

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

JOINT COMMITTEES ON CONTRACTS AND GENERAL WELFARE

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April 29, 2009

Start: 10:18am

Recess: XX:XXam/pm

HELD AT: Council Chambers
City Hall

B E F O R E:

LETITIA JAMES (CONTRACTS)
BILL DE BLASIO (GENERAL WELFARE)
Chairpersons

COUNCIL MEMBERS:

Council Member Gale A. Brewer
Council Member Helen D. Foster
Council Member Robert Jackson
Council Member Jessica S. Lappin
Council Member John C. Liu
Council Member Melissa Mark-Viverito
Council Member Michael C. Nelson
Council Member Kendall Stewart
Council Member David I. Weprin
Council Member Thomas White, Jr.

A P P E A R A N C E S (CONTINUED)

Seth Diamond
Executive Deputy Commissioner, Family Independence
Administration
Human Resources Administration

Ray Singleton
Assistant Deputy Commissioner, Employment Services
Division
Human Resources Administration

Paul Lopatto
Supervising Analyst for Social and Community Services
New York City Independent Budget office

Anita Walton
Public Assistance Recipient, College Student, Member
Community Voices Heard

Jonathan Sawyer
Public Assistance Recipient, College Student, Member
Community Voice Heard

Janet Rivera
Public Assistance Recipient, Board Member
Community Voices Heard

Sondra Youdelman
Executive Director
Community Voices Heard

Peter Cove
Founder
America Works

Liz Accles
Senior Policy Analyst, Early Childhood Education and
Income Security
Federation of Protestant Welfare Agencies

A P P E A R A N C E S (CONTINUED)

Mark Dunley
Executive Director
Hunger Action Network

Lori McNeil
Director of Research
Urban Justice Center

SERGEANT-AT-ARMS: Quiet, please,
find seats.

CHAIRPERSON JAMES: Thank you.
Good morning, everyone. My name is Letitia James,
and I am chair of the Contracts Committee, and I'm
joined here with my co-chair, Council Member Bill
De Blasio. And let me first begin with an opening
statement, and first I'll, let me also welcome all
of you to this hearing. Thank you all for coming.
This is a very important, important joint
oversight hearing with the Committees on General
Welfare and Contracts, regarding HRA's "Back to
Work" program. I'd like to thank Council Member
Bill De Blasio for allowing the Contracts
Committee to join him today. I'd like to thank
the staff for both of the committees for their
hard work in preparing this hearing today,
including Lisette Camilo, Israel Rodriguez, Molly
Murphy and Migna Taveras. And let me congratulate
Ms. Taveras on her nuptials. [laughter] You
know, over the past three years, New York City has
spent \$53 million a year on the "Back to Work"
program, a job readiness and job search program
for welfare recipients. There was a recent report

that was prepared by an advocacy group, entitled "Missing the Mark," an examination of New York City's back to work program, and its effectiveness in meeting employment goals for welfare recipients. Findings pointed to a failing program, poor job placement, weak job retention, high rates of recidivism, limited access to education and training, punitive sanction policies, and people basically falling through the cracks, without receiving much needed services. In this moment of historic job loss, in these austere times, in these narrowing and harrowing budget deficits and reduced revenues, we the citizens of New York City, and more importantly HRA, cannot afford to waste hundreds of millions of taxpayer dollars on this failed program. Though we cannot change the results from the past, we meet here today to highlight for HRA what we think they should do in order to get the most bang for our buck, for the future. The Contracts Committee was interested in this hearing due to the issue of contract management by HRA, and because we have jurisdiction over procurement policy. And this is essential in any contract

1
2 that we engage in. So the question is, what has
3 HRA done to assure that the vendors that were
4 selected were doing what they were supposed to be
5 doing during the life of the contract? What are
6 they doing now to assure that things will get
7 better? I realize that we cannot get into those
8 details as the renewal contracts have not yet been
9 finalized. However, we would like to know if they
10 have reviewed the public reports issued by
11 community voices heard in the IBO to inform the
12 renewal discussions with the vendors. And we
13 would like to know the possibility of not renewing
14 the contracts with these existing vendors, because
15 of their poor performance. I thank you all again
16 for coming to this very important hearing.
17 Hopefully, as a result of today's hearing, the
18 participants of the "Back to Work" program will be
19 better served. And now I'd like to turn it over
20 to my neighbor to the east, and to my very good
21 friend, Council Member Bill De Blasio.

