The Revolving Door:
Research Findings on
NYC’s Employment Services and Placement System
and Its Effectiveness in Moving People from Welfare to Work

By Sondra Youdelman with Paul Getsos

A Research Project by
Community Voices Heard

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About the Authors

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Community Voices Heard

Community Voices Heard is a membership organization of low-income individuals, mostly women with experience on public assistance, working together to build the power of our families, our communities and low-income people. We are working to accomplish this through a multi-pronged strategy which includes community organizing, public education, public policy work, coalition building, leadership development, training low-income people about their rights, political education and direct-action issue campaigns. We are led, directed, run and being built by low-income people ourselves. While we were founded by women on public assistance to impact on the welfare system, we now focus on economic justice. We broadly define this to be multi-issue, and thus must include concerns related to welfare, education, our children’s schools, job training, living-wage jobs, housing, economic development, and other important community issues. From our start in 1994, we have grown to a membership of over 12,000 families in 2005.
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INTRODUCTION:
The Failure of a Work-First Approach in Challenging Times

In August 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) into law, eliminating the federal entitlement to public assistance, imposing time limits on the provision of assistance to poor families, and requiring states to impose strict work participation requirements. At the same time in New York City, Mayor Giuliani moved aggressively to dismantle one of the country’s strongest social safety nets – placing primary emphasis on work and diversion. At both the local and national levels, a strong work-first approach was the philosophy that guided the development of new policies and programs associated with welfare reform.

In New York City, the Human Resources Administration (HRA) instituted a comprehensive work-first policy – transforming welfare centers into job centers, expanding the local unpaid Work Experience Program (WEP) to cover tens of thousands of single mothers, instituting intensive job search activities for people on welfare, and aggressively sanctioning non-participating welfare recipients. The NYC welfare system was hailed as a national model. Indeed, city welfare rolls dropped an eye-opening 50 percent between 1996 and 2000, and the percentage of single mothers with jobs rose in the city as it did nationwide.

The rapid economic growth and robust job creation of the late 1990s presented ideal labor conditions for welfare-to-work programs. A growing economy provided jobs for many who were forced away from public assistance. Unemployment rates fell to 30-year lows and wage rates for less skilled workers rose briskly. When recession hit in 2001, however, higher unemployment rates signaled that competition for available jobs would become much sharper.

In New York City, the impact of the recession was severe. Unemployment rates peaked in 2003 with an average overall rate of 8.5 percent. Higher still were the unemployment rates for people of color in NYC: 12.9 percent for African-Americans and 9.6 percent for Latinos. While the economy slowly began to show signs of recovery in 2004, unemployment rates have yet to return to their 2000 levels.

With the change in circumstances, the many flaws of the New York City approach - and the strict national work-first model - have become evident. The hardest to employ have not benefited from “work-first”. Those with significant barriers to employment - including low levels of education, limited English proficiency, physical and mental disabilities, inadequate access to childcare and supportive services - are still stuck in a welfare system that pushes them to move to work, even if they do not yet possess what they need to get and keep a job and move beyond the public assistance system.

This report documents the results of a comprehensive examination of the Employment Services and Placement (ESP) System, a key program developed and administered by the Human Resources Administration (HRA) to further its work-first approach. The research set out to uncover whether or not currently operating job readiness and job placement programs accomplish their intended goals, what stands in their way, and how they might be improved to better serve the needs of the clients, the providers, and the system at large. Our findings point to a failure of this work-first model in achieving its main goal – moving people from welfare to work, into jobs and toward economic independence.
The Employment Services and Placement (ESP) System

Since 1999, New York City’s main strategy for moving work-ready welfare recipients to employment and self-sufficiency has been “Full Engagement” - job readiness and job search activities two days a week, coupled with unpaid work experience the other three.

Employment services for welfare recipients are provided by two main contracts: Employment Services and Placement (ESP) contracts for the “general population” and Special Populations contracts for recipients with particular needs due to specialized circumstances such as homelessness and a history of drug abuse. Skills Assessment and Job Placement (SAP) contracts were also set up to serve applicants to public assistance, as they wait for their cases to open.

This report focuses on the services provided by the Employment Services and Placement System. The renewal contracts, established by the start of 2003, allocated up to $130 million for program services over three years – estimating that the program would service almost 80,000 people in that time period.

From the beginning, ESP contracts were solely performance-based. Vendors only got paid for results: job placement, 3-month retention, and 6-month retention. Most contractors can receive a maximum payment of $5,500 per client when someone they place in a job remains employed at 6 months.

There are currently 9 vendors that hold ESP contracts. Collectively, the vendors now operate 26 sites throughout the city. Current vendors include a combination of for-profit corporations, large not-for-profit agencies, community-based organizations, and the City University of New York (CUNY).

Each vendor is referred a different percentage of the overall ESP population, based on their original contract and current capacity (see Table above). According to HRA’s December 2004 figures, an average of 4,100 individuals are referred across the 26 sites each month, or close to 50,000 per year.

ESP vendors are contracted to move people from welfare to work. At each ESP site, a combination of job readiness, job skills training, and job search assistance is offered to prepare individuals for and connect them to jobs; services are then provided to help participants retain jobs.

Current NYC ESP Vendors and Percent of Population Referred to Vendor

<table>
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<th>Vendor</th>
<th>Percent</th>
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<tr>
<td>ACS-Inc. (New York Job Partners)</td>
<td>7%</td>
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<tr>
<td>America Works of NY</td>
<td>8%</td>
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<tr>
<td>Career Educational Consultants (CEC)</td>
<td>10%</td>
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<tr>
<td>Federation Employment &amp; Guidance Service (FEGS)</td>
<td>5%</td>
</tr>
<tr>
<td>Goodwill Industries of Greater NY</td>
<td>15%</td>
</tr>
<tr>
<td>Non-Profit Assistance Corporation (N-PAC)</td>
<td>16%</td>
</tr>
<tr>
<td>NY Association for New Americans (NYANA)</td>
<td>4%</td>
</tr>
<tr>
<td>Research Foundation of City University of NY</td>
<td>12%</td>
</tr>
<tr>
<td>Wildcat Service Corporation</td>
<td>23%</td>
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**Finding 1:** The ESP System has Failed to Meet its Primary Goal of Connecting Welfare Recipients to Long-Term Employment

While the primary goal of the ESP System is to move people into jobs and off of welfare, less than 1 in 10 welfare recipients referred to the ESP System are placed in jobs within six months. Within another six months, almost 1 in 3 of those individuals return to public assistance.

The primary goal of the Human Resources Administration is moving people off of welfare and into employment. The ESP System is one of the strategies used for accomplishing this goal. ESP vendors are held accountable for both job placement and job retention. They receive their first payment when they place people into jobs, and subsequent payments as people retain those jobs for three and six months. Unfortunately, research findings show that the ESP System is doing an inadequate job of connecting welfare recipients to jobs and achieving retention within the six-month period vendors are allotted.

**Client Outcomes**

Based on three-month average figures reported in HRA’s December 2004 VendorStat Reports:

- Only 8 percent of those referred to the ESP System are placed in jobs within six months (see Figure below).

- Of those placed in jobs:
  - 35 percent still hold those jobs six months later.
  - 29 percent return to public assistance.
  - 36 percent remain unaccounted for.

---

**Job Placement & Retention Relative to Referrals**
*(Based on 3-Month Averages from HRA’s Dec. ’04 VendorStat Report)*

![Job Placement & Retention Graph](image.png)
Systemic Problems

Research indicates that certain program dynamics contribute to the low placement and retention rates:

• **Conflicts with the Work Experience Program:** Problem inherent in the Work Experience Program (WEP), as well as a lack of coordination between WEP and ESP Sites, impede program success. Some vendors criticized the Work Experience Program (WEP) for interfering with their ability to accomplish their programmatic goal of job placement. The client survey showed that 83 percent of ESP clients are engaged in WEP. Vendors spoke of challenges that emerged because clients were granted permission to leave their work assignments for interviews, and clients who were more loyal to WEP sites than to job searching. They also identified the false hopes of long-term employment in WEP assignments as discouraging some clients from looking for work.

• **Lack of a Strategic Approach to Workforce Development for Welfare Recipients:** The absence of a strategic approach to workforce development for welfare recipients impairs program effectiveness. Clients spoke of job developers that lacked connections to good employers and pushed them toward jobs limited in scope and quality. Vendor interviews pointed to the challenges faced by job developers left to make connections with little city support. HRA-sponsored employment services are developed on a site-by-site basis and have no strategic linkage to labor market realities.

• **No Coordination between HRA and the Department of Small Business Services (SBS):** A lack of coordination between the City agency that focuses on linking workforce development to economic development, and the Human Resources Administration that services welfare recipients and the ESP System, was evident. Clients either knew nothing about SBS’ One Stop Centers or criticized not being able to choose to use their services rather than those of their ESP. Vendors mentioned that their job developers and those of the One Stop Centers operated completely independently. ESP sites are at times marginalized from economic development initiatives that could offer jobs for their clients.

**Finding 2:** The ESP System Fails to Offer Individuals the Training and Education Critical for Long-Term Self-Sufficiency

Even though a lack of education and training was identified as a major barrier for a vast majority of ESP clients, only 18 percent of clients were able to access education and training programs; 1 in 3 clients did not know that education and training might satisfy a portion of their work requirements and that vouchers were available to cover the costs of these programs.
Within the ESP program context, preparing individuals for work includes two key components: providing job readiness support on-site and connecting people to vocational training off-site when appropriate. Past studies have demonstrated that a programmatic mix of job search and adult basic education is more effective in promoting sustained employment than programs that focus exclusively on job search or work experience.\(^3\)

Unfortunately, research findings from this study show that most individuals are not being provided with the training and education they need to move toward self-sufficiency.

**Client Access**

The representative client survey revealed high levels of educational challenges among ESP clients:

- 43 percent of ESP clients have less than a high school diploma and 50 percent only have a high school diploma or GED.

However, despite the fact that many ESP clients could benefit from education and training, the client survey also showed that few who want it are able to access it through the system:

- Only 18 percent of ESP clients were able to access vocational education and training to better prepare them for work.
- 71 percent of those not participating in education and training said they would like to do so.

Many clients did not know about their rights to education and training and funds to support them:

- 39 percent were not told that attending Adult Basic Education and/or vocational education could partially or entirely satisfy their work requirements.
- 36 percent did not know that vouchers were available to cover costs of such training.

Certain vendors were more likely to inform clients about their rights to education and training than others (see Figure below).

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They [the ESP Site] never tried to send people to education and training – they just kept talking about how many people would have to approve the program and made is sound really hard.  

-- ESP Client

---

![ESP Clients NOT told about Education & Training Rights, Comparison Across 5 Vendors with Largest Contracts](image-url)
**Systemic Problems**

Research revealed two particular program design issues that seemed to discourage vendors from referring people to education and training:

- **Limitations of the ITA Voucher System:** Though there appears to be no limit on the availability of ITA Vouchers for client training, the slow and difficult process for obtaining them, as well as the lack of information regarding the variety of training programs that exist and the quality of them, appears to discourage vendors from encouraging client enrollment. Clients and vendors considered the application system for ITA Vouchers tedious, and the delay in approval for vouchers often leads to lost clients and/or lost interest. The fact that the processing of a client’s voucher application is instantly canceled when a client receives a sanction is yet another reason why vendors hesitate to invest energy in assisting clients to apply for them. Additionally, vendors and clients alike criticized the prioritization of short-term training over quality training.

- **Performance-Based Contracts Undermine Education and Training:** The structure of the ESP contracts provides no incentive for connecting clients to education and training. With payment contingent on placement within six months, vendors with short-term cash flow concerns have more incentive to push participants into quick employment than to promote choices that might be better for clients in the long run.

**Finding 3:** **The ESP System Does Not Support the Provision of Services Needed by a Large Proportion of Individuals Referred to It**

According to the representative sample of clients we surveyed, over half (55 percent) had been through multiple HRA job readiness / job search programs. HRA VendorStat Reports confirmed that 92 percent of those referred to the ESP System do not have their needs met by it – instead, clients are perpetually recycled through a system that fails to address their needs.

The ESP System was designed under a work-first philosophy. Clients referred to it are considered ready to work, and the assumption is that the system simply needs to help connect them to jobs. The reality, however, appears quite different. Some clients never arrive, some arrive wrongly assessed, and some come with multiple barriers. Unfortunately, we found that the ESP System does not meet the real needs of large numbers of participants – and that the great majority of individuals find themselves going around and around in circles instead of heading forward on a path toward self-sufficiency and long-term employment.

**Client Status**

Based on figures from HRA’s December 2004 VendorStat Reports, 8 percent of those referred to the ESP System are placed in jobs. The large majority of those referred, however, never receive the services intended (see Figure on next page):
30 percent of those referred to the ESPs each month Fail to Report.
14 percent are sent back to HRA each month due to a wrong initial referral.
46 percent end up in receipt of a Failure to Comply (FTC).

**Percent of those Referred to the ESP System that are Served by It**
*(3-Month Averages, HRA's Dec. 2004 VendorStat Reports)*

- 30% Fail to Report/ Sanctioned or Assigned New ESP
- 8% Placed in Job
- 14% Deassigned due to Wrong Initial Referral
- 46% Receive Failure to Comply & Put on Hold or Start Over
- 2% Still Active/ No Job after Six Months

All of these individuals are taken off the roster of the ESP site, are made to report to an HRA Job Center to discuss their situation, and are then re-assigned to the same site or a different site (or program) to begin the process again. According to the client survey, 55 percent of those in the ESP system had already been through other HRA job readiness / job search programs. Not served by one, they were cycled on to the next.

**Systemic Problems**

Research uncovered three particular program design problems that contribute to the continuous cycling of clients and the ineffectiveness in meeting their needs:

- **Poor Assessment and Referral Processes:** HRA’s assessment and referral system fails to connect people to appropriate services. Assessments done at the SAP Sites prior to ESP referral are often either inadequate or are ignored at the next step along the line, leading to inappropriate referrals. Even if a thorough assessment is performed, ESP sites rarely gain full access to the assessment. ESP Sites must fill in and begin again. Since the assessment process was not supposed to be core to the ESP System, little has been done to develop it adequately. Vendors are each left to figure out the appropriate way to assess on their own, beyond HRA’s standardized check list, and great variation exists in how thoroughly it is done. Nearly half (44 percent) of the random sample surveyed said they did not feel that the assessment effectively captured their background and interests, and whether or not the subsequent Employment Plan was linked to the assessment was in question.

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**Why continue to send people to the same program if it's not working?...HRA tells us to FTC them, but why? They are just sent to another ESP Site. We’re known for keeping people on our roster for too long. But, if we FTC everyone, we wouldn’t have anyone. The whole system is a recycling process. -- ESP Provider**
• **High Propensity to Sanction**: The ESP System focuses on sanctioning those that do not comply, rather than addressing barriers and working to engage client problems and issues. The system’s work-first prioritization over barrier removal is a likely contributing factor to the high rates of no-shows and FTCs. The system focuses on sanctioning those that do not comply, rather than figuring out the reasoning behind their non-compliance and working with people to help address their barriers and become engaged. While 77 percent of clients that identified barriers to employment said that workers at their ESP site are aware of the barriers they face, only 52 percent felt the ESP program is able to help them deal with the barriers. Vendors are quick to explain that they are discouraged from working with clients for the long amount of time often necessary to address barriers and are instead encouraged to sanction them. Clients spoke of their perpetual problems with being FTCed, or nearly FTCed. They often spoke of bad communication and bad record keeping, by HRA and the contracted programs, which led to unjust sanctioning.

• **Contract Incentives Discourage Service Provision**: Contract incentives contribute to the lack of provision of services critical to moving people off welfare and into work. While it is expected that ESPs will need to provide comprehensive services in order to achieve high levels of placement and retention, there are neither incentives nor additional resources provided to truly address the barriers that people face in finding and keeping jobs or to tackle problems underlying non-compliance. The incentives are structured in a way that encourages vendors to work with those easiest to place quickly, and leave behind those that need more support and more time for initial placement. Clients realize this and grow wary of a system that is failing to meet their needs.

**CONCLUSION:**

**Systemic Failure and A Revolving Door**

Based on the above findings, we conclude that the Employment Services and Placement (ESP) System has failed to achieve its goals of moving people from welfare to work, and instead maintains people in a continuous cycle - in and out of the doors of different HRA offices and programs - destined never to have their real needs addressed.

The Employment Services and Placement (ESP) System emerges in the research as a program that fails to move people from welfare to work. Perhaps at one time, in a more robust economy and when there were more work-ready individuals in the system, it met the needs of individuals referred to it. However, this is not the context within which it currently operates. Our research finds that systemic problems cause the program to fail to meet the needs of those it currently is meant to service.
These systemic problems include the following:

- NYC lacks a strategic coordinated workforce development approach for welfare recipients,
- WEP fails to prepare people for work and sets up a paradigm that discourages job searching or sends people in circles for non-compliance,
- The ITA voucher system is structured in a way that discourages enrollment in training,
- Education and training providers are neither monitored nor evaluated,
- HRA’s assessment process fails to refer the right people to the right services,
- The welfare system prioritizes sanctioning of clients over addressing their barriers, and
- The contracting system rewards placement and retention without supporting working with those that face more challenges to employment.

We recognize that a small percentage of individuals find success with this approach. However, we have found that the great majority seem stuck in a procedural maze – scrambling from one vendor to the next, from one set of services to another, but ultimately getting nowhere, except recycled into another employment program. Given the amount of federal, state, and local funding that is being spent on this system, we must ask if this is the best use of limited governmental resources. This criticism is magnified when one factors in the additional good will, energy, and countless hours of people power that is invested by government agencies and employees, the private sector, and community based organizations – not to mention the personal investment of hopes and aspirations that the clients themselves put into getting a job and off of welfare - we must question the efficacy of a system in which so many are invested, and yet produces so few results. Many vendors are doing what they can given the constraints under which they operate. However, a focus on designing a system wherein vendors can be more effective, and more clients can have their needs addressed, is critical. It is based on our findings, specifically the lack of results of the current system, that we put forward the following list of recommendations.

**MOVING FORWARD: Recommendations to Improve Employment Services for Welfare Recipients**

At the close of 2005, HRA’s ESP contracts will come to an end after two, three-year cycles. HRA has just collected proposals from agencies interested in being contracted for its new employment services program - *HRA Works!* - which collapses three current employment services contracts into one. HRA deserves credit for the time and effort it has put into reflecting on what worked and what failed to work in their last contracting cycle as they structured their new RFP. However, they have not gone far enough.

The time for correcting both the program design and the program contracting is now. This research points to a number of recommendations that will help get at the root of the programmatic challenges uncovered. For purposes of this Executive Summary, a few such recommendations are presented here. More information on these recommendations, as well as some additional ones, can be found at the end of this report.
To meet the goal of connecting more welfare recipients to long-term employment, city government should:

1. Coordinate HRA and SBS in Crafting a Single Workforce Development Strategy
   One strategic approach should drive workforce development efforts for all of NYC’s unemployed and underemployed. HRA and SBS should work together to develop a common analysis of the labor sector growth areas in the City and the pathways and programs individuals must use to advance within them.

2. Develop Career-Ladder Programs that Reflect Real Labor Market Needs
   Targeted training programs can prepare individuals for entry into and advancement within the economic sectors with the most potential for future growth. NYC should expand a number of initiatives that have begun to do this, broadening participation to include welfare recipients.

3. Create Industry and/or Occupation Employment Services Hubs for Welfare Recipients
   Career-oriented employment services hubs should be created in addition to the geographically based hubs that HRA is proposing for its next round of contracts. Staff at industry hubs could focus their employer connections and training knowledge on particular industries and occupations. Clients would benefit from more targeted placement assistance connected to their interests.

To facilitate access to education and training among welfare recipients, city government should:

4. Eliminate Sanctions and FTCs as Barriers to ITA Voucher Applications
   Once a vendor helps a client apply for an ITA Voucher, it should not be bumped out of the system due to an FTC or sanction status. This discourages vendors from assisting clients with voucher applications and distances clients from the training they need to exit the system.

5. Monitor and Identify Effective Training Programs
   Clients will continue to be denied access to education and training if efforts are not made to better identify effective training programs and encourage vendors to place people in them. The city should conduct a centralized evaluation of approved sites and distribute results to vendors.

6. Add Payment Milestones that Encourage Placement in Training
   HRA should revise performance-based contracts to include incentives that encourage vendors to help people get training and education. Two additional milestones should be added to the contracts: one compensated milestone for placing a client in training, and one after the client’s completion of it.

To more adequately meet the needs of a diverse population seeking assistance, the city government and the Human Resources Administration should:

7. Develop an Assessment Process that is Broad in Scope
   The assessment process should include more than completion of a TABE Test and a check-box employment plan form. Efforts should be made to learn from more holistic techniques being utilized by some, gather information on additional ones, and support vendors in implementing new methods.

8. Establish a Separate Sanction Trouble-Shooting Program
   HRA should eliminate its current sanctioning approach, with its assumption of fault and a need for punishment. In its place, the agency should create a special unit (or provide adequate resources to vendors) to reach out to individuals that Fail to Comply, find out what prevents their compliance, and work with them toward reengagement.
9. **Create Line Item Funds or Additional Milestones for Service Provision**
So that vendors can have funds to provide the intensive services needed by many clients, some line item funding is critical. Alternatively, the agency could set up additional payment milestones to reward assisting people with securing housing, setting up childcare arrangements, special referrals, etc.

10. **Expand Paid Transitional Jobs into Other City Agencies**
For individuals lacking recent work experience, a short-term paid subsidized job opportunity can help propel them back into the workforce. The establishment of NYC’s Parks Opportunity Program (POP) has replaced WEP and begun to fulfill this need. The program should be expanded into other city agencies to provide similar opportunities in a variety of occupations.

11. **Create a Supported Work Program for the Hardest to Employ**
A supported work program provides intensive support and services to hard-to-employ individuals in an accepting work environment: on-site employment supervision, case management (addressing personal, family, and vocational needs) and job coaching. Resources should be invested into creating such a program for welfare recipients with the most barriers to employment.

To **ensure that we can really learn what works in moving people from welfare-to-work, city government should:**

12. **Contract an Outside Entity to Evaluate HRA Works**
With a new program set to kick off in October 2005, now is the perfect moment to initiate an evaluation. Learning more about program design and implementation at the vendor level, as well as what services work to produce what outcomes, could help HRA fine-tune the program along the way and to solicit better results.
SECTION 1: Introduction

The Failure of a Work-First Approach in Challenging Times

In August 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) into law, eliminating the federal entitlement to public assistance, imposing time limits on the provision of assistance to poor families, and requiring states to impose strict work participation requirements. At the same time in New York City, Mayor Giuliani moved aggressively to dismantle one of the country’s strongest social safety nets – placing primary emphasis on work and diversion. At both the local and national levels, a strong one-size-fits-all work-first approach was the philosophy that guided the development of new policies and programs associated with welfare reform.

In New York City, the Human Resources Administration (HRA) instituted a comprehensive work-first policy – transforming welfare centers into job centers, expanding the local unpaid Work Experience Program (WEP) to cover tens of thousands of single mothers, instituting intensive job search activities for people on welfare, and aggressively sanctioning non-participating welfare recipients. The NYC welfare system was hailed as a national model. Indeed, city welfare rolls dropped an eye-opening 50 percent between 1996 and 2000, and the percentage of single mothers with jobs rose nationwide – from 65.9 percent to 75.5 percent – as well as in the city.

The rapid economic growth and robust job creation of the late 1990s presented ideal labor conditions for welfare-to-work programs. A growing economy provided jobs for many who were forced away from public assistance. Unemployment rates fell to 30-year lows and wage rates for less skilled workers rose briskly. When recession hit in 2001, however, higher unemployment rates signaled that competition for available jobs would become much sharper.

In New York City, the impact of the recession was severe. Unemployment rates peaked in 2003 with an average overall rate of 8.5 percent. Higher still were the unemployment rates for people of color in NYC: 12.9 percent for African-Americans and 9.6 percent for Latinos. While the economy slowly began to show signs of recovery in 2004, unemployment rates have yet to return to their 2000 levels.

With the change in circumstances, the many flaws of the New York City approach - and the strict national work-first model - have become evident. The hardest to employ, those with significant barriers to employment, have not benefited from “work-first”. Due to a variety of reasons - including low levels of education, limited English proficiency, physical and mental disabilities, inadequate access to childcare and supportive services - many recipients are still stuck in a welfare system that pushes them to move to work, even if they do not yet possess what they need to get and keep a job and move beyond the public assistance system.

This report documents the results of a comprehensive examination of a key program developed and administered by the Human Resources Administration (HRA) to further their work-first approach: the Employment Services and Placement (ESP) System. Combining client surveys, provider interviews, and performance data tracked by HRA, the research set out to uncover whether or not currently operating job readiness and job placement programs accomplish what they set out to, what stands in their way, and how they might be improved to better serve the needs of the clients, the providers, and the system at large.
Research Questions and Potential Impact

Since 1999, New York City’s main attempt to move work-ready welfare recipients to employment and self-sufficiency has been a mandated combined strategy of “Full Engagement” - job readiness and job search two days a week, coupled with work experience the other three. Over the past three years, $130 million of combined federal, state, and city resources was set aside to provide job readiness and job search services through Employment Services and Placement (ESP) contracts. Services are provided by 9 different vendors in 26 sites throughout the five boroughs of New York. Work experience is offered through the Work Experience Program (WEP), wherein welfare recipients are sent to do work in a public agency or non-profit entity, compensated by benefit checks rather than paychecks.

Our research was guided by the following questions:

- Does the ESP System achieve its intended goal of moving people from welfare to work?
- What program dynamics add to or take away from the system’s effectiveness?
- In what ways do performance-based contracts impact service delivery?
- Are clients offered the supports and services they need to move toward self-sufficiency?
- Are services and outcomes markedly different from one vendor or site to the next?
- How can NYC get the most out of its welfare-to-work contracting?

The findings, unfortunately, point to a failing system as it is currently structured. The ESP System is failing to meet the programmatic goals it set out to achieve and failing to provide adequate services for all those referred to it. Despite the system’s focus on job placement and retention for non-exempt, work-ready welfare recipients, few of those referred to the ESP system actually achieve these outcomes. In fact, the work-first principles that guided the original crafting of the system – principles that discourage the attainment of education and training - seem to be directly working against their very achievement.

The findings within come at an appropriate moment to inform policy and program developments at both the national and local level. Efforts to reauthorize the 1996 federal welfare reform law are still underway, with the current law temporarily extended another three months yet again at the end of June. Both the Senate bill (S.667) that emerged from the Finance Committee, and the House bill (H.R.240) set to emerge from Ways and Means, call on states to increase work participation rates to as much as 70 percent and work hour requirements to 40 hours per week. Work-first remains the promoted approach. Our research findings should help make apparent the flaws of this approach, and the need for flexibility within it and additional resources to support more comprehensive services and supports.

Simultaneously, at the close of 2005, New York City’s Human Resources Administration ESP contracts will come to an end after two, three-year cycles. HRA has just collected proposals from agencies interested in being contracted for its new employment services program - HRA Works - which collapses three current employment services contracts into one. With $63 million in annual funding allocated to service an estimated 12,800 people per month, the time for correcting both the program design and the program contracting is now. HRA deserves credit for the time and effort it has put into reflecting on what worked and what failed to work in their last contracting cycle as they structured their new RFP. However, they have not gone far enough. This research provides a multi-faceted look at the challenges faced by the system and some of the reasons behind them. The recommendations set forth offer the Agency the opportunity to correct program limitations before they are once again solidified into new contracts.
### Glossary of Abbreviations

**BEGIN:** Begin Employment, Gain Independence Now  
NYC welfare-to-work program specializing in basic skills and literacy instruction. Education and training is concurrent with some type of work experience. Generally for individuals with who require English as a Second Language or have a 6th grade reading level or below.

**ESP:** Employment Services and Placement  
Contracts that NYC welfare agency has with private for-profit and not-for-profit entities to provide job readiness and job search assistance to mandated work-ready welfare recipients.

**FIA:** Family Independence Administration  
Division of City’s welfare agency responsible for services and programs for welfare recipients. Operates the Job Centers and oversees the ESP Program.

**FTC:** Failure to Comply / Cooperate  
Term used to designate when welfare recipients do not fulfill various requirements placed on them for receipt of their benefits. If individuals are non-exempt, and FTCed, they may be denied benefits or have their benefits reduced. FTCs can be given for a variety of reasons, including not participating in work activities, exhibiting inappropriate behavior, not accepting a job offer, etc.

**FTR:** Failure to Report  
Term used to designate when a welfare recipient does not show up at a mandatory appointment, such as an appointment with an ESP vendor, the first day of orientation at a program, etc.

**HRA:** Human Resources Administration  
Agency that administers NYC’s welfare program. Provides help to eligible individuals and families with social service and economic needs. HRA services include the provision of cash assistance, Medicaid, Food Stamps, etc.

**ITA:** Individual Training Account  
Financial assistance voucher for up to $2500 available to help cover the costs of job training. ITAs are available for welfare recipients through HRA vendors and to other eligible unemployed and underemployed individuals through the One Stop Centers run by SBS.

**SA(J)P:** Skills Assessment and (Job) Placement  
Contracts that NYC welfare agency has with private entities to assess welfare applicants, and assist work-ready applicants in developing employment plans and looking for work, while their applications are pending.

**SBS:** Department of Small Business Services  
NYC Agency that works to link economic development to workforce development by providing services to support small businesses throughout the City, administering the City’s One Stop Centers that provide workforce development support to unemployed and underemployed individuals, sponsoring Business Improvement Districts to help neighborhoods better support small businesses, and more.

**WeCARE:** Wellness, Comprehensive Assessment, Rehabilitation & Employment  
New NYC welfare program focused on individuals with multiple and complex barriers to employment. Begins with a comprehensive bio-psycho-social assessment and then determines type of services needed or level of appropriate work activity from there.

**WEP:** Work Experience Program  
Program operated by City’s welfare agency. Puts work-ready welfare recipients into unpaid structured work assignments in City agencies for three days a week to “work off their benefits”. After orientation at an ESP, welfare recipients generally move into a concurrent schedule of 3 days/week at WEP and 2 days/week at ESP.

**WIA:** Workforce Investment Act  
Federal law passed in 1998 that established a new workforce preparation and employment system designed to meet the needs of both businesses and job seekers. Promoted the “One Stop” concept wherein information about a wide array of job training, education, and employment services would be accessible at single neighborhood sites.
Glossary of Terms

Deassigned: When a person is released from a particular program due to inappropriate original referral; individual is sent back to HRA for further assessment and new program assignment.

ESP Site: Refers to one of 26 locations around the City where work-ready welfare recipients access mandated job readiness and job search assistance.

ESP Vendor: Refers to one of 9 contracted entities that operate the various ESP Sites throughout the City of New York. A single vendor might have multiple sites throughout the City (some operated by itself, some subcontracted out) where it offers services.

Exempt: Term used to describe individuals who are excused from work requirements for reasons such as: physical or mental disability, need to care for a sick relative, absence of childcare arrangements for children under the age of 13, etc.

Fair Hearing: Process wherein a welfare recipient contests a decision made by HRA about their case. Recipient has a chance to tell an Administrative Law Judge from the New York State Office of Temporary and Disability Assistance why they think the decision was wrong. The State then issues a written decision that HRA must follow.

HRA Works: New employment services program that HRA is proposing. The Request for Proposals has been released and proposals have been submitted by interested vendors.

Job Center: NYC’s welfare centers where work-first philosophy is emphasized. Such centers are operated by HRA and are the first gateway to services and benefits for needy individuals. Welfare application and recertification take place here.

Job Readiness: Activities supported by ESP Sites that assist welfare recipients in preparing themselves for work. Can include activities such as resume and interview prep, completing job applications, computer basics, work-related benefits information, etc.

Job Search: Activities supported by ESP Sites that assist welfare recipients in looking for work. Includes both job referrals and job finding techniques.

New Start: Group of individuals (cohort) that arrive at an ESP Site on the same day to start services. ESP Sites generally get a roster of New Starts every two weeks.

Non-Exempt: Term used to describe individuals who must fulfill welfare work requirements. Also referred to as “employable” or “work-ready”.

One Stop Center: Career Centers created by SBS in response to a federal mandate to create hubs where different agencies come together to provide job placement, career advisement, job search counseling, and skills training to unemployed individuals and individuals looking for career moves. Five such centers, called Workforce1 Career Centers, are currently administered by NYC’s SBS.

Sanction: Denial of or reduction in welfare benefits that HRA imposes on welfare recipients if they are not exempt from participation in mandated activities but fail to comply with the requirements. The length of time over which benefits are reduced depends on whether or not a household contains a dependent child and the number of times the individual has Failed to Comply.

VendorStat: Monthly performance evaluation reports that HRA produces for each ESP Site throughout the City. HRA’s Office of Program Reporting, Analysis and Accountability produces the reports. Reports document items such as placement, retention, and recidivism.

Work-Ready: Term used to describe a welfare recipient who is not exempt from work activities and who is considered to be ready for employment. Such individuals are deemed ready for job placement with only minor preliminary preparation (job readiness) support.
SECTION 2: Research Design

Community Voices Heard began laying the groundwork for formal exploration of the Employment Services and Placement (ESP) System in early 2004. A group of policy and research experts was assembled to assist in shaping the research and to provide guidance throughout regarding welfare policy, workforce development issues, public administration, research methodology, and statistical analysis.

The Research Advisor Team included:

- **Mimi Abramovitz**  
  Professor of Social Policy  
  Hunter College School of Social Work  
  and the Graduate Center, CUNY

- **Annette Bernhardt**  
  Senior Policy Analyst  
  Brennan Center for Justice at NYU School of Law

- **Joanne Derwin**  
  Co-Director  
  Urban Agenda

- **David Fischer**  
  Project Director  
  Center for an Urban Future

- **Don Friedman**  
  Senior Policy Analyst  
  Community Service Society

- **Marian Krauskopf**  
  Co-Director & Sen. Research Scientist  
  Research Center for Leadership in Action at NYU Wagner Graduate School of Public Service

- **Nancy Rankin**  
  Dir. of Policy Research and Advocacy  
  Community Service Society

- **Laine Romero-Alston**  
  Director of Research and Policy  
  Community Development Project of the Urban Justice Center

- **Rebecca Widom**  
  Director of Research  
  Homelessness Outreach and Prevention Project of the Urban Justice Center

It was decided early on that a comprehensive look into the system would require information from a variety of perspectives: clients, vendors, and the Human Resources Administration (HRA). William McAllister, Director of the Graduate Fellows Program and Senior Research Fellow at the Institute for Social and Economic Research and Policy (ISERP) of Columbia University, provided special assistance in developing the proportionate stratified sampling approach utilized for the client surveys. Ms. Widom and Ms. Bernhardt provided statistical oversight and support throughout the remainder of the project.

**Data Source Categories**

Five main categories of data were utilized in the research:

**HRA Documents and Meetings**: Numerous Freedom of Information Act (FOIA) requests to the City of New York provided a variety of HRA documents on both the ESP and the SAP programs. These documents included: solicitations for proposals, policy directives, CUNY Family Independence Administration (FIA) curriculum, and more. Ellen Howard-Cooper, Assistant Deputy Commissioner of HRA’s Family Independence Agency (FIA), was interviewed at the start of the research project, in her capacity of contract manager. The new Request for Proposals (RFP) was reviewed and the pre-proposal conference attended to gain insight into HRA’s planned next steps.
A typical ESP Client in NYC is a woman-of-color, who has never been married, and who cares for one or two children in her home. She is between the ages of 25 & 44, in her prime work years. She is almost as likely to have less than a high school education as she is to have a high school diploma or GED.

Dorothy Hood: Ms. Hood is a 29-year-old African-American woman. She has been trying to get her GED for some time now, but does not currently have it. Ms. Hood is a single mother and lives with her five-year-old son.

Yara Sanchez: Ms. Sanchez is a 36-year-old Bronx resident. She has a high school diploma from Puerto Rico, but limited English proficiency. A single mother, she lives alone with her daughter, Yasmira, who was born in the US. Her daughter has special needs, possibly the result of autism.
Client Survey Demographics

The client surveys are representative of experiences and opinions of non-exempt welfare recipients - individuals who have been assessed as employable and are therefore required to participate fully in welfare work requirements. They were referred to ESP Sites and reported to the site as directed. Details of how the proportionate stratified sample of client surveys was structured and gathered are outlined in Appendix A.

A total of 600 clients were surveyed. Of the clients surveyed, 295 (49 percent) were engaged in program orientation and 305 (51 percent) were ongoing participants. Follow-up phone contact – to inquire about ongoing experiences - was achieved with over a third of those initially interviewed during the orientation stage. The final survey data, therefore, included: 31 percent (187) reflecting only on their orientation experience, and 69 percent (413) reflecting on the fuller service period. Client survey responses in this report are generally within a margin of error of +/- 3.5 percent for questions asked to all respondents, or +/- 5 percent for questions asked to clients in either the orientation phase or ongoing phase only. [For questions not answered by all respondents, the confidence interval is somewhat larger.]

Table 1 gives the basic demographic information of the sample gathered. Across vendors, the borough of residence of the client and their ethnicity were significantly different. Differences in terms of borough of residence are likely due to the fact that individuals are referred to ESP Sites geographically close to their residence, when possible. Ethnicity-based differences were also probably linked to geographic regions, since NYC residence patterns tend to be ethnically organized.

Corresponding details of the demographics of the actual population are unavailable since HRA does not report out such information on subsets of the welfare population that are assigned to particular programs.9

<table>
<thead>
<tr>
<th>Table 1: Demographics of Sample (Weighted, N=600)</th>
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<tbody>
<tr>
<td>Gender</td>
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<td>Female</td>
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<tr>
<td>Male</td>
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<tr>
<td>Age</td>
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<tr>
<td>18-24 Years</td>
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<tr>
<td>25-44 Years</td>
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<tr>
<td>45-64 Years</td>
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<tr>
<td>65+ Years</td>
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<tr>
<td>Ethnicity</td>
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<td>African-American/Black</td>
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<tr>
<td>Latino/a or Hispanic</td>
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<tr>
<td>White</td>
</tr>
<tr>
<td>Other</td>
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<tr>
<td>Highest Level of Education</td>
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<tr>
<td>Less than High School</td>
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<tr>
<td>HS / GED / Voc. Ed.</td>
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<tr>
<td>College / Grad. School</td>
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<tr>
<td>Marital Status</td>
</tr>
<tr>
<td>Married</td>
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<tr>
<td>Separated / Divorced</td>
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<tr>
<td>Never Married</td>
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<tr>
<td>Number of Children in Household (under age 18)</td>
</tr>
<tr>
<td>Zero</td>
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<tr>
<td>One (1)</td>
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<td>Two (2)</td>
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<tr>
<td>Three or More (3+)</td>
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<tr>
<td>Borough of Residence</td>
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<td>Manhattan</td>
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<td>Bronx</td>
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<td>Queens</td>
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<td>Brooklyn</td>
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<td>Staten Island</td>
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</table>
Data Analysis: System as a Whole, Vendors, or Sites?

In researching the Employment Services and Placement (ESP) system, Community Voices Heard set out to look at the job readiness/job search assistance approach as a whole. We sought to fill a gap in terms of research focusing on this type of approach to welfare-to-work programming. Given that all the vendors were called on to run the same basic program with the same basic structure, it seemed a fitting approach to take.

While undergoing the research, however, noticeable differences between vendors became more and more apparent – both through client discussions and vendor interviews. Collapsing findings from 9 different vendors across 26 sites appeared, perhaps, to ignore important differences. It seemed important, therefore, to attempt to explore whether or not some of the underlying differences between and among sites and vendors had impacts on the services provided and the outcomes achieved.

During the data analysis phase, therefore, a number of different ways to break down the client, provider, and VendorStat data were explored. In addition to exploring how client survey responses reflected on the system as a whole, client data was also explored according to vendor and according to the organizational structure of the site providing services: for-profit, large not-for-profit, university, and community-based organizations. Similarly, provider interview data and substantiating materials were grouped according to vendor and analyzed according to organizational structure. And, VendorStat Reports were looked at for the system as a whole, for the 9 separate vendors, and for 26 different sites.

While this approach to data analysis did reveal some interesting findings from the client and provider perspectives, little difference appeared in the overall outcomes as reported by HRA. The outcomes, regardless of the vendor or organization providing services, were consistently poor. This then led us to believe that the differences between sites and vendors were not necessarily the real problem at hand. Rather, it seemed that the system as a whole had issues that plagued outcomes, regardless of the vendor, and that this was the important story to tell.

This is not to say that there is nothing important to say about individual vendors or sites. Through the research, it did appear that sites had noticeably different: philosophies of service, facilities and resources, staff attitudes toward clients, case management services, job leads, educational opportunities, etc. However, due to the parameters set up by the contracts, the strengths of one site versus another were not made use of strategically, and none of this appeared ultimately to matter in terms of outcomes. Further research is necessary to explore particular service variations and determine how they might improve program outcomes, given more flexibility.

Still, in an effort to provide some initial information on vendor differences, there are times when HRA outcome data is presented broken down by vendor. Also, when significant differences emerged among client responses, the five vendors with the largest contracts - and that have historically served the largest percentage of the population - are presented as samples within the set. These vendors are: America Works, CUNY, Goodwill, N-PAC and Wildcat. Unfortunately, highlighting these five vendors still fails to expose the differences that exist within vendors (for example, between the 3 different CUNY sites, and the 9 different community- and faith-based organizations that operate the N-PAC sites). When appropriate, these will be referred to, and samples from within drawn out, but further study is recommended.
Program & Policy Context

The Employment Services and Placement (ESP) program and contracts in New York City emerged as part of an expanding trend in national welfare programming that was solidified by legislation in 1996. The trend was one that chipped away at welfare as a safety net of services and supports, and in its stead prioritized an approach focusing on rapid employment attachment.

Federal waivers in the 1990s had begun to inspire states to experiment with different strategies for increasing employment among welfare recipients. Then, in 1996, the focus on employment was solidified nationwide with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Welfare reform devolved programming design and control to the states, imposed strict work participation requirements, and limited the time people could receive federal public assistance. People were expected to work for their cash assistance and to get jobs that would eliminate their need for cash assistance. States’ investment in job readiness, work experience, and direct placement activities was on the rise, and with it an increase in private contractors to do the work (see Increasing Privatization of Welfare Services box).

Increasing Privatization of Welfare Services

Many areas had already used local nonprofits to provide job readiness and job placement services under Department of Labor / JTPA contracts, but the 1996 welfare reform law increased this contracting out considerably – especially to a few large organizations with experience in human services. Drives to simultaneously reduce the size of government, redefine the role of government, reduce costs at the local level, improve performance, and circumvent constraints on flexibility and innovation promoted the increase.

Forty-nine states and DC now do some contracting at either the state or local levels, and 27 percent of all state contracts have been with private for-profit providers. According to the US General Accounting Office, contracting out for TANF-funded services exceeded $1.5 billion in federal and state funds for 2001. About 88 percent of the total funds contracted by state governments - and 73 percent of the state-level contracts - are with nonprofits; the rest are with for-profit providers.¹


At around the same time as these new welfare systems were evolving, the federal government began to transform the workforce development system through two other initiatives. As part of the Balanced Budget Act of 1997, Congress created the $3 billion Welfare-to-Work (WtW) grant program, providing resources for employment and job retention services for hard-to-employ welfare recipients. And, in 1998, the Job Training Partnership Act (JTPA), that funded most of the country’s job training services for low-income individuals, was replaced by the Workforce Investment Act (WIA). WIA called for creation of One-Stop Centers to provide universal access to employment services.
WtW and WIA created opportunities for collaboration between welfare agencies and workforce investment systems. Nationally, states and localities combine their resources and strategies around workforce development to different degrees. Some are coordinated to the point that one system exists for all employment retention and advancement initiatives; others operate completely separately. In New York City, the two systems continue to operate separately.

The federally mandated participation rates and work hours, and a statutorily imposed bias against education and training, inspired strict job placement oriented work-first programs to be created and expanded nationwide. These national policy changes clearly created new constraints on state and local welfare systems. However, certain provisions of the law actually gave the states more latitude than initially seemed the case, and different states and counties chose to implement the law in more or less creative ways.

Some states demonstrated the degree to which a wide range of activities could be authorized for welfare recipients even under federal restrictions. For example, Washington State abandoned an unpaid workfare program for a more effective paid transitional jobs program. Maine set up its Parents as Scholars program to support the pursuit of a college education by welfare recipients. And Montana established an At Home Infant Care Program wherein parents of young infants could receive assistance to stay home and take care of their infants without it counting against their time limits.

New York City, in contrast, took an extremely restrictive view expanding its unpaid workfare program to a peak of 40,000 participants and pushing nearly 20,000 welfare recipient students out of college. New York State created a state-funded Safety Net Assistance (SNA) program for single individuals as well as for families that had reached the time limit on federal benefits. This provided some protection for needy recipients, but a 90 percent work participation rate was imposed on singles, far higher than the federal requirement on families with children.

It is within this context that the Employment Services Program was created. A context wherein federal constraints exist, but states and localities choose how to operate within them.
Employment Services and Placement System Overview

In 1999, the New York City Human Resources Administration (HRA) completely revamped its system for welfare-to-work job training and placement. Dozens of small contracts were replaced by 17 “prime” contracts that totaled nearly half a billion dollars over a three-year period.10

Three different types of HRA employment-oriented contracts were set up:

1. **Skills Assessment and Job Placement (SAP/SAJP)** for individuals applying for public assistance and waiting for their applications to be accepted,
2. **Employment Services and Placement (ESP)** for the general population of non-exempt public assistance clients, and
3. **Special Populations (Spec. Pops.)** for public assistance recipients with particular needs due to specialized circumstances such as homelessness or a history of drug abuse.

This report focuses on the ESP Contracts that were set up to serve employable welfare recipients after their initial assessment at either the SAP Sites (if they are new applicants) or the Job Centers (if they are already recipients). ESP referrals are generally given to individuals who are non-exempt from work requirements, are not already in approved training programs, and have a reading level of 6th grade or above.11 The ESP contracts were designed to focus on moving this population from welfare to work, as quickly as possible (see Figure 1).

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**Figure 1**
HRA-Designed Welfare-to-Work Path for Employable Welfare Recipients

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**Contracted Vendors**

Eleven prime contractors won the bidding process for the first round of HRA ESP contracts toward the end of 1999. These included: America Works of NY, Inc.; Career and Educational Consultants (CEC), Inc.; Consortium for Worker Education (CWE); NY Urban League; Curtis and Associates, Inc.; Federation Employment and Guidance Service, Inc. (FEGS); Goodwill Industries of Greater NY; the Non-Profit Assistance Corporation (N-PAC); the New York Association for New Americans (NYANA); Research Foundation of the City University of NY (CUNY); and Wildcat Service Corporation.

Toward the end of 2002 and beginning of 2003, contracts were renewed for 9 of the original 11 vendors. The renewal contracts allocated up to nearly $130 million for the program services over the 3-year renewal period through early 2006. Collectively, the vendors now operate 26 sites throughout the city. (See Appendix H for list of sites.)

Each vendor is referred a different percentage of the overall ESP population, based on their renewal contract and current capacity (see Table 2). According to December 2004 figures, an average of 4,100 individuals are referred across the 26 sites each month, or close to 50,000 per year.

While each vendor operates under a similar contract with HRA, providing the same basic services to meet the program objectives, vendors and sites vary considerably in terms of mission, philosophy, and structure. Some of the variations between them are reflected in whether the vendor is a for-profit or not-for-profit corporation, is a large or small entity, assists many or a small number of welfare recipients, serves only welfare recipients or a combination of populations, has a national, citywide, or local focus, operates from one site or a variety of sites, is connected to the university system or not, offers employment services only or a broader range of services, provides on-site training or refers people elsewhere for training, utilizes only government grants or other funding sources as well, receives pay for services based on performance only or a combination of performance and reimbursement for provided services, has a more focused or more comprehensive mission, possesses well-resourced or under-resourced facilities, or offers subsidized paid work components for building experience or not.

It is outside the scope of this research to evaluate which factors lead to better service provision and outcomes. Some of these differences, however, are revealed in the *Mini-Profiles of NYC ESP Vendors* on the following pages.

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**Table 2: Current NYC ESP Vendors and Percent of Population Referred to Vendor**

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACS-Inc. (New York Job Partners)</td>
<td>7%</td>
</tr>
<tr>
<td>America Works of NY</td>
<td>8%</td>
</tr>
<tr>
<td>Career Educational Consultants (CEC)</td>
<td>10%</td>
</tr>
<tr>
<td>Federation Employment &amp; Guidance Service (FEGS)</td>
<td>5%</td>
</tr>
<tr>
<td>Goodwill Industries of Greater NY</td>
<td>15%</td>
</tr>
<tr>
<td>Non-Profit Assistance Corporation (N-PAC)</td>
<td>16%</td>
</tr>
<tr>
<td>NY Association for New Americans (NYANA)</td>
<td>4%</td>
</tr>
<tr>
<td>Research Foundation of City University of NY (CUNY)</td>
<td>12%</td>
</tr>
<tr>
<td>Wildcat Service Corporation</td>
<td>23%</td>
</tr>
</tbody>
</table>
Mini-Profiles of NYC ESP Vendors

**Affiliated Computer Services, Inc. (ACS)** is an international for-profit corporation that offers business process and information technology outsourcing solutions to commercial and governmental clients. Founded in 1988 and headquartered in Dallas, it has operations in 100 different countries. Its work focuses on a broad range of industries including: communications, education, energy, financial services, government, healthcare, insurance, manufacturing, retail, and transportation and travel. Workforce development falls under the “Family and Community Services” division of its “State and Local Solutions” group. The mission of the group is: “To solve performance problems for state and local governments, while creating a challenging and rewarding work environment for our employees and maximum value for our customers and shareholders.” ACS-Inc. has over 80 workforce development contracts at 275 sites across the country, including 100 One-Stop Centers. **NY Job Partners**, in Brooklyn, is one of these local operations. ([www.acs-inc.com](http://www.acs-inc.com))

**America Works (AW)** is a private for-profit corporation with offices in New York City, Albany, Baltimore and Detroit. Founded in the mid-1980s, America Works was set up as an employment company to focus on providing incentives to businesses to employ entry-level welfare-to-work clients. One such incentive is the “Supported Work” approach that America Works often utilizes. Workers are placed with employers for a four-month trial period in which they are kept on the AW payroll - AW covers worker compensation and unemployment claims, and only bills employers for the wages. After the supported work period, the hope is that the company will hire the person in an unsubsidized position. America Works aims to “build profits while helping people build lives” and believes there are incentives in it for everyone, “Businesses get motivated employees, the state cuts its welfare rolls, and the welfare recipient becomes a self-sufficient worker.” ([www.americaworks.com](http://www.americaworks.com))

**Career Educational Consultants (CEC)** is a private for-profit corporation that focuses on developing computer skills and preparing people for careers in technology-based workplaces. Incorporated in 1982, it now operates 7 government-funded training and job placement contracts in the New York Metro area. Work-centric skills training is offered at its NYC licensed Metro Training Institute. Certificate training programs are available in administrative skills, office support and procedures, computerized bookkeeping, customer service, data entry, and general office skills. CEC identifies its purpose as: “To provide thoroughly prepared graduates, ready to add value to NY area businesses.” ([www.cecmetrotraining.com](http://www.cecmetrotraining.com))

**City University of New York (CUNY)** is the largest urban university in the US. It includes 11 senior colleges, 6 community colleges, a graduate school, a law school, and a school of biomedical education. The Research Foundation – which does post-award administration of private and government sponsored programs - is a private, not-for-profit educational corporation that was chartered by New York State in 1963. CUNY’s ESP Program is housed under Continuing Education and/or Career/Employment Centers on three city campuses: Borough of Manhattan Community College, LaGuardia Community College, and NYC College of Technology. CUNY’s mission is to “preserve academic excellence and extend higher educational opportunity to a diversified urban population.” ([www.cuny.edu](http://www.cuny.edu))

**Federation Employment Guidance Service, Inc. (FEGS)** is the largest and most diversified not-for-profit health and human services organization in the US. Founded in 1934 to find employment for unemployed men and women, it now has operations in over 258 New York City facilities covering a range of services including: employment and training, education and youth, career development, behavioral health, developmental disabilities, residential, rehabilitation, family services, and homecare. FEGS also has four consulting corporations that provide outsourcing and consulting services around information technology, human resources, group modalities in behavioral health services and temporary staffing. FEGS currently operates employment programs in over 16 locations throughout the NY Metro area; it has one ESP site, but also holds a Skills Assessment and Jobs Placement contract with the City. FEGS’ mission is “to help each person achieve greater independence at work, at home, and in the community, by providing high-quality, cost-efficient services that meet the ever-changing needs of business and our society.” ([www.fegs.org](http://www.fegs.org))
Goodwill Industries of Greater New York and Northern New Jersey, Inc. (GWI) is one of more than 200 not-for-profit Goodwill affiliates in the US and 23 other countries. Goodwill Industries nationally began in Boston in 1902 to help unemployed, homeless, and disabled people through redistributing donated food and clothing; the NY affiliate that began in 1915 merged with its New Jersey counterpart in 1999. Goodwill Industries works with individuals with mental and physical disabilities, people who are economically disadvantaged, and young inner-city students. “The importance and the dignity of work is a theme that connects all Goodwill programs, helping to bring people into the mainstream workforce.” In addition to general job placement services, Goodwill also trains and/or employs people in its famous thrift operation, offers participants work experience on projects contracted with industries, and operates a GoodTemps staffing service agency. (www.goodwillny.org)

The Non-Profit Assistance Corporation (N-PAC) is an operating subsidiary of the Structured Employment Economic Development Corporation (Seedco). Founded in 1986, Seedco is a national not-for-profit community development intermediary that focuses on workforce development, small business assistance, and asset building. Seedco builds community networks, develops model projects, provides capacity building services, and offers financial assistance. Seedco designed the EarnFair Alliance in NYC to assist disadvantaged workers looking for employment and training opportunities, to help keep community and faith-based organizations (CFBOs) competitive, and to assist employers looking for a stable and productive entry-level workforce. N-PAC’s role is to build the capacity of the partner organizations. The Alliance has 10 CFBOs throughout New York City that provide such services; 9 of these 10 operate as ESP sites. Most CFBOs in the Alliance offer a broad range of services including: housing assistance, job training, GED, ABE and ESL courses, counseling, legal advocacy, childcare, youth programs, and health services. Their missions tend to be holistic in nature – focusing on a unified approach to individuals, families, and communities. Each agency has been offering employment services for a different amount of time, but most have been doing so since the late ’70s / early 80s. (www.seedco.org)

New York Association of New Americans (NYANA) is a not-for-profit organization focused on assisting new immigrants in all facets of their lives: from education to healthcare, legal advice to job placement. Founded in 1949 to assist Jewish refugees in resettling in the US after World War II, NYANA began to serve refugees of other faiths in 1972. From the mid-1990s onward, NYANA has expanded its work beyond refugees to the general immigrant community. NYANA’s mission is grounded in the following statement: “All people have within themselves the power to build a meaningful life and contribute to a better world, no matter how challenging the circumstances.” It focuses, therefore, on reaching out to immigrants and helping them achieve their goals. NYANA offers a range of services including resettlement assistance, education and ESL, legal services and citizenship, health and mental health, workforce / economic development, and community development. (www.nyana.org)

Wildcat Service Corporation (Wildcat) is a not-for-profit organization that began as an experiment to test the supported work concept. Founded in 1972, it has grown into a multi-million dollar human services, training, and employment organization. It serves 8,500 individuals through its own programs each year, and another 2,000 through subcontracted partners. Its New York City projects include the Private Industry Partnership (PIP), the Restitution Collection Project, a charter school, a youth offender program, and employment programs for dislocated workers. Wildcat’s mission is “to act as the ‘program of last resort’ for chronically unemployed individuals with limited work histories and little or no job skills.” Wildcat’s One-on-One Program offers 16 weeks of clerical training through alternating weeks of training and paid employment (at Wildcat or at other not-for-profit sites or public agencies); its PIP Project then offers 2-4 month paid internships (subsidized, supported employment) with financial industry partners. Wildcat also offers training for data entry, maintenance, bank teller, home health aide, and security positions. (www.wildcatatwork.org)
Program Goals, Expectations and Performance-Based Payment Structure

The role of the SAJP and ESP employment programs, as laid out in HRA’s Policy Directive #99-76RR, is to “assist all non-exempt applicants and participants to achieve self-reliance through paid employment”.16 SAJP sites were to focus on conducting professional, individualized, in-depth skills assessment – including applicants’ educational background, work experience, and preferences. And ESP sites were to focus on job placement – combining job search, training, and retention services to place individuals in jobs, and help them retain those jobs.17

The performance-based payment structure established for the contracts further highlights the programmatic objectives. Performance, or incentive-based, contracts pay for results. In the welfare-to-work industry, most contracts are still structured for cost reimbursement (paying a vendor for each legitimate cost they incur) or fixed price (paying a set amount up front for the desired services to be performed). In 2001, only 20 percent of all Temporary Assistance for Needy Families (TANF) contracts were incentive-based in any way.18 However, from the start, the ESP contracts in NYC were solely performance-based.

NYC ESP contracts were originally set up to reward three basic milestones: placement, 13-week (3 month) retention, and 26-week (6 months) retention. HRA also offered additional bonuses for high wage jobs (as defined by JTPA/WIA) and for welfare case closure. The goals of the program are captured in this payment structure.

GOALS OF PROGRAM:

- Connect Participants with (High Wage) Jobs (Placement)
- Help People Retain Jobs (Job Retention)
- Eliminate People’s Dependence on Welfare System (Case Closure)

The renewal contracts tried to put a higher premium on retention by shifting more of the pay away from the original placement and towards the retention milestones. They were set up to pay 25 percent of the entire amount possible upon placement, 45 percent when an individual reached a 3-month milestone, and the remainder when the individual reached the 6-month milestone. Table 3 displays the milestone payment rates for a sample contractor under the original and the renewal contracts.

<table>
<thead>
<tr>
<th>Table 3:</th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
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</tr>
<tr>
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</tr>
<tr>
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</tr>
<tr>
<td><strong>Table 3:</strong></td>
</tr>
<tr>
<td><strong>ESP Performance-Based Contract Sample Milestone Payment Rate:</strong> (Original) Renewal</td>
</tr>
<tr>
<td>Placement: ($1964) $1227</td>
</tr>
<tr>
<td>13th Week: ($1473) $2209 OR High Wage: ($1964) $2700</td>
</tr>
<tr>
<td>26th Week: ($ 491) $ 491 OR And Case Closed: ($1473) $1473</td>
</tr>
<tr>
<td><strong>MAXIMUM TOTAL:</strong> ($5401) $5400</td>
</tr>
</tbody>
</table>
According to the renewal contracts, it was estimated that over the three year period, close to 80,000 of the individuals referred to the programs would enroll. Of these, 46 percent (32,280) would be placed, 35 percent (24,207) would retain their jobs at three months, and 25 percent (17,427) would retain them for six months. The contract service level maximums for enrollment, placement and the two retention milestones, as well as the maximum contract amounts allotted for each individual contractor, are designated in Table 4.

### Table 4: Performance-Based Contract Level Maximums*

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>ENROLLED</th>
<th>PLACED</th>
<th>EMPLOYED at WEEK 13</th>
<th>EMPLOYED at WEEK 26</th>
<th>PRICE PER PARTICIPANT</th>
<th>CONTRACT AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACS-Inc.</td>
<td>4,660</td>
<td>1,864</td>
<td>1,397</td>
<td>1,005</td>
<td>$5,500</td>
<td>$7,679,250</td>
</tr>
<tr>
<td>America Works</td>
<td>5,433</td>
<td>2,173</td>
<td>1,630</td>
<td>1,174</td>
<td>$5,105</td>
<td>$8,316,278</td>
</tr>
<tr>
<td>CEC</td>
<td>4,828</td>
<td>1,931</td>
<td>1,448</td>
<td>1,043</td>
<td>$5,500</td>
<td>$7,960,250</td>
</tr>
<tr>
<td>CUNY</td>
<td>9,328</td>
<td>3,731</td>
<td>2,797</td>
<td>2,013</td>
<td>$5,399</td>
<td>$15,094,986</td>
</tr>
<tr>
<td>FEGS</td>
<td>4,278</td>
<td>1,711</td>
<td>1,283</td>
<td>923</td>
<td>$5,500</td>
<td>$7,051,500</td>
</tr>
<tr>
<td>Goodwill</td>
<td>8,010</td>
<td>3,204</td>
<td>2,403</td>
<td>1,729</td>
<td>$4,593</td>
<td>$11,028,701</td>
</tr>
<tr>
<td>N-PAC</td>
<td>5,486</td>
<td>2,195</td>
<td>1,646</td>
<td>1,185</td>
<td>$5,500</td>
<td>$9,047,750</td>
</tr>
<tr>
<td>NYANA</td>
<td>667</td>
<td>834</td>
<td>626</td>
<td>452</td>
<td>$5,500</td>
<td>$3,442,000</td>
</tr>
<tr>
<td>Wildcat</td>
<td>36,593</td>
<td>14,637</td>
<td>10,977</td>
<td>7,903</td>
<td>$5,500</td>
<td>$60,337,500</td>
</tr>
</tbody>
</table>

**YEARLY TOTAL**

<table>
<thead>
<tr>
<th>ENROLLED</th>
<th>PLACED</th>
<th>EMPLOYED at WEEK 13</th>
<th>EMPLOYED at WEEK 26</th>
<th>PRICE PER PARTICIPANT</th>
<th>CONTRACT AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>26,428</td>
<td>10,760</td>
<td>8,069</td>
<td>5,809</td>
<td>$5344</td>
<td>$43,319,405</td>
</tr>
</tbody>
</table>

**THREE-YEARS COMPILED**

<table>
<thead>
<tr>
<th>ENROLLED</th>
<th>PLACED</th>
<th>EMPLOYED at WEEK 13</th>
<th>EMPLOYED at WEEK 26</th>
<th>PRICE PER PARTICIPANT</th>
<th>CONTRACT AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>79,283</td>
<td>32,280</td>
<td>24,207</td>
<td>17,427</td>
<td>$5344</td>
<td>$129,958,215</td>
</tr>
</tbody>
</table>

* Contract level maximums are overall maximums outlined in renewal contracts – numbers reflect maximums for combined PAs (including NPA Food Stamps) and NPAs (excluding NPA Food Stamps). PAs = public assistance.

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### Program Structure and Activities

According to HRA documents utilized in the FIA CUNY Professional Training Academy, the SAJP/ESP System was designed to take people through four phases of an employment process: Initial Screening, Employability Assessment, The Employment Plan, and Engagement Activities.\(^9\) (See Appendix G for more details on the four phases.)

The basic structure of ESP program is depicted in Figure 2. Every two weeks, ESP Sites get a list of newly referred individuals, “New Starts”. Upon arrival at the site, the program starts with an initial full-time two-week period. Day 1 at the ESP site involves intake and orientation. The remainder of the two weeks is used for further assessment, job readiness workshops, and initial job search preparation.

HRA’s 2004-2005 Employment Plan defines these primary activities and program as follows\(^{20}\):

- **Job Skills Training Directly Related to Employment:** Instruction and/or training and/or related services to address skills necessary to attain and retain full-time employment and/or instruction provided for a specific vocational/technical area. Services to include, but not be limited to: how to succeed at work, including but not limited to, proper employment behavior and etiquette, work responsibilities and employer expectations, conflict resolution, and work values (i.e. timeliness, use of the telephone, team player). Job skills such as proper decision-making, dressing for success, how to be a good listener. Job placement and retention strategies such as… discussion in a support group of participants as to how to retain a job, etc.
• **Job Search/Readiness**: Supervised program in which participants engage in job search activities including, but not limited to, resume and interview prep, job finding techniques including reviewing job vacancy notices, making telephone calls to prospective employers, completing job applications, etc. Work and interviews must be a part of an overall structured program and approved by HRA.

At the start of Week 3, individuals that have not yet found work begin a “concurrent schedule”. They are assigned to a WEP assignment by the Job Center. They are expected to work at their WEP site three days a week, and spend two days per week at their ESP site continuing job readiness workshops and their job search. Individuals that demonstrate good attendance through orientation are also eligible, at this point, to apply for Individual Training Account (ITA) Vouchers to cover costs – up to $2500 - of short-term vocational training.

For the third week and beyond, ESP sites are responsible for ongoing activities and direct job placement, monitoring attendance and compliance, and reporting employment and retention. ESP sites are charged to “work with assigned participants for up to six months to obtain unsubsidized employment unless one of the following situations occur: employment, break in childcare, participants fail to report, participants fail to comply, participant employability changes, PA case closes.”

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**Figure 2**
Basic Structure of ESP Program

<table>
<thead>
<tr>
<th>FULL-TIME ESP SCHEDULE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Orientation and Job Readiness</strong></td>
</tr>
<tr>
<td>35 hours/week for 2 weeks at the ESP Site. Assessment done and skills workshops offered.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONCURRENT SCHEDULE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ongoing Services &amp; Job Search Assistance</strong></td>
</tr>
<tr>
<td>2 days/week (14 hours) at the ESP Site doing continued job readiness coupled with job search assistance.</td>
</tr>
</tbody>
</table>

| Work Experience Program (WEP) |
| 3 days/week (21 hours) at the WEP Site in a City Agency doing clerical, maintenance, or another type of work. |

<table>
<thead>
<tr>
<th>RETENTION TRACKING</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job Retention</strong></td>
</tr>
<tr>
<td>ESPs continue to track job retention at 90 and 180 days. Clients generally only come to site for Metro Cards.</td>
</tr>
</tbody>
</table>

| ITA / Training Voucher Referral |

---
The primary goal of the Human Resources Administration is moving people off of welfare and into employment. The Employment Services and Placement (ESP) System is one of the strategies used for accomplishing this goal.

ESP Vendors are held accountable for both job placement and job retention. They receive their first payment when they place people into jobs, and subsequent payments as people retain those jobs for three and six months.

Over the 3-year life of the renewal contracts, which commenced in 2002, it was estimated that nearly 80,000 individuals would enroll in the ESP Program, 46 percent (32,280) would be placed, 35 percent (24,207) would retain their jobs at three months, and 25 percent (17,427) would retain them for six months. (See Section 3, Table 4 for estimations by vendor.)

This section explores the ESP System’s success rates in meeting the goals of job placement, job retention, and welfare case closure. We start by laying out the numbers and information that indicate what is happening in the system (client outcomes), and then follow with an exploration about particular program dynamics that emerged as influencing the outcomes (systemic problems).

Research findings show that the ESP System is doing an inadequate job of meeting its primary goal of connecting welfare recipients to long-term employment:

- Fewer than 1 in 10 individuals referred to the system are placed in jobs within six months.
- Of those placed in jobs, almost 1 in 3 return to public assistance within a half-year.

Contributing to these low placement and retention rates are the following systemic problems:

- Conflicts between the Work Experience Program (WEP) and ESPs,
- Lack of a Strategic Approach to Workforce Development for Welfare Recipients, and
- No Coordination between HRA and the Department of Small Business Services (SBS).
Client Outcomes

A. Job Placement and Retention Relative to Referrals

- Only 8 percent of those individuals referred to the ESP System obtain jobs, and a smaller 3 percent of referrals retain the jobs that they get six months later.

According to HRA VendorStat Reports, an average of 4,144 people are referred to the ESP System per month. Of those referred, 2,305 actually enter the system to receive services. (See Section 6 for more information on those that Fail to Report or are deassigned.)

Given that ESP providers are allotted up to 6 months to work with clients, looking at placement and retention figures utilizing the six-month marking point (Week 26) provides a good window into the success, or failure, of the ESP System. These figures measure what happens to cases that started out at the ESP sites six months earlier. The three-month averages represent the arithmetic mean of the same types of scores for three different sub-groups (cohorts) of individuals. The December 2004 three-month average outcome figures, therefore, look at what happened, on average, to individuals that started in the ESP System in May, June, and July of 2004.

Over the course of six months, an average of 15 percent (346 individuals) of those that entered the system – or 8 percent of those referred to it - were placed in jobs. Of those 346 individuals, an average of 43 percent (149 individuals) still had their jobs at 3 months. At the end of six months, an average of 35 percent (121 individuals) of the original job placements still held their jobs.

In sum, on average, out of 4,144 people referred to the ESP System each month, 121, or 3 percent, will hold jobs they were placed in six months later. This figure is particularly bleak when one considers the fact that the primary goal of the system is job placement.

Figure 3
Job Placement & Retention Relative to Referrals
(Based on 3-Month Averages from HRA’s Dec. ‘04 VendorStat Report)
B. Job Placement Relative to Numbers Enrolled, by Vendor

Looking at the placement and retention rates relative to numbers referred to the system overall, as the last sub-section did, allows one to see the percent of individuals actually served by the current structure of the system. The 3 percent figure leads one to believe that something is not working.

Section 6 will go into more detail about the individuals that are referred to, but fail to enroll in, the ESP System. Next, however, we wish to briefly explore job placement and retention figures for those that do enroll. For while HRA itself might be responsible for all those referred to the system, the current structure of the ESP contracts only holds vendors responsible for those that show up and participate in their programs – they do not need to follow up with those that Fail to Report and they are not responsible for those they choose to deassign due to initial inappropriate referral.

❖ **On average, 15 percent of those that enter the ESP System are placed in jobs over a 6-month period.**

Looking at the system as a whole, if one tracks the outcomes of those that actually enter the ESP System (are referred to a site, show up, and are not deassigned), one finds that, on average, 15 percent of those that enroll in the program are placed in jobs by the end of six months. The figures have not shifted much over the life of the contracts. The contract-to-date average figures – which represent an arithmetic mean of monthly placement rates since contract inception rather than just from the last three months - show 11 percent of those enrolled in the system being placed by the six-month mark.

❖ **Variation exists across vendors, but no vendor places more than 20 percent of their enrolled clients in a six-month period.**

A look at participant status six months after assignment across the vendors reveals slight differences. HRA VendorStat Reports showed CEC, FEGS, NYANA, and Wildcat to have lower placement rates, ranging between 10 and 14 percent, than ACS-Inc, America Works, CUNY, Goodwill and N-PAC, with placement rates between 17 and 20 percent (See Figure 4).
C. Types of Job Placements: Scope and Salary

According to the representative client surveys, five types of positions seem to dominate the referrals that clients get through the ESP System. These are: maintenance (30 percent), retail (22 percent), clerical (20 percent), food services (16 percent), and health care (13 percent).

- **87 percent of those placed in jobs close their welfare cases; this, however, does not signify a departure from poverty.**

The great majority of those placed in jobs, 87 percent, close their welfare cases. This does not, however, mean that their wages are high enough to move them toward economic independence.

*The problem was that all they [the ESP Site] offer people is $6-7 per hour jobs...these vendors offer you $6 per hour jobs that aren’t even in your field and if you don’t accept it, they cut off your benefits....anything less than a $10 per hour job puts you right back where you started – you are working just enough to be poor.*

-- ESP Client #3

Welfare case closure can result at very low earning levels. A gross income test is done on earnings and if the individual earns more than 185 percent of their standard of need (a family-size based standard set in the eligibility rules) they are no longer eligible for cash benefits. Based on this gross income test, a family becomes ineligible for cash assistance if they earn $928/month in a 2-person household, $1278/month in a 3-person household, or $1528/month in a 4-person household. That means that for a welfare recipient caring for one other person in the household, getting a full-time job earning the $6.15/hour minimum wage (estimated yearly salary of...
$12,792) would close his or her cash assistance case. A worker in a 3-person household could earn as little as $8/hour working full-time ($15,340/year) and have their welfare case closed. In a 4-person household, the cut-off would be $9.55/hour ($18,330/year). Welfare case closure, therefore, does not necessarily mean earning a wage that would bring one out of poverty.

- **75 percent of those referred to jobs by their ESP sites were referred to positions that paid $8.00 or less.**

Client survey responses pointed to an average hourly wage of job referrals from ESP Sites at $7.85 per hour. Three-quarters of the job referrals, 75 percent, were to positions that paid $8.00 or less an hour.

These wages are not that different from the average hourly wages of welfare leavers, $7.15, taken from a nationally representative sample of people who left TANF between 1997 and 1999. They are even less sufficient for economic independence, however, in New York City.

According to the Self-Sufficiency Standard for the City of New York, a tool created to demonstrate how much money it takes for families to live and work without public or private assistance or subsidies, a single adult living in Brooklyn, the Bronx, or North Manhattan (where most of the ESP clients live) would need to make between $9 and $10 an hour to cover all their costs, and an adult with two children would need to make between $23 and $24 an hour.

The less than $8.00 an hour average wage of an ESP referral could not possibly cover costs. And yet, state law and HRA policy dictate that ESP clients must accept all offers of employment or risk being sanctioned.

- **19 percent of ESP clients were referred to part-time positions; many of the full-time referrals were to temporary positions.**

The low salaries are even more troubling when one considers the nature of these positions. Client surveys revealed that people were referred to part-time positions 19 percent of the time, and while 81 percent of the referrals were to full-time positions, many of them were temporary in nature.

Many ESP clients spoke about the poor quality of the jobs they were referred to:

*The majority of jobs they were sending me to were part-time or three-months long. This wouldn’t help me in the long run. Also, they’d send people to New Jersey, to Long Island, and to other states to work. A person without children might be able to do this, but someone with kids…no.* -- ESP Client #9

*They sent me to a construction job in Redhook, but there were only three people on the site, no supervision, and no safety regulations. They never had me fill out a W2 form or took any record of my employment….I tried to tell my job developer, but they weren’t helpful.* -- ESP Client #8
Such low-wage, part-time, short-term positions do little to help people move toward economic independence. Instead, they must continue to juggle their minimal employment with the continued requirements of the public assistance system. The work-first approach has its limitations.

There is often discussion of the need to start in low-paying positions and then move up from there; that minimum wage positions will likely lead to self-sufficiency wages later on. However, recent research has shown that such mobility is less likely than expected. Over a third of prime-age adults in minimum wage jobs were shown to have remained in minimum wage jobs three years later. It was also revealed that women, people who fail to change occupations or industries, and individuals in non-union positions all have a much harder time moving out of minimum wage jobs. And, again, during periods of low unemployment and strong wage growth, like the late 1990s and early 2000s, more are able to move up the job ladder compared to tighter times.

D. Job Retention for Those Placed in Employment

Job retention is a critical goal of the ESP System, and a goal that became increasingly prioritized over the life of the contracts. Upon contract renewal, payout rates were shifted from prioritizing the initial placement, to prioritizing the three-month retention milestone (see Section 3, Table 3). It was hoped that by concentrating more of the payment on the middle (3-month) milestone, vendors would focus more on the services necessary to assist in retention.

Successful retention of jobs depends on a number of factors including the quality of one’s initial placement, the additional supports and benefits provided to boost one’s wages, and the services provided to help with troubles that might emerge at a job site or in one’s personal life that have the potential to interfere with one’s work. Low-wage workers face a number of conditions that often jeopardize their employment: (1) more fragile childcare arrangements, (2) greater likelihood

Client Profile: Yara Sanchez (Translated from Spanish)

I am 36 years old and was born in Puerto Rico. I have a daughter that was born here in the United States. She’s five years old, and her name is Yasmina. I live alone with her in the Bronx.…

I’m a single mother, with a child with special needs – potentially autism. I needed a job with enough money to cover my extra costs…

[We were] offered some training options, but most for English speakers. All there was for Spanish speakers was home attendant training. I was more interested in computers, but without a choice, I did the home attendant training. The only positions we could get were part-time home health aide positions paying minimum wage.

The training was 3 weeks long. And, after that I started to work.

I graduated from the training on December 21st, and I started to work with “Best Care” agency on December 22nd. Now I work 3-4 hours a day, six days a week. They give me different patients. I work between 15 and 20 hours a week; never more than 20. Usually I’ll make $113 a week. That’s it. $6 an hour with no benefits. If I’m sick, I don’t receive anything.

I no longer receive any public assistance in cash or for my rent. I get a little bit of Food Stamps. But, my salary doesn’t cover my costs. I live in public housing, but my rent is still $250 per month.

This isn’t a success. We want something better…more training to get a job with a better salary so we can leave public assistance entirely. Because now, I still need help with the bills.
that children and others in their care have special needs, (3) limited access to employer benefits like paid sick or vacation leave, and (4) less flexible work schedules and greater likelihood of working night shifts.²₈

❖ 58 percent of clients were uninformed about work-related benefits available to them were they to get a job.

We have already spoken of the limited quality of some of the initial job placements. Additionally, our client survey revealed that 58 percent of those served by the system were not informed about work-related benefits available to them (Earned Income Tax Credit, Earned Income Disregard, transitional childcare and Medicaid, etc.) if they were to get a job.

In interviews, vendors were much clearer about the front-end services that they provided to individuals (job readiness workshops, placement assistance) than they were about the back-end supports (related to job retention) that they offered. Most vendors mentioned the re-prioritization of HRA’s payment milestones and acknowledged that this enabled them to look beyond immediate placement goals to more long-term visions for individuals. However, few mentioned specific things they were doing to support job retention. One exception to this were the N-PAC providers who were all just starting a new initiative focused on supporting low-wage workers, the EarnBenefits Services Program (see box).

The EarnBenefits Services Program: A Promising NYC Approach to Supporting Low-Wage Workers

N-PAC has implemented a promising EarnBenefits Services Program across its consortium of community-based ESP sites. The EarnBenefits Services has developed a marketing approach to informing workers of their available benefits. With the help and encouragement of its community-based agencies, who pointed out the challenges they were facing with retention, Seedco created a guide of information for clients, an online technology tool that streamlines eligibility screening for benefits and makes submitting applications easier, and a Case Manager’s Toolkit that assists staff on site to provide support in educating workers. Additionally, Seedco worked to secure AmeriCorps members for each CBO site to focus on providing EarnBenefits Services.

EarnBenefits utilizes a three-tiered approach to help low-wage workers access the supports and services that they need: (1) education, (2) facilitated access, and (3) new benefits products. Materials created include information on the following worker benefit topics: healthcare, childcare, transportation, earnings supplements, and career advancement. Access to benefits is facilitated by the online tool and the on-site staffing support. Additional benefits are also made available such as: free checking accounts through a partnership with Citigroup, an Individual Development Account (IDA) Program which provides matching savings funds for participants, and a Family Loan Program which offers low-cost loans to help people get out of financial binds that could cause them to lose jobs.

(www.earnbenefits.org)

The main tool mentioned by vendors to assist with job retention were the Metro Cards made available to people for six months after employment. This added financial support for participants was seen as very important, both for adding to initial low wages of newly placed workers and for assisting vendors with tracking job retention – since participants had to check-in with the vendor, weekly or monthly, in order to receive the Metro Cards. Some sites also mentioned having job coaches or retention specialists that checked in with clients once they were placed and worked with them to iron out problems on their jobs or provide supportive services that aided them in juggling their work and personal lives.
System wide, of those placed in jobs, 43 percent continue to hold jobs 3 months later; 35 percent hold jobs 6 months later.

HRA VendorStat Reports track retention – the percentage of those placed that continue to hold jobs - at 3 months and at 6 months. HRA tracks retention as a moment in time, looking at individuals placed in jobs 3 and 6 months prior, and seeing what the client’s status is at the moment of tracking. It is possible for an individual that has held three (or more) different jobs over a six-month period to count as someone that retained a job for six months. As long as that same individual is employed at each of the key moments that their case file is checked, they can count as having retained their job. Still, while these figures might overstate long-term retention, they do track labor-force attachment, and they are the only figures currently tracked by HRA.

It appears that the simple re-orientation of the payment schemes has not had a noticeable impact on the services provided or the actual retention rates. Across the system, according to HRA’s December 2004 VendorStat Reports, retention at three months averages 43 percent, and at six months averages 35 percent. These figures have not improved much over the course of the contracts. The contract-to-date averages are not much different: 45 percent at three months and 34 percent at six months.

Retention rates do not vary dramatically by vendor.

Differences between vendors, again, were not particularly large (considering the low placement numbers they are derived from and how small shifts can dramatically change percentages). They ranged between a low 27 percent and a high 45 percent at the six-month mark (see Figure 5). Again, three-month average figures did not vary dramatically from the contract-to-date figures, showing that the switched emphasis of milestone payments alone did not change the underlying factors undermining long-term job retention: precarious job placements and unaddressed barriers to employment.

Figure 5
Job Retention Rates after Six Months for Clients Placed in Jobs, by Vendor
(Three-Month Averages, HRA's December 2004 VendorStat Reports)
Despite the somewhat small differences in retention rates by vendors, it would be interesting to explore if vendors with higher retention rates have the tendency to either place people in better jobs, or prepare people more thoroughly in advance of placement. Such detailed job placement information was not available for this study.

E. Recidivism Rates and Unaccounted For Individuals

People who are placed in jobs through the ESP System have three potential outcomes that occur: they retain their jobs, they lose their jobs and return to public assistance (recidivism), or they lose their jobs and remain off of public assistance. HRA tracks recidivism by looking at the percentage of people that re-open their public assistance case within 26 weeks (6 months) of job placement that led to a case closing.

❖ On average, 29 percent of those placed in jobs by the ESP System return to public assistance within six months.

According to the VendorStat Reports, 29 percent of those placed in jobs that close their welfare cases return to public assistance within 6 months.\(^2\) This is a noticeable decrease from the contract-to-date average of 45 percent, however it still represents a large number of individuals whose job placements, and/or the supportive services provided to support job retention, did not meet their needs. [This latter figure represents the average over the life of the contract rather than the more recent three-month average that the 29 percent figure represents.]

Additionally, there are those that neither return to public assistance, nor retain their jobs. What happens to this group is unknown since they are not tracked and no services are provided to them.

❖ An average of 36 percent of those placed in jobs lose their jobs, do not return to public assistance, and remain unaccounted for.

To figure out how many people get lost to the system, we again return to some of the earlier average numbers. An average of 2,305 individuals are seen by the ESP System in any given month. According to the Week 26 three-month average outcome indicators in the December 2004 VendorStat Reports, on average, 13 percent of those individuals (300) are placed in jobs and have their welfare cases closed six months after assignment. According to HRA recidivism statistics, approximately 29 percent (87) of those individuals will return to public assistance six months after they are placed in positions.

In looking back at the job retention statistics from before (an average of 43 percent at 3 months and 35 percent at six months) and using these to estimate how many of those placed in jobs will remain in those jobs, we see that, on average, 129 will keep their jobs for three months and 105 of those will hold onto them for six. Of our 300-person sample, 87 individuals return to public assistance, 105 individuals hold onto their jobs, and 107 lose their jobs and do not return to public assistance. In other words, 36 percent are unaccounted for (see Figure 6).
Figure 6
Outcomes For Those Placed in Jobs
(with Cases Closed)
After Six Months
(Based on Dec. '04 HRA VendorStat Reports)

- Retain Jobs: 35%
- Return to PA: 29%
- Unaccounted: 36%
**Systemic Problems**

In addition to problems with operating amidst an economic recession, and with increasingly prevalent amounts of personal barriers that system participants seem to face (see Section 6 for more information), three particular issues emerged from the research that further complicated vendors’ attempts to excel at job placement. These included: conflicts between ESPs and the Work Experience Program, a lack of a strategic approach to workforce development for welfare recipients, and no coordination between HRA and the Department of Small Business Services (SBS).

1. **Conflicts between ESPs and the Work Experience Program (WEP)**

Almost all those that get referred to the ESP System end up doing a Work Experience Program (WEP) assignment in a City agency (see Figure 7 for agency breakdown). Coupling the ESP model with WEP is an integral part of the Human Resources Administration’s “Full Engagement” approach. According to our survey, 76 percent of those in the ongoing stage of the system were engaged in WEP in combination with the job readiness / job search activities at the ESP site.

![Figure 7: WEP Site by City Agency](image)

The purpose of this report is not to critique the Work Experience Program as a program in and of itself – other reports have done that. Conflicts that emerged between the WEP and the ESP Systems that impact the program’s ability to function effectively, however, are pertinent to an exploration of the ESP System.
[For information on the limitations of NYC’s Work Experience Program, two reports are recommended. *WEP: New York City’s Public Sector Sweatshop Economy* (CVH, 2000) discusses the tasks performed by WEP workers throughout the city and demonstrates how WEP workers are doing jobs similar to those held previously by union members, but for no pay. *Wages Work!: An Examination of New York City’s Parks Opportunity Program (POP) and Its Participants* (CVH, 2004) then looks at the paid transitional jobs program started in NYC as an alternative to WEP, and documents the impact receiving a wage has on participants’ motivation regarding moving off of welfare as well as the difference in how employers regard prospective employees with paid job experience versus WEP experience alone.]

- The 3 days WEP, 2 days ESP concurrent schedule is considered challenging to operate under.

The typical schedule that ESP clients operate under is the concurrent one, wherein after two weeks of full-time orientation at the ESP site, welfare recipients who have not found jobs continue to attend the ESP site two days per week and spend the additional three days per week at a WEP site. 

*After orientation, I started doing WEP again, 3 days a week. I was doing cleaning work in the welfare office on 125th Street. Working, but for no pay...just benefits. And, then, 2 days a week I would return to America Works to “look for work.” -- ESP Client #9*

Some vendors commented on how the concurrent schedule is counterproductive, especially due to the lack of coordination between the WEP and ESP sites.

Each vendor determines which days they want clients on their site and which days clients are to go to the WEP site, but there seems to be little flexibility granted by the WEP sites when it comes to necessary shifts in schedules - even for job interviews.

*Sometimes WEP assignments don’t want to release people for jobs and interviews.*

-- ESP Provider #11

*It’s crazy. People get FTCed [issued a Failure to Comply] for not attending WEP, even though they were at an interview!*

-- ESP Provider #15

A lack of connection between the WEP sites and the ESP sites means that ESP sites cannot contact WEP sites at a moment’s notice when an interview opportunity arises for a client with whom they work.

This same issue was brought to light in another recent study on the impact of welfare reform on non-profit agencies in NYC. Employment services programs criticized the loss of predictable presence of their clients, particularly due to workfare. One Director commented, “Workfare has been the single most destructive thing to the integrity of our programs. It is extremely frustrating for us to have people two days a week and then they are off at a workfare site and we can’t get in touch with them, even if we happen to have a job for them.”

In addition to people often not being released for interviews, other sites commented on how this fixed schedule also sometimes makes it challenging for people to attend particular training programs necessary for subsequent job placement.
It’s hard for people to get into private, outside trainings that are 3 weeks long, even when an employer has a position after, because you can’t get excused from WEP.

-- ESP Provider #16

People that want to attend a full-time, three-week training program are not supposed to, despite the fact that such short-term training could propel them into the workforce more readily.

Another challenge of the schedule mentioned was that in reality ESP sites only get to work with clients one day a week, not two, and that this is not enough to do the work that needs to be done. According to a few providers, people tend to schedule appointments on ESP days rather than WEP days.

People are more loyal to their WEP sites than they are to job search. This is a problem.

-- ESP Provider #10

WEP supervisors have a greater influence on a person’s benefits, since there’s more of a threat that non-compliance will be reported. Therefore, people end up skipping their ESP, but not their WEP site. In this provider’s opinion, the 3:2 model should be reversed.

➢ **WEP discourages people from looking for work.**

Even the one vendor who seemed supportive of the model, stating that the WEP model was helpful for getting participants into the mind-set of an employee, also stated that it often backfired.

*Sometimes it’s [WEP] so ‘helpful’ that people want to stay in WEP.*

– ESP Provider #7

Others echoed this criticism:

*WEP definitely discourages people from working – they want to stay in WEP.*

– ESP Provider #2

*People want to work. At the WEP site, it seems like work and people would rather be working.*

-- ESP Provider #10

It was not a matter that people did not want to work, but rather that since WEP seemed like work, people would rather be there than at their ESP sites looking for real, paid work.

Certain providers commented on how the messages given by WEP sites tended to conflict with those given by the ESP sites.

*WEP tells folks that WEP comes before employment services, and ESP says employment services come first.*

– ESP Provider #16

WEP supervisors were also criticized for giving clients the impression that these assignments would lead to paid positions. This then discourages clients from looking for work – holding fast to the dream that their WEP job will lead to a real, paying job.

It was often repeated by the clients, as well, that they desperately wanted to work. Despite feeling that the WEP System was unjust – making them work for no pay – many clients still preferred being at their WEP site doing *something* rather than sitting at their ESP where they sometimes had to sit and pass time doing nothing:
My days at Goodwill are Tuesday and Wednesday. On Thursday, HRA was giving a Bronx Job Fair from 5-8PM. Goodwill told everyone that it was mandatory to come to Goodwill on Thursday at 3PM, for dinner and transportation to the job fair.

I told my case manager that Thursday was my WEP day and asked if I could leave Goodwill Wednesday afternoon to go to my WEP assignment since I wouldn’t be there on Thursday. I work in childcare and the children get anxious if I don’t come in when they are expecting me. The case manager said no because I am mandated to be at Goodwill on Wednesday and the WEP people knew that Thursday was a day off.

It isn’t like I asked if I could go home – I asked if I could go to WEP, an HRA activity, but they wouldn’t let me. Instead I had to sit around doing nothing.

-- ESP Client #11

Wanting a job for pay was always at the forefront of client’s minds. However, if the ESP Site did not appear to be assisting the person in achieving that goal, then doing something at a WEP Site was deemed better than sitting around and doing nothing at an ESP Site. How one prioritized one over the other could depend on the particulars of the WEP and the ESP Sites: which site occupied the person’s time more productively, and which site had people that treated them with respect.

2. Lack of Strategic Workforce Development Approach for Welfare Recipients

The ESP System, and the work-first model, was designed to prioritize quick labor-force attachment over true workforce development. The focus on quick attachment, however, seems to have contributed both to the low levels of placement rates and to the low retention rates. With few welfare recipients prepared to enter the workforce immediately, a focus on getting people into work quickly is bound to leave many unsuccessful. And, given that the jobs available to a marginally prepared workforce are low-wage with limited benefits and inadequate advancement opportunities, such a system is destined for low retention figures as well.

ESP Sites alone cannot be held responsible for low placement and retention rates. Unfortunately, HRA’s approach to workforce development – or lack thereof - leaves ESP Sites on their own to develop employer connections in a haphazard way. This, in turn, impacts job placement and retention outcomes. ESP Providers recognized the limitations of the approach they were currently operating under:

Other parts of the world are crafted sensibly [in terms of their workforce development systems]. First, one does labor market research to assess the business needs. Then they find out training requirements for these positions. Finally, they set up apprentice programs to fit the needs...not here! – ESP Provider #14

While HRA contracts out to vendors to provide employment services to clients, the Agency does little to develop a broader strategic approach to moving people into the City’s workforce. Instead, it leaves each vendor and site on its own to develop its own labor market analysis and employer connections. While job developers focus on the latter, they tend to be unable to do it in the context of the former. What results is a somewhat haphazard approach, limited in its effectiveness, of connecting welfare recipients to jobs rather than focusing on long-term workforce attachment. This is revealed in both the limited connections job developers make with employers and in the poor development of clients’ independent job search skills.
ESP program design prioritizes job search and quick labor-force attachment, over workforce development.

There is a difference between connecting someone to a job, developing a person’s capacity for advanced workforce development, and linking workforce development to surrounding economic realities. The ESP System appears to have been structured to focus on the former (job connections) while ignoring the latter (both advanced preparation and connections to labor sector trends). While employment for some results from this approach, whether it constitutes quality, lasting employment is in question as well as whether the great many seeking to move into the workforce will benefit. The outcomes we see in terms of job placement and retention in the current ESP System reflect the limitations of this approach.

The ESP job search approach is supposed to be a partnership between the individual and the vendor (particularly job developers) within the ESP System. Vendors are supposed to both provide insight into how to search for a job and also provide particular leads for people to follow.

When we finished our [job readiness] training, we started doing job search. They had computers and phones for us to use. We would search on our own and call places, but there were three job developers, and if you needed help, you could talk to them. If they found a job they thought would be good for you, they would send you over for an interview. -- ESP Client #2

The hope is that the combined search – in part self-directed by the client and in part guided by the vendor – would lead to a job match.

Client responses, when questioned regarding who finds most of their job leads, confirmed the use of a blended approach: 36 percent said they find most of their jobs on their own, 21 percent said that their job developer finds most of their leads, and 35 percent said that they found half of the leads and their job developer found half. There was a question, however, regarding both the effectiveness of job developers at providing clients with leads and the support that clients received in terms of their job search assistance.

Job Developers, left to their own accord, fail to make good employer connections.

Each site is left to hire its own job developers, with the hope that they have - or can create - connections with employers so as to place clients in jobs. A number of sites mentioned the challenges they face in finding experienced job developers with the employer relationships critical to the job placement programs and/or with the skills necessary to develop such relationships.

ESP Provider #19 spoke of this frustration saying that job developers all pitch themselves as having lots of connections, but in reality “they all have limited sources and limited connections to employers.” Due to the low wages sites are able to offer to job developers, and to the limited pool of experienced job developers available, sites often have to settle for giving people a chance and seeing how they perform once hired.

Pointing fingers at the job developers, however, fails to get at the root of the problem. One such root deals with the troubled economy and the challenge of making employer connections when job availability in general is low; another root is one of being expected to develop such connections without much training on how best to do so.
It was only in 1996, when welfare reform was passed, that a focus on quick labor-force attachment became so central to the welfare approach. What resulted was a dramatic shift in the focus of social service delivery models and a dramatic rise in the numbers of positions created for a new category of occupation, that of the job developer.

With large portions of government money now restricted for provision of employment services and connecting people to jobs, agencies began to shift their own approaches and began hiring people to fit into these new job descriptions. Unfortunately, despite the newness of this approach, little infrastructure was created by the City to support the training of job developers so that they could effectively perform their jobs.

“Job developers need to come with experience because HRA trainings are only for keeping case notes and updating the employment plan.” -- ESP Provider #16.

While a Family Independent Administration (FIA) CUNY Professional Training Academy exists for Vendor Programs (ESP, SAP and Special Populations), all trainings offered have to do with the basic structure of the programs and with meeting HRA reporting requirements, not with meeting client needs or structuring programs accordingly.

“All trainings are on case management and bureaucratic systems…we need more training on job readiness and placement.” -- ESP Provider #4

The lack of support provided by the city in training job developers leaves each site to fend for itself. While new titles seem to have crept into the staff rosters, little new staff skill development – or cross-site coordination - has gone along with this. Not only are job developers expected to do labor market research on their own, uncover training requirements, and develop employer connections, but they are expected to do so for all types of occupations and industries that may be of clients’ interests. The result, unfortunately, seems to be somewhat haphazard efforts to connect with employers and, in turn, limited options presented to clients and even more limited outcomes.

➢ Clients learn little about conducting strategic job searches at their ESP Sites.

The other piece of the puzzle in terms of job search is that taken on by ESP clients themselves. As mentioned, the job search is supposed to be a partnership between the job developers and the clients. It is of little surprise that job developers, overwhelmed with doing their jobs with little support, are also limited in their ability to train clients how to do job searches more effectively on their own.

Asked about whether they had been taught job search techniques at their site, 72 percent of survey respondents said yes. When rating the quality of the job search assistance they received, clients rated it slightly less positively than the other program components (assessment and job readiness workshops), but still most gave the assistance a good mark. However, when asked more specifically about how they were being helped in their job search, the responses were less positive.

Clients often complained about having to sit in ESP sites all day long looking through newspapers, something they felt they could easily have done on their own at home:
They would tell us to go on the Internet and look for a job. You spent most of your hours by yourself looking for a job. Then they give you a printout or photocopy of the newspaper want ads and give that to you. -- ESP Client #1

Computer access was an added bonus at certain sites. But even this varied in terms of how clients regarded it, partly dependent on whether or not they actually had access to the computers and partly dependent on what their own capabilities with computers were and/or what the staff support on-site for computer rooms was:

They have a classroom with some computers and phones, and they tell you to look through the newspaper, but the job developers never help you – people have to keep asking them. -- ESP Client #7

Responses like these make one wonder whether the high ratings of job search assistance were a function of clients rating simple things, like having had their resume completed for them, rather than the more nuanced components of skills acquisition. Or, perhaps it was a function of clients convincing themselves that they were getting services - given that they were mandated to attend such sites, they tried to convince themselves it was better than it was.

Putting aside perceptions, given the low placement rates, it seems clear that the work-first, quick labor-force attachment approach of the welfare system is not working. Job developers and clients alike are pushed by the system to scramble for connections to employers that ultimately do little for placement rates and retention possibilities. A strategic approach to labor market attachment that focuses both on workforce development and on connecting such development to labor market realities appears absent for welfare recipients.

3. No Coordination between HRA and the Department of Small Business Services (SBS)

The federal Workforce Investment Act (WIA) of 1998 was passed to support more universal access to employment services. It was also supposed to inspire collaboration between welfare agencies and workforce investment systems. While some states and localities have done a good job of integrating systems and connecting workforce development to economic development (see box), others, like New York City, have not.

In New York City, unemployed or underemployed public assistance recipients considered work-ready are sent to the mandatory ESP System that is the focus of this report. Individuals not receiving public assistance, but looking for work or career advancement, are referred to the voluntary “One Stop” System (Workforce1 Career Centers). The former system is operated under contract with the welfare agency (Human Resources Administration) and the latter under contract with the workforce investment system (Department of Small Business Services).

HRA sees part of its mission as engaging public assistance applicants and participants in work that assists them in gaining independence. SBS, on the other hand, focuses its efforts on linking the City’s economic and workforce development initiatives – responding to the needs of both businesses and employees.
Across the country, welfare systems intersect with workforce investment systems differently. A study being carried out by MDRC, a nonprofit, nonpartisan social policy research organization, of 15 Employment Retention and Advancement (ERA) programs in 8 states has begun to explore the varying degrees of institutional linkages between pertinent agencies in providing such services.*

Some ERA programs are led locally by the welfare agency, others by the workforce agency, and still others by for-profit and not-for-profit agencies contracted to provide services on behalf of the governmental entities.

In two ERA sites the workforce investment agency manages and operates the program. In six of the programs ERA services are provided at WIA One-Stop Centers but by separate staff and/or contracted entities; in four sites welfare and workforce investment agency staff work as a team to provide services. In these latter sites, workforce investment staff tends to provide employment, retention and advancement services and welfare agency staff focus on benefit eligibility and corresponding work supports.

Texas provides one of the strongest examples of coordinated systems. State legislation enacted before federal welfare reform requires local WIA agencies to provide all employment-related activities to TANF recipients throughout the state. Texas workforce investment agencies receive TANF funds from the welfare system to manage and operate ERA programs.

While few states and localities fully coordinate systems like Texas, some co-locate ERA and One Stop Center programs. Staff reported a number of benefits where this was done: (1) higher-quality job search resources, access to job leads, and employer connections, (2) easier or guaranteed access to WIA training programs, (3) coordinated interagency services, and (4) better data reporting.


While one can critique how effective SBS has been in achieving its workforce development goals and in how long it has taken to get the One Stop system - that provides such services - up and running, it is clear that efforts to link workforce development to economic development are at least strategic in vision. A strategy is unfortunately absent in most HRA-sponsored programs – largely because they operate completely independently of one another, of the business community, and outside of the SBS-sponsored system. Welfare recipients, in turn, are kept marginalized from evolving services linked to this deeper analysis.

Coordination between the two systems in NYC is non-existent. One ESP Provider pointed this out in a telling anecdote. He spoke of a nearby development project that was offering multiple job openings for neighborhood residents. The ESP Program, however, was initially unable to refer clients to the available positions since the local One Stop Center had developed the relationship with the employers first and had a contract of sorts to refer individuals for jobs there.

After some time, it became apparent to the One Stop Center that they were not going to be able to find enough appropriate candidates for the positions available. They called the nearby ESP Program and encouraged them to send over some referrals. Unfortunately, an attempt to right an early wrong did little to do so. Front line staff told some of the early referrals that were sent, unaware of the new arrangement between the ESP and the One Stop, that they were unable to utilize the One Stop services if they were receiving public assistance.
While public assistance recipients ARE allowed to utilize One Stop Center services as confirmed by the Director of Workforce Development of SBS - misinformation can easily turn people away from doing so, as can the fact that welfare recipients that choose to go to the One Stop Centers risk sanctioning from public assistance if they do so instead of going to their mandated assignments. While this particular example seems to point out the flaws of the SBS-run One Stop System, in reality the underlying problem is one of a lack of coordination between the two systems. In this case the geographic nature of the economic development project makes one wonder why two city-contracted job placement entities would not work together to connect unemployed workers to open positions.

In other cases, less geographic in nature, one might wonder why there is not more city leadership in identifying concrete job openings and sectors likely for job growth, in working with potential employers to set up appropriate pathways to move employees into openings (including training modules), and connecting individuals right for particular openings to them, regardless of the particular ESP Site they have been assigned for job search services. Instead, this approach seems to be evolving for unemployed New Yorkers that happen to enter the SBS-administered One Stop system, and seems to be absent for welfare recipients relegated to the ESP system.
Summary: The ESP System is Inadequate at Meeting its Primary Goal of Connecting Welfare Recipients to Long-Term Employment

The ESP System was designed to focus on quick labor-force attachment. With placement and retention as the ultimate goals of this system, as well as a reduction in people’s dependency on public assistance (through welfare case closure), it is important to begin an exploration of the system by looking into its success rates in achieving these desired outcomes.

Research findings from this investigation revealed limitations of the work-first approach in the NYC context. Only 8 percent of those referred to the ESP System get placed in jobs by the end of their six months in the program, and only 3 percent of those referred retain those jobs for six months. Almost a third of those placed end up returning to public assistance within six months.

Low retention rates are likely to emerge from the precarious nature of many positions into which people are originally placed – temp positions, part-time positions, etc. The types of jobs that ESP clients are referred to appeared limited in scope and quality. The average wage of the job referrals was $7.85 per hour, and 75 percent of the referrals were to jobs that paid $8.00 or less. A full-time worker earning $8.00 an hour, $15,340 a year, would see their welfare case closed if they lived in a 3-person household.

Such system success would condemn even those lucky enough to be placed in jobs to poverty, not true self-sufficiency. Without good wages, new workers soon find themselves unable to maintain their jobs and to address their often challenging personal circumstances. It was unclear, beyond providing six months of metro cards, what ESP vendors – apart from one - were doing to address worker challenges with job retention.

While some vendors do slightly better than others in terms of their placement and retention rates, none do so well as to highlight one approach that works better than the other. Instead, the analysis seems to expose program design and operational context constraints that challenge vendors across the board.

Problems inherent in the Work Experience Program, as well as a lack of coordination between WEP and ESP Sites impede program success. Some vendors criticized WEP for interfering with their ability to accomplish their programmatic goal of job placement. Vendors spoke of challenges that emerged due to clients not being released from WEP for interviews, and with clients they were serving being more loyal to WEP sites than job searching. They also identified the false hopes of long-term employment in WEP assignments as discouraging some clients from looking for work.

Additionally, this section explored problems connected to the fact that HRA has failed to create a strategic workforce development approach for welfare recipients, and that HRA and the Department of Small Business Services fail to coordinate their efforts. The result is non-strategic job searching by both job developers and clients. Job developers are left to develop employer connections without city support, and there is no coordination across sites. Clients, in turn, learn little about conducting strategic job searches and thinking about long-term prospects.

While the Department of Small Business Services is beginning to explore ways to connect workforce development to economic development, focusing training efforts on emerging industries and sectors, the Human Resources Administration remains disconnected from this
promising approach. Two separate systems operate in the City – one for the general population of unemployed individuals, and one for welfare recipients. Placement and retention outcomes for clients, in turn, are negatively impacted by the failure of HRA to coordinate with SBS and think beyond immediate labor-force attachment to strategic workforce development.
Within the ESP program context, preparing individuals for work includes two key components: providing job readiness support on-site and connecting people to vocational training off-site when appropriate. While not paid for per se, these two pieces are a critical component toward achievement of the ultimate program and Agency goals of placement, retention, case closure, and long-term self-sufficiency. Additionally, HRA considers the Work Experience Program (WEP), which it combines with the ESP services after the initial two weeks, to serve as a type of job skills training.

This section explores the ESP System’s success rates in providing participants with the education and training they need for success. We start by laying out the numbers and information that indicate what is happening in the system (client access) and then follow with an exploration about particular program dynamics that emerged as influencing the outcomes (systemic problems).

Research findings show that the ESP System fails to offer individuals the training and education critical for long-term self-sufficiency:

- Even though a lack of education and training was identified as a major barrier for a vast majority of ESP clients, only 18 percent of clients were able to access education and training programs.
- 1 in 3 clients did not know that education and training might satisfy a portion of their work requirements and that vouchers were available to cover the costs of these programs.

Exacerbating the bias in state and federal law against education and training are the following systemic problems:

- Limitations of the ITA Voucher System, and
- Performance-Based Contracts that Undermine Education and Training.
Client Access

A. Job Readiness Preparation, On-Site

ESP Providers are able to determine which job readiness skills they will provide to individuals at their sites. Possibilities include: Personal Qualities (i.e., responsibility, punctuality, self-management, and integrity/honesty), Interpersonal Skills (i.e., being a “Team Player” and serving customers), Thinking Skills (i.e., decision making, problem solving and reasoning), Resume Preparation, Networking Skills, Telephone Techniques, Employment Applications, Interview Skills and Techniques, Dressing for Success, Job Search and Retention Strategies, and Developing and Maintaining Appropriate Work Habits and Attitudes.31

The ESP sites tend to provide most of their formal job readiness preparation during the initial two-week, full-time orientation period. Clients get exposed to certain core workshops during this period with the aim of having people complete their orientation time with all the materials (resumes, cover letters, references, etc.) and skills (interviewing, job search techniques, how to fill out an application, etc.) necessary to seek jobs.

While job skills training as encompassed in the job readiness curriculum is quite different than broader education or targeted vocational training, this is the only training guaranteed to ESP clients. Therefore, it is important to note what it does and does not provide them.

❖ Most ESP clients are exposed to workshops/sessions at their site that cover basic skills needed to get jobs.

Client surveys revealed that the ESP sites are fairly consistent in providing workshops that include the completion of basic materials and the imparting of basic skills necessary for obtaining jobs (see Table 4).

![Table 4: Percent of ESP Clients Exposed to Job Readiness Workshops Covering Basic Skills Needed to Get Jobs](image)

❖ Participants assigned to America Works and N-PAC sites are more likely to be exposed to workshops that help them prepare materials (resumes, cover letters, applications) and acquire skills (interview techniques, job search techniques) for their job search than at other sites.

It did appear, however, that there are significant differences in the provision of workshops (see Figures 8 and 9).
Figure 8
Percent Exposed to Material Preparation
Job Readiness Workshops, by Vendor
(Client Survey, N=406, Differences by vendor are statistically significant, p<.05)

![Bar chart showing percent exposed to material preparation by vendor.](chart)

Figure 9
Percent Exposed to Interview Skills & Job Search Technique Job Readiness Workshops, by Vendor
(Client Survey, N=406, Differences by vendor are statistically significant, p<.05)

![Bar chart showing percent exposed to interview skills and job search techniques by vendor.](chart)
While most clients of the ESP System were exposed to workshops that prepared them to get jobs, fewer were exposed to workshops that prepared them to retain jobs.

Once someone secures a job through an application and interview process, one then needs to be able to perform adequately on the job - figure out how to effectively juggle work and life commitments. In the case of welfare recipients transitioning to work, one also needs to be able to manage the shifted financial obligations – e.g. paying for certain things that were covered before and even paid for directly by public assistance. According to our survey, however, fewer sites offered this type of preparation than they did the more basic “how to get a job” type workshops (see Table 5).

Across to board, N-PAC clients were more likely to be exposed to job readiness workshops that gave them basic skills useful in keeping a job than at any other ESP site. CUNY sites tended to follow close behind.

Again, in all these workshop areas, across the board, there were differences across sites. While all the differences here were not statistically significant, they still are worth noting (see Table 6). More ESP clients at the N-PAC consortium sites were exposed to workshops covering these types of skills than at any other sites. CUNY sites came in second place for exposing their clients to such skills and knowledge acquisition. Whereas 70 percent of N-PAC clients were exposed to computer basics at their sites, only 26 percent at America Works were exposed similarly. N-PAC clients mentioned exposure to work-related benefits information 60 percent of the time, CUNY clients 52 percent of the time, and America Works clients only 38 percent of the time.
Quality of job readiness workshops varies from site-to-site; clients rate the overall quality of N-PAC job readiness workshops as superior to workshops at other sites.

There is no standardized curriculum across ESP sites. While there are benefits to be gained from such flexibility, there are also potential drawbacks. Participants are or are not provided with certain training based on the luck of the draw. Assignment, not choice or interests, determines their locale of services, and in turn, assignment determines whether or not they receive certain

<table>
<thead>
<tr>
<th>Strategies to Keep a Job</th>
<th>Stress Management</th>
<th>Financial Lit./Budgeting*</th>
<th>Computer Basics*</th>
<th>Work-Related Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>America Works</td>
<td>61%</td>
<td>18%</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>CUNY</td>
<td>61%</td>
<td>30%</td>
<td>30%</td>
<td>63%</td>
</tr>
<tr>
<td>Goodwill</td>
<td>65%</td>
<td>21%</td>
<td>19%</td>
<td>52%</td>
</tr>
<tr>
<td>N-PAC</td>
<td>77%</td>
<td>40%</td>
<td>49%</td>
<td>70%</td>
</tr>
<tr>
<td>Wildcat</td>
<td>58%</td>
<td>26%</td>
<td>28%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Data from ESP Client Survey: Client in Ongoing Service Stage (N=406).
*Differences by vendor are statistically significant, p<.05
training and supports. Additionally, vendors are forced to create their own curriculum and materials without the benefit of knowledge of effective techniques utilized elsewhere. The quality of the workshops, therefore, varies considerably from one vendor to another, and even from one site to another (see Figure 10).

While this rating system is helpful in showing variations between vendors relative to one another, or between different aspects of the ESP programs relative to one another (e.g., job readiness versus assessment), it is less helpful as a pure look at the quality of the actual workshops. Responses do not capture exactly what was taught, what someone learned, how helpful it was to them relative to what they already knew, whether or not they can now carry out the learned skills on their own, etc.

In depth interviews with clients often revealed a more nuanced view about the actual workshops, and what clients learned or gained through them, than the survey rating system alone would lead one to believe. Some clients spoke of doing nothing all day or of workshops that failed to have much content:

*We did nothing all day. There wasn’t a single workshop or class. There would just be sixty or seventy of us crammed into a small room…doing nothing for eight hours – a lot of people left because it was such a waste of time.* -- ESP Client #6

*The classes don’t really include any skill training.* -- ESP Client #8

*They had no activities – they did nothing. One time they put a really old video on about your presentation of yourself. They only did that because there was a surveyor there that day and they needed to do something.* -- ESP Client #1

Some interviews revealed discrepancies in outlook depending on how prepared people already were when going in, and whether or not they had already been through the same workshops before:

*We had a two-week class on how to find a job. I already knew the information like how to dress, not to wear too much jewelry, and things like that, but some people didn’t. They would also help us think about what to say, making sure to shake hands, and other information for interviews. I thought it was helpful.* -- ESP Client #2

*When I got assigned [to my ESP site], you go through a two-week orientation and training. Some people like myself already had resumes done, and I didn’t find the re-writing or interview training helpful….I was bored because I already knew the things they were covering.* -- ESP Client #3

*You do resume writing – you write your own and then they help you edit it. After that you take classes on interview skills, how to fill out an application, you do a personality self-assessment, and sometimes they show videos about how to behave on a job site or how to talk on the phone. The workshops are helpful but they dragged them out – they made people sit there while they repeated information just so you would stay all day.* -- ESP Client #4

While this study was able to determine whether or not people were exposed to particular topics at their ESP site, data is insufficient to determine what was taught and how at each site. While some sites passed along formal curriculum to the researchers and were viewed following it, other sites passed along schedules that clients then contested, and still others had nothing to share outlining their job readiness workshops. Conversations with clients confirmed that wide variation from
site-to-site existed in how job readiness workshops were carried out and how much of a priority was given to them.

It was clear that the content and quality of the job skills training that clients were exposed to depended on their assigned ESP Site. Client feelings about the training, in turn, often depended on how knowledgeable they already were about the skills being imparted, and in whether or not they had already been exposed to similar workshops or sessions at other sites prior to their current placement.

More research into the varied approaches to job skills training by vendor and site and the effectiveness of the varied approaches at teaching skills is needed.

B. Work “Experience” Program (WEP)

In addition to the job readiness workshops provided by ESP Sites during the full-time orientation period and continuing into the ongoing services period, HRA’s Work Experience Program, or WEP, was created to provide participants with the opportunity to develop skills while also advancing the notion of required reciprocity— if you get benefits from the government, you must work for them.

Previously, it was mentioned how WEP was often deemed counterproductive to long-term job placement. Vendors felt that the rigidity of the schedule frequently conflicted with job interviews and that the priorities it inspired meant that clients were actually only at the ESP sites one day a week. Vendors also spoke of how supervisors’ misrepresentation of the possibilities for long-term employment at city agencies sometimes worked to discourage clients from looking for employment. They wrongly believed that they would get a job through their WEP assignment, something that in reality happens for very few participants.

Vendors and clients alike were also highly critical of the Work Experience Program (WEP) model as a job training approach. People in both capacities often saw the potential for WEP serving as a part of skills development, but felt that it was failing to be actualized as such.

❖ WEP assignments are not linked to clients’ job interests and corresponding training needs.

One critique that came from both clients and vendors was that WEP assignments failed to be linked to clients’ job interests and corresponding training needs.

WEP assignments are given to clients by HRA and are linked to availability of slots far more than to interests and skills acquisition needs. With the reciprocity aspect of the program prioritized over the skills acquisition aspect of it, people’s placements are based more on the limited options available in the computer system than on seeking out positions that could actually help to advance someone on the path they are seeking to move forward on. This also means that the assignments tend to be entirely disconnected from the formal Employment Assessment and Employment Plans.

WEP assignments are random. They should be set up according to training to reinforce training skills. If someone is training for the health industry, they should have their WEP site connected to this.  

— ESP Provider #2

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Most WEP workers do maintenance work or light clerical tasks.

While WEP Sites vary in their location (across over 13 City agencies according to our survey), they do not seem to vary widely in terms of actual work. According to the client survey, WEP assignments tended to be focused around three main jobs: 48 percent do maintenance, 46 percent do clerical work, and 6 percent do food service (see Figure 11) – this regardless of a person’s background or interests.

Many individuals surveyed did not specify the type of work that they were doing at their WEP sites, but the fact that most were at similar sites to those that did, leads one to believe that the percentage breakdown is probably consistent with that of our random sample. The limited variety of possibilities given to clients is also apparent when looking at HRA’s Employment Plan form which only allows for activities fitting into three categories: maintenance, human services, and office work.

WEP assignments fail to provide participants with training in new job skills.

According to both providers and clients spoken with, WEP fails to provide participants with training or skills development.

*Maybe WEP brings the habit of waking up and showing up, but there’s no skills development, there’s not great supervision, and I’m not sure deficiencies are addressed.*

-- ESP Provider #4

It operates as a requirement that must be done, rather than something that helps to further skills preparation and employment goals.

The lack of skills acquisition for those participating in the WEP Program has been documented extensively in other reports. A survey of participants in the NYC’s paid transitional jobs program – the Parks Opportunity Program (POP) – showed that only 39 percent of those that had participated in WEP previously had said they learned any new skills on the job. This further confirmed earlier findings from a survey of WEP workers where only 20 percent said they had received training at their worksites.
C. Access to Education and Training, Off-Site

One of the biggest challenges welfare recipients confront in their efforts to enter and stay in the workforce is that their low-levels of education and skills limit their opportunities, especially for living wage jobs. People with low levels of education have a harder time acquiring good jobs that enable them to leave public assistance.

Wage prospects are dramatically different, depending on education level. The higher one’s education level, the higher one’s wage prospects. Looking just at single mothers, median wages have been documented to vary as follows: $8.00/hour for people without a high school diploma, $10.00/hour for people with high school degrees, $12.00/hour for people with some college, and $18.50/hour for those with bachelors degrees or more.34

Education is clearly important for people’s chances of getting off, and staying off, of public assistance, and yet, high levels of education are not common to ESP clients.

❖ According to the client survey, 43 percent have less than a high school diploma, and 49 percent have only a high school diploma or GED.

Almost half of our ESP sample (43 percent) had less than a high school diploma. The other half (49 percent) had only a high school diploma or GED. Very few (8 percent) had any higher level of education, including vocational training. This figure mirrors the education level of the welfare population at large, wherein 50 percent of welfare recipients are documented as having not finished high school.35

❖ Among long-term recipients with children (60-month converted Family Assistance cases), 72 percent had less than a high school diploma.

Not surprisingly, the percentage of individuals without high school diplomas is even higher if we look only at the longer-term welfare recipients, individuals who have passed their five-year time limit on federal Family Assistance and have gone into the state-funded Safety Net Assistance program. Among 60 month converted Safety Net Assistance recipients in our sample, 72 percent had less than a high school degree, compared with 41 percent of individuals that had received public assistance for less than 60 months, a statistically significant difference.

❖ 76 percent of ESP clients who had neither a high school degree nor GED identified this as a barrier to employment.

Of ESP clients without high school degrees who identified barriers to employment, 76 percent identify a lack of GED or high school diploma as what makes it hard for them to get, accept or keep jobs.

And yet, within the ESP system, despite the fact that the system is supposed to connect people to what they need to prepare them for work, many clients still do not know about their rights, and few seem to access the education and training they need.
1 in 3 ESP clients do not know about their rights regarding education and training.

According to the program guidelines, ESPs may send participants to full-time or part-time vocational training programs and assist them in applying for Individual Training Account (ITA) Vouchers. Education and training access is backed both legally and financially.

Welfare recipients in New York City have a limited but significant legal right to participation in education and training. The Davila v. Eggleston settlement in NYC (New York Supreme Court, 407163/96, July 2003) outlines this right for adults with dependent children, and a new state law (Chapter 380 of the Laws of New York, 2004) expands these rights to individuals without dependents.36

Additionally, funding exists to support people’s access to training and education. Welfare recipients are able to apply for Individual Training Account (ITA) vouchers – after demonstrating compliance with mandated work activities (i.e. minimum of 2 weeks of good attendance)37 - to support their enrollment in state approved training programs.

Such vouchers are available for qualified public assistance applicants that are not successful in gaining employment due to a lack of skills or education.38 Programs must be on the NYS Eligible List of Providers, not exceed 6 months in duration, and not exceed $2500 in cost.39 Applications to HRA must demonstrate that people have considered a variety of training options in settling on the one prioritized for application.

Despite legal backing and available financial support, many clients do not know about their rights to education and training and supportive funds.

They don’t tell you anything about getting education and training except that if you try to find it on your own, you’ll get sanctioned. -- ESP Client #6

Of those not in education and/or training, 39 percent were not told that under certain circumstances they could attend Adult Basic Education and/or vocational training and satisfy part or all of their work requirement. Additionally, 36 percent did not know that vouchers were available to cover costs of such training.

Clients at America Works were the least likely to have been informed about their education and training rights; clients at CUNY were the most likely.

Clients were differently informed regarding their education and training rights depending on which ESP vendor they were assigned, a difference that was statistically significant (see Figure 12). Clients of America Works were the least likely to have been informed about their education and training rights – 79 percent were not told about their rights to pursue Adult Basic Education and 59 percent were not told about the availability of vouchers. CUNY clients were the most likely to have been informed about their education and training rights – 77 percent knew of their rights to ABE and 81 percent knew about the ITA Vouchers.
Only 18 percent of ESP clients were able to access vocational education and training to better prepare them for work.

Very few ESP clients seemed to access training or education through the ESP system. On average, only 18 percent across the system mentioned enrollment in education and training (see Figure 13).
Clients at America Works were the least likely to be in education and training; N-PAC clients were the most likely.

The already low figures of access to education and training were even lower at particular vendor sites (see Figure 14). Percentages of clients in education and training varied from a low of 2 percent of those at America Works to a high of 29 percent of those at N-PAC sites.

Figure 14
Education & Training Enrollment of Participants
(Client Survey, N=396, Differences by vendor are statistically significant, p<0.05)

- 71 percent of ESP clients not in education and training said they would like to be.

The low numbers of individuals in education and training was not due to people not wanting to access training. Of those not in education and training, 71 percent said that they would like to be. When asked why they were not currently accessing it, the greatest percentage (27 percent) said that they were not told about the option and 11 percent said that they were flat out discouraged from accessing education and training.

The percentage of individuals requesting education and training would likely be lower if the other option given to them was a permanent, living wage job which many would prefer to get directly. However, once people are in the ESP System, and realize that they are unable to access decent paying jobs with the limited education and training that they have, they often have a new recognition of their need to pursue some level of additional education and training in order to get off, and stay off, of welfare.

A system that fails to inform welfare recipients about their rights to education and training, and, in turn, seems to give access to a very low percentage of participants does not make clients’ pursuit of education and training easy. Considering the fact that one’s education level is one of the best indicators of the wages one will receive and that those that get good jobs are more likely to stay in them, roadblocks to – rather than encouragement of - the pursuit of education and training are of concern.
Client Profile: Jackie Smith*

I've been through the system – I was homeless and living in shelters for a while. I went through the “Women in Need” program and my experience there led me to my choice of a career – I want to be an HIV/AIDS & substance abuse counselor.

When I was in the WIN program, I completed an 8-week training with perfect attendance towards my certification as a counselor. When I got an apartment and got on public assistance, after leaving the shelter, I wanted to continue my education.

I presented HRA with my education plan to attend CASAC for six months. They wanted documentation from the school that I provided. Finally, HRA approved my education plan and assigned me to attend class three days a week and go to [an ESP] the other two days.

When I got there [to the ESP], they made me go through the entire testing process that HRA had already put me through again – they also asked me to get the same paperwork that I had already gotten for HRA.

I did all of that because I really wanted to go to school.

Once I provided them with everything, I thought it was all set. On the first day of school, I got pulled out of class because public assistance hadn’t sent a check for my tuition like they said they would.

I went [back to my ESP] and asked them what was going on, and the supervisor there told me that I wouldn’t be able to attend school because the program was too long. [It was 6 months.]

Instead, she gave me a WEP assignment in the parks for six months. I don’t understand why I couldn’t be in school for that time!...I had plans and I’d been accepted. In six months I could have been off of public assistance with a good job doing what I love. Instead, I’m going to be working in the parks.

It seems like they don’t really want people to succeed. I feel like I’m climbing a sliding wall with grease on it – I’m climbing but I’m not getting anywhere.

* Name changed at the request of the client interviewed. At the time of this interview Ms. Smith had been designated as having Failed to Comply (FTC) by her ESP Site for an issue ultimately decided in her favor. Still, she had to be reassigned to another similar site where she began the employment services process all over again. At the time of publication of this report, she was finally enrolled in a training program.
Systemic Problems

Two particular issues emerged from the research that seemed to discourage vendors from referring people to education and training. These included: problems with the ITA Voucher process, and the non-education oriented priorities implicit in the performance-based contract milestones.

1. Limitations of the ITA Voucher System

   It seems like HRA wants to discourage use of vouchers. HRA said that people are going to training to get out of WEP and they’re not getting jobs. Why are we punishing clients? Why aren’t we looking into the training programs?

   -- ESP Provider #6

Though there appears to be no limit on the availability of ITA Vouchers for client training, the slow and difficult process for obtaining them, as well as a lack of information regarding the variety of training programs that exist and their quality, appears to discourage vendors from encouraging client enrollment.

➤ The application system for ITA Vouchers is tedious, and the delay in approval for vouchers leads to lost clients and/or lost interest.

A number of ESP providers commented that the ITA voucher application process is complicated and tends to discourage both clients and themselves from utilizing it.

    Lots of other ESPs have shied away from vouchers or made people go to their own training. It’s a lot of work to do a voucher. It’s very client driven.

    -- ESP Provider #13

First off, clients are supposed to complete a “research worksheet” as they assess their training options. They are supposed to layout: (a) the career, job, and industry they are seeking, (b) three potential training providers and course names that would match the career identified, (c) at least two potential employers that would hire people with this type of training [a labor market survey], and (d) the provider and program or course that they have selected and the reasoning behind the selection.

While all of these considerations are important as one explores training and education options available to them, the process can be extremely overwhelming for an individual simultaneously juggling the demands of the public assistance system and their own personal barriers and challenges. If the ESP providers themselves do not decide to dedicate time to assisting individuals with this process, it is unlikely that one would navigate the requirements on one’s own.

And, unfortunately, if an ESP Site decides that the process is too difficult for them to deal with, this gets communicated to the clients at that site:

    They [the ESP Site] never tried to send people to education and training – just kept talking about how many people would have to approve the program and made it sound really hard.

    -- ESP Client #1

In order to apply for an ITA voucher, a welfare recipient must have demonstrated compliance with mandated work activities. Specifically, they need to have a minimum of 2 weeks of good attendance at the ESP site. While this might not seem like an outlandish requirement, many vendors commented that that the two week wait prior to application, plus the two week wait for
approval upon application, is far too long for applying someone’s energy and interest when it is there.

\textit{The time lag is an issue. It’s hard to keep people engaged and interested for a month...that’s a long time. Once people get motivation to do training, then we need to keep that motivation up a month? We need to engage people while they’re motivated.}

-- ESP Provider #2

Clients get discouraged by the wait or worse, have some other crisis with the public assistance system that then bumps them out of the voucher system and induces a longer wait.

- \textbf{The fact that clients’ voucher applications are negated by sanctions creates problems for both client and vendor.}

Participants in sanction status, conciliation status (wherein they are called upon to present their case to a welfare case worker), or in the sanction process are not eligible for ITA vouchers. What this means is that a sanction immediately negates the voucher application, as does a client’s decision to utilize their right to a Fair Hearing. So, after a vendor and client spend time researching and preparing the ITA application, one sanction or a decision to contest an HRA ruling can instantly bump that application out and force the person to begin the process again entirely.

\textit{If in the approval stage a person is FTCed at WEP, it automatically nullifies the voucher.}

-- ESP Provider #15

\textit{They don’t tell you anything about education and training except that if you try to find it on your own, you’ll get sanctioned.}

-- ESP Client #6

There is little incentive for a vendor to work with a client to apply for an ITA voucher if any outside sanction will take the person back to the beginning of the process. Sadly, the original sanctions that impede education and training access are often wrongly applied in the first place. This is partially evident in the fact that 90 percent of Fair Hearing issues are decided in favor of the client and sanctions are subsequently overturned.\textsuperscript{40} Unfortunately, the ITA application still must start anew.

- \textbf{Little is known about which training providers offer quality programs and, therefore, ESP vendors are often hesitant to send their clients to them.}

A number of ESP vendors mentioned that training providers were just “in it for the money,” as stated Provider #9. A variety of people, clients and vendors, critiqued the fact that some providers that used to provide free training began to charge as much as $4000 when vouchers paid out that much and then went down to $2500 when the voucher maximums were reduced to that.

\textit{Early on in my tenure as a job developer, I learned that lots of trainers were milking vouchers and money was wasted. So, I’m not a strong advocate of them....Theoretically, they’re good [vouchers for training], but in practice there’s a need for closer monitoring. Because if you can’t trust sending someone to a provider that has integrity, then there’s a problem. The eligibility criteria are too flexible now.}

-- ESP Provider #18
While it is true that both HRA and the state Department of Labor have approved training program lists (the former for counting the training toward work requirements and the latter for making the training program eligible for ITA voucher usage), few providers feel that the approval process is stringent enough or that the programs are well evaluated or monitored after approval. Instead, vendors tend to have a few training programs in mind that they trust from experience, and they are wary of the rest.

> Certain vendors comment outright that they do not believe in utilizing the ITA vouchers, while others seem to go out of their way to support clients’ accessing vouchers.

Training and education are not necessarily an appropriate referral for all ESP clients - some clients already have the preparation they need or desire and are eager to go directly to work. Others might be interested from the start, and still others might be interested once coached. ESP vendors are supposed to work with clients to assess whether or not it is an appropriate referral, not simply make the decision for people.

Unfortunately, for certain providers their own limited knowledge of education and training options, or personal beliefs in whether or not education and training is or should be part of the ESP program, seem to influence client options. ESP Provider #7 commented, “We don’t really promote training; we’re known for job placement.” ESP clients definitely notice this at particular sites. One client commented, “They’re all set up for job placement with lots of job developers, but they aren’t equipped to offer education and training.” With this reality, it is not surprising that few clients access education and training at particular sites.

Some vendors believe in the value of training and education for ESP clients, but feel that the system does not encourage the type of training necessary. “You can’t combine training with an employment program and only have 6 months to work,” said ESP Provider #4. They might, therefore, end up not encouraging their clients to access the ITA vouchers.

> Training is good for clients only if they are assessed thoroughly and appropriately. Good training is LONG TERM, not 2-3 months. Therefore, one needs to evaluate a client’s capacity to complete the training. Even for their morale, it’s important they not have failure. -- ESP Provider #4

Similarly, staff at ESP Site #9 stated, “We don’t use vouchers much. They are only for short-term, high-demand occupations and only for TANF recipients. We feel people are better getting work experience.”

On the other hand, some vendors seem to go out of their way to support clients’ pursuit of education and training. One CUNY site talked about working an ITA Fair Day into their orientation schedule. They invite different training providers to come on site for a day and have clients go around and talk to each one about the options available. They also tend to invite in at least one provider that offers poor training (has a low rate of job placement post-training, for instance) and work with clients to be able to evaluate this accordingly. This same CUNY site has one staff person, the ITA Specialist, dedicated solely to applying for ITAs for their clients.

> ESP vendors provide varying degrees of education and training internally, and, therefore, clients gain access to particular programs based on their site assignment, not necessarily their interest.
Due to the extreme lack of confidence that ESP providers have in the City’s broader network of training providers and in the voucher approval process, many ESP providers end up referring clients to their own internal training programs or not at all. Some also seem to be more apt to refer internally because of a fear of losing clients when they leave for training and can no longer be tracked by the program. Training providers can be hesitant to track attendance and communicate it with the ESP providers, and once clients are in training, they might forget about touching base with their ESP provider. If a client loses contact with their ESP provider, and does not remain on their roster, the client’s eventual job placement after training does not get credited to the original ESP provider.

Certain vendors appear to offer a wider variety of on-site training options to clients than others. Wildcat, for instance, mentioned six different training programs that they offer internally: data entry, clerical/office assistant, maintenance, bank teller, home health aide, and security. Career Educational Consultants offers a variety of data entry and clerical/office assistant training modules through its Metro Training Institutes. The CUNY Consortium, obviously, offers different training courses throughout the City University system. Some sites in the N-PAC EarnFair Alliance offer Adult Basic Education, GED preparation, ESL, etc. NYANA, on the other hand, has multiple services on site, but all vocational training is through off-site referrals.

Vendors are more likely to steer clients toward their own internal training opportunities than to outside ones. And vendors have varied levels of confidence in and knowledge of the training network that exists in the broader New York City community. For these reasons and more, clients of the system end up being offered different types of training and/or levels of access to training based on the site that they are assigned rather than strategically connected based on their particular needs or interests.

2. Performance-Based Contracts Undermine Education and Training

As mentioned earlier, ESP contracts are fully performance-based. Providers only get paid when they achieve certain predetermined milestones: placement, 3-month retention, and 6-month retention. Contracts do not have any milestones for placing people in education and training or supporting their completion of such programs, milestones that do exist in similar performance-based contracts in other localities.41

When HRA decided to redesign its welfare delivery system and contracting mechanisms, it looked to Richard Bonamarte, the city’s chief procurement officer in the mayor’s office at the time, for advice. In an interview with M. Bryna Sanger for The Welfare Marketplace (Brookings, 2003, p.22), while Executive Vice President for Wildcat, he reflected on the dilemma before him then in determining priorities:

*It’s a balancing act...balancing the milestone payments in order to provide a flow of cash over the contract. Back ending too much of the payment cripples their [contractors’] ability to perform. The contract design needs to balance optimizing cash flow with setting milestones at the desired outcomes.*

Unfortunately, the balancing act settled upon by Richard Bonamarte then, or even the adjustments made to the approach in the second round of contracts, was far from ideal.
Providers agreed that shifting more payment toward the back end helped to encourage a focus on better job placements, however this shift did nothing to change vendors’ perspective on promoting education and training.

Given that providers only secure cash flow by placing people in jobs, the main priority for them has always been job placement. In the initial round of the contracts, the structure of the payouts pushed providers to focus on immediate placement, into any job, rather than in helping people secure good jobs. After HRA shifted more of the pay to the 3-month retention milestone, providers were able to benefit more from focusing on the type of jobs that people were being sent to as well as the services and supports necessary to help people keep those jobs.

When all the money was at the front end, people were placing folks, but not retaining them. -- ESP Provider #2

However, since very few individuals seem to make it to the latter retention milestones, there is still some incentive for providers to place lots of individuals in any job in order to pay the bills...even if those individuals fail to retain those jobs. Additionally, since payment only comes upon placement, there is little incentive for vendors to send people to education and training programs that might hold up the person’s ultimate placement. While the person is in education and training, vendors get no support for their efforts to continue to assist the client and provide services important to help the clients complete their training.

Many providers felt frustrated that the fully performance-based structure of the contracts, defining performance solely in reference to the final outcome of job placement and not the steps necessary to reach that outcome, put them in a bind. They did, at times, need to focus on the individuals that were most likely to be placed quickly, and overlook those that needed more support to reach that stage. Such a financial assessment forced vendors from time to time to compromise their ethics (of wanting to provide equal services for all sent to them) and their philosophies (of knowing what type of services were needed by people – including education and training - but not being able to provide them).

Vendors that would normally want to prioritize education and training for clients, for instance, are forced to merely focus on job placement for cash flow purposes. Lack of, or delay in placement means lack of cash flow. The dilemma emerges: education and training are de-prioritized because they do not lead to instant cash flow, however, by not prioritizing it, fewer placements are possible and fewer still stick. (More on how these same contract incentives discourage broader service provision can be found in Section 6.)

The six-month limit that ESP Providers have to work with clients discourages investment of time in education and training.

Another issue that emerged regarding the contracting process and how it interacted with education and training was the time limit placed on vendors for working with clients. ESP Providers are not permitted to work with clients for longer than six months, and many providers mentioned that HRA would sometimes criticize them for keeping people on their rosters for too long if a client hit the three month mark and had not gotten a job.

Allowing a client to access education and training would extend their time without employment, and, in turn, make the clock run on the time that the client is able to stay on the roster of the ESP Provider that assisted them in getting the training in the first place. Again, if the client ultimately
got a job as a result of education and training, but did so after the person had already been taken off the ESP Provider’s roster, that provider would get no credit for having helped that client.

Incentive to place people in education and training is clearly absent in the current contracting structure.

➢ The vendor that demonstrated the highest rate of clients accessing education and training – N-PAC – blends a performance-based approach with some line item funds for the community based organizations that provide client services.

N-PAC’s blended line item and performance based approach to working with its subcontracted agencies provides an interesting model. N-PAC itself has a fully performance-based contract with HRA, but structures its contracts with its faith and community-based organizations as 50 percent general operating costs (line item), 50 percent performance based.

While they agree that performance-based contracts elicit performance, they question whether a 100 percent performance-based system really contributes to the work. Because N-PAC is funding a consortium of sites, and because N-PAC combines government contracts with private funding, N-PAC is able to pick up some of the risk that the sites would otherwise have to absorb themselves. With some sites doing above average, and others doing below, the balance in the end still allows them to cover costs. The balance of low and high performers month-to-month works out.

One criticism of this approach by the subcontractors, however, is that those that consistently do well with their placement and retention rates lose out with this 50/50 structure. A program that is consistently higher than the rest of the team and is meeting its goals for the year could lose money because of not having a direct contract. Consistent high performance on their part in a fully performance-based contract would have potentially led to bigger payouts for them.

Still, the impact this can have on service delivery options – in terms of both serving those less likely to be placed and in holding out for better positions for those ready for placement - is important to note. Sites that have some line item funding available to them are able to make service decisions that are not solely reliant on immediate job placement statistics. They have the flexibility to think a bit further down the line and know that they will have funds to cover themselves while they wait on client outcome at a future date.
Summary: The ESP System Fails to Offer Individuals the Training and Education Critical for Ultimate Economic Independence

The emphasis of the welfare program on rapid attachment to the workforce has consistently undermined individuals’ access to real training and education. According to recent federal data, New York ranked near or at the bottom of all states in the percentage of TANF participants the state assigned to on-the-job training, vocational education and job skills training. Research findings from this investigation again confirmed this reality – NYC’s record of connecting welfare recipients to the education and training vital for their ultimate economic independence is bleak.

This section explored client outcomes across three different types of training that are supposed to be available to ESP clients: job readiness preparation, the Work Experience Program, and training pursued off-site with the financial assistance of ITA vouchers.

Job readiness preparation tended to focus more on skills needed to get jobs (resume writing, cover letters, application completion, interview skills, etc.) than those helpful in keeping jobs (financial literacy, computer basics, knowledge of work-related benefits, etc.). Additionally, research revealed statistically significant differences by vendor in terms of both client exposure to particular types of workshops and the quality of them. The lack of consistency across vendors confirmed that a client’s exposure to certain skills varies depending on which site they are assigned, rather than the skills they need to succeed.

In terms of the Work Experience Program (WEP), the research revealed, contrary to HRA assertions, that the program fails to provide participants with skills training. While the majority of ESP clients find themselves doing a WEP assignment, clients and vendors alike spoke of the fact that such assignments were rarely connected to clients’ job interests and corresponding training needs.

Access to off-site education and training was also shown to be limited. Many ESP clients, and particularly longer-term welfare recipients, demonstrated genuine need of additional training and education, and a high percentage of individuals expressed interest in pursuing education. However, despite legal rights and available funds, many clients did not know their rights regarding education and training and few were accessing training through the program. The situation was bleaker still at particular sites, like America Works, where nearly 80 percent did not know about their rights and only 3 percent seemed to access off-site training.

After laying out the realities of client access, some of the program dynamics that influence this were discussed. Some of the limitations of the current structure of the ITA Voucher system were mentioned. These included the slow, tedious approval process, the termination of applications once a client is sanctioned, and the lack of trust that vendors have in training programs as well as the lack of information available on quality programs.

Additionally, the performance-based contracting structure and how this might influence client access to education and training was explored. With no payment provided for placing people in education and training and helping them to complete such training, and with limited time allowed to vendors to keep clients on their rosters, ESP vendors have little incentive to connect people with training. Although education and training improve the client’s job prospects in the long run, the vendors are unlikely to benefit and, in fact, may in effect be penalized. Short-term cash flow concerns provide a disincentive for assisting clients get the training they need.
SECTION 6: The ESP System’s Effectiveness at Addressing the Needs of the Diverse Population Referred to It

The ESP System was designed under a work-first philosophy. Clients referred to it are considered ready to work, and the assumption is that the system simply needs to help connect them to jobs. The reality, however, appears quite different.

HRA originally set up the employment services system in a way that separated out the “general” work-ready population from “special populations”. The latter category encompassed individuals that were homeless or dealing with substance abuse issues.

The truth over the years, however, has been that the two populations are really no different at all – both face multiple barriers to employment, and sometimes, the same ones. And yet, the ESP contracts did little to acknowledge this. Subsequently, the ESP System has been able to do little to address this.

This section explores the ESP System’s success in meeting the varied needs of the diverse population referred to it. We start by laying out the numbers and information that indicate what is happening in the system (client situations and program status) and then follow with an exploration about particular program dynamics that emerged as influencing the outcomes (systemic problems).

Research findings show that the ESP System does not support the provision of services needed by a large proportion of individuals referred to it. Instead of addressing people’s barriers and needs and helping people head forward on a path toward economic independence, the system keeps many going around in circles:

- 92 percent of those referred to the ESP System do not have their needs met by it; they are sent back to Job Centers and then referred back to other ESP sites and HRA programs.
- 55 percent of those in the ESP System had already been through other Human Resources Administration job readiness / job search programs.

Contributing to the revolving door reality are the following systemic problems:

- Poor Assessment and Referral Processes and Practices,
- A High Propensity to Issue FTCs (i.e. sanctions), and
- Contract Incentives that Discourage Service Provision.
Client Situations and Program Status

In speaking about what happens to the majority of ESP clients, the 92 percent that are not placed in their six months within the system, it is helpful to begin with a look at the barriers to employment that they face upon entering. Highlighting such issues provides a context within which to understand why so few participants get placed – both due to the many challenges they face, and the fact that the program is not designed to help address them – and why Failures to Report and Failures to Comply might be outcomes of a system fraught with bureaucratic problems and not prepared to address root causes.

A. Barriers to Employment

Prior studies have documented the fact that more long-term welfare recipients tend to have barriers to employment than newer entrants, and that longer-term recipients also have a higher chance of having multiple barriers. A study done by the Urban Institute looked at differences in barriers by length of time people had on public assistance among a nationally representative sample of adults receiving public assistance in 2002. New entrants were defined as those who entered welfare in the past two years, cycling recipients were those that first received welfare more than two years prior but had received it on-and-off over the past two years, and long-term recipients were those who first received public assistance more than two years prior and had received it continuously for the past two years. The results showed high rates of disadvantage among those receiving public assistance for longer periods of time. Almost half the cycling and long-term recipients had multiple barriers to employment, low levels of education, and limited work experience (see Table 7). Employment rates among those with multiple barriers to work were especially low. The diverse needs of recipients, beyond the simple work-first approach, were apparent.

One reason why job placement rates in NYC’s ESP System might be so poor is that the system is set up to focus on individuals immediately ready for work while the reality is that those referred to the system often have multiple barriers, like those of recipients in the aforementioned study, that need to be addressed initially. Research findings in our study showed this to be the case. ESP clients mentioned having multiple barriers to employment, yet many felt the current structure of the ESP system was not helping them address them. [All differences by gender or race discussed below were statistically significant (p<0.05).]

**TABLE 7: BARRIERS TO WORK BY LENGTH OF TIME ON WELFARE**

<table>
<thead>
<tr>
<th>BARRIERS</th>
<th>NEW ENTRANTS</th>
<th>CYCLING RECIPIENTS</th>
<th>LONG-TERM RECIPIENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very poor mental or physical health</td>
<td>28.2</td>
<td>47.2*</td>
<td>34.8</td>
</tr>
<tr>
<td>Education less than high school</td>
<td>34.4</td>
<td>44.0</td>
<td>44.5</td>
</tr>
<tr>
<td>Last worked three or more years ago</td>
<td>24.0*</td>
<td>24.0*</td>
<td>38.8</td>
</tr>
<tr>
<td>Has an infant (under 1 year old)</td>
<td>23.8*</td>
<td>19.2</td>
<td>14.4</td>
</tr>
<tr>
<td>Has a child on SSI</td>
<td>8.8</td>
<td>8.0</td>
<td>7.5</td>
</tr>
<tr>
<td>Lacks English skills</td>
<td>4.5*</td>
<td>3.8*</td>
<td>17.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NUMBER OF BARRIERS</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero</td>
<td>25.9</td>
<td>19.0</td>
<td>23.1</td>
</tr>
<tr>
<td>One</td>
<td>36.7</td>
<td>35.1</td>
<td>27.3</td>
</tr>
<tr>
<td>Two or more</td>
<td>37.5*</td>
<td>45.9</td>
<td>49.6</td>
</tr>
</tbody>
</table>

61 percent of ESP clients identify barriers that make it hard for them to get, accept, or keep jobs.

Barriers faced by ESP Clients include a broad range of issues. Highest rated, as stated earlier, was the lack of GED or high school diploma. Overall, 43 percent of those that identified barriers included this in their listing. Women in the system identify this as a barrier more than men, 50.2 percent compared to 26.2 percent. If one separates out those that do not have a high school diploma or GED, the percentage that identified not having a high school diploma or GED as a barrier to finding and keeping employment rises even higher to 76 percent.

Next in line, identified by 26 percent of those who spoke of barriers, was the fact that the jobs available to them have wages too low to support a family. Broken down by race, it appears that African-Americans identify this as a barrier even more than Latinos, 31.5 percent compared to 19.1 percent.

Lack of suitable childcare was identified as a barrier to employment by 11 percent of the ESP population. The percentage is much higher for women, at 15.5 percent, than men at 1.9 percent.

Ex-offender status, on the other hand, appeared to be a more critical barrier for men than women. Overall, only 10 percent of those that acknowledged barriers mentioned this, but nuances appear when gender is taken into account. Whereas only 4 percent of women identify this as a barrier they face, a much higher 25 percent of men in the ESP System face challenges in finding and keeping work because of their ex-offender status.

Lack of English proficiency, unsurprisingly, was identified as a critical barrier for a larger percentage of Latinos (15.8 percent) than the ESP population overall (5.6 percent). Not only was this a barrier in terms of finding employment, but it was also a barrier for people getting the most out of the ESP System. Some clients felt that those with limited English ability were served more poorly than others at their ESP Sites:

There weren’t many staff that spoke both English and Spanish [at my ESP Site]. I had to wait a lot for someone to be able to help me. Almost all the workshops were totally in English. I understand a lot of English, but I can’t speak it well. But there were other people in the group – much older than me – that didn’t understand anything. They would spend 3-4 months in a place...never get helped, and then just pass on to another place...There are lots of people that don’t know English and they get left in a corner waiting. They get treated differently than other people -- ESP Client #9

Other barriers that rose to the surface include: housing problems (12 percent), lack of specialized skills (11 percent), poor health condition (9 percent), problems with public assistance (9 percent), lack of job experience (8 percent), lack of transportation funds (8 percent), and lack of appropriate clothes (7 percent).

Given that individuals were being asked about barriers in a quick survey on the street, where people might be hesitant to reveal the personal challenges they face, it is likely that some percentages would be even higher upon more thorough assessment.
While a high 77 percent of those with barriers say that workers at their ESP site are aware of the barriers they face, only 50 percent feel the ESP program is able to help them deal with the barriers.

Some ESP clients, (23 percent) felt that workers at their ESP Sites were not aware of the barriers they faced. Many more, 77 percent, felt that the workers were aware. However, as Figure 15 depicts, only half of those respondents felt that the program was equipped to help them address the barriers they faced.

The current assumption of the ESP System is that people are “work ready” and that they should be instantly referred to a job. The reality, however, is that many people face a variety of barriers that have prevented them from getting work on their own prior to entering the ESP System and that will continue to make it hard for them to get and keep jobs if the complexities of their circumstances are not truly understood, or hard for them to focus on a job search if their barriers are not first addressed.

I am an ex-offender, and because of my status, I don’t qualify for public housing. Well, I can’t make it on a $6-7 per hour job when I have to live in private housing. None of the ESPs that I’ve been through have addressed that or paid attention to my specific needs.

-- ESP Client #3

I went through a really traumatic time and a crisis with my son and his father…It was scary because they will close your case and you get kicked out if you don’t comply – but I really needed to focus on taking care of myself instead of complying with the work requirements for that short amount of time. I knew what I needed and what was best for me – I couldn’t participate in their system because it didn’t make sense. The woman from the shelter [where I was living] helped me get a letter to say that I couldn’t participate [in WEP] because of emotional issues and domestic violence but HRA wouldn’t accept it because they said my life wasn’t in danger. -- ESP Client #1

Many of the ESP vendors mentioned that the population they are currently serving faces more challenges than the population did when the employment contracts were started.

Placement contract milestones made sense 3 years ago. Now people have multiple barriers (homelessness, substance abuse, domestic violence, etc.) and the population is high maintenance… A couple of years ago, we were just herding people in and out. Now the population is harder and needs more services…There’s no difference between the ESP population and the Special Populations individuals. Did HRA do this to show that they have special services? It’s the same people! -- ESP Provider #2
Part of this leads one to believe that revamping the program is necessary, and part of this leads one to question if certain vendors may be more or less equipped to help clients address such barriers. As mentioned earlier in the overview of the vendors, some vendors focus solely on job placement, others offer some concrete training that addresses some barriers under the umbrella of their job placement program (GED, ESL, computer classes, etc.), and still others offer a broader range of services under the wider umbrella of their agency at large (childcare, health services, housing assistance, etc.). Whether or not people get the services appropriate to their circumstances might wrongly depend on to which site they happen to be assigned.

B. Referred, but Not Served

The fact that the structure of the ESP System does not adequately permit people’s special needs to be met is seen most tangibly when one looks at a breakdown of what happens to the majority of people referred to the ESP System. In Section 4, we saw that 8 percent of those referred to the ESP System are placed in jobs within the six-month period allotted to ESP Sites to work with them. Over 90 percent, however, remain trapped in a maze of bureaucratic errors and program limitations.

As Figure 16 shows, the large majority of those referred do not receive the services intended and, in turn, do not achieve the outcome intended.

- 30 percent of those referred to the ESPs each month Fail to Report.
- 14 percent are sent back to HRA each month due to wrong initial referral.
- 46 percent end up in receipt of a Failure to Comply / Cooperate.

Perhaps the 2 percent that are still active without a job are spending the time getting the services they need in order to position themselves for a job, perhaps not. Our research does not tell us this. But, for all the rest of the individuals, program guidelines suspend their services and send them back to an HRA Job Center to deal with the suspension and get an assignment to a different HRA program, an assignment back to the ESP from which they were suspended, or an assignment to a new ESP Site to start again. Put in the context of the multiple barriers that people are facing as they navigate the ESP System – barriers not being addressed by the system – it becomes less surprising that so many Fail to Report or Fail to Comply. Regardless of the reasoning behind this, the magnitude of people not served by the system the first time, and sent in circles to address this, without their needs truly being met, is problematic. The following subsections regarding program status explain this further.
C. Failure to Reports (FTRs): Punished, not Served

The first group that are not served by the ESP System are those that Fail to Report (FTR) to it. One can be designated as having Failed to Report (FTR) if: they FTR to an FIA/Vendor appointment, they FTR to the first referral date to the program, they come to Day 1 orientation but do not return, or they come to orientation, are given a rescheduled date, and then do not return.

An average of 30 percent of those referred to the ESPs each month never show up at the ESP Sites.

According to the December 2004 VendorStat Report three-month average figures, of those referred to the ESP Sites, on average over 1200 of the 4000 referred never show up. That makes for nearly 14,500 people per year that are lost to the system through FTRs. The ESP Vendors are not responsible for those that do not show up at their doors. The “no-shows” are called in for conciliation by HRA, or sanctioned for non-compliance. The clients have the opportunity to contest their sanction and go through the Fair Hearing process, but with no HRA program currently working to address the underlying challenges faced by clients that lead to the non-compliance, the individuals simply get assigned to another site and re-enter the cycle of the welfare system with their needs not having been met.

ESP vendors are not held accountable for the “no-shows”; the system is not currently set up to do anything but sanction such individuals. HRA has encouraged the ESP vendors to try to contact those referred to their sites prior to the assignment start dates, so as to confirm their participation (make sure they received the notice of assignment, make sure they know where the site is, etc.). To facilitate this, HRA started to release referral lists on the Wednesday prior to the cohort start date. Vendors complained, however, that they did not have adequate resources to send out letters to the clients on their own, and that many of the phone numbers given to them were out of service.
or disconnected when they attempted to reach them by phone. Resources to hire individuals to go to people’s homes and check in on them in person are clearly not available.

With no real resources devoted to finding out why people fail to show up at the sites, or why some people keep being referred to similar sites and programs when their needs are not being met by them, the image of a revolving door emerges.

\[HRA \text{ themselves confess that the way public assistance has been established is so that participation is discouraged and people are frustrated so they leave the system.}\]

– ESP Provider #7

While one might claim that individuals that do not show up for services cannot expect to be served by the system, the lack of information on why the individuals have not shown up keeps us from truly understanding the reasoning behind their Failure to Report. Perhaps it is an appointment letter that never reached them, perhaps a health condition, perhaps a childcare issue, perhaps frustration with a previous ESP site or HRA program that failed to offer them the assistance that they needed…the list is endless. However, with no aspect of the ESP System or the wider HRA System set up to get to the root of the FTRs, it is obvious that these individuals make up the first group not served by the current system.

D. Inappropriate Referrals: Desassigned, Rerouted

In addition to the 30 percent of individuals that Fail to Report to ESP Sites, another large grouping show up, but end up leaving due to inappropriate initial referrals. ESP Vendors generally desassign these individuals from their site, once the referral error is recognized.

\[\text{On average, 20 percent of those that show up at their ESP Sites are desassigned each month.}\]

According to the three-month average figures from the December 2004 VendorStat Reports, an average of 20 percent of those that show up at their ESP Site each month are desassigned. With an average of over 580 people per month being desassigned, that is over 7,000 per year. Desassignments happen when ESP Vendors feel that a person referred to them is actually exempt from work participation requirements, or belongs in a different HRA program.

Individuals are considered inappropriately referred due to exemption if they fall into a category that is exempt from the ESP program for reasons including age (under 16 or over 60), caretaker status (for a child under 13 weeks or a sick relative), alcohol or substance abuse, disability, pregnancy (with birth expected in 30 days), etc.\(^4\)\(^5\) Such individuals show up at the ESP Site, are assessed as being exempt from participation, and are sent back to the Job Center for a change of status.

Generally, these people arrive at the ESP Site due to an incorrect earlier assessment. The ESP Program then sends the person back to HRA for a release from all assignments or for a new assignment more appropriate to their needs and circumstances. Given the different program categories that HRA currently operates, new program assignment would generally mean either being sent to WeCARE due to a mental or physical barrier that prevents or limits them from working, or to a BEGIN-Managed Program for individuals with low levels of literacy.\(^4\)\(^6\)
The fact that 20 percent of those assigned to the ESP sites are desassigned might appear high. This is a fairly high error rate considering that other contractors are paid for assessing people prior to their referral to the ESPs. In actuality, though, the numbers of inappropriately assessed individuals are likely higher still. First, some percentage of those that Fail to Report were probably wrongly assigned to the sites as well – that might be a reason why they chose not to show up. Second, with vendors discouraged from deassigning too many individuals, it is likely that many inappropriate referrals remain at the sites, but also end up being underserved by a program not designed for them.

E. Inappropriate Referrals: Underserved

Vendor comments make one believe that the inappropriate referral figure – of those not ready to benefit from the ESP Program services – is even higher than the deassignment numbers. Vendors spoke of hesitancy to deassign all those that did not really belong in the ESP Program for two reasons: (1) HRA discourages high rates of deassignment, claiming vendors are not working with those they should be working with, and (2) with so few individuals referred truly being ready for the ESP services, they claimed if they deassigned them all, they would end up with no one to serve. The implication on the part of the vendors was that very few people were truly “work-ready” in the way that HRA claimed that ESP Program participants were supposed to be.

Those that are not deassigned but are also not truly ready for job placement can often end up falling through the cracks. With vendors paid only based on “performance” (that is, job placement), the most challenging cases might very well be bypassed by those that are considered easier to place. So, while it might be only the most challenged individuals that are officially deassigned, the next grouping of challenged individuals might very well get overlooked on-site.

A high 42 percent of clients surveyed had never been referred to any jobs by their ESP vendors; perhaps they were not actually “work-ready”.

Of all the clients in the ongoing portion of their ESP experience, 42 percent had not yet been referred to any jobs. Asking only those at the sites for over one month, the percent of those that were never referred to a job by their site actually went up to 50 percent – implying that those that can be placed are placed quickly, and those that are not might never be.

Part of this might be an issue of vendors prioritizing job referrals for some more-prepared individuals over others:

*The caseworker “read” people and tried to help whoever already looked professional first – people who were experienced. Then they moved on to other people.*

-- ESP Client #1

Perhaps the people that are truly considered “work-ready” are given job referrals quickly, and those that are not given referrals early on, may never be.

These figures could be indicative of the fact that ESP Sites are not doing a great job at job search referrals. Or, they could mean that ESPs are bypassing those that are more challenging to work with by those that are considered easiest.

Another possibility is that some people are truly not ready for job referrals and were inappropriately assigned to the ESP System in the first place. Those individuals that may not be
ready for work might end up being stuck in a system that will not serve them. They might remain on an ESP roster despite not being served by the ESP, or until sanctioned. Either way, the client’s needs are not being met.

Given limited time and resources, and payment only upon placement, vendors are forced to make a financial calculation about which clients it is most worth dedicating their efforts towards.

F. Failure to Comply/Cooperate (FTC): Cycled Around

Another group that does not get its needs met by the system are those that are designated as having Failed to Comply/Cooperate (FTC). FTCs may include people who FTC with assessment or intake, people who FTC with work tasks or “exhibit behavior that is inappropriate” or people that FTC with the attendance policy and/or with any of the assigned activities. This latter category includes those that fail to attend 100% of the scheduled program hours, unless excused, and those who failed to accept an offer of employment.47

- 82 percent of people seen by the ESP System are FTCed, rather than placed in a job, by the end of six months.

An average of 82 percent of clients seen by the ESP System end up with a Failure to Comply (FTC) status, rather than employment, six months after their original assignment date. Again, based on the December 2004 VendorStat Report three-month average figures, 4 weeks from assignment start date 40 percent are FTCed, 13 weeks from assignment start date 74 percent have been FTCed, and 82 percent are FTCed by week 26. In other words, 1890 individuals of the average 2305 seen by the system each month will end up FTCed by the end of six months. That makes for over 22,000 individuals per year.

Client Profile: Irene Arnold

I’ve been through [this one ESP site] three times. The first time I went I was sanctioned because they said I didn’t show up on a day that I was there….

After I was sanctioned, I was sent to another site, but that didn’t work out so they sent me back [to the first site]. They placed me in LPN training and I went through all of the classes but on the day of the test, I didn’t have the carfare to make it to the site in Westchester County, so I wasn’t able to go.

After that, I had to go back through [the same site] again. Even though I had been there twice before, I still had to go through the two-week orientation again.…

[I signed] up for the ITA training to do medical billing….I also had to hand in papers to apply for the voucher from HRA….The day that classes were supposed to start, the lady at the education site told my boyfriend and I that we weren’t on the list because they didn’t have our vouchers. They [my ESP Site] said that the vouchers didn’t go through, but I heard that they held all of the applications until they were all turned in and ours didn’t get processed in time.…

After that, I quit going. They conciliated me, so I had to explain to my caseworker why I stopped going. I told her that they don’t help me [at my ESP Site] and that I don’t want to go anymore.

Those that are non-exempt from work activities and Fail to Comply with requirements as outlined above can be sanctioned and have their benefits denied or reduced. The reduction in benefits depends on whether or not there is a dependent child in the household and how many times the person has failed to comply. For households with dependent children, the first FTC results in a
reduction of benefits until compliance, the second FTC results in at least three months of reduced benefits and until compliance, and the third FTC results in at least six months and until compliance. Households without dependent children start with a 90 day sanction upon first FTC, move to at least 150 days upon second FTC, and then at least 180 days upon the third.\textsuperscript{48}

The process operates as follows. If a client is FTCed, they are deassigned from the site at which they did not maintain appropriate hours. For purposes of the ESP System, this generally means either the ESP Site or the WEP Site. HRA then sends them a letter requesting that they come to the Job Center and report why they failed to comply. They are not expected to do any more hours at the Site until they have gone to their Job Center to straighten out the FTC. For the conciliation process, they are asked to bring documentation supporting their response to the Center. If the worker at the Center agrees with the client’s position, the person is then re-assigned to the same site or a different one. If people do not show up at the Center to explain their absences, or if they have been FTCed a number of times, they will receive a sanction. They are allowed to contest the sanction through the Fair Hearing process.

If the person receives a sanction, they are not allowed to access services at places like the ESP Sites while on the sanction. With such a large percentage of individuals seen by the sites FTCed, and with what a client needs to go through once FTCed, many find themselves spending more time running between their WEP Site, their ESP Site, and their Job Center trying to straighten things out than they do focusing on their job search and acquiring the skills they need to better position themselves for employment.
Systemic Problems

Many individuals, as discussed above, do not have their needs met by the ESP System. Part of this is inspired, again, by a performance-based contracting system that rewards placement and retention, but does not incorporate services and barrier removal as outcomes in and of themselves.

With no incentive, additional resources, or adequate time provided to truly address the barriers that people face in finding and keeping jobs or in working with people to avoid non-compliance rather than sanctioning them, in the end, many individuals do not have their needs met by the system. Systemic failures that lead to this include: a faulty referral process that leads to people being wrongly assigned to ESPs to begin with, limited assessments carried out at the ESP Sites that leads to people’s needs and interests not being met, high rates of sanctions due to both general administrative tracking problems and a system that favors sanctioning over working with people to comply, and a system set up with so few options that people get sent back into the same type of program again and again even if it is not serving them.

1. Faulty Referral and Assessment Processes and Practices

The first step in preparing someone for work involves assessing their skills, interests, and barriers, and assisting them in developing an employment plan. Assessment is a critical component to developing an appropriate employment plan, and directing individuals to the services necessary to move forward on realizing that plan.

Assessment is supposed to be done at the SAP site and passed along to the ESP site for fine-tuning and the corresponding finalization of the Employment Plan. The reality, however, is that many individuals arrive unassessed at the ESP sites.

➢ On average, 42 percent of clients that arrive at the ESP sites do so unassessed or improperly assessed; just under half of these (48 percent) have to be deassigned due to inappropriate initial referral.

According to the three-month averages reflected in the December VendorStat reports, 42 percent of clients that arrive at the ESP sites do so unassessed (see Figure 17). About half of those are deassigned (48 percent) and half of them (52 percent) remain at the site to be serviced.

It is likely that the inappropriate and unassessed referral percentages are actually considerably larger since the 30 percent of the referrals that fail to even show up at the sites are not counted in these figures.

Inappropriate referrals and unassessed referrals alert us to a potential problem with the system at large, both with the SAP Vendors and with the HRA Job Centers.
Every person we receive is unassessed. We may have gotten 5 people from a SAP that came assessed. HRA needs to take a more active role with this population. They need better assessment before they come. Did an HRA case manager do an assessment? They need to take a closer look. Don’t send a person to get a job if they can’t sit still or fill out an application, or if they’re homeless and have severe hygiene issues.

– ESP Provider #2

Or, perhaps as another provider commented, the problem might be that the SAPs have no choice of where to send people:

If the SAP was doing the assessment, it would be okay. The problem is that the SAP might not have control to send people where they need to be. If all people go to the ESPs regardless of the assessment, this doesn’t help.

– ESP Provider #8

Either way, ESP Vendors and the clients pay the price. ESP Vendors get both appropriate and inappropriate candidates for their services and are forced to work with them – whether or not their services are appropriate for them – until they can get people deassigned and off of their rosters. They also have to make decisions on what kinds of services to give to whom weighing both the amount of work they have to do in general, and the likely payoff financially down the road.

Clients that are wrongly assigned to ESP vendors get easily frustrated with being sent yet again to a place that is not set up to serve their needs. Showing up at one place and then getting sent to another, an oft-repeated pointless cycle in the system, wears on people in the long run and contributes to the overall reduction in engagement rates. Additionally, every time clients are referred to yet another program, there are more chances that they will not be notified adequately and will, in turn, get sanctioned for not showing up at an appointment about which they were never informed.

ESP vendors assess more than half of those they see, but do not get financially compensated accordingly.

New assessments are completed for 87 percent of the unassessed (or 24 percent of the total seen by the vendor). Additionally, assessments are updated for approximately 27 percent of those seen by the vendors. In other words, over 50 percent of those seen by the ESP vendors are assessed by them. The client surveys point to an even greater percentage of individuals (86 percent) being assessed by the ESP system.

Since one of the primary purposes of the Skills Assessment and Job Placement (SAJP) contracts is assessment, they include a payment milestone for assessment. SAJP sites are paid $250 per assessment. ESP sites, on the other hand, are not similarly compensated for providing the same service. They do, however, have to assess and complete employment plans for those that reach them unassessed or update plans for those who had them completed three months prior.

HRA’s main assessment tool, the Employability Assessment, is limited.

HRA directs its vendors to use a standardized Employability Assessment and Employment Plan, EA/EP: Form EXP-584A, to work with its clients. The form calls on case managers to assess the following: language proficiency, personal issues, childcare needs, referral needs, exemption qualifications, personal circumstances, and experience and preferences. The final section is the employment plan – little more than assigning an individual to a particular activity (WEP and Education, WEP and Vocational Training, Training and Education, ESL), category (Maintenance,
Some vendors critiqued HRA’s EA/EP tool itself as part of the problem of the employment-oriented system. The entire form is a standardized checklist with little to no opportunity for exploration, narrative, or creativity. “For HRA, the Employment Plan is the main thing, but this is just a questionnaire that leads to work. It's not case management,” said ESP Provider # 8. For those vendors that want to do the minimal possible in this regard, especially since assessment is not compensated, it is easy to simply get away with underplaying the importance of truly understanding the needs and interests of the clients prior to working with them on accessing the services and supports they need to secure the right job.

Many clients are not asked critical questions during their assessment.

The varied degree of priority given to the assessment process, and the varied way in which it is carried out, was evident from the client surveys, which pointed to quite diverse assessment experiences. While most everyone was given a formal reading or math test (88 percent) as part of his or her assessment, the assessment process seemed to be quite haphazard beyond that. Important aspects of a true assessment seemed to be absent from many people’s assessment. System wide, there were a lot of important assessment questions that went unasked. The representative sample revealed that the following percentages of clients were NOT asked about these critical issues in the course of their assessment process: past work experience (43 percent), existing skills (44 percent), educational certifications (48 percent), education and training needs or desires (58 percent), job, occupation, or career interests (60 percent), barriers to employment (71 percent), and personal values as they relate to work (80 percent).

Assessment practice and quality varies by vendor; methods and components lack uniformity.

A closer look at the assessment process done by different vendors leads one to uncover differences in what is asked and incorporated into the assessment process. For example, certain vendors ask people about their education and training needs or desires more than others; other vendors ask about people’s job, occupation, and career interests more (see Figure 18). CUNY clients, for instance, mentioned having been asked about their education and training desires more than at any other vendor. America Works clients, on the other hand, were asked about their job, occupation and career interests the most. Very few Goodwill clients were asked about either. This one example shows that the assessment process was far from consistent across sites. The variation of depth and approach, in turn, would likely lead to a variation in the appropriateness of the subsequent Employment Plan developed.

Due to this variation, there is also variation in terms of how clients of the system regard the assessment. Overall, 66 percent of those assessed feel that the assessment effectively captures their background and interests. N-PAC, CUNY, and America Works sites are rated higher in terms of the assessments they carry out than the other vendors. Whereas 60 percent of CUNY and America Works clients and 76 percent of N-PAC clients rate their assessment as excellent or good, only 48 percent of Goodwill clients and 43 percent of Wildcat clients rate their assessment equally strongly.
2. High Propensity to Issue FTCs

Another major systemic problem that works against people’s needs being met are the high rates of Failures to Comply / Cooperate (FTCs) that are issued to participants, the many sanctions that evolve out of these, and the continuous cycling through the system that clients then suffer rather than moving forward.

Many vendors spoke of pressure from HRA to FTC clients. Leniency with people, in terms of understanding reasons behind absences without formal documentation, is discouraged. A number of ESP Providers mentioned that when someone was on their roster for more than 3 months, and still did not have a job, HRA would assume that the vendor was not realistically keeping track of compliance and activity, and would grill them in meetings to defend their hesitancy to FTC.

Why continue to send people to the same program if it’s not working?...HRA tells us to FTC them, but why? They are just sent to another ESP site. We’re known for keeping people on our roster too long. But, if we FTC everyone, we wouldn’t have anyone. The whole system is a recycling process.

-- ESP Provider #8

Vendors did not always feel that they had a choice but to sanction en masse. The FTC problem, seen by clients as an issue of carelessness or insensitivity on the part of the vendors, was perhaps something written into the structure of the program.

A breakdown of reasons behind FTCs was not available for this report. We can assume, however, that there are a combination of factors that lead to them. Some people were probably
FTCed for actual intentional non-compliance – people that actually decided to stop going to their ESP Sites or their WEP Sites without a reason deemed valid by HRA. It is also probable though, that a great many were FTCed due to problems that emerge as a result of their being improperly assessed to begin with; their non-compliance is very likely related to unassessed disabilities. And then there are those that were FTCed for mistakes made by HRA, by the WEP Sites, or by the ESP Sites: documentation that was delivered but not processed properly, appointments for which people never received notification, etc. These are issues that have consistently been mentioned by clients in times past and were repeated again in this research. The high rates of success, 90 percent, that clients have in Fair Hearings wherein they contest sanctions that evolve out of FTCs leads one to believe that the client perspective, that sanctions are often part of a bureaucratic problem, is not unfounded.51

In speaking of their perpetual problems with being FTCed, or nearly FTCed, many clients spoke of misunderstandings, or bad record keeping on the part of HRA and the contracted programs, that led to unjust sanctioning:

Before I could get in [to a training program I wanted], my case got closed – someone had told them [my ESP Site] that I was working, which of course I wasn’t. Eventually I won the Fair Hearing case on that issue, but then I had to start through the whole system all over again. -- ESP Client #3

They didn’t keep track well of when people were there or not, and this new guy didn’t ever recognize anyone. Even after I’d been there for two months, he’d still say, “Who are you? Are you new?”…I always went [to my ESP Site] on my assigned days and reported to my job site, a maintenance job, the other days. I had to miss one day because my son was sick and I brought a doctor’s note. A couple of weeks later, I got a letter in the mail saying my benefits were cut for non-cooperation, but the dates on the letter are the dates that I was at the center – they aren’t even the dates I brought in the note for. Now I have to go to the welfare office and try to get my benefits reinstated. -- ESP Client #6

Both clients and vendors mentioned frustrations with a system that kept people cycling through it again and again, repetitively, without ever meeting their needs.

➢ According to our client sample, 55 percent of those in the ESP system had already been through other HRA job readiness / job search programs.

The average number of job readiness / job search programs attended by people was 3. And, over half (55 percent) of those that attended more than one such program said that the repetition was a waste of time.

While some of this repetition was due to design flaws in having applicants go through a program (the SAP Program) that is all too similar to the program that follows (the ESP Program), and some is due to people not placed in six months being sent back to HRA and then re-assigned to another site (despite the fact that the program might not be appropriate for them), the largest part of the repetition likely comes from the high rate of FTCs.

My case has been closed almost ten times. They always send me letters telling me I am close to being cut off – I’ve filed for Fair Hearings so many times that the judge knows me by name. And every time, I get assigned to another ESP. -- ESP Client #3
As mentioned earlier, when someone is FTCed, they report to their Job Center to straighten things out or get sanctioned, and then get assigned back to the same, or a different, ESP sometime later.

Many vendors spoke of the challenges in addressing the needs of those that have already been to multiple sites prior to their arrival at their own. Clients that have already been through a series of similar workshops elsewhere are often frustrated when they have to go through the same series again, and yet the sites are rarely equipped to offer varied services to people entering with different levels of preparedness. A few sites try to “fast track” individuals that already have their resumes, cover letters, and other job search materials completed, allowing them to skip the formal orientation and workshops and be assisted with job placement directly. However, repeat clients often become frustrated before their advance status is recognized, fail to actively participate in what seems repetitive, and end up getting sanctioned as a result.

Regardless of the reasoning behind them getting FTCed – whether it is due to “legitimate” reasons, bureaucratic errors, or pressure - those that are FTCed are distanced from services, and are likely to get sanctioned or have their case closed by HRA. Then, later down the road they get reassigned to another site and must begin the process all over again. Irrespective of wherein lies the fault, the ESP System is not meeting these individuals’ needs. Some other approach to this large portion of the ESP population seems in order if people are truly going to receive services through the system.

3. Contracts Discourage Service Provision

Finally, program length and contract incentives also contribute to the lack of provision of services critical to moving people off welfare and into work. The six-month limit given to vendors to work with clients forces them to focus on quick fixes ahead of more time-consuming approaches. With payment contingent on placement within six months, vendors with short-term cash flow concerns have more incentive to push participants into quick employment than to promote choices that might be better for clients in the long run.

Additionally, while it is expected that ESPs will need to provide comprehensive services in order to achieve high levels of placement and retention, there are neither incentives nor additional resources provided to truly address the barriers that people face in finding and keeping jobs, or to tackle problems underlying non-compliance. Similar performance-based contract limitations emerged in the last section of this report, in regards to provision of education and training.

➢ Vendors generally agreed that performance-based contracts elicit performance, however they also noted the budgetary difficulties that emerge for agencies when operating under them.

The first change to performance-based contracts was an excellent move. The problem earlier was that everyone knew they were getting line items whether or not they performed and budgets were designed around this. – ESP Provider #10

Performance based contracts are good for government and good for work performance. But they’re not good for new agencies because they’re hard to figure out...you need time to learn how to operate them. – ESP Provider #1

Some agencies already have the mechanisms set up to be able to effectively function under such performance-based systems. Others need to learn new approaches to their work - often approaches that conflict with the way they are used to doing business.
Many of the programs commented that they barely break even with the current contracting system.

_It’s a role of the dice if you can maintain your commitment to your personnel, equipment, etc._  -- ESP Provider #12

➢ **Vendors’ worries about covering expenses in the short-term can lead to compromises in program quality.**

Some vendors are forced to cut corners in their service provision, or fail to expand it where needed, as a result of cash-flow concerns. Others survive by drawing on other resources either within the wider agency within which they are housed or from soliciting additional funds for programming from outside foundations or corporations.

_Any time you have a performance-based contract in a not-for-profit, it’s a challenge. CUNY has other funding and resources to support them. As a not-for-profit, if you don’t make lots of placements, then you don’t have resources to run._  -- ESP Provider #2

While these approaches definitely cut costs for government, they do not guarantee adequate services for clients.

_The performance-based mechanism shifts one from focusing on quality to focusing on quantity…you don’t get to do a lot of case management because you’re not paid for it._  -- ESP Provider #18

As a way to shift this bind they found themselves in, a number of providers mentioned ways that they would want to restructure the payment milestones, if possible. This included both structuring in some line item elements and adding additional milestones that focused on assessment, completion of employment plans, case-management, and/or enrolling individuals in training programs.

_Line item could mean that you could update your computers, buy programs, create a center to help people think about their professions._  -- ESP Provider #6

In addition, added milestones would allow ESPs to get paid for the services they provide to people up front, and would perhaps encourage ESPs to provide more of the services necessary to assist in the ultimate outcome goals.

➢ **Case management and service provision suffer as a result of structuring contracts solely on job placement outcomes.**

In respect to addressing the many barriers of individuals that arrive at the ESP Sites, a financial calculation must be made. Vendors must decide whether or not it makes sense to service a client with many barriers if they are not necessarily going to achieve job placement in the given time period. A vendor can only send a limited number of individuals back to HRA (deassignment) without appearing unable to cope with any of the clients referred to them, but then that same vendor has little incentive to invest resources into working with those that seem harder to place. While the costs are considerably higher to work with someone needing more front-end assistance in order to be placed, the payment is the same. The incentives are structured in a way that encourages vendors to work with those easiest to place quickly, and leave behind those that need more support and more time for initial placement.
This is not to say that vendors do not want to service the people they are referred. It is merely a recognition that when one sets up a payment structure in the way that HRA has done so, vendors are pushed to operate like businesses. While this can be good in some respects – saving the government money - it can also result in vendors moving toward making decisions based on finances rather than social good or risking going under for not compromising themselves as such and providing services for which they will not get reimbursed. As Nancy Biberman of WHEDCO, one of the N-PAC ESP Sites, said in an interview for M. Bryna Sanger’s book on privatization and welfare reform:

Payment milestones in these ‘performance-based’ contracts, coupled with WEP, forced even the most mission-driven providers into unconscionable work.\textsuperscript{52}

With no payments in the contracts associated with any case management components - such as helping someone secure housing, assisting someone to secure quality childcare, working with individuals to address mental health issues, connecting someone to and enrolling them in an appropriate education or training program, etc. - vendors need to determine whether or not they can afford to provide such services.

Contributing to this winnowing down of services is the fact that HRA, in only monitoring outcomes, sends a message to vendors that such services are not expected or essential. (See box for an example of service provision being compromised in other similar welfare contracts.)

\begin{center}\textbf{Service Provision Compromised by Pay for Performance Contracts: Example from Milwaukee’s Welfare Contracting}\end{center}

In \textit{The Welfare Marketplace: Privatization and Welfare Reform}, M. Bryna Sanger speaks about the challenges posed by contracts formulated around economic incentives. Without systems to ensure appropriate monitoring and accountability, bad consequences for clients can result.

Through Wisconsin Works (W-2), Milwaukee contracted with five vendors to provide services to welfare (TANF) clients. Vendors were contracted to complete eligibility determinations and provide services through job training and placement. Under the contracts, vendors get paid based on achieving particular outcomes and/or excelling at particular indicators, including: employment placement rates, average wage rates, job retention rates, available health insurance benefits, full and proper engagement, and basic education / job skills activities.

Problems with these incentives emerged when the program was audited. Audits confirmed that few clients had been adequately assessed, had been lifted out of poverty, or had been placed in intensive education and training programs that could lead to better jobs. “The audits implied that contract agencies simply did not offer services if clients did not request them. The money saved by not offering them, presumably, represented cost savings to the contractors and contributed to their profits.”(p. 57)

To respond to the problem at hand, the state ended up allocating $5 million for a contract with county workers to provide initial assessments and information about services available – including job training and food stamps. Clients are only referred to W-2 vendors after this initial encounter with a worker separate from the performance-based contractor. The arrangement works to ensure will be informed of their entitlements and supportive services.
Service models utilized by vendors under work-first contracts contradict what vendors know works best from experience.

It is not just the performance-based contracts that have pushed some agencies toward making different service-related decisions than they would have otherwise. It is simultaneously a matter of the work-first push of the program that forces vendors into utilizing approaches that they themselves know are not the most ideal for the client or for ultimate “performance” – performance measured on more holistic terms.

Shifts away from previously effective service models and reductions in provision of supportive services emerged as an issue in another study done on post-welfare reform realities in NYC. The new priorities of welfare policy and programs were seen to cause agencies to disregard long-tested models of service, wisdom acquired over years of program operation. One agency staff member stated, in talking about how their service model had shifted since welfare reform:

*In the old model, we really prepared the clients. We trained them in a skill and then we sent them out with something to offer on the market. Now we’re funded on grants and mandated to get clients from welfare to work but it is not so easy to do. Now we are sending them out with nothing to offer.*

Work-first approach might inspire new players, less prepared to address client barriers, to enter the scene.

Interestingly, in the same way that the work-first placement-focused model utilized in NYC has caused certain non-profit organizations to compromise their missions and shift their approaches, the model has also inspired new players to enter the service provision landscape. With contracts focused on placement over services, entities that traditionally focus on placement, and are not experts in service provision, enter the scene. Equipped to run more like employment agencies than social service agencies, such places might not be prepared to address – or interested in addressing - the barriers of clients they meet.

This alternative dilemma is created not by the contract incentives shifting the priorities of agencies providing services, but rather, the very contract structure inspiring groups providing a much different – and more limited – scope of services, to win the right to do so. Again, in the end, the real services that clients need get lost, and the most needy clients get marginalized.
**Summary:** The ESP System Does Not Support the Provision of Services Needed by a Large Proportion of Individuals Referred to It

HRA acknowledges that many of those that remain on welfare have severe barriers that need to be addressed. In February 2005, HRA rolled out its new WeCARE program to work with clients with serious medical and mental health barriers to employment. However, many of those traditionally referred to the ESP System (and likely to be referred to HRA’s new HRA Works! Program) have their own set of barriers to employment. Research findings from this investigation confirmed the presence of multiple barriers to employment as well as the fact that the ESP System has not been effectively addressing those barriers.

This section explored the System’s ability to address the diverse needs of the population referred to it. Barriers to employment faced by the population were explored and client program status was discussed.

Research revealed that a large percentage of those referred to the system are not served by it. While 8 percent are placed in jobs by the end of their six months at the sites, the large majority have not had their needs met: 30 percent of those referred Fail to Report (FTRs) to the sites, 14 percent are wrongly referred due to inappropriate initial assessment, and 46 percent are designated as having Failed to Comply / Cooperate (FTCs).

A bureaucratic maze that sends people from place to place, and punishes people for non-compliance rather than addressing their underlying problems, emerges. Those not served initially by the system find themselves spinning in circles going back and forth between HRA’s Job Centers and multiple job readiness / job search programs. Of our representative sample of ESP clients, 55 percent had been to more than one such site, the average having gone to 3. Not served by one, they are cycled on to the next.

After discussing the scope of individuals not served by the ESP system, some of the program dynamics that influence this were discussed. Problems with the referral and assessment processes emerged as one challenge. Such problems happened prior to ESP arrival, at the SAP sites, and additionally at the ESP sites themselves. Assessment across the system lacks uniformity and people’s barriers and dreams tend to get lost amidst it. The assessment process as laid out by HRA fails to get at the root of people’s challenges and desires which, in turn, do not then get addressed.

Next we explored the high propensity to issue Failures to Comply / Cooperate (FTC) as both a limitation of program design and as a systemic problem. HRA appears to encourage FTCing clients, rather than working with them, and clients complain of bureaucratic flaws that lead to the high rate of sanctioning that results in them spending more time dealing with keeping their welfare cases open than on accessing training and/or looking for jobs that will ultimately enable them to move off of public assistance.

Finally, we explored how contract incentives and program focus also contribute to people’s needs not being met by the system. Vendors, paid for placement only, are forced to make financial calculations that can result in focusing on those with the fewest barriers and in cutting back on holistic service provision. No payment milestones are attached to service provision components. Additionally, with a placement-focused contract design, some vendors that win contracts to provide services end up having experience only in serving as employment agencies and not in servicing the clients themselves along broader lines.
SECTION 7: Conclusion

Systemic Failure and A Revolving Door

HRA speaks to self-sufficiency, but the program design is all about getting people off of public assistance.  

-- ESP Provider #4

The Employment Services and Placement (ESP) System is a failing system. The ultimate goal of the vendors, the welfare recipients, and the Human Resources Administration alike is the same - moving people into jobs and toward self-sufficiency. However, these goals are not being met by the current program design. Instead, as this research documents, the ESP System: is inadequate at meeting its primary goal of connecting welfare recipients to long-term employment, fails to offer individuals the training and education critical for ultimate economic independence, and does not support the provision of services needed by a large proportion of individuals referred to it.

The limitations of the system should not be a surprise. The approach set forth by the Human Resources Administration is directly in conflict with what research points to as most effective in moving welfare recipients to work. The National Evaluation of Welfare-to-Work Strategies (NEWWS) - one of the few random assignment studies carried out that compared outcomes for welfare recipients under different programmatic approaches - concluded that:

(1) Encouraging participants to wait for "good" jobs, ones that are full-time, pay more than the minimum wage, and offer opportunities for advancement as opposed to taking whatever job comes first, leads to better outcomes in terms of sustained employment, and
(2) Programs that mix job search and adult basic education are more effective in promoting sustained employment than programs that focus exclusively on job search and work experience.54

And yet, the ESP Program design blends job search with WEP, rather than education and training, and sanctions individuals when they refuse a bona fide job offer, even if that job will lead them nowhere.

Clients were eager to talk of their desire to get a good job and move off of public assistance. Their critique of the system focused on rules and regulations imposed on them by the ESP vendors, as implementers of HRA policy, which seemed counterproductive at moving them toward their goals. While one vendor might have been marginally more tolerable than another for them personally, their frustration was that the entire system seemed to be structured in a way that kept them going around in circles:

I've been on public assistance before and this is the worst I've ever seen it. They used to really try to help you get on your feet. Now it's just a vicious cycle.  

-- ESP Client # 6

The cycle they spoke of was one of either getting a bad job quickly, losing it, and needing to return to public assistance or being wrongly sanctioned and then being assigned to yet another ESP site to begin the process all over again. Never did there seem to be a way out.

Vendors, too, were eager to speak of the problems they faced and the lack of success of the approach they were utilizing. Unfortunately, HRA rarely took the time to ask:
I can look at my own numbers and tell you if I’m doing well and/or if we suck. HRA is better at telling me if we’re doing good or bad. But…it would be more helpful to talk about the reasons why…across the board. Don’t beat me up when we all have the same problems. But, they keep us out of the room from other vendors so that we don’t know.

-- ESP Provider # 2

Their criticism tended to focus on limitations placed on them by the external programmatic design and the contracts to which they were subsequently bound. Most felt that as much as they were trying to succeed given all the constraints, this approach was destined to fail in serving the clients they were sent.

Systemic failure is what this research points to. A city that is already behind the times on making strategic alignments between workforce development and economic development still refuses to utilize this promising line of attack to approach the needs of unemployed welfare recipients. In turn, job developers do a poor job of making the employer connections critical to their role because they each operate completely independently of each other and the larger economy, and they are left without training in how to do their job effectively.

Couple this with a performance-based contracting system that only pays for placement and retention, and it is no wonder that those that seem easiest to place get served first and foremost so as to pay the bills, and the great majority get overlooked and underserved. There is no incentive for vendors to connect clients with the education and training they desperately need to enter the workforce and move toward economic independence. An ITA Voucher process that discourages enrollment and a network of education and training providers throughout the city that are unmonitored provide two more nails in the coffin.

And then there is WEP. Despite being often looked at as a national example of how to “engage” welfare recipients in work activities, WEP has been proven not to be ineffective at moving people from welfare work. In addition to being considered unjust by participants and vendors alike, who are quick to mention the problems with having people work for no pay (especially if one thinks this will teach anything about what real work is), vendors complain that it sets up a paradigm that either knocks people out of the ESP System for non-compliance or discourages them from focusing on looking for work.

Clearly, system reform is necessary. As a number of providers aptly pointed out, the ESP System may work for some, but it is definitely not the right approach for all.

It’s difficult to give a large number of people a choice, but if HRA streamlined differences, they’d be more effective. There should be different programs for different populations.

-- ESP Provider #3

About 30 percent of the people benefit from the model we’re dictated to run. But then there are different types of individuals – 10 percent of these, 15 percent of these, 20 percent of these. It would be good to designate resources to design programs to help people at different levels.

-- ESP Provider #18

It is no doubt challenging to address the needs of such a varied population under one program type: people with an eighth grade education and people with a college degree, people with a concrete skill to market and people with no high school diploma, people with no history of work experience and people that only recently lost jobs amidst the recession, people with an interest in the health care industry and people with an interest in early childhood development, people with resumes and cover letters already perfected and people that never before had them. Add those
that really were never and will never be “work ready” into the mix, and you truly are asking too much.

HRA has begun to recognize some of the limitations of its past approach to its employment services programming, and is taking strides to address some of the problems at hand in the framing of the new contracts set to replace the ESP ones. However, more must be done if the welfare system is truly going to confront the realities that plague it and meet the needs of those that temporarily rely on it. Unless and until the federal welfare law is modified to even more severely limit state options, New York can still afford recipients a relatively wide array of work-related options. The final section lays out recommendations intended to help HRA go that next step, to help employment services providers do the work they want to do, and to help welfare recipients truly move from welfare to work.
The Employment Services and Placement (ESP) renewal contracts are all set to expire at the end of 2005 or beginning of 2006. The NYC Human Resources Administration (HRA), therefore, has begun preparing its contracting next steps. A new Request for Proposals (RFP) was released on April 5th, proposals were due June 8th, and the anticipated contract start date is October 1, 2005.

Similar to the ESP contracts, the vendors sought are those that can “provide services… that prevent the need for public assistance and prepare employable individuals to successfully transition from welfare to work and remain self-sufficient. Programs must focus on preparing participants for work, job placement, job retention, and career advancement.” Vendors will be responsible for intake, orientation, assessment, and full engagement, employment and retention services, and removing barriers to employment.

The HRA Works program will basically combine three separate employment services contracts that the City currently has, into one: Employment Services and Placement (ESP), Skills Assessment and Job Placement (SAP), and Special Populations. It will allocate up to $63 million a year to serve about 12,800 individuals per month. (See Appendix I for more information.)

HRA clearly seems to be making some positive strides with HRA Works. The new RFP has accounted for a number of the challenges that emerged in this research:

a. The collapsing of the contracts might eliminate the problem of people arriving unassessed to the ESPs and of the ESPs being responsible for assessment without reward.

b. Having employment services sites – rather than the Job Centers - give out WEP assignments might allow better communication and coordination between the ESPs and the WEP sites.

c. Adding incentive pay for vendors to reduce the numbers of sanctioned clients and FTCs might encourage vendors to not overlook and under serve the hardest to employ.

However, even these contract adjustments fail to get at the root of programmatic challenges. While it is better to have assessment done at the same site that does employment service provision, there is still a question about the type of assessments being done and one still wonders if people will be rightly referred to the correct branch of services by the Job Center that does the initial preliminary assessment. While it is better for vendors to assign WEP sites than the Job Centers, this does not change the value (or lack thereof) of unpaid WEP assignments and the limited possibilities for aligning them with clients’ interests and employment plans. And, while it is positive to add incentives to reduce sanctions and FTCs, it is highly questionable whether the vendors that do well at employment preparation and placement are the same vendors that would provide the highest-quality services for addressing individuals with multiple barriers.

There are also some contract adjustments that risk backfiring, others that should have been incorporated but remain absent, and underlying fundamental problems that if not addressed will continue to undermine the entire system. Recommendations that follow speak to some of the challenges outlined through this research. Such recommendations should also be read with the understanding that the design of the HRA Works program has the potential to work for some, but that other programs need to be created if HRA’s programs are to meet the needs for all.
To meet the goal of connecting more welfare recipients to long-term employment, city government should:

1. Coordinate HRA and SBS in Crafting a Single Workforce Development Strategy

   SBS and HRA should work together on developing a common analysis of the labor sector growth areas in the City, the type of education and skills necessary for individuals to move into them, and the various pathways individuals can take to develop careers once attached to the specific labor force areas. One strategic approach should drive workforce development efforts for all NYC’s unemployed and underemployed. Consideration should also be given to merging all workforce development programming under one agency. Until full coordination is established, welfare recipients should be given the option of utilizing One Stop Center services and counting their participation towards their welfare work requirements.

2. Develop Career-Ladder Training Programs that Reflect the Labor Market Needs

   Targeted training programs can prepare individuals for entry into and advancement within the economic sectors with the most potential for future growth. Nationwide a new trend is occurring wherein cities and states create “career pathways” that target regional labor markets, focus on employment sectors, and combine education, training and on-the-job learning so as to guide educationally disadvantaged individuals toward high-wage, high-demand employment. NYC has begun exploring this in a joint initiative between SBS and the Workforce Development Funders Group wherein grants have been provided to collaborations of employers and service providers to run sector employment programs in the health care industry. Similar initiatives should be created in other industries, with a focus on preparing people for entry into particular industries in need of workers. Participation in such initiatives should be broadened to include welfare recipients.

3. Create Industry and/or Occupation Employment Services Hubs for Welfare Recipients

   Job developers cannot be expected to have connections with enough employers and industries throughout the City to meet the needs and interests of the variety of clients that get referred to the current system. In addition to the geographically based employment services sites that currently exist (and that HRA is looking to formalize in its new contracts), industry hubs should also be created. Clients that already know their particular career interests could opt to be referred to industry hubs rather than their geographically determined hub: if clients know that they are interested in a career in the health care industry, for instance, they could go to the “Health Care Hub”; if they are interested in leisure and hospitality, they could go to the “Leisure and Hospitality Hub”; if they are interested in children’s services, they could go to the “Children’s Services Hub.” Case managers at such hubs would become experts in the career pathways and training necessities in the particular industries, and be better able to advise clients accordingly. Job developers at such hubs would benefit from being able to focus their employer connections and truly develop personal expertise in particular industries and occupations. Clients would benefit from more targeted placement assistance connected to their interests.

To facilitate access to education and training among welfare recipients, city government should:

1. Eliminate Sanctions and FTCs as Barriers to ITA Voucher Applications

   Once a vendor helps a client apply for an ITA Voucher, it should not be bumped out of the system due to an FTC or sanction status – especially given the questionable basis for, and bureaucratic errors that underlie, the majority of FTCs and sanctions. The existence of a bureaucratic impediment that at a moment’s notice can bounce someone from the process discourages vendors from assisting clients with voucher applications and distances clients from the training they need to get off the system. While the welfare agency struggles to address larger problems with faulty sanction and FTC processes in general, adjustments to the ITA Voucher process should be made so that sanctions and FTCs do not limit people’s access to critical training. At a minimum, vouchers should not stop being processed for individuals until a final determination is made about their actions that resulted in an FTC or sanction - during conciliation, conferences, or Fair Hearings, vouchers should proceed forward without hindrance.
2. **Monitor and Identify Effective Training Programs**

Clients will continue to be denied access to education and training if efforts are not made to better identify effective training programs and encourage vendors to place people in them. The city should conduct a centralized evaluation of approved sites and distribute this information to vendors. While clients should continue to have the option to enroll in any of the approved programs (and in working to get new programs on the approved list), having a "high-standard" referral list (with particulars about such programs) will assist vendors in better serving clients. Additionally, since all vendors would have the same comprehensive lists, client access to one program versus another could be based more on their interests than on which employment services site they happen to be assigned.

3. **Add Payment Milestones that Encourage Placement in Training**

HRA should revise performance-based contracts to include incentives that encourage vendors to connect clients to training and education. Two additional milestones should be added to the contracts: one compensated milestone for placing a client in training, and another one the client’s completion of it. Such milestone payments currently exist in some youth workforce development contracts. The addition of them would provide an added incentive to vendors to place clients, and would also give vendors resources earlier on so that they could provide clients with the support and case management helpful to accessing and completing training programs.

4. **Permit Participation in Education and Training for Longer Than Six Months**

Currently, vouchers are only available for education and training programs that are six months or less in duration. This arbitrarily set time limit restricts client options and can have a negative impact on ultimate job placement outcomes. Training programs that are longer in duration should be permitted, when appropriate to an individual’s employment plan. Permitting such flexibility might lead to an extension in welfare receipt in the short run, but it will ultimately better support departure from public assistance that is sustainable for the long run. Decisions about education and training should be far-sighted in perspective, rather than based on arbitrary constraints.

To more adequately meet the needs of a diverse population seeking assistance, the city government and the Human Resources Administration should:

1. **Develop an Assessment Process that is Broad in Scope**

   The assessment process should include more than the mere completion of a TABE Test (Test for Adult Basic Education) and a check-box employment plan form. True assessment is more holistic in nature and should include narrative elements in structure. Certain vendors have already begun to utilize innovative techniques for finding out about true skills, interests, and barriers of clients. Efforts should be made to learn from these already-implemented techniques, gather information on additional ones, and support vendors in learning the tools and implementing them.

2. **Establish a Separate Sanction Trouble-Shooting Program**

   NYC has a punitive approach to welfare policy, rather than a trouble-shooting one. Clients are sanctioned for non-compliance, rather than approached to get at the root of and work through the non-compliance. While they get an opportunity for conciliation, and have the option of applying for Fair Hearings to contest the looming sanction, the system is still set up to assume fault rather than need. Alternative approaches, grounded in the assumption that people want to comply and want to work but might have numerous barriers preventing them from doing so, have been set up elsewhere in the country. HRA should eliminate its current sanctioning approach, with its assumption of fault and a need for punishment. In its place, the agency should create a special unit (or provide adequate resources to vendors) dedicated to reaching out to individuals that Fail to Comply, finding out what prevents their compliance, and working with them toward reengagement.
3. Create Line Item Funds or Additional Milestones for Service Provision

Individuals that enter the employment services system have increasing needs, as shown in this report. HRA seems to recognize this, but has not adequately incorporated this recognition into the creation of its RFP. There is still a high probability that vendors will focus on those individuals that are easiest to place, and overlook the more comprehensive needs of the less ready. While vendors are now being encouraged to work with people longer, continuing to attach almost all resources to placement and retention contradicts this. So that vendors can have funds to provide the intensive services needed by many clients, some line item funding is critical. A blended approach to payment, as long as service provision is monitored by the administering agency, is ideal. Alternatively, the agency could set up additional payment milestones to reward assisting people with particular case management components such as securing housing, setting up childcare arrangements, special referrals, etc.

4. Expand Paid Transitional Jobs into Other City Agencies

Transitional jobs are time-limited, publicly subsidized jobs that combine real work, skill development, and support services to aid people in their path to unsubsidized employment. For individuals lacking recent work experience, a short-term paid subsidized job opportunity can help propel them back into the workforce. The establishment of NYC’s Parks Opportunity Program (POP) in March of 2001 was a commendable shift away from unpaid workfare and toward paid transitional employment for welfare recipients. However, to be truly successful, positions need to be linked to the interests of the participants, and need to focus on providing skills training relevant to long-term career goals. The program should be expanded into other city agencies to provide similar opportunities in a variety of occupations. Initial expansion can begin with current WEP Sites. Providing the paycheck will make the difference in how the experience is seen by the participants and by prospective employers post-transitional placement.

5. Create a Supported Work Program for the Hardest to Employ

A supported work model provides intensive support and services to hard-to-employ individuals in an accepting environment. This can include intensive on-site employment supervision, case management (addressing personal, family, and vocational needs) and job coaching. Such programs are designed in two ways: some place individuals first in transitional employment in a “forgiving” work environment (social enterprise, group placement in private company, etc.), others go immediately to placement in a competitive work environment. Wages are subsidized with public funds, paid for through program revenues, or paid by employers. Personal and employment support are provided for as long as needed. Such supportive programs are critical if welfare recipients that face the most extreme challenges are to work. Resources should be invested in creating such a program for welfare recipients with the most barriers to employment.

6. Continue Providing Support to Those Most in Need Without Work Requirements and Penalties

The welfare system must begin to acknowledge that even with the creation of a variety of more supportive programs, some individuals face such serious limitations that their prospects for doing productive work are limited. Even a supported work program will not work for these people. Yet they may still not be eligible for SSI. For such individuals, being relentlessly given appointments and notices, and being put in programs expecting a fairly rapid attainment of job readiness, is not viable. As a matter of compliance with the Americans With Disabilities Act and sound, humane public policy, a secure safety net of programs and public support must continue to be available to this vulnerable group.
To ensure that *HRA Works* really works, city government and the Human Resources Administration should:

1. **Contract with an Outside Entity to Evaluate HRA Works**
   
   With a new welfare-to-work program set to kick-off in NYC in October 2005, now is the perfect moment to initiate an evaluation. Having never solicited an objective, outside evaluation of the past six years of employment services contracting, the City has had no research on which to base its new programming decisions. Learning more about program design and implementation at the vendor level, as well as what services work to produce what outcomes (and a broader range of outcomes than mere placement and retention) will be critical to moving forward. The start of a new program offers an ideal moment to begin such an analysis. It could assist the Agency in fine-tuning the program along the way to solicit better results, and in positioning itself well for renewal contracts in three-years, or alternative contracts needed along the way.

2. **Convene Past Providers of Employment Services Programs to Learn from their Experience**
   
   Past providers of employment services have a tremendous amount of knowledge about what works and what does not. Additionally, based on their experience in running such programs, they have a wealth of ideas regarding how to better structure such programs to elicit greater rates of success. Past providers of all of the employment services contracts should be convened for a session to solicit ideas both in terms of how to best run similar programs and in terms of what additional programs might be necessary to meet all the needs of the population at hand. So that vendors are free to speak without risking adverse consequences, an outside entity could conduct the session and report back findings anonymously.

3. **Schedule Bi-Annual Meetings with all new HRA Works Vendors**
   
   Vendors spoken to in this study often spoke of how HRA never provided the opportunity for vendors to meet one another, learn from one another, and collectively strategize how to provide better services. It is a mistake to prevent vendors from sharing ideas and best practices with each other and for the administering agency to not learn from the experience of the vendors. Convening all the vendors twice a year would give them the opportunity to share challenges and solutions. Effort would need to be made to ensure that the convening was done in a way that fostered honest sharing rather than posturing or competition. In turn, HRA would need to be open to adjusting contracts according to the feedback gained.

4. **Develop a Standard Curriculum for Job Readiness Workshops**
   
   Vendors should not need to each re-invent the wheel in their creation of quality job readiness curriculum. Clients should not need to have the quality of the services they receive differ based on where they live, and therefore, to which vendor they are referred. Some standardization is in order. A balance must be struck between offering vendors complete flexibility and providing them with guidance and support. Again, best practices from existent programs should be combined and built upon, and materials be distributed to all vendors. The CUNY FIA Professional Training Academy should include courses focused on how best to prepare people for work and teach job readiness.

5. **Set up a Tracking System for the Job Readiness Portion of the Program**
   
   Individuals that arrive at employment services sites have different levels of preparedness coming in. Grouping everyone together is counterproductive for both meeting the more extensive needs of those at the less prepared end, and for ensuring that those that are already prepared get engaged before being turned off by a program that takes them through repetitive services and workshops. Some ESP Sites addressed this through “fast tracking” individuals that were already prepared, allowing them to skip the two-weeks of preparatory workshops and go straight into job development. Other sites addressed this through establishing a two-branched system and assigning more prepared individuals to certain days and less prepared individuals to other days. This latter approach allowed the site to focus its
curriculum and services according to a narrower range of client levels on each particular day. These two tracking systems should be set up in each vendor site so as to facilitate provision of services and reduce unnecessary repetition for clients.

6. **Provide Concrete Training for Job Developers**

Job developers have been left to fend for themselves in HRA’s employment services programs. While the establishment of the system has provided jobs for them, it has not, in turn, provided many jobs for their clients. As mentioned earlier, the ideal scenario would include one where a citywide effort linking workforce development to economic development trickled down to the local job developers or where job developers would only need to focus their employer relationship building on particular industries. For certain types of positions, however, and under a geographically focused model, job developers with broad connections will still be necessary. Efforts need to be made to develop the capacity and improve the performance of job developers. The CUNY FIA Professional Training Academy should include courses that work to build the skills of job developers and/or a separate training module should be created with trainers solicited solely for this purpose.
Due to HRA confidentiality issues, Community Voices Heard was unable to gain access to an all-inclusive list of ESP referrals and clients across the system in order to develop a random sampling technique in the traditional manner. Instead, we had to meet clients at the sites themselves. Because individuals were met at their sites, one sub-group of the population of those referred to the ESPs was never reached: those that are referred to the ESP sites but Fail to Report (FTR). Client surveys, therefore, focused on the experiences of those that participate in the programming and services available at the sites.

With limited resources and time, it was decided that the research would focus on collecting a sample of client surveys that was representative of the entire system at large, rather than of the particular vendors or sites — a proportionate stratified sample. Assistance in developing the sampling technique utilized for the client surveying was provided by Annette Bernhardt of the Brennan Center for Justice at the NYU School of Law, William McAllister of Columbia University’s Institute for Social and Economic Research and Policy, and Rebecca Widom of the Homelessness Outreach and Prevention Project of the Urban Justice Center.

To estimate the population proportion at each site across the system, we chose to utilize the 3-Month Average number of “Cases Open” compiled from HRA’s April 2004 VendorStat Report, 4,753. These were the most recent HRA VendorStat reports available at the time that the sampling approach was designed. “Cases open” seemed the most appropriate reflection of the individuals we were likely to meet when surveying at the sites; they included those new to the program in orientation and those beyond orientation in ongoing services. The three-month average figures, rather than the figures from one particular month, were used to adjust for potential variations month-to-month. Proportional figures per site were based on the percent of the entire average caseload seen across the system in a given month.

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To determine the desired sample size, the entire population had to be estimated. The population over a two-month period (the time of surveying) was estimated by adding a 3-Month Average figure of “cases open” (4,753) to a 3-Month Average figure of “net seen” (2,633). “Net Seen” reflects the difference between the number of cases referred to a site and those that never showed, were returned to HRA, or were deassigned. By adding an average of the “cases open” in one month to the average of “net seen” in one month, one can best simulate the entire caseload (7,386) over a two-month period, the time during which surveys were to be gathered.
Based on the estimated population size of 7,386, calculations called for a sample of 694 in order to meet the desired level of precision of 4 percent.

| SAMPLE SIZE DESIRED          |
|-------------------------------|----------------|
| Estimated Population          | 7,386          |
| Alpha                         | 1.96           |
| Standard Error                | 0.0008         |
| Desired Precision             | 4 percent      |
| Proportion Level              | 50 percent     |
| Initial Sample Size           | 600            |
| Expected Response Rate        | 80 percent     |
| Desired Sample Size           | 694            |

To determine the approximate number of surveys needed per site, the earlier estimated proportions were then multiplied by the estimated sample size necessary for the desired level of precision.

Four surveyors were then hired to survey clients during the months of October and November 2004. They were assigned to the 25 sites on different days of the week, and an effort was made to ensure that sites were being visited on different days of the week in order to capture the most diverse group of respondents (given that sites often have certain days scheduled for ongoing clients). Survey gathering at each site took place for as many days as were necessary, scattered throughout the two months, to approach the desired number of surveys per site, based on the estimated population size and proportion that was generally seen at each site.

On their days in the field, surveyors arrived at the sites prior to their opening (8:45AM) and left after their closing (3:30PM and beyond). Because surveyors were at the sites all day, they were able to catch people prior to their entrance into the site, during breaks, and upon departure. Surveyors approached all individuals that entered and exited sites, and surveyed everyone who had an open public assistance case and was on site to participate in mandated employment services activities. Surveys were completed outside the ESP Site, in all cases but a few. For the few individuals that were unable to complete the surveys on site, their phone numbers were taken and three attempts to call them and complete the survey by phone were attempted.

Two survey instruments were implemented: one for those in the orientation stage of the program and one for those in the ongoing stage of the program. A series of initial questions determined at what stage individuals were in the process at their ESP Site and the corresponding survey instrument was then used. The majority of questions were asked to both groups, however, those in orientation were asked more detailed information about the assessment process and those in ongoing programs were asked more detailed information about the job referral services. Additionally, if people were at the sites 5 days or less, they were not asked about the job readiness workshops because they would not yet be able to provide a true assessment of all workshops offered. One month after the initial surveying was done, three phone attempts were made with each client met during orientation. Those reached were again asked the same questions regarding the job readiness workshops, and were also asked questions about job referrals.
Because the survey gathering did not directly mirror the proportions laid out in the sampling approach, survey data was weighted accordingly before analysis. All figures in this report are based on the weighted sample.

NOTE! The survey sample did not include any clients from Wildcat’s subcontracted East New York Development Corporation (ENYDC). Information of the existence of this site was not known until well after the client surveying was completed.
APPENDIX B: List of Interview Participants

Extensive interviews were conducted with both ESP Providers and with a sampling of ESP Clients. Providers and clients alike were informed that we were interested in talking with them about employment services programs and contracts set up by the Human Resources Administration for mandated welfare recipients.

ESP Providers

ESP providers were told that their responses were confidential and that their identity would not be revealed. Confidentiality was critical to eliciting respondents’ honest views about the successes and challenges faced by their own programs, as well as their perspective on the role of the contracting agency, HRA. In order to protect the identities of those individuals who wished to remain anonymous, organizations that have contributed to this research are identified, rather than any actual representatives of these groups. We are deeply grateful to the following organizations that generously gave of their time and experiences to contribute to this research.

Representatives of...


LaGuardia Community College, Division of Adult and Continuing Education New York Association of New Americans New York City College of Technology, Division of Continuing Education Non-Profit Assistance Corporation / Seedco Northern Manhattan Improvement Corporation Pius XII Youth and Family Services St. Nicholas Neighborhood Preservation Corp., Williamsburg Works Wildcat Service Corporation Women’s Housing and Economic Development Corporation

ESP Clients

In addition to completing a 15-30 minute survey in front of their ESP Sites, a subset of clients of the system were also asked to discuss their experiences further in a 1 1/2 – 2 hour interview. ESP clients were asked if they were willing to have their names attached to their comments; while names are only represented in the report with the larger client profiles, all respondents were open to full disclosure. We are deeply grateful to the following individuals who gave of their time and openly exposed their personal experiences to contribute to this research.

Annette Murph, Anthony Waterman, Euline Williams, Irene Arnold, Joseph Pugh, Michael Gilmore, Ruth Ramirez, Richard Williams, Suli Rosario, Wanda Avila, Yara Sanchez, Yvette Bullock (ESP client → staff)
Appendix C: Client Survey Instruments

ESP ORIENTATION SURVEY

Community Voices Heard is a membership organization of low-income people in NYC that have come together to influence policies that impact our lives. We want to learn about your experiences at employment services and placement sites (that provide job search and job readiness services). All information will remain confidential unless you grant us permission to use your name.

ESP Site: ____________________________________ Borough: _____ Interviewer: __________________ Date: -

Personal Background Information

Gender: ☐ Male ☐ Female Age: __________________
Identify as: ☐ African-American or Black ☐ Asian or Pacific Islander ☐ White
☐ Latino/a or Hispanic ☐ Native American ☐ Other: __________
Highest: ☐ Less than high school ☐ High school diploma: + ________
☐ GED: + ________
Education: ☐ Vocational school diploma ☐ College diploma ☐ Graduate diploma
Marital Status: ☐ Married ☐ Separated/divorced/widowed ☐ Never married
Household: _____ # People living in house Ages of People in House: ________________________ + Me

1 Do you currently have an active / open public assistance case (even if sanctioned)? ☐ YES ☐ NO
   If yes… Were you sent / referred to this site by the welfare system? ☐ YES ☐ NO
   If no… SKIP TO WRAP-UP OF SURVEY, assuming person doesn’t fit into our target population.

2 How many months / years have you received public assistance as an adult (in total)? _____ Years _____ Months

3 Are you currently doing a WEP / workfare assignment? ☐ YES ☐ NO
   If yes… Where is your WEP / workfare assignment?
   What do you do there?
   If no… Have you been assigned a WEP / workfare site to start soon? ☐ YES ☐ NO
   If yes… Where will your WEP / workfare site be?

4 How many days / weeks have you been coming to this job readiness / job search site? _____ Days _____ Weeks

5 Are you currently in orientation at this site? ☐ YES ☐ NO
   If no… GO TO OTHER SURVEY “ONGOING SERVICES”, if appropriate.

6 Have workers at this site begun to review your experience, skills, interests, etc.? ☐ YES ☐ NO
   If “YES” & 6 or more days at site (look at question 4) …
   What methods are being used in the review / assessment process? (Check all that apply.)
   ☐ Formal tests to assess skills/education ☐ Activities to analyze self
   ☐ One-on-one interview with staff person ☐ Independent filling out of forms
   ☐ Group discussion / assessment in class ☐ Other: __________________________
   Which of the following are being examined as part of the review? (Check all that apply.)
   ☐ Educational Background / Certifications ☐ Job / Occupation / Career Interest
   ☐ Reading & Math Levels (TABE Test) ☐ Barriers to Employment
   ☐ Existing Skills ☐ Personal Values as Relate to Work
   ☐ Past Work Experience ☐ Education / Training Needs or Desires
   ☐ Other: __________________________
   Is the process adequately capturing your background and interests? ☐ YES ☐ NO
   Has any part of the assessment been particularly helpful to you? ☐ YES ☐ NO
   If yes… Explain: __________________________________________________
7 When you come here, approximately how many **hours** do you stay per day? __________ Hours / Day

8 What do you do during an average day here? ______________________________________________________

9 Are you in **structured** activities (workshops, meetings, computer lab, etc.) all the time? ☐ YES ☐ NO

   If no… How many hours per day are you NOT in structured activities? __________ Hours / Day

10 Which of the following **job readiness topics** have been **taught** to you at this site, was the information **useful**, did you **learn something new**, and can you now do the thing taught on your own?

<table>
<thead>
<tr>
<th>Job Readiness Workshop Topic</th>
<th>Taught at site yet?</th>
<th>Information useful?</th>
<th>Learn something new?</th>
<th>Do / handle on your own now?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resume Writing</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ Yes ☐ Sort Of ☐ No</td>
</tr>
<tr>
<td>Cover Letters</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ Yes ☐ Sort Of ☐ No</td>
</tr>
<tr>
<td>Filling out Applications</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ Yes ☐ Sort Of ☐ No</td>
</tr>
<tr>
<td>Interview Skills</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ Yes ☐ Sort Of ☐ No</td>
</tr>
<tr>
<td>Job Search Techniques</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ Yes ☐ Sort Of ☐ No</td>
</tr>
<tr>
<td>Strategies for Keeping a Job</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ Yes ☐ Sort Of ☐ No</td>
</tr>
<tr>
<td>Stress Management</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ Yes ☐ Sort Of ☐ No</td>
</tr>
<tr>
<td>Financial Literacy / Budgeting</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ Yes ☐ Sort Of ☐ No</td>
</tr>
<tr>
<td>Computer Basics</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ Yes ☐ Sort Of ☐ No</td>
</tr>
<tr>
<td>Work Related Benefits</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ Yes ☐ Sort Of ☐ No</td>
</tr>
<tr>
<td>Other 1: ___________________</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ Yes ☐ Sort Of ☐ No</td>
</tr>
<tr>
<td>Other 2: ___________________</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
<td>☐ Yes ☐ Sort Of ☐ No</td>
</tr>
</tbody>
</table>

11 How would you rate the **overall quality** of the job readiness workshops provided by this site so far? ☐ Excellent ☐ Good ☐ Okay ☐ Poor ☐ Bad

   **Explain:**

12 Are you currently in a **training and/or education** in addition to job readiness? ☐ YES ☐ NO

   **If no…**

   Have you been told that under certain circumstances, you can attend ABE or vocational education & satisfy part / all of your work requirement? ☐ YES ☐ NO

   Were you told about possible **funds** to help you pay for training? ☐ YES ☐ NO

   Would you like to be in a training and/or education class? ☐ YES ☐ NO

   **If yes…**

   Why are you not in an education &/or training program? (Check all that apply.)

   ☐ Not told about option ☐ Not qualified for one of interest ☐ No funds ($)

   ☐ On waiting list for start ☐ Training wanted was full ☐ Already did one

   ☐ Discouraged from taking ☐ Other: __________________

13 Are there currently things that make it **hard** for you to get / accept / keep a job? ☐ YES ☐ NO

   **If yes…**

   What are the **barriers**? (Check all that apply.)

   ☐ Lack of suitable childcare ☐ Poor health condition: physical, mental, etc.

