty level (FPL). Gina Adams, Karen Schulman, and Nancy Ebb. 1998. *Locked Doors: States Struggling to Meet the Child Care Needs of Low-Income Working Families.* Table A1. Washington, D.C.: Children's Defense Fund, March. Data for 1999 are from June 1999, compared with 1999 FPL. The 1999 data are calculated using state agency information and information from Helen Blank and Nicole Oxendine Poersch. 1999. *State Developments in Child Care and Early Education.* Table 1. Washington, D.C.: Children's Defense Fund. The Urban Institute calculated 1998 and 1999 U.S. median income eligibility level as a percentage of state median income (SMI) and FPL.

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This state update is a product of *Assessing the New Federalism*, a multiyear project to monitor and assess the devolution of social programs from the federal to the state and local levels. Alan Weil is the project director. The project analyzes changes in income support, social services, and health programs. In collaboration with Child Trends, the project studies child and family well-being.

In 1996 and 1997, the Urban Institute conducted case studies in 13 states that provided a baseline for understanding changes emerging from welfare reform. This set of state updates describes changes occurring between 1996-97 and 1999-2000 based on a second set of case studies completed in 1999 and 2000. Programs covered include income support through the Temporary Assistance for Needy Families program, employment and training supports for low-income welfare and non-welfare families, child care, and child welfare. It also looks at interactions among these programs.

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