22 CHAIRPERSON DE BLASIO: Thank you
23 very much. I thought I was your political
24 husband.

25 CHAIRPERSON JAMES: And my

political husband from time to time.

CHAIRPERSON DE BLASIO: Thank you.

From time to--Oh, see. [laughter] As in many personal relationships, you hear that qualifier, but, but you're always my political wife, dear. [laughs] So, it is a great honor and pleasure to work once again with Tish James on an important issue, and I thank her for having her committee join with the General Welfare Committee to look at the "Back to Work" program. Let me first welcome our colleagues, Tom White, Jessica Lappin and Melissa Mark-Viverito. And let me note, I want to thank all the staff as well, and we want to add that we should thank Crystal Coston for her good work on this hearing. Everyone knows that, whereas for a while the City of New York appeared to be doing a little bit better than the country economically, the full effect of the recession didn't seem to hit us at first, but now unfortunately we've caught up, so our unemployment rate right now is around 8.1 percent, which means there's incredible pressure on so many families in this City. And there's obviously fewer economic opportunities. And that's the backdrop against

which we need to look at the "Back to Work" program. And we need to really understand the importance of the community voice heard report. And I want to thank them for the work they've done on this issue. I also want to thank the IBO for its recent analysis, which I think goes further in terms of showing us just how unsatisfactory the performance of the "Back to Work" program has been. And again, that would be a problem in any moment. We are here as an oversight committee to safeguard the taxpayers investments, and to make sure people in need are being served. So anytime you see that folks aren't getting the intended result, that's a problem. But when the economy is offering less and less opportunity, it becomes a much bigger problem. And, and the questions and the problems of the program need to be higher up on our agenda. And it's time for change. Now just to refer again to the IBO's work, numbers they came up with really are not encouraging. A quote from the report roughly two-thirds of clients who were placed in unsubsidized positions through back to work, and retain those jobs for 30 days, are no longer in the same jobs five months

1 later. So we see a pattern of very, very short
2 term success, but not the kind of sustained
3 success we need. More specifically, IBO found
4 that in 2008, over 143,000 clients were referred
5 to the "Back to Work" program; of those, only
6 56,000 completed employment plans, a little bit
7 better than a third. Then look at these numbers.
8 Of the 56,000, only 15,000, one-five, only 15,000
9 found an unsubsidized job within 30 days; only
10 7,000 plus retained the job after 90 days; and
11 only 5,337 retained the job after 180 days. Now,
12 no one's saying this work is easy. I always add
13 that anyone trying to serve people in need and
14 people who've had trouble have, has a tough job on
15 their hands. But, starting with a base of 143,000
16 clients, and ending up with just over 5,000 people
17 who had a job for six months for more, is not a
18 record of success we need. The purpose of the
19 back door contract is "to prevent the need for
20 public assistance and prepare individuals to
21 successfully transition off of the welfare rolls."
22 That's from the actual contract language. And
23 that means to permanently transition off the
24 welfare rolls, not to be coming right back on
25

them. And unfortunately, this isn't happening for tens of thousands of people. The IBO report suggests that the program not only is not working, but that we're potentially creating a kind of public assistance merry-go-round, where folks go off for a period of time, and then are right back in the situation where they might once again need public assistance. Now, the economy means fewer jobs, fewer opportunity, folks with very strong qualifications are, you know, anxiously trying to get jobs that even a couple of years ago they never would've tried to get, they would've thought they were over qualified now; now they'll take any decent job they can get their hands on. So that puts pressure all up and down the job market. So, we need to look at some serious changes, particularly for the environment we're going to be in, in the next few years, and some bigger reforms. So I have a couple of long term points I'd like to make at the outset. I've been saying, and I believe it firmly, the City needs to expand its transitional jobs program. We, we have focused for a long time on training and placement, and in a strong economy there is certainly an

argument for that. I'm not sure we always did the training and placement the way we should've. But in an economy that doesn't offer sufficient opportunity, training and placement can only take you so far. It become a holding pattern rather than the real opportunity, transitional jobs offer an actual chance for people to make ends meet and to keep moving forward. And we certainly have history to back us up in terms of how we dealt with economic crisis in the past in this country. And we focused on putting people back to work. Another option that I've always believed in, I think is more pertinent now than ever, is to reassess the way we interpret access to education and training. There's been a long debate between the Council and the administration on this point, but I would say this might be a moment where we could find more common ground. A lot of us have felt that people getting access to education and training as part of the work requirement on a, on a much more profound level, would help people deal with the reality of the modern economy and succeed going forward. But, you can argue that I think even more persuasively, if there aren't immediate

jobs available in the private market, let people at least take the time while we're in this lull to prepare themselves for the future economy. And these strategies have both been studied and shown to be effective, while unfortunately the City's Work First approach at this moment in particular does not seem to be working. Now, I want to mention, I'll just say a couple more things. The State has recognized the merits of these two strategies, transitional jobs and expanding access to education and training. OTDA, Office of Temporary and Disability Assistance, which really needs a new acronym, can I just tell you [laughs] has allocated \$5 million for transitional jobs in this year's budget, \$10 million to expand the Career Pathways Program, which enables participants to combine education and training, and work, and advance over time to higher levels of education and training, and to living wage jobs in targeted industry sectors. Under federal rules, 30 percent of welfare recipients can be in employment and training programs. So the State Commission of OTDA has called on social service districts, including ours, to increase by 20

percent the number of recipients in education and training programs, and opportunities. But according to HRA's own data, only 2.7 percent of New York City welfare recipients are currently engaged in education and training. Again, that's wrong to begin with, and even more wrong in the middle of a downturn where we can't get people to enough jobs. So in the short term, and that those were longer term things I think we need to work on; in the short term, since the back to work contracts are up for renewal in June, I recommend that they be modified in the following ways. And this tracks with some of the work of community voices heard, and of the IBO. We should provide for an independent evaluation of these contracts, that should be part of the contracts, that there will be an independent evaluator. The City's spending over \$150 million, this is not the type of expenditure that should be assessed only by the folks receiving the contract. It needs to be another set of eyes on it. We should, second, provide fixed funding or incentives through milestones for vendors to do case management effectively. The administration knows that people

face barriers to employment, such as finding adequate childcare or, or having unstable housing. But there's no financial incentive for providers to assist clients with these problems, and these are often the most fundamental challenges to individuals getting to self-sufficiency, our contracts currently just don't address them. Third, we should set milestones in the contracts for vendors to provide access to education and training. Clients need to know that opportunities are available, and how to access them, like individual training vouchers. In summation, the investment the City makes in employment training programs, needs to pay off now more than ever, so that program participants aren't wasting their time, and taxpayers aren't wasting their money. And that's what we want to get at in today's hearing. I'd also like to welcome our colleagues, John Liu and Julissa Ferreras. Welcome. And with that, Madam Co-Chair, shall we begin the proceedings.

CHAIRPERSON JAMES: Yes, we shall begin.

CHAIRPERSON DE BLASIO: Mr.

Diamond, assume the position. [laughter]

CHAIRPERSON JAMES: And bring your backup. [laughter]

CHAIRPERSON DE BLASIO: Interpret that however you want, it's all, it's okay. [laughter] I have to say, that Seth and I, I was saying this to Molly the other day, Seth and I have been at this now seven-and-a-half years, as respectful adversaries, so something about him brings out a, a certain humor in me. Welcome, Seth.

SETH DIAMOND: Okay, thank you.

CHAIRPERSON JAMES: I did warn him this morning that it would be nothing personal.

CHAIRPERSON DE BLASIO: Yeah, it's never personal.

SETH DIAMOