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The Transformation of Social Services Management in New York City: “CompStating” Welfare

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Executive Summary

In a very big and complex polity and in a time of substantial public policy reform at the national and local levels and through a number of leadership changes, the management of New York City social services has undergone a significant and largely positive transformation.

The story of how the New York City Police Department used performance management to achieve an extraordinary reduction in all categories of crime in all boroughs and in all precincts has been previously told. It is generally well known if not everywhere accepted. Many cities are using a version of CompStat to improve policing and Baltimore has now embraced the idea of managing for performance and is building on the success of NYC's CompStat system to improve the delivery of all city services using CitiStat. However, with the exception of New York and Baltimore, the effort has not been extended to managing human services. This paper focuses on New York's largely unsung efforts to harness the power of performance management to improve client outcomes in the field of human services.

The less well known story we present here is about the reform in social service agencies, using similar principles of performance management to achieve in many ways improvements in performance that are comparably impressive to those of the NYPD. Because over the last two Mayoral terms, New York City has reinvigorated its efforts to manage for performance, human service systems (the Human Resources Administration, the Agency for Children's Services,

and the Department of Homeless Services) have substantially improved their effectiveness in dealing with their clients.

A decade ago in a 1993 paper, we charged the HRA, the major social service agency responsible for public assistance, child welfare, and serving the homeless, among other key human services, with “flying blind.” Today the guidance and tracking systems of the now three agencies that share those responsibilities are impressive and still improving, with measured outcomes to show it. While the changes are nothing like universally adopted and functioning equally, this is the first administration that has placed management reform citywide in the center of its agenda and backed that agenda with resources and strategic appointments.

We posit that mayoral attention to information and management, and the crucial link between them, is a key factor in the transformation of service delivery in the social services in New York City. The role of greater appreciation of technology and improved access to it is also part of the story of performance improvement in New York. In every agency we examined, the leadership recognized that computerization of data and access to it – on as close to a real time basis as possible – is essential to achieving the potential of performance management. In each of these agencies, as well, there has been a significant effort to go beyond performance measurement to outcome performance management.

The work pioneered in New York City during the Giuliani Administration was rapidly expanded as agencies sought to build on the CompStat and other comparable computerized

information management systems under Mayor Bloomberg. Up to a certain point, the process depends on mayoral commitment. We can hypothesize that after that “certain point” (a time which is as yet unknown), the process may in fact take on a life of its own and become an integral part of the way the City does business.

In this paper we look at the three human services agencies – HRA, ACS, and DHS. ACS and DHS were spun off in response to specific public issues and have done well – because they were the target of mayoral focus. Interestingly, HRA, with far less direct mayoral focus, has done better than either of them. Why? We believe that the performance based contracting system instituted by Commissioners Turner and Eggleston forced them of necessity to focus on outcomes. And that focus, in turn, led to highly effective performance.

During the nearly decade long welfare reform effort, HRA has become another successful practitioner of performance management. Where the police have had CompStat, HRA has created and effectively used JobStat, VendorStat, and HomecareVenderStat, and HASAStat. It is preparing to launch AdminStat to improve its performance in the management of agency resources like facilities and personnel.

The story of welfare reform management in New York illustrates the value of goal clarity in achieving performance improvement. In our analysis of HRA in the early 1990s, we said that in addition to lacking an analytic orientation and analytic capacity, a major problem was its “lack of commitment to the basic precept of welfare reform—getting clients out of the system

rather than perpetuating their reliance on it.” The Giuliani administration, before the passage of national legislation, embraced that welfare reform agenda wholeheartedly. The change is clearly captured in the language used in the Mayor’s Management Report to introduce the Agency. In 1993 the MMR narrative states, “The Human Resources Administration provides income support and social services to New York City’s needy residents.” By 1998 it had been changed to state: “The Human Resources Administration protects the health and welfare of the City’s neediest residents by providing temporary economic and social service support and assisting them, whenever possible, to achieve economic independence.”¹

For those who believe in the potential of using systematic thinking, evidence, and analysis in public policy and management, the trajectory in New York City is encouraging. Experience, however, warns against viewing the trend as irreversible. In a new period of budget crisis, or with another ideologically guided administration whose approach is, in effect, “do not bother me with the facts; my mind is made up” a counter trend is not unimaginable.

As former Vice-President Dan Quayle once said, “I believe we are on an irreversible trend toward more freedom and democracy. But that could change.”

¹ By 2004 the MMR statement of HRAs Mission was even more sharply focused: The first listed “Critical Objective” is “Assist public assistance participants to enhance their employability, find jobs, retain their employment, and move to self-sufficiency.”

Introduction

Most informed Americans know that, over the past decade, New York City has witnessed a sea change in the field of public safety, with serious crime levels reduced to the rates of the early 1960s. Much less noted is the similarly dramatic change in many performance statistics in social welfare services. Social services management in New York City has undergone a transformation that has significantly altered patterns of life in and around the safety net. That is the story of this paper.

Consider the following headline from the September 25, 2004 *New York Times*: “Agency Chief is Fired after Seven Month-old Dies in Day Care.” This was news in part because such stories are much less common than a decade ago. The accompanying article quotes advocates who faulted agency management practices, and allege a failure to systematically track and monitor day care provider performance, including the history of inspections. In a follow-up story, an internal report by the Department of Health and Mental Hygiene acknowledges the validity of the allegation that “formal procedures for reporting major problems--including imminent dangers and even deaths--were lacking.” The agency commissioner promised “to develop and implement better policies, to strengthen management and training, and to ensure even stronger oversight of our day care operations.”² While there are certainly other sub-fields of human services in New York City government that could be found similarly wanting, the fact that this episode is the exception rather than the rule today is the bigger story.

² Robert. D. Mc Fadden, “Report on Day Care Finds Flaw in the System,” *The New York Times*, October 8, 2004.

From the mid-1960s to the 1990s, social welfare services in New York City were the responsibility of a super-agency, the Human Resources Administration (HRA), created by the Lindsay Administration. Its mission was “to plan, initiate, conduct, supervise, coordinate, review, and evaluate City programs and activities in the attack on poverty.” Even as a super agency, HRA was only part of the larger public system serving New York City’s poor. Their housing needs were also addressed by the Housing Authority and the Department of Housing, Preservation and Development; their health problems were met by the Department of Health and Mental Health, and the Health and Hospitals Corporation; their childcare burdens were met by both the Board of Education and the Department of Youth Services. And, the population served by HRA comprised many of the cases of the City’s sprawling criminal justice system. Ultimately the responsibility for the operation of the overall system fell on the mayor, his deputies, and the oversight agencies for budget and operations. While oversight agencies could guide, fund, coordinate, and monitor, they could not plan for or deliver services. They depended on the various agencies. At the hub of this dynamic and complex system stood HRA. We argued in an article published in 1993 that unless HRA could be made to perform better, improvements elsewhere in the system were unlikely to have much impact. At the heart of our criticism of HRA in the early 1990s were the decisions that led to the “almost total dissolution of the staff and departments within the agency responsible for planning and analyzing programs.” We wrote:

... HRA has systematically dismantled strategic planning, evaluation, and rational program development, created under Mayor Lindsay and maintained during several succeeding administrations. Not only have the accumulated findings of past research been ignored, but the organization structure and staff required to diagnose systematic problems and to plan, monitor, and evaluate programs have been disbanded.

Remarkably, only a decade later, that trend has been dramatically reversed.

The story of social service performance improvement is not simple, and can only be sketched here. Like case studies in general, it is dangerous to try to draw broad conclusions from one period in the history of one city. Furthermore, the results that we have observed and will report on are the product of the convergence of nine major factors that were all in play at roughly the same time as the shift to the performance management approach:

- Since 1993, the City had two changes in leadership, first to Rudy Giuliani and then to Michael Bloomberg. During the decade of their governance, child welfare, welfare reform, and homeless services each have enjoyed a period of high Mayoral attention.
- The City witnessed a highly celebrated performance turnaround in public safety that received national and even international attention. This sent a signal that management matters.
- Across the nation a political consensus was formed that we should “end welfare as we know it.” Policy changes in New York that accompanied that consensus emphasizing a “jobs first” approach to moving people off welfare were aided by an unprecedented period of economic prosperity.
- Management change in social welfare services in New York coincided with a major administrative dismantling of the Human Resources Administration (HRA). First homeless services and later child welfare and day care services were moved to separate agencies, the Department of Homeless Services (DHS) and the Administration for

Children Services (ACS). And other parts of HRA such as senior centers and child support enforcement were moved out as well.³

- The pursuit of market strategies in government services, which flourished in western democracies in the decade we are tracing, made contracting for human services in New York City more dominant across the whole range of services provided.
- In child welfare, new approaches, including a shift in philosophy from institutional to family and kinship foster care and a commitment to neighborhood-based services, placed different demands on the system.
- Technology for information storage, processing, and analysis, which played a major role in police management reform in New York, was also introduced to social service management. While technology is an integral part of CompStat, as Mark Moore has pointed out, it is useful to see performance management reform as a set of variable design elements that make distinct and sometimes interactive contributions to changes in outcome. This makes particular sense when one considers the very different conditions of data collection, storage, and traditions of analysis across City services as different as child protective services and aid to families with dependent children.
- In 2002, the City inaugurated a Mayor who was a technology industry billionaire with no prior government experience and who thought that local government could benefit considerably from bottom-line insights. Additionally, he was acutely aware of the need for government to meet public expectations of outcomes.

³Spinning off parts of HRA began in the Koch Administration with the creation of the Departments of Employment, of Juvenile Justice and of Aging. In the Dinkins Administration, the senior centers managed by HRA were turned over to the Department of Aging.

- Finally, in the history we are exploring, the City was the victim of the largest terrorist attack ever on American soil with catastrophic human and economic loss and infrastructure destruction.

It would be misleading not to mention these factors. But it would be equally misleading to suggest that, while we will explore their role, we have sorted them out in terms of their relative impact.

Background

One of the formative periods in the long history of New York City is the fiscal crisis of the mid 1970s. Many factors contributed to the near bankruptcy of the City but one that is typically on the list is mismanagement. In *The Streets Were Paved with Gold: The Decline of New York, an American Tragedy*, Ken Auletta devotes a chapter to New York's mismanagement. According to Auletta, "Good management also requires a system of measuring managers." Under the new Charter passed in 1975, "the City initiated a management by objective program. Each agency was to commit to paper its yearly and monthly goals, and be measured by their results. . . . Such a program represented a dramatic departure of government." One of the designers of the Mayor's Management, Planning, and Reporting System (MMPRS), Jack Ukeles, told Auletta:

There were bright guys in previous administrations. Why were they not successful, and why do I believe we will be? Historically, the criterion for success in the public sector was not performance. It was not how much we're getting for how much. It was responsiveness. In other words, if I had a pothole in front of my house and I called the

department and it was fixed the next day, I felt government was succeeding. There was no balance sheet. That was political management.⁴

There was no balance sheet because New York City business was not done that way, and because the concept of government performance was not well developed. “High performance” when Jack Ukeles⁵ was working in City government meant success in negotiating the budget process, timely filling positions, as well as planning, organizing, and carrying out activities. Consequently, when the City charter mandated that each agency collect and report data on its performance in the Mayor’s Management Report, the agencies all submitted data on measures of resources, personnel, and some program related efforts.

In a study of this reform completed more than a decade after it was launched, the system still focused on measure of inputs, activities and to a lesser extent outputs, had almost no measures of outcomes, and little evidence that the bold promise of the Mayor’s Management, Planning, and Reporting System was fulfilled.⁶ While the system was designed to involve all levels of government from the mayor down to district managers and to require the use of an interrelated set of performance data for agency planning and management, only the visible

⁴ Ken Auletta, *The Streets Were Paved With Gold*. Random House, 1979, p72.

⁵ For his account of the reform, see Jacob B. Ukeles, *Doing More with Less - Turning Public Management Around* (Amacom, a division of American Management Association: 1982) Not long after the MMR was launched, the Fund for the City of New York helped the Mayor’s Office of Operation develop a rigorous tool for measuring street cleanliness, an outcome of the work of the Department of Sanitation. Unfortunately it remained exceptional for a long time. The Street Cleanliness Scorecard outcome approach was only very slowly copied in other areas of performance.

⁶ At the time of the Smith study of the MMPRS in the late 1980s, a procedures manual outlining the steps that would have made it a performance management system rather than just a performance reporting system, was out of print and largely unknown to the staff. Dennis C. Smith, "Performance Management in New York City: The Mayor's Management Plan and Report System in the Koch Administration." Paper presented at the 15th Annual Research Conference of the Association of Public Policy and Management (APPAM), Washington, DC, 1993.

component, reporting, was common practice at the end of the 1980s. Measuring *outcomes* was extremely rare, and *managing* with reported measures was an isolated phenomenon.

In the early 90's the under-utilization of the MMPRS continued. The combination of budget pressures and an ideological rather than analytical orientation to policy choice resulted in some agencies dismantling the policy staff that had been in place. Little investment was made to improve the City's management capacity or to invest in the technological tools that would have supported an analytic approach to managing the City. Complex policy initiatives like family preservation, which was initiated by the child welfare system, were launched without rigorous estimates of cost or systematic operational planning. There was no capacity to target interventions based on evidence or to track results in a timely way. Child welfare file data were paper records that were manually processed, and managers had little access to computers.⁷

The turnaround event of this story occurred when Rudy Giuliani was elected on a pledge that his administration would reduce crime dramatically. Previous administrations had viewed crime as social demand requiring government responses, not as a policy outcome. It measured its response to this demand, and not to changes in the level of crime, as its performance.

⁷ Even in the NYPD, which had computerized data systems since the 1970s, technology was seriously out of date. At the beginning of the Giuliani administration in 1994, NYPD's MIS was exclusively a mainframe computer operation, was centralized and produced reports primarily for top commanders, too late to be used in anything but long term managerial decision-making. In this highly centralized system, precinct commanders in New York, each serving populations bigger than the vast majority of American police departments, had no computers in their offices, and no access to real time crime data. See Dennis C. Smith and William Bratton, "Performance Management in New York City: COMPSTAT and the Revolution in Police Management" in *Quicker, Better, Cheaper?: Managing Performance in American Government*, Dall Forsythe (ed.). SUNY Press, Albany, 2001.

Contrast the shift from the crime fighting promise of Edward Koch who ran for office at the end of the 1970s on a promise that he would maintain a certain number of police officers on patrol (an *input* or at most an *activity*), to Giuliani's first Police Commissioner William Bratton's announcement at the start of his term that crime would be reduced by 10%.⁸ The story of how the New York Police Department used performance management to achieve an extraordinary reduction in all categories of crime in all boroughs and in all precincts has been previously told. It is generally well known, if not everywhere accepted. Less well known is the story we present here of the reform in social service agencies, using similar principles of performance management to achieve comparably impressive improvements in performance.

At the center of social welfare services in New York City in the early 1990s was the Human Resources Administration (HRA). In 1994 HRA was an agency with a \$7.2 billion budget, which it used "to provide income support and social services to New York City's needy residents."⁹ Most of those funds supported entitlement programs such as Public Assistance and Medicaid. The work of the Agency included administering, directly or through contracts, the Food Stamp offices, day care centers, employment services for public assistance recipients, shelters for victims of domestic violence, protective services for adult, protective and preventive services for children, foster care programs, home care for disabled and elderly persons, social services for people with AIDS and HIV-related illnesses, child support enforcement services, and food distributions programs. Until Fiscal 1994, HRA also

⁸ In the context of a discussion of the use of evidence and analysis in public decision making it is interesting that this commitment regarding level of police deployment in visible patrol was made and seriously adhered to in the decade following the Kansas City Preventive Patrol experiment that called into question the widely assumed relationship between visible patrol levels and criminal victimization or citizens' feelings of safety. (Kelling, 1976)

administered shelters and transitional housing for homeless families and individuals. Since 1994, the newly created Department of Homeless Services (DHS) has provided those services.

In 1993 social service caseloads were growing: Public Assistance cases were up by nearly 200,000 (to 1,091,960) from 1989. AIDS/HIV cases were up as well. Nearly 50,000 children were in foster care, and the Child Welfare Administration received more than 50,000 reports of child abuse and neglect. During this period of growth, the staff of HRA remained stable at roughly 29,000 employees.

The HRA report in the 1993 MMR is sixty pages long, including twenty-five pages of graphs and tables, and thirty pages of narrative and footnotes that largely summarize and explain what the graphs and tables show. The tables included a barrage of 398 indicators; each presented four times (current year and next year, annual actual and annual plan). The indicators are grouped under administrative unit categories and were not arrayed in any discernible priority order. Certainly there was not the slightest hint that the presentation of indicators was guided by anything resembling a logic model showing the linked inputs, activities, outputs, and outcomes. Most of the actual indicators are measures of resources supplied and services demanded (numbers applying, numbers eligible, activities of staff), including some contextualization by norms (reports received, reports responded to within *n* days, percent compliant with a rapid response protocol), a variety of caseload statistics, and sundry services provided (numbers in temporary housing, foster care, receiving home visits). A very few

⁹ The descriptive data are from the September 17, 1993 Mayor's Management Report, pp 399-462, the last annual report of the Dinkins Administration.

indicators that represented outcomes were imbedded in the tables (job placements, 30-day job retention rates, families relocated to permanent housing), but they were not singled out as outcomes, or given any special attention that distinguished them from “tons of agency paper recycled” or “number of domestic violence beds.”

There is little reason to believe that the numbers reported in the MMR during this period were used in any systematic way to manage services. As we reported in our 1993 article:

One of the many serious consequences is that no one is assessing service impact and quality control has been seriously undermined in the more than 1,800 contracts with private social service providers. Through these contracts, worth about \$1.25 billion, HRA provides services ranging from foster care and day care to job training and attending the homebound. Staff members in the HRA Child Welfare Administration, for example, had been attempting to monitor the performance of contract agencies receiving millions of dollars for services to children. Not only were they pulled off their audit duties, they were left idle for months. The staffers were reassigned when their story was revealed in the press, but the monitoring was never resumed. (Grinker and Smith, 1993, p.73)

Ten years later, New York City child welfare services are an excellent example of the management reforms in social services that have been achieved in the past decade.

Welfare Reform at the Human Resources Administration

In July of 1993 the number of persons receiving public assistance in New York City reached 1,091,960. At the end of the Clinton economic boom and three years after the passage of welfare reform legislation, the public assistance rolls numbered 572, 100. Perhaps even more remarkable is the fact that after three more years of recession and slow economic recovery, the welfare rolls in FY 2004 have continued to decline to 437,500 (a 60% decline from 1993).

From 1974 to 1994 the public assistance population ranged between 950, 000 and 1,100,000, and never dropped below 820,000. As with the level of reported crime in New York, the percentage of the population on welfare was the lowest since the 1960s. While some might say that this reduction is roughly the national average caseload reduction, the scale of New York makes it a special achievement. 650,000 of the 9,000,000 who left welfare were New York City welfare recipients. Because the City's caseload was so high at the beginning of the 1990s, its share of the caseload reduction was double the City's share of the nation's population.

During the nearly decade long welfare reform effort, HRA has become another successful practitioner of performance management. Where the police have had CompStat, HRA has created and used JobStat, VendorStat, Homecare VendorStat, and HASAStat. It is preparing to launch AdminStat to improve its performance in the management of agency resources like facilities and personnel.

The story of welfare reform management in New York illustrates the value of goal clarity in achieving performance improvement. In our analysis of HRA in the early 1990s we said that in addition to lacking an analytic orientation and analytic capacity, a major problem was HRA's "lack of commitment to the basic precept of welfare reform—getting clients out of the system rather than perpetuating their reliance on it." The Giuliani administration, before the passage of national legislation, embraced that welfare reform agenda wholeheartedly, some would say with a vengeance. Even without the adoption of a new management approach and the creation of new systems, the shift in the focus on performance produced a 30.3% reduction in Public

Assistance usage from 1995 to 1998. The change is clearly captured in the language used in the MMR to introduce the Agency. In 1993 the MMR Narrative states, “The Human Resources Administration provides income support and social services to New York City’s needy residents.” By 1998 it had been changed to state: “The Human Resources Administration protects the health and welfare of the City’s neediest residents by providing temporary economic and social service support and assisting them, whenever possible, to achieve economic independence.”¹⁰ HRA’s Income Support Offices around the City were converted into “Job Centers.” The main focus in the HRA section of the MMR is on the decline in the number of persons receiving Public Assistance; achieving economic independence was harder to measure and less reported. Getting people “off welfare” served the management of HRA much as reducing crime became the unquestioned (mostly) and galvanizing goal of NYPD.

By 1998 HRA adopted the mechanics of police reform in a management innovation called JobStat. HRA Commissioner Jason Turner who launched JobStat claimed that it was his “initiative for increasing accountability for reducing the City’s welfare caseload and finding people jobs.” JobStat focuses Job Center staff on key indicators such placements and enrollments, subsidized placements three, and six-month retention rates. In 2000, Mayor Giuliani’s press release hailing JobStat states, “As the NYPSD and other City agencies have shown, the strategic use of key performance data is a powerful tool for helping local managers achieve their goals. It also allows senior managers to monitor progress and hold staff accountable for results.”

¹⁰ By 2004 the MMR statement of HRA’s Mission was even more focused: The first listed “Critical Objective” is “Assist public assistance participants to enhance employability, find jobs, retain employment, and move to self-sufficiency.”

Due to HRA's increasing reliance on other organizations working under contract to provide services, the Agency felt it necessary to develop two key performance management mechanisms, one for HRA Job Center staff (JobStat), and the other for the providers (VendorStat). Since Job Centers and vendors work together to co-produce welfare reform in the City, HRA schedules JobStat and VendorStat sessions on the same day. At the meetings their performance is reviewed in a way that allows each to learn from the experience of the others. Like CompStat the two Stat sessions are held weekly, and are used to review measures, patterns, and trends, and also to closely examine specific cases for lessons with broader applicability. One nonprofit official who regularly attends VendorStat meetings reports that they are good learning opportunities. She says that the experience of going through VendorStat has significantly motivated nonprofits to become more data-driven in their management.

As a result of the pervasiveness and emphasis on performance indicators in JobStat and VendorStat, management discourse in HRA is by the numbers. In a recent meeting, current HRA Commissioner Verna Eggleston, who was formerly an Executive Director of a nonprofit agency, spent much of the discussion presenting tables and trend charts to make her case and illustrate her arguments. She explained how analysis of the HRA caseload led to an initiative that is being developed to focus on the welfare-to-work challenge of individuals who claim medical or mental health exemptions from work requirements. "The initiative," according to a long-time HRA executive, "is entirely data driven." The biosocial diagnoses at the start will refine the distinctions between clients who are able to work (engageable), those who are work-limited due to physical or mental disability (partially engageable), and those clients who

cannot work at all (non-engageable). This will lead to a remedial plan that will be tracked in a computerized monitoring system that notes milestone achievement and flags noncompliance. The process of prescribed assistance will either lead to improved status that will aid the transition to work, or be a basis of evidence for a claim of disability that will also remove the client from the welfare roles. In the process the agency tracking data will be used to learn what works and does not work for this difficult-to-place population, hopefully leading to better interventions in the future.

In the dramatically shorter HRA section of the 2004 MMR (only eight pages), there are many more indicators that are at least initial outcome measures than could be found in the reams of report pages provided in 1993. (Appendix A) In addition, the HRA website presents the MMR report and has far more data than was ever presented in the most detailed version of the MMR. The Annual Progress Report covering January 2002 to June 2003 is organized around outcomes in the different service areas of HRA. (Not surprisingly the Report is framed by the terms of Mayor Bloomberg and Commissioner Eggleston, and emphasizes accomplishments.) Of particular interest is the section entitled “Improving Customer Service through Technology.” In our interview with HRA officials they emphasized the dual role of technology in improving customer service and enhancing accountability through timely reporting and tracking system performance. (www.ci.nyc.ny.us/html/hra/pdf/annual_progress_report.pdf)

One such system is the Paperless Office System (POS) used in 24 Jobs Centers. The POS enables caseworkers to locate customer records easily from any site, “making the old ‘paper

case record' obsolete." The system claims improved customer service through speedier processing and greater caseworker accountability. Furthermore, and importantly, the automation of these data provides the JobStat and VendorStat systems of performance tracking with weekly information for use by all participants in the management of this complex service. In "Improving Customer Service through Accountability" the report lists "continued utilization of performance measurement and management tools to improve agency efficiency and accountability, while expanding the application of these tools" In this connection, in the past several years, Homecare VendorStat, HASAStat (for HIV/AIDS services) and Model OfficeStat also came online. AdminStat, which tracks and introduces a review process for internally consumed services (personnel, facilities, etc.) has been developed and will be the next area of application.¹¹ Very clearly, HRA has made the transition in many areas of its work, first to an outcome measurement orientation, and then to using outcomes measures to manage -- from performance measurement to performance management.¹²

Reform in the Administration of Child Welfare Services

As is often the case in public administration, the creation of a separate agency, the Administration for Children's Services, was the product of a scandal. The public outcry attending the death of child "known to HRA's Child Welfare Administration" provoked Mayor

¹¹ The Department of Correction's version of CompStat, TEAMS, was the first city performance management system to include such administrative performance issues as staff overtime, with good results. See Smith, *What Can Public Managers Learn from Police Reform in New York?*

¹² See Dennis C. Smith and Robin Barnes, *Making Management Count: Toward Theory-based Performance Management*, paper presented at the 20th Annual Research Conference of the Association for Public Policy Analysis and Management (APPAM) in New York City, October 29-31, 1998

Giuliani to remove child protective services from HRA in 1996. Under the leadership of a long time public servant, with strong Mayoral support, the ACS launched a major reform. As Commissioner Nicolas Scoppetta reports in “Progress in ACS Reform Initiatives” (Status Report 3, March 2001), “One of the first critical tasks of the new agency was to develop a blueprint for reform that would provide direction to the challenging work ahead. The Reform Plan was completed soon after ACS’s creation, and all energies were marshaled for its implementation.” One of the Plan’s directives was “to produce clear and useful information to support effective management to the City’s complex child welfare system.” ACS published its first status report in 1998 and the second in 2000, which focused on 32 indicators to measure performance. According the authors of the 2001 report this now annual publication “is a key component of ACS’s efforts to utilize information on performance and outcomes to inform management and drive quality improvement.”

The focus of ACS was further refined in the 1999 with the announcement of the ACS Top 12 Outcomes and Indicators, articulating “ACS’s priorities in its ongoing effort to improve the child welfare system.”¹³ The 134 page report provides an in depth analysis of: Quality Improvement, Child Protection, Neighborhood-Based Services, and Permanency. Working with outside researchers from Chapin Hall and the Vera Institute of Justice, the ACS staff authors of the report provide focused, detailed, multivariate analysis of patterns and trends in key areas of agency performance.

¹³New York City Administration for Children Services, Progress on ACS Reform Initiatives: Status Report 3, March, 2001. This report, which repeatedly refers to itself as an Annual Report with successive reports to follow, has not been repeated.

While the kind of analysis presented in the “Progress on ACS Reform Initiatives” supports program and policy planning, we also know that these performance data are used in the management of services. As we reported in *The Promises and Pitfall of Performance-Based Contracting*, ACS has developed and uses a sophisticated performance management system (EQUIP) in awarding contracts and tracking foster care provider service delivery. Providers are rewarded for high performance by both increased market share and higher payment rates. As the report states, “In the long term this initiative will create a dynamic where higher quality agencies will serve an increasing percentage of the foster care population and lower performing agencies will be forced to improve.” The result of these decisions is public information, further contributing to a climate of competition.

It is however worth noting that there are fluctuations in management reform trends.¹⁴

None of the management improvements discussed here would have been possible had not the Mayor and ACS leadership urgently transformed the management information system of the agency. One of the highest priorities in the Reform Plan, and one of the greatest achievements of its implementation, was the creation of an automated data reporting and analysis system, and the recruitment and use of trained staff to analyze the data. In several years time, the child welfare management information system in New York City was transformed from manual to automated records. Computers, which were a very scarce resource when the agency was

¹⁴ At ACS another incentive based contracting initiative related to EQUIP called STAR had a short career and fell to the budget ax early in the Bloomberg Administration. The STAR program focused on certain desirable outcomes (including time to reunification, time to adoption, and likelihood of re-entry into foster care after discharge). It compared current to past performance and assessed whether improvements provided financial savings to the foster care system. The plan of STAR was to share a portion of those savings with providers to invest in further service improvements. However, faced with budget cutbacks, the funds intended for “saving shares” were diverted to other uses before the initiative was fully implemented.

created, are now used by staff throughout the ACS. A parallel process of management capacity and infrastructure development has occurred in the provider agencies, necessitated by the demands of performance systems like EQUIP.

Any effort to interpret child welfare performance data reveals the challenge that competing values poses for management. The 2004 Mayors Management Report section on the Administration for Children Services is only six pages long and presents only 49 indicators. However, the ACS conveys very clearly the agency's "critical objectives" and its "performance highlights." Among its critical objectives are 1) Maximize the placement of children in foster care in their own neighborhoods. 2) Maximize the placement of children in foster care with family members. 3) Maximize the placement of children with their siblings, as appropriate. The problem of course is that the alignment of these objectives is less than perfect. The family members able to take in children may not live in the neighborhood. The non-family foster care homes able to accommodate siblings may not be in the neighborhood. A family member may be able to welcome one child but not siblings. Changing family demographics interact with these objectives. Therefore, drawing conclusions about agency "success" is not as simple as tracking declines in crime rates or increases in reading or math scores.

Two reasonably clear trends are the crossing lines of *increasing* numbers of children receiving contract preventive services (23,462 in FY 2000 v. 30,033 in FY2004) and the *decreasing* number of children in foster care (34,354 in FY2000 and 22,082 in FY2004), and the number of new children entering foster care (8,065 in FY 2000 and 4,627 in 2004).

In an interview with members of the analytic staff at ACS, it was clear that the agency, which is under its second new Commissioner under Mayor Bloomberg, maintains its commitment to using data to guide policy. One example is the new initiatives for adolescents being developed by ACS in response to the discovery in trend analysis that the demography of the caseload is changing. With fewer children entering the system, the percent of children between the ages of 0-11 has dropped precipitously, and the number of teenagers being served has increased. At the same time that the population served is changing, the tools and the forms of service delivery management are changing. There has been no sequel to Progress on ACS Reform Initiative Status Report 3, issued in March 2001, which repeatedly described itself as an “annual report.” Agency staff claim that technologic advances in the City made the printed report outdated. As part of a citywide transparency initiative much but not all of the information that previously appeared in the Status Report is now presented on the Web. Indeed, a visit to www.ci.nyc.ny.us/html/acs/home.html reveals the extraordinary progress that has been made in the quality and timeliness of data now produced and the change in the City’s philosophy of providing easy access to the data. Furthermore, the organization of the performance data presented on the Web reflects a dramatic shift in focus from inputs and activities to outcomes. Data are disaggregated to community districts to increase their relevance to a host of users. These changes augur a further shift in the accountability of ACS to the public.¹⁵

¹⁵ One external validation of the success of ACS reforms is its release after many years from court mandates and monitoring. The judge in the Marisol v. Giuliani case allowed the Commissioner to implement the reform plan he had developed without the participation of a court appointed master, and stipulated that if ACS reforms were on track after two years, court monitoring would end. That milestone was achieved in December 2000. See Ross Sandler and David Schoenbrod, *Democracy by Decree: What Happens When Courts Run Governments*, Yale, 2003, p. 148.

Reform in the Administration of Services for the Homeless

A decade ago the challenge of serving homeless singles and adults was moved from HRA to a new Department of Homeless Services. The move was part of a reform agenda mapped out by a commission appointed by Mayor Dinkins and led by Andrew Cuomo. The Report¹⁶ recommended the creation of a separate agency, and also that homeless services should be largely contracted out to nonprofit organizations. Organizing the new Department and implementing the agenda of moving from direct government provision of shelter services to closing shelters and contracting with nonprofit agencies for services was the major focus of DHS from the end of the Dinkins' Administration through the Giuliani Administration.¹⁷ While the use of performance management widened and deepened in the implementation of welfare reform at HRA and the Mayor supported transformation of child welfare services at ACS, progress in the use of performance management at DHS was not an apparent priority and progress was modest at best. That changed dramatically in the Bloomberg Administration. At the Department of Homeless Services, the factors that support the rapid development of performance management converged in the appointment of Linda Gibbs as Commissioner. She brought with her, from her work at ACS, the orientation to change organizations through mission and data driven management, and also brought along part of the team that had worked with her so successfully at ACS. The change in orientation was evident early on with the

¹⁶ *The Way Home: A New Direction in Social Policy*, February 1992 made the case that homelessness was not merely or primarily a housing issue, but a reflection of a diverse set of problems, including substance abuse and mental illness, that require services in order to make housing work.

¹⁷ The authors participated in this process by helping DHS design a management training program and providing the performance management component of the training program. The challenge was to help a staff of shelter managers, whose experience focused on compliance with bureaucratic rules, shift to focus on organizing, measuring, and managing

production and distribution of the agency's report, "The Second Decade of Reform: A Strategic Plan for New York City's Homeless Services" in June 2002.

The report's introduction states: "Mayor Michael R. Bloomberg has charged each agency in this administration to work collaboratively, manage openly, and produce results." Those themes are all woven into the entire report but the link between transparency and managing for results is perhaps the most pronounced. The report observes, "Despite strong agency expertise and a wealth of data, little information is published or used for evaluation by this agency. This plan embraces a new approach to make services as transparent as possible by routinely publishing data. DHS will use that data to build systems of quality improvement, identifying areas in need of improvement, and tracking progress to ensure that it occurs." The Plan is replete with commitments such as "By August 30, 2002, the Division of Policy and Planning will publicly publish a monthly report that tracks critical activities related to prevention, shelter services, and permanent housing placements" and "DHS is committed to tracking process and outcome indicators to focus attention on top priorities. By June 30, 2002, the Commissioner's Office will broadly publish the top ten outcomes." In the section of the Plan entitled "Efficiency and Accountability" the report notes "The myriad programs designed in the past decade have greatly improved services to clients. However, outcomes have not been uniformly reported to demonstrate the value of these interventions and where they are most successful." The Plan commits DHS to "conduct program evaluation routinely" and to

performance of nonprofit service providers. See Gordon Campbell and Elizabeth McCarthy. "Conveying Mission through Outcome Measurement: Services to the Homeless in New York City," *Policy Studies Journal*, Volume 8, no. 2, 2000.

“enhance provider performance evaluation systems,” and it sets deadlines for the implementation of these steps.¹⁸

While it is too early in the reform process to find much evidence of outcomes, the 142 % increase in the number of persons placed in permanent housing in FY 2004 (7,006 compared to 2,690) stands out as one. On the other hand, signs of the intended intermediate activities and outputs, described in the strategic plan, abound. The DHS Web site is replete with information about the work and progress of the agency, including the daily census of homeless singles and families in the system (a total of 37,065 persons on October 21, 2004) and a statistics section that presents daily, monthly and twenty-year trend data. The brief DHS chapter of the MMR is focused on the progress (and lack thereof) that has been made on achieving its “critical objectives,” such as “increase the number of people prevented from becoming homeless.” The September 2004 report includes the good news that, “For the first time in four years the number of new families entering the shelter system dropped, resulting in the lowest growth rate in this period of the average daily census for families and children.”¹⁹ DHS was also successful in having no families with children staying overnight in its intake office. In addition, DHS “greatly improved its placement of families with children according to the youngest child’s school address. The number of families transferred more than once

¹⁸ For those who believe that words matter, the terms evaluate and evaluation appear twenty-four times in the forty one pages of text in the DHS Plan, and the Policy and Planning Division is explicitly charged with twenty-eight tasks.

¹⁹ The report acknowledges that this new high was in fact below the annual target, and that due to decreases in federal rent subsidies the target for next year will be even lower. Since the report, on October 19, 2004, DHS, HRA, ACS and the New York City Housing Authority announced that, partly because of changing federal policy, and also concern about perverse incentives in the permanent housing policy, a new coordinated approach is being adopted by the Bloomberg administration. “City Officials Announce Sweeping Changes ...”

between facilities decreased by nearly half.” Conversely, “the number of single adults entering the system and the average daily census of single adults grew for the fifth consecutive year.”

In contrast to the data presented about HRA activities and outputs in the field of homeless services in the MMR of a decade ago, which was a set of tables that evinced no particular priorities or strategy, the current report conveys a clear sense of where the agency aims to go, and the degree to which it is getting there.

In an interview DHS Commissioner of Homeless Services, Linda Gibbs, described the process of changing the focus of the Agency and the City from sheltering homeless people in the best way possible to one of reducing homelessness in the City. Importantly, in the process of specifying outcomes, DHS realized that even if they achieved the best shelter system in the country, which many argued New York City already has, doing this was not in and of itself a satisfactory outcome. This conclusion is precisely a parallel to the realization on the part of NYC police leaders a decade ago that the most effective and efficient system for *responding* to criminal victimization could never be sufficient: Crime itself had to come down.

The management tools of CompStat are also in evidence in the approach taken by DHS once it decided to make reducing homelessness a centerpiece of policy. An analysis of DHS data was used to pinpoint the Community Districts that were producing over time the greatest number of families entering the Emergency Assistance Units. Not surprisingly, but not previously known, approximately 26% of all entries in a year come from a small number of

neighborhoods. A DHS-produced GIS map shows that variation quite unambiguously. Those identified neighborhoods will be targeted with preventive services. The measure of success of this program, the Commissioner pointed out insightfully, cannot be to ask whether particular households receiving targeted services reduced homelessness, but rather to look for a reduced rate of homelessness at the neighborhood level. DHS plans to monitor and evaluate emerging homeless patterns to ascertain whether the intervention is working overall and what specifically is contributing to success.

To carry out this kind of analysis, DHS has had to assemble an analytic staff and to work with academic experts and consultants to refine the methods used. A recent solicitation from DHS called for consultant services to analyze the cost effectiveness of various programs to reduce shelter populations. The Notice to Bidders explains, “Traditionally, all funding has gone to meeting shelter demands on any given day. The lack of sufficiently rigorous analysis of which prevention and diversion programs would provide the greatest reduction in shelter costs has increased the practice of funding shelters rather than prevention programs.” The consultant is expected to provide some of missing rigorous analysis and to examine the various State and Federal matching funds to help DHS maximize funding to support prevention programs.

A recent job listing for a position in the Policy and Planning Division calls for a social science trained Ph.D. with advanced quantitative skills and survey research experience to assist with the annual survey of street homelessness that was launched by this administration and is expanding in scale each year. The candidate should have good writing and presentation skills. The job description could easily have been for a junior faculty position in a public policy school

or researcher at a serious policy research shop. The Director of the Policy and Planning Division at DHS noted that the agency has already filled one such position and is looking to fill another. In her view the big challenge now is to find enough analytically oriented and technically capable staff to probe the mass amounts of data they are now producing. One academic, a professor of community psychology at New York University, Beth Shinn, who has worked on homeless issues in New York since the Koch administration, noted that she has never seen a team with such an appreciation of the power of data, properly analyzed, to enable the agency to do its job better. “They really believe that if they work with the data it will tell them things they need to know.”

The process of using data analysis in management is one element of performance management that is being developed at DHS. According to another long-time DHS official, the use of numbers and analysis has long been part of his area, which is budget and finance, but this administration is pushing that approach throughout the Agency’s operations. As an illustration, Commissioner Gibbs told us of the discovery of a problem in mobilizing the paper process associated with moving clients into permanent housing. She had put in place a tracking system that flagged bottlenecks. Shortly thereafter, she received a report showing a bottleneck. When she phoned the relevant director to request an assessment and a corrective action plan, he asked her to check her e-mail. There she found a copy of a message to the official at the problematic site who was in a position to attend to the problem. The e-mail followed the procedures the Commissioner had called to request. Clearly, this anecdote suggests that management at DHS is on the same results-oriented page.

Conclusions

In a very big and complex polity and in a time of substantial public policy reform at the national and local levels, and through a number of leadership changes, the management of New York City social services has undergone a significant and we argue largely positive transformation. A decade ago we charged the Human Resources Administration, the major social service agency responsible for public assistance, child welfare, and homeless services, among other key human services, with “flying blind.” Today the guidance and tracking systems of the now three agencies that share those responsibilities are impressive and still improving, with measured outcomes to show it. During this same decade, federal government agencies were attempting to implement the Government Performance and Results Act (GPRA) under the leadership of Vice-president Al Gore. Several GAO audits of GPRA have testified to the challenge of going all the way, first to outcome measurement and, even more difficult, to using outcomes to manage.

Perhaps because the New York City government began the shift to performance measurement and management more than a decade earlier, with the creation of the Mayor’s Planning, Management, and Reporting System, the past decade in New York has witnessed remarkable progress in very broad managerial reform leading to results-based management. It started with the introduction of CompStat at the New York City Police Department and spread slowly to a few agencies, even though it was not centrally led. While the changes are not universally adopted or functioning equally, this is the first administration that has made management

reform citywide central to its agenda and backed that agenda with resources and strategic appointments.

We have examined the progress that has been made in managing the performance of welfare services in New York City. We have noted some factors that have contributed to the successes we have found. Agency-level commitment is a key variable when combined with Mayoral support, as it was with public assistance and child welfare services in the Giuliani administration, and with homeless services in the Bloomberg administration. The shift to defining performance in terms of outcomes has the advantage of providing a focus for management. When a consensus can be achieved among stakeholders, and even if a vision can be politically imposed where there is not consensus, a focus on moving people off public assistance, reducing entry into homeless services, or achieving permanency for children in protective services enables the development of activities and outputs that are linked to that outcome, and makes measuring performance for accountability less uncertain or ambiguous.

The creation of separate agencies to address homelessness and child welfare also appears to have contributed to the sharpening of focus on particular outcomes. It facilitated Mayoral access to agencies for the exertion of leadership; and agency leader access to the Mayor to encourage his attention and commitment. ACS under Mayor Giuliani is an example of the former, and DHS under Commissioner Linda Gibbs of the latter. This clearer connection also heightens accountability. A more sharply focused HRA under Commissioner Eggleston has probably come the farthest in the universal application of data usage and performance measurement at a management level.

Another conclusion we have reached about the use of evidence and analysis in managing the performance of public services is that leadership is a key variable. The leadership of Mayor Giuliani and Police Commissioner William Bratton was a key factor in our logic model for the CompStat reform at NYPD.²⁰ (Appendix B) Mayor Giuliani had a highly focused agenda and appointed performance management oriented teams to lead selected City agencies where he was most interested in results, such as the NYPD, ACS, and HRA. In those agencies major turnaround occurred. In other agencies, including the Mayor's Office of Operations, it was typically business as usual. Some performance-oriented commissioners, including Corrections and Parks, achieved significant improvements in areas such as safety in the jails and cleanliness and safe conditions in the parks. But they operated primarily on their own volition and not because of uniform policy or Mayoral interest.

Mayor Bloomberg's endorsement of performance outcome principles came early and was more universal. The idea of a CompStat approach to managing all City services was consistent with his private sector based conception of good management practice. In his inaugural address he announced a commitment to turn the Mayor's Management Report into the kind of management tool called for in its original design. We heard throughout interviews with senior officials that the Mayor is, by both disposition and experience, persuaded that information and communication technology can be a powerful factor in achieving improved City services.

Mayor Bloomberg's appreciation of technology is now perhaps best known through the quick and effective implementation of his campaign promise to give New Yorkers one number to call for information and for non-emergency services. In its first full year of operation, the 311 Call

²⁰ Smith and Bratton, op. cit.

Center received 8,140,000 calls regarding City services, quickly gaining on the three decade old 911 system that in 2003 received 11,800,000 calls. While 911 was in use for more than twenty years before it was seen as a broad gauge resource to be mined for patterns and insights that could help guide performance, that idea has guided the development of 311 from the outset. This year, every City agency's MMR report includes cross references between the performance indicators that are presented and those calls to 311 that are related to them. The Director of the Mayor's Office of Operations, Susan Kupferman, and the Commissioner of the Department of Information Technology and Telecommunications, Gino Menchini, both described as a "high priority" the effort to use the feedback obtained in 311 as a source of data to be integrated with and used in the management of City agencies.

The use of technology as a tool to improve performance in the Bloomberg Administration is a much bigger story than 311.²¹ In every agency we examined, the leadership has recognized that computerization of data and access to it, on as close to a real time basis as possible, is essential to achieving the potential of performance management. The work pioneered in New York City during the Giuliani Administration was rapidly expanded as agencies sought to build on the CompStat and other comparable computerized information management systems under Mayor Bloomberg. We were repeatedly told in interviews that the mantra of both the Mayor and his Chief of Staff, Peter Madonia, is "If you cannot measure it, you cannot manage it." When the Mayor's Office is "data driven," sooner or later agency leaders catch on. When agency leaders

²¹ "Discovery" is not too strong a word. Those who follow the NYPD CompStat story know that when William Bratton became Police Commissioner in 1994, there were literally no NYPD Personal Computers in the 75 Precinct offices. That was quickly changed. However, eight years later in 2002, when Raymond Kelly returned as Commissioner, he found that NYPD had no internal email. Officials used their personal accounts to communicate or use the internet.

see successes born of collaborations with the City's technology department, they want to get in on the act. To a remarkable degree that appears to be happening.

The role of greater appreciation of technology and improved access to it is also part of the story of performance improvement in New York. The current administration has elevated the Department of Information Technology and Telecommunications (DOITT) to an oversight agency. This position was previously occupied by the Office of Management and Budget in all administrations and the Mayor's Office of Operations in some administrations. Repeatedly in our discussions of reforms that are underway, Mayor Bloomberg's expectation that City agencies use modern technology, his appreciation of its potential contribution to government effectiveness, and his willingness to invest in it were singled out for their importance.

The effort to convert 311 into a feedback system for City services is one example of a payoff from the investment in technology. Another related initiative, which is a collaborative effort between Dr. Ester Fuchs, the Special Advisor to the Mayor for Governance and Strategic Planning, and Commissioner Gino Mencini of DOITT, is called the Integrated Human Services Task Force. In testimony before the New York City Council, Dr Fuchs stated: "For most of the last decade, many of the human service providers have been pursuing a solution to the problems created by having incompatible information systems across agencies. For the first time since this work began, we have secured a commitment from the Mayor to make this a priority." She noted that "Mayor Bloomberg, the OMB, and the City's human service agencies have agreed that this is a crucial step towards achieving a cost-effective, client-centered

approach to the delivery of human services in New York City.”²² Mayoral attention to information and management, and the crucial link between them, is a key factor in the transformation of service delivery, including social services, in the City.

In every City agency we examined, officials made clear that the move toward data- and analysis-driven management are works in progress. More advances have been made in “data” than in “analysis” in the sense that most agency officials we interviewed reported that finding staff at all levels with the analytic skills needed to take full advantage of the data remains an ongoing challenge.

For those who believe in the potential of using systematic thinking, evidence, and analysis in public policy and management, the trajectory in New York City is encouraging. Experience of the past, as recounted in our 1993 article about the decline in evidence-based policy and management, warned against viewing the trend as irreversible. In a new period of budget crisis, or with another ideologically guided administration whose approach is, in effect, “do not bother me with the facts; my mind is made up” a counter trend is not unimaginable.

As former Vice-President Dan Quayle once said, “I believe we are on an irreversible trend toward more freedom and democracy. But that could change.”

²² Testimony of Ester Fuchs before the City Council Select Committee on Technology in Government regarding the Integrated Human Services project, February 6, 2003

APPENDIX A

THE MAYOR'S MANAGEMENT REPORT FISCAL 2004

CITY OF NEW YORK
MICHAEL R. BLOOMBERG
MAYOR

Marc V. Shaw
Deputy Mayor for Operations

Peter Madonia
Chief of Staff to the Mayor

Susan L. Kupferman
Director, Mayor's
Office of Operations





HUMAN RESOURCES ADMINISTRATION

Verna Eggleston, Commissioner
nyc.gov

Key Public Service Areas

- ✓ **Increase the self-sufficiency of lower-income New Yorkers, especially current or potential public assistance participants, by helping them to secure child support payments and engaging them in activities that lead to employment, enhance their skills and education, and maintain and/or advance their careers.**
- ✓ **Provide temporary assistance and/or health insurance to eligible individuals and families.**
- ✓ **Provide necessary and appropriate support services for vulnerable, frail and/or disabled residents who are eligible.**

Scope of Agency Operations

The Human Resources Administration (HRA) assists individuals and families in achieving and sustaining their maximum degree of self-sufficiency. HRA provides temporary assistance and employment services or referrals at 29 Job Centers and 3 specialized service centers. It also offers public health insurance at 19 Medicaid offices and food stamps at 29 food stamp offices. Support services to individuals with AIDS and HIV-related illnesses are provided through 11 centers; protective services to adults through 5 HRA borough offices and 4 contracted programs; and services to victims of domestic violence through 35 state licensed residential programs, 15 nonresidential programs, and through various HRA-run programs. HRA also determines the home care eligibility of disabled or frail Medicaid recipients through 9 Community Alternative Systems Agency offices, contracts with 96 home care provider agencies, and assists New York City families in obtaining support orders and receiving child support payments.

Critical Objectives

- Assist public assistance participants to enhance their employability, find jobs, retain their employment, and move to self-sufficiency.
- Assist custodial parents in obtaining support orders from the court and ensure that they receive their court-ordered child support payments on time.
- Provide public assistance, food stamps or Medicaid benefits to eligible individuals and families.
- Provide short-term crisis intervention services to resolve immediate risk, and provide ongoing services for the vulnerable, frail and disabled to ensure safety and independence.

Performance Highlights

- The number of people receiving public assistance increased during Fiscal 2004 but remains far below the number at the end of Fiscal 2000. Significant growth was seen in the number of people receiving Food Stamps and public health insurance. The majority of this gain is in new recipients who are not on public assistance, a reflection of HRA's efforts to ensure all those eligible for these benefits receive them.
- The proportion of public assistance cases that have an individual who is partially or fully unengageable for work remains high at over half the caseload and the percentage of cases participating in work or work-related activities remains the same. The number of reported job placements has also dropped this reporting period.
- The effects of the earlier economic recession are reflected in the decrease in the percentage of Public Assistance cases that left Public Assistance for employment and did not return within 180 days.
- The amount of child support collected for both public assistance and non-public assistance custodial persons continues to increase, growing over 25 percent in the last five years.

Performance Report

- ✓ **Increase the self-sufficiency of lower-income New Yorkers, especially current or potential public assistance participants, by helping them to secure child support payments and engaging them in activities that lead to employment, enhance their skills and education, and maintain and/or advance their careers.**

Assist public assistance participants to enhance their employability, find jobs, retain their employment, and move to self-sufficiency. While the City's economy continues to strengthen, the recent downturn has affected efforts to move welfare clients toward self-sufficiency. The number of public assistance (PA) recipients increased by approximately 16,000 during Fiscal 2004, although the number of recipients has declined by 134,600 since Fiscal 2000. HRA reported 78,486 job placements for people on public assistance during Fiscal 2004. This indicator, which no longer includes job placements through the Workforce Investment Act or for persons receiving food stamps but not PA, is down from 84,560 the previous year. Many clients are harder to place in jobs due to their barriers to employment. As of June 2004, the portion



ADMINISTRATION FOR CHILDREN'S SERVICES

John B. Mattingly, Commissioner
nyc.gov

Key Public Service Areas

- ✓ **Protect children from abuse and neglect.**
- ✓ **Provide preventive and foster care services to meet the needs of children and families.**
- ✓ **Ensure timely reunification or adoption services based on the needs of the child.**
- ✓ **Ensure access to quality, safe child care and Head Start services in communities.**

Critical Objectives

- Respond within 24 hours to every allegation of abuse and neglect and perform thorough investigations of allegations.
- Increase access to quality, neighborhood-based services to prevent placement or re-entry into foster care.
- Maximize placement of children in foster homes within their own neighborhoods.
- Maximize placement of children in foster care with family members and placement of children with their siblings as appropriate.
- Enhance family involvement in service planning for children in foster care.
- Provide a safe, stable foster care environment for children.
- Decrease the length of time children remain in foster care.
- Ensure availability and accessibility of child care services in communities.

Scope of Agency Operations

The Administration for Children's Services (ACS) protects and ensures the well-being of New York City's children and families. ACS investigated child abuse and neglect reports involving approximately 79,000 children and provided contract preventive services to 30,033 children. ACS provides direct foster care and adoption services, as well as contractual services for over 22,000 children through approximately 50 foster care agencies citywide. The Agency also administers 230 Head Start sites and enrolls 60,555 children in child care programs through contracted providers or child care vouchers.

Performance Highlights

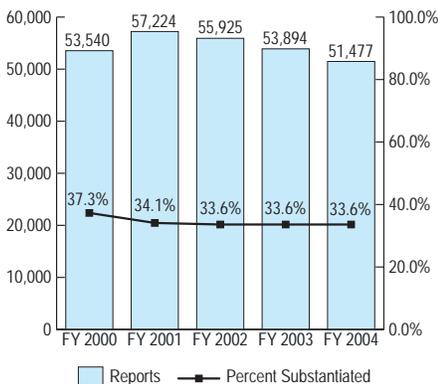
- ACS continues to improve on its ability to respond to allegations of abuse and neglect within the State-mandated 24 hours; however, the proportion of children who are subjects of repeat allegations increased.
- The decreasing trend in the foster care population was maintained in Fiscal 2004, with fewer children re-entering care once discharged to their families.
- There was improvement in ACS' ability to place children in foster care within their own community district. However, the increasing number of large sibling groups needing foster care has had a negative impact on placing children in their own borough, and placing sibling groups together in the same foster household.
- As the foster care population falls, fewer adoptions are finalized. However, a higher proportion of children in ACS' care classified as adoptable were adopted, and at a slightly quicker pace.
- The utilization rate for child care programs administered or funded by ACS increased, but total enrollment declined. ACS will add additional child care slots in the coming year. HeadStart enrollment and utilization increased.

Performance Report

- ✓ **Protect children from abuse and neglect.**

Respond within 24 hours to every allegation of abuse and neglect and perform thorough investigations of allegations. ACS continued to show slight improvement in its ability to respond to allegations of abuse and neglect within 24 hours, from 96.2 percent in Fiscal 2003 to 96.9 percent in Fiscal 2004, but remains below the 100 percent target set by the State. The target remains difficult to reach due to factors such as incorrect addresses and unavailable family members. The number of abuse or neglect reports reported to ACS decreased and the percentage of substantiated reports remained the same.

Abuse and/or Neglect Reports and the Percent Substantiated





DEPARTMENT OF HOMELESS SERVICES

Linda Gibbs, Commissioner
nyc.gov

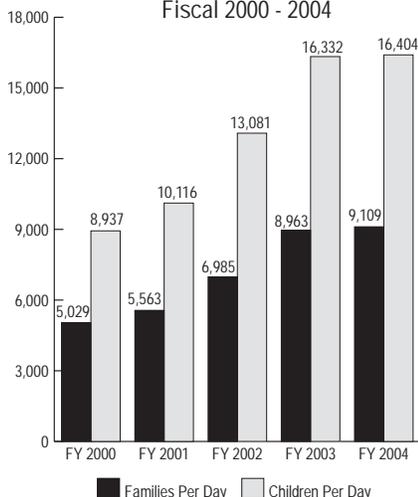
Key Public Service Areas

- ✓ Prevent homelessness.
- ✓ Conduct outreach to street homeless individuals.
- ✓ Provide temporary emergency shelter for eligible homeless people.
- ✓ Work with homeless individuals and families to develop and implement independent living plans.

Scope of Agency Operations

The Department of Homeless Services (DHS), in partnership with public and private agencies, provides temporary emergency shelter for eligible homeless people in a safe, supportive environment. DHS manages 14 City-run and 198 privately-run shelter facilities, including 49 adult facilities and 162 family facilities, one Emergency Assistance Unit, and outreach services available citywide 24 hours a day, seven days a week.

Average Daily Census of Families and Children in the Shelter System
Fiscal 2000 - 2004



Critical Objectives

- Increase the number of people prevented from becoming homeless.
- Reduce street homelessness.
- Ensure the availability of temporary shelter for homeless individuals and families.
- Maintain shelter safety and cleanliness.
- Increase client engagement and responsibility in moving to permanent housing.
- Reduce clients' length of stay in shelters.
- Increase placements into permanent housing.
- Reduce re-entries into the shelter services system.

Performance Highlights

- For the first time in four years, the number of new families entering the shelter system dropped, resulting in the lowest rate of growth over this period in the average daily census for families and children. DHS also was successful in having no families with children staying overnight in its intake office.
- The number of single adults entering the homeless system and the average daily census of single adults grew for the fifth consecutive year.
- The Department completed its second survey of unsheltered homeless individuals in the city, expanding the scope from Manhattan to Brooklyn and Staten Island. The number of placements of single adults by outreach teams decreased because of a change in focus from short-term placements to repeated contacts resulting in more permanent placements.
- DHS greatly improved its placement of families with children according to the youngest child's school address. The rate of families transferred more than once between facilities decreased by nearly half.
- The number of families placed in permanent housing again increased, almost doubling the number seen in Fiscal 2000, although not achieving the targeted level. The goal for Fiscal 2005 is being lowered due to a decrease in federal rent subsidies.

Performance Report

- ✓ Prevent homelessness.

Increase the number of people prevented from becoming homeless. The number of single adults entering the homeless system for the first time continued to grow in Fiscal 2004, up 6 percent from Fiscal 2003, whereas the number of new eligible families decreased for the first time in the last four years.

In September 2004, DHS will launch an innovative community-based approach to homeless prevention. The initial effort will focus on six high-risk Community Districts: CD 1 and 6 in the Bronx, CD 3 and 4 in Brooklyn, CD 11 in Manhattan, and CD 12 in Queens, with plans to expand these efforts to other high risk communities throughout New York City. Six different providers will offer a combination of social services, mediation, financial

APPENDIX B

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