   ☐ Need to care for disabled / sick family ☐ Lack of job experience

   ☐ Lack of GED / high school diploma ☐ Lack of transportation funds

   ☐ Lack of college degree ☐ Problems with public assistance

   ☐ Lack of specialized skills / education ☐ Lack of appropriate interview / work clothes

   ☐ Lack of English proficiency ☐ Recovering from drug addiction

   ☐ Ex-offender status ☐ Discrimination in hiring: __________________

   ☐ Lack of jobs in my community ☐ Housing problems: __________________

---

108 - The Revolving Door
Low wages cannot support my family  Other: _________________________________

Are the workers at this site aware of the barriers you face?  YES  NO
If yes… Does this program seem able to help you deal with them?  YES  NO
Explain…

14  How would you characterize the attitude of workers toward welfare recipients at this site?

Respectful:  All the time  Some of the time  Never
Supportive:  All the time  Some of the time  Never

15  Have you ever felt discriminated against at this site?  YES  NO
If yes… For what reason(s) do you feel you were discriminated? (Check all that apply.)
- race / ethnicity
- gender
- language difficulty
- being on welfare (class)
- age
- sexuality
- ex-offender status
- other: ______________
Explain…

16  So far, what would you say are the best and worst things about this site?

BEST

WORST

17  Have you been to any other job readiness / job search programs through HRA?  YES  NO
If yes… How many different programs have you gone to (including this one)? ___ Programs
Have all the programs had similar workshops and services?  YES  NO
If yes… Do you consider the repetition to be:  Helpful  Waste of Time
Of the job search / job readiness programs you have gone through, which would you rate as the best and which the worst?

BEST

Why?

WORST

Why?

Wrap-Up & Contact Information

Is there anything else you would like to tell us about this site?

Do you have any suggestions for how to improve this system?

This survey will remain confidential. However, we might like to contact you again to clarify some of your answers and ask additional questions. We’d like to have your contact information on hand to do so:

Name: ___________________________  Phone: ___________________________
Address: ________________________ Apt. # _____  ________________________, New York _____

Would you be willing to have a longer discussion about your experience at this site?  YES  NO
ESP ONGOING SERVICES SURVEY (Additional Questions Only)

NOTE! The ongoing survey asked mostly the same questions as the orientation survey. Differences were evident in a question about the program schedule that people were currently amidst, detailed questions about assessment were replaced by more general questions, and questions about job placements were added. Shown here are these changes.

Personal Background Information: Same as on Orientation Survey

Questions 1-2: Same as on Orientation Survey

Questions 3-9 on Orientation Survey are replaced on Ongoing Survey by the following questions:

3 How long have you been receiving services from this site? ___ Weeks ___ Months ___ Years

4 Which of the following best describes the program & schedule you currently participate in:
   □ Orientation: If orientation...
   □ Job Search & WEP: 2 days/week at job search site & 3 days/week doing WEP
   □ Job Search & Educ./Training: job searching some days/hours & doing education or training others
   □ Part-time Work: part-time work with or without job searching
   □ Full-time Work: been placed in a job, returning to check in and/or get additional services
   □ Other: Please explain...

5 How many days per week & hours per day do you come to this site? ___ Days / Week ___ Hours / Day

6 Are you in structured activities (workshops, meetings, computer lab, etc.) all the time? □ YES □ NO
   If no... How many hours per day are you NOT in structured activities? ___ Hours / Day

7 When you first came here, did workers review your experience, skills, interests, etc.? □ YES □ NO
   If yes... Did the process adequately capture your background and interests? □ YES □ NO
   How would you rate the overall quality of the review / assessment done at this site? □ Excellent □ Good □ Okay □ Poor □ Bad
   Explain:

Questions 10 & 11 on the Orientation Survey then follow as Questions 8 & 9 on the Ongoing Survey

The following questions come next on the Ongoing Survey, and only appear on the Ongoing Survey:

10 In general, who finds most of your job leads?
   □ I find most of my own job leads
   □ My job developer finds most of my job leads
   □ I find half of my leads & my job developer finds half
   □ Other: ____________________________ □ YES □ NO

11 Have you been referred to jobs by this site? □ YES □ NO
   If yes... Approximately how many job referrals & interviews have you gotten? ___ Referrals ___ Interviews
   What type of positions have you been referred to by this site? (Check all that apply.)
   □ Childcare □ Health Care □ Manufacturing □ Warehousing
   □ Clerical □ Food Services □ Retail □ Other:
What is the **average hourly wage** of the jobs you have been told about? _____ per hour

Are they mostly:  
- [ ] Construction  
- [ ] Maintenance  
- [ ] Security

What portion (all / some / none) of the **job leads** you are being told about at this site **fit** your:

- [ ] Education level  
- [ ] Work experience  
- [ ] Personal interests  
- [ ] Scheduling needs  
- [ ] Financial needs

Has this site ever provided you with wrong **information** about job leads?  
- [ ] YES  
- [ ] NO

If yes… How many times? _____ Times

What happened? ______________________________________________________

12 How would you rate the **overall quality** of the **job search assistance** provided by this site?  
- [ ] Excellent  
- [ ] Good  
- [ ] Okay  
- [ ] Poor  
- [ ] Bad

**Explain:** ____________________________________________________________

Questions 12 –17 on the Orientation Survey complete the Ongoing Survey as Questions 13-18.

The **Wrap-Up & Contact Information** piece remains the same.
APPENDIX_D: Provider Interview Guide

Contract Background

1. Contract Details:
   a. Are you a primary contractor or subcontractor for HRA on ESP?
      i. If you are a primary contractor, who are your subcontractors?
   b. When did your contract start?
   c. How long does your contract last?
   d. What population do you serve?
   e. How many individuals are you supposed to serve?
   f. How much money is allocated for your program services?
   g. How does the payout work – line item, performance, and/or combination?

2. How have your contracts with HRA shifted over time?

3. What characteristics, if any, of clients referred has changed?

Staffing

4. How many staff do you have on site?

5. What are the job positions/descriptions of your staffers (counselors, developers, etc.)?

6. What kinds of qualifications do people need to get the positions (education and/or work experience and/or language capabilities)?

7. What is the average caseload that staff members have at any point in time?

Referral System

8. How are individuals referred to you?

9. How does the relationship between your organization and the job centers operate?
   a. Do you work with one or two job centers primarily or citywide?
   b. Have you ever made a presentation at job centers?
   c. Do you work with clients on site at job centers or only at your site?

Assessment Process

10. What type of information on the client referral comes to you?

11. What does your internal assessment process consist of?

12. How do you incorporate information from previous assessments?

Orientation / Job Readiness

13. What type of orientation did you provide?

14. What does your job readiness curriculum consist of?

15. Do you have a copy of the curriculum that you work with?

16. Do you refer people elsewhere for services that you do not provide yourself?

Ongoing Services / Job Search

17. What type of ongoing services do you provide?

18. What does your job search assistance consist of?

19. How often do people come to you and for how long?

20. How do you encourage ongoing participation (i.e. compliance)?

21. How do education and training (ITAs) fit in as an option, or does it?

22. With which specific employers do your job developers have connections?
Outcomes/Performance

23. How do you track the “performance” / “outcomes” of your participants?
24. What type of reporting requirements does HRA or your contractor have?
25. What are your placement rates? Retention?
26. Are there bonuses / rewards for workers and/or clients for job placement?
27. What types of jobs are most of your clients placed in?
28. What are the average wages of your placement?
29. What type of retention services, if any, do you provide?

Program and Contract Insight

30. What do you see as the strengths and weaknesses of the ESP/SAP programs?
31. What are your feelings about the 2 day job search / 3 day WEP model?
32. What limitations do you face in providing services?
   a. How have you seen these limitations changed over time?
   b. How has contract performance changed over the past 4 years?
33. How can vendor relations with job centers be improved?
34. How have ITAs affected service delivery and performance outcomes?
35. If you could alter the contracting mechanisms, in what way would you do so?
36. What other benchmarks would be realistic and beneficial?
37. If you could alter the administrative structure of the program, how would you?
38. If you could alter the service provision in some way, what would you do?
APPENDIX E: Client Interview Guide

Referral
1. Could you describe the situation that led up to you going to ____________?

Assessment
2. How did they find out about your skills, background and interests when you arrived?
3. Did the workers at the site take time to learn about your specific situation? If so, how?
4. Do you feel that the workers at this site have an accurate understanding of your skills and education? Why or why not?

Overall
7. Please give a brief description and evaluation of your experience at the site – what you did there, what skills you learned, what jobs you found, etc…
8. Was there consistency in the workers on your case? How many people did you work with? What were their different roles?
9. How did you/they conduct job searches? What types of jobs were you referred to?

Job Readiness Workshops
10. What opportunities for education and training outside of the site did you have?
11. What kind of job readiness training did you have?
12. How many other people were in the workshops? Did you receive one-on-one training?
13. What would you describe as the most helpful activities done or services provided at the site? Least helpful? Why?
14. Are the activities/workshops appropriate to your needs?

Job Search Assistance
15. How are you supported in job searches? Before you are placed and after you are placed?
16. What types of jobs have you been referred to?
17. What does your job developer do?
18. Where do you look for jobs on your own?
19. Do you feel that the jobs you are referred to are appropriate? Why or why not?

Ongoing
20. Please discuss your welfare/job situation now (WEP, work, still at ESP, etc…).
21. If you are at a WEP site, what do you do there? Is this experience helpful?
22. If you have a job, what do you do? How much do you make? How did you get the job?
   Do you have benefits? Transportation? Childcare? Are there any problems, etc…?
23. If you are in education/training, what kind and where? How did you get in? Did the ESP help you get there? Are you able to juggle with other commitments? Did you get a voucher, get in quickly, etc…? Was the process easy?
24. How has your experience with the job search/readiness site affected that situation? Are you better or worse off as a result of your involvement with your site?
25. Do you support job search/readiness programs?

Atmosphere
26. Do you feel that you were treated as an individual at your ESP site?
27. Do you feel that you were treated with respect at the site? Why or why not?
Site Relative to Others

28. Have you been through an ESP site before? If yes, how does this experience/site compare with that one?

Suggestions

29. Do you think the current welfare system serves you well (specifically ESP’s and WEP)?
30. What works? What doesn’t?
31. What suggestions do you have to make the system work better?
32. What are the needs/barriers you have towards finding employment that were not addressed at the site? How would you suggest that the site address them?
33. What do you need to get off of public assistance and move to self-sufficiency?
VendorStat Reports are monthly performance evaluation reports that the Human Resources Administration produces for each Employment Services and Placement (ESP) site throughout the City. HRA’s Office of Program Reporting, Analysis and Accountability produces the reports. Information from HRA’s own Reference Guide was utilized to interpret the evaluation reports, and is explained here to assist the reader.

Indicators are calculated for each of 26 sites, 9 vendors, and for the system as a whole. The reports present data according to three different time periods: the month itself, a 3-Month Average (including the report month), and the Contract to Date average. Clients are grouped together in “Cohorts”. Cohorts are groups of public assistance recipients that all have similar start dates at the particular ESP Site. In the VendorStat Reports, cohorts represent individuals that started at the sites 4 weeks (1 month), 13 weeks (3 months), and 26 weeks (6 months) prior.

Monthly reports from January 2004 through December 2004 were analyzed during the research process. However, figures mentioned throughout the report were generally taken from the December 2004 VendorStat Reports. The three-month averages reflected in these reports (representing the sum of all outcomes from October, November, and December 2004, divided by 3) were deemed the most appropriate time periods to represent given that client surveying also took place during these same months. Averages were utilized to take into account variations between months.

While differences between sites and vendors clearly exist, the system as a whole is most often discussed in this report. A closer look at the differences between sites revealed that while some sites did slightly better along certain indicators, the real message was one of limited performance system wide – limited performance that pointed to systemic problems rather than a critique of the performance by particular sites over others. That said, there were definitely sites that performed better than others on certain indicators. However, no one site seemed to perform the best on all indicators.

Included in this appendix are select 3-month average figures taken from HRA’s December 2004 VendorStat Reports, grouped first by vendor (Table A) and next by site (Table B). As described in HRA’s Reference Guide (italics represent pieces taken directly from the guide), the figures shown represent the following:

**REFERRALS**

- **Total Referred** – Number of cases referred to the Site with an Assignment Start Date within the particular report month.
- **FTR** – Number of cases referred to the Site with an Assignment Start Date within the particular report month who FTRed. [Failed to Report]
- **Returned** – Number of cases referred to the Site within an Assignment Start Date within the particular report month who were Returned.
- **Deassigned** – Number of cases referred to the Site with an Assignment Start Date within the particular report month who got Deassigned. [Sent back to HRA due to inappropriate referral.]
- **Net Seen** – The difference between the number of cases that were referred and those that got FTR, Returned or Deassigned.
OUTCOME INDICATORS

Week 4
- **% Placed and Closed** – Measures the percentage of placements whose case got closed due to placement for those cases that had an Assignment Start Date 4 weeks prior. (Minus those who got Deassigned, FTRed, and those cases closed for reasons outside the vendor’s control.)
- **% Placed and Still Open** – Measures the percentage of placements whose case is still open for those cases that had an Assignment Start Date 4 weeks prior. (Minus those who got Deassigned, FTRed, and those cases closed for reasons outside the vendor’s control.)
- **% FTC** – Measures the percentage of FTCs for those cases that had an Assignment Start Date 4 weeks prior.
- **% Still Active / No Job** – Measures the percentage of cases that are still with the vendor/have not found a job and have an Assignment Start Date 4 weeks prior.

Week 13
Same definitions as above, but for cases that had an Assignment Start Date 13 weeks prior.

Week 26
Same definitions as above, but for cases that had an Assignment Start Date 26 weeks prior.

PLACEMENTS

- **Total Placements** – Number of placements by that particular site.
  - **TANF** – Number of placements that are TANF cases [Temporary Assistance for Needy Families cases are those of individuals with dependents on their case that have received public assistance for less than 5 years].
  - **Safety Net** – Number of placements that are Safety Net cases [Safety Net cases are individuals without dependents on their cases and individuals with dependents that have received public assistance for 5 years or more].

MAJOR INDICATORS

- **Retention at 3 Months** – Number of cases that have a paid 3 month milestone posted in PaCS over paid placements 3 months ago.
- **Retention at 6 Months** – Number of cases that have a paid [6] month milestone posted in PaCS over paid placements 6 months ago.
- **Recidivism Rate** – Measures the percentage of cases that re-opened a PA [Public Assistance] case subsequent to a placement 26 weeks ago which led to the case closing.

NOTE! Figures in the report were often calculated from the VendorStat Reports and represent different perspectives on the same numbers. In other words, whereas HRA placement rates shown in the charts that follow exclude those that Failed to Report or were Deassigned, calculating figures using the “Net Seen” as the denominator, figures in the report often calculate placement rates utilizing “Total Referred” as the denominator. Similarly, retention and recidivism rates in this report are sometimes represented in terms of those placed, and sometimes in reference to the entire number of referrals to the system. A close reading of the text of the report outlines when figures are “based on” HRA reported stats and when they are presented as HRA reports them in the charts that follow.
| TABLE A Goes Here! |
TABLE B Goes Here!
According to HRA documents utilized in the FIA CUNY Professional Training Academy, the SAJP/ESP System was set up to take people through four phases of an employment process:

- **Phase 1:** Initial Screening
- **Phase 2:** Employability Assessment
- **Phase 3:** The Employment Plan
- **Phase 4:** Engagement Activities

After initial screening is done at the Job Center, **assessment** is supposed to be performed at the SAJP site, prior to ESP referral. SAJP vendors were charged to “establish a systematic assessment and testing process”.

Reading and mathematics levels of each individual are tested using the Test of Adult Basic Education (TABE) Locator and Survey Tests or other similar measures approved as alternatives by HRA.

In addition to formal testing, SAJPs are directed to “conduct an objective assessment of the skill levels of each individual, which would include a review of basic skills, occupational skills, prior work experience, employability, interests aptitudes, and support service needs.” After completing the assessment, SAJPs are supposed to begin the individual employment plan – “identify the employment goal, appropriate achievement objectives, and appropriate services for individuals taking into account information obtained pursuant to the objective assessments.”

Should the assessment lead the SAJP Provider to determine that an individual should be referred to the ESP system, upon the acceptance of their public assistance case, an outstationed HRA worker at the SAJP site then randomly refers them to an ESP site.

Initial referrals to the ESPs came from four sources: (1) SAP vendors, (2) face-to-face recertification, (3) NPA Food Stamps, and (4) PA walk-ins. Every two weeks HRA distributes new rosters of assigned participants (“new starts”) to the various ESP sites.

Once PA recipients are on-site, “ESP vendors utilize the new automated EA/EP [Employment Assessment / Employment Plan] completed at SAP to find the most suitable job placement or ESP activities for each participant.” ESPs are responsible for further developing and updating the individual employment plans, or completing them entirely if an individual arrives without an assessment. Employment plans must be updated every 3 months.

“**Engagement Activities**”, Phase 4, refer to both the activities that the ESP Sites themselves provide, as well as outside activities to which they might refer people. ESP Providers themselves offer the job readiness and job placement piece. They are allowed to determine which **job readiness skills** they will provide to individuals at their sites. Possibilities include: Personal Qualities (i.e., responsibility, punctuality, self-management, and integrity/honesty), Interpersonal Skills (i.e., being a “Team Player” and serving customers), Thinking Skills (i.e., decision making, problem solving and reasoning, Resume Preparation, Networking Skills, Telephone Techniques, Employment Applications, Interview Skills and Techniques, Dressing for Success, Job Search and Retention Strategies, and Developing and Maintaining Appropriate Work Habits and Attitudes.

Outside activities generally refer to the **Work Experience Program** (WEP) that public assistance recipients participate in three days a week. WEP assignments are given by the HRA Job Centers.
to individuals that fail to find work on their own after their SAJP period. Most WEP assignments are in City Agencies and involve either maintenance or clerical work. They are given at the same time as the ESP site referral; however, WEP assignments do not start until the 3rd week. ESP sites are able to determine which days of the week individuals are at their site, and which days individuals go to WEP.

It is also possible, according to the program guidelines, for ESPs to send participants to full-time or part-time vocational training programs and to assist them in applying for Individual Training Account (ITA) Vouchers. Such vouchers are available for qualified public assistance applicants that are not successful in gaining employment due to a lack of skills or education. To be referred for an ITA voucher, participants must have “demonstrated compliance with mandated work activities (minimum of 2 weeks of good attendance)” Programs must be on the NYS Eligible List of Providers, not exceed 6 months in duration, and not exceed $2500 in cost. Applications to HRA must demonstrate that people have considered a variety of training options in settling on the one prioritized for application.

In addition to imparting job readiness skills, ESP sites provide individuals with job placement services. This should include both tips on how to find a job (i.e., job search activities), as well as direct job referrals and placement. Guidelines are set out that direct clients regarding acceptable and unacceptable reasons to refuse a job offer. Once a person begins a job, ESPs are then called upon to monitor retention in them, particularly at the 90 day (3 month) and 180 day (6 month) points.
APPENDIX H: ESP Sites around NYC

A total of 26 ESP sites are currently in operation across the five boroughs of NYC. Some of the ESP vendors provide their services through sub-contracted entities and many vendors operate at more than one site across multiple boroughs.

The following chart lays out more details regarding where each contractor provides their services and whether or not they themselves provide them or they engage subcontractors:

<table>
<thead>
<tr>
<th>ESP VENDOR</th>
<th>NO. OF NYC ESP SITES</th>
<th>BOROUGH LOCATION(S)</th>
<th>ENTITY OR ENTITIES OPERATING SITE(S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACS-Inc.</td>
<td>1</td>
<td>Brooklyn</td>
<td>* NY Job Partners (division of ACS)</td>
</tr>
<tr>
<td>America Works</td>
<td>3</td>
<td>Bronx, Manhattan, Queens</td>
<td>* America Works, * America Works, * America Works</td>
</tr>
<tr>
<td>CEC</td>
<td>2</td>
<td>Brooklyn, Staten Island</td>
<td>* CEC, * SI Employment and Education Consortium</td>
</tr>
<tr>
<td>CUNY</td>
<td>3</td>
<td>Brooklyn, Manhattan, Queens</td>
<td>* NYC College of Technology, * Borough of Manhattan Community College, * LaGuardia Community College</td>
</tr>
<tr>
<td>FEGS</td>
<td>1</td>
<td>Bronx</td>
<td>* FEGS</td>
</tr>
<tr>
<td>Goodwill</td>
<td>3</td>
<td>Bronx, Brooklyn, Queens</td>
<td>* Goodwill, * Goodwill, * Goodwill</td>
</tr>
<tr>
<td>NYANA</td>
<td>1</td>
<td>Brooklyn</td>
<td>* NYANA</td>
</tr>
</tbody>
</table>
The Employment Services and Placement (ESP) renewal contracts are all set to expire at the end of 2005 or beginning of 2006. The NYC Human Resources Administration (HRA), therefore, has begun preparing its contracting next steps. A new Request for Proposals (RFP) was released on April 5, 2005 proposals were due on June 8, 2005 and the anticipated contract start date is October 1, 2005.

The vendors sought are those that can “provide services...that prevent the need for public assistance and prepare employable individuals to successfully transition from welfare to work and remain self-sufficient. Programs must focus on preparing participants for work, job placement, job retention, and career advancement.” Vendors will be responsible for intake, orientation, assessment, and full engagement, employment and retention services, and removing barriers to employment.

The HRA Works program will basically combine three separate employment services contracts that the City currently has, into one: Employment Services and Placement (ESP), Skills Assessment and Job Placement (SAJP), and Special Populations. It will set out to serve about 12,800 individuals per month including employable Public Assistance Applicants and Recipients as well as Non-Public Assistance Food Stamp Recipients, Non-Custodial Parents, and Foster Care Youth. Of this figure, approximately 8,500 are employable public assistance applicants and 4,300 are employable public assistance recipients.

HRA Works is one branch of a three-branch system that HRA is moving towards. Employable applicants and recipients enter the HRA Works branch (to be up and running in the fall of 2005). Employable individuals with low literacy levels enter the BEGIN-Managed Programs branch (in operation since 1989) where they can access Adult Basic Education, GED, and Language Immersion classes. And, non-employable or partially employable individuals, with medical and/or mental health conditions, enter the WeCARE Program branch (set up in the fall of 2004). The flow of participants into the program was documented by HRA in the following participant flow chart in Appendix A of the HRA Works RFP:
At the pre-proposal conference held on April 19th, 2005, Seth Diamond, the Executive Deputy Commissioner of the Family Independence Administration (FIA) within HRA, noted that lessons learned from the past employment contracts had been incorporated into the new RFP. He noted six such lessons, and their corresponding implications for the new contracts, specifically.

1. **Continuity of Services:** There will no longer be separate vendors for the application and recipient phases. The 15 separate SAJP and ESP contracts will be collapsed into single *HRA Works* contracts responsible for both moments, overseeing someone during their entire time on public assistance.

2. **Job Center and Vendor Partnership:** Past problems with coordination between vendors and Job Centers led HRA to propose a more direct link between centers and vendors. Vendors will spend some time in the Centers and Centers will refer to particular vendors. Services will be clustered in a way that will encourage more cooperation.

3. **Service Areas:** In order to not have participants lost as they travel far to get services, the City is split up into geographical service areas that will refer people to services within a certain
proximity to them. Simultaneously, HRA does not want to have to manage too many contracts; HRA anticipates 2 contractors per service area.

4. **WEP/Workfare**: Past frustrations around the lack of connection between vendors and the WEP sites has caused HRA to structure the new program in a way that will better foster coordination. Vendors themselves will now assign WEP sites to participants, and the contract tries to foster closer communication and management.

5. **Retention Focus**: While the payment milestones in the last contracts were adjusted to enhance the focus on retention, HRA is looking for vendors that will take this the next step and work with clients on post-employment career plans including work supports, retention services, and job upgrade training.

6. **Population Change**: In noting how the population that remains on public assistance faces more and more challenges, HRA attempts to reward work to address the needs of the hardest to serve and deal with barriers in innovative ways, encouraging vendors to invest more in this as they think through their program approach.

Contracts will again be three-year contracts with a possible option for a three-year renewal. The total annual funding for HRA Works will be $63,000,000 distributed through a fully performance-based payment structure that includes the following milestones:

**Employment Plans**
- Completion of an Employment Plan (Pre-employment)
- Completion of an Employment Plan (Post-employment)

**Unsubsidized Employment**
- Placement into unsubsidized employment for 30 days (minimum 20 hours a week)
- Retention in unsubsidized employment for 90 days after initial placement
- Retention in unsubsidized employment for 90 days with case closing
- Retention in unsubsidized employment for 180 days after initial placement
- Retention in unsubsidized employment for 180 days with wage gain

**Incentive/Disincentive Payments (based on HRA JobStat/VendorStat Reports)**
- Incentive payment for a decline in the number of participants who have failed to comply with work requirements and whose cases are sanctioned
- Incentive payment for an increase in the rate of sanction removal
- Disincentive for an increase in the public assistance recidivism rate
- Disincentive for a decline in VendorStat administrative indicators (e.g. Employment Plan completion and timely attendance notification)

**NOTE:** The Agency anticipates that it will pay a supplement for the 30 day unsubsidized job placement milestone for participants identified by HRA as Time Limited Cases and Sanctioned Cases because of the additional services they require.\(^7\)
REFERENCES


*Employment Services and Placement Programmatic Updates.* New York: FIA CUNY Professional Training Academy - January 17, 2002; January 2003; February 9, 2004; April 19, 2004; and June 6, 2004. [Programmatic updates and corresponding materials as used in short-course at Professional Training Academy.]


*ESP Renewal Agreement.* City of New York: Department of Social Services Human Resources Administration, September 27, 2002. [Renewal Agreements for each separate ESP vendor for the 2002 – 2005 period.]


Individual Training Accounts.  New York: Human Resource Administration FIA/CUNY Professional Training Academy, October 16, 2003.  [A power point presentation used to train vendors on ITAs and additional materials to support.]


*Pre-Proposal Conference Request for Proposals for HRA Works.* The City of New York Human Resources Administration, April 19, 2005. [Transcript from Pre-Proposal Conference for RFP, considered Addendum #1 of HRA Works.]


*SAP and ESP: Who are we? What are we? What do we do?* New York: FIA CUNY Professional Training Academy. [A power point presentation on the four phases of the employment process.]

Temporary Assistance and Food Stamps Employment Plan. New York: Department of Social Services Human Resources Administration, February 13, 2004. [Plan submitted by HRA to the New York State Office of Temporary and Disability Assistance.]


ENDNOTES


8 At the time surveying was done with clients and interviews set up with providers, we were only aware of 25 sites across the system. When later VendorStat reports were obtained, it became clear that a 26th site existed – a subcontractor of Wildcat, ENYDC.

9 HRA does provide demographic information for the welfare population as a whole, as well as broken down by type of public assistance case (Family Assistance, Safety Net Assistance, Safety-Net 60-Month Converted). Such information is available on HRA’s website in the form of monthly HRA Facts sheets: www.nyc.gov/html/hra/html/hrafacts.html.


12 Concera Corporation had bought Curtis and Associates, Inc. at the time of the contract renewal. Affiliated Computer Services, Inc. (ACS) then bought Concera. NY Job Partners is a division of the family and community service group of ACS-Inc.


14 Consortium for Worker Education actually received a renewal contract as well, for up to $7,149,250. They did not carry their contract to fruition, however. This report speaks only of the 9 contractors that are still in operation.

15 This figure (4,144) is taken from HRA’s December 2004 VendorStat Reports and represents a three-month average based on October-November-December 2004 referrals. In HRA’s new RFP for *HRA Works*, HRA said that they are currently referring approximately 4,300 employable public assistance recipients to existing contractors per month (*HRA Works*, p. 4).


17 *Policy Directive #99-76RR*, p. 3.

The gross income test is discussed here because once an individual earns over that amount they are also not eligible for the Earned Income Disregard - a benefit designed to assist welfare recipients in their transition to work. For individuals with children that “pass” the gross income test, they can disregard $90 and 45 percent of their remaining earnings from the amount of their earnings that get deducted from their standard of need amidst the rebudgeting process. Information on these gross income test cut-offs as well as the EID was provided by Don Friedman of the Community Service Society.


A nationally representative sample of individuals who left TANF between 1997 and 1999 found that recidivism for these individuals was at 22 percent by the end of 1999. Pamela J. Loprest, *Who Returns to Welfare?* (Washington, D.C.: Urban Institute, 2002).


Request for Proposals for Skills Assessment and Job Placement: PIN 06900H005800, p. 2.


More information on the Davila settlement can be found on the website of the Homelessness Outreach & Prevention Project of the Urban Justice Center http://www.urbanjustice.org/litigation/index.html.
Two weeks of good attendance is necessary before application for a voucher; continued good attendance – avoiding being issued an FTC – is required for processing and receipt of the voucher.

Fair Hearing Information Systems (FHIS) reports for the month of April 2005 in NYC reported that a total of 10,615 issues were decided, and HRA was affirmed on 1,064 issues (10.2 percent). The Office of Administrative Hearings (OAH) of the Office of State and Disability Assistance (OTDA) also separates out “correct when made” decisions – where the City made the right decisions at the time given the information that they had, but that new information or evidence at the hearing reversed the decision. If you add in the 392 “correct when made” issues for April, it brings the “affirmance” rate to 13.7 percent.

M. Bryna Sanger explores the impact of market forces on welfare contracting in her book *The Welfare Marketplace* (Brookings, 2003) and focuses on sites that were undergoing significant restructuring of services. Three out of the four sites studied (New York, San Diego, and Milwaukee) utilized performance-based contracts while only one (Houston) utilized a cost reimbursement approach to contracting. The Milwaukee contracts give bonuses to contractors who assist people with basic education/job skills attainment.


WeCARE is a new HRA program designed to work with individuals with multiple and complex clinical barriers to employment. The program starts by conducting a bio-psycho-social assessment of the individual and determining their capabilities, and corresponding plan, from there. BEGIN-Managed Programs are those that specialize in basic skills and literacy instruction. Education and training is concurrent with a work experience model.

This second figure is based on the November report due to an error in the December report.

Vocational Rehabilitation Specialist from a substance abuse program as quoted in Abramovitz, *In Jeopardy*, p. 43.


This has been documented in the two Community Voices Heard studies mentioned earlier as well as a study done in Washington State. The latter study compared unpaid workfare to paid transitional jobs and showed that the paid transitional jobs program was dramatically more successful at both increasing clients earnings and their employment prospects. In fact, it documented such bleak outcomes for the state’s unpaid workfare program that the state decided to completely eliminate it. (See www.nelp.org/wlwp/development/transitional/tipswork0402.cfm.)

Request for Proposals for HRA Works: PIN 06905H051200, (The City of New York Human Resources Administration Family Independence Administration, April 5, 2005), p. 3.

*HRA Works*, pp. 4-5. The latter figure (4,300) represents the current ESP population.

Ibid., p. 1.


Ibid.

Rosario, p. 21.

*SAP and ESP: Who are we? What are we? What do we do?* (New York: FIA CUNY Professional Training Academy), p. 11.

Request for Proposals for Skills Assessment and Job Placement: PIN 06900H005800, p. 2.


*Skills Assessment and Placement (SAP) Core* (New York: The City of New York Human Resources Administration), Module 11: Job Search.

Request for Proposals for HRA Works: PIN 06905H051200, (The City of New York Human Resources Administration Family Independence Administration, April 5, 2005), p. 3.

*HRA Works*, pp. 4-5. The latter figure (4,300) represents the current ESP population.

Taken directly from *HRA Works*, p. 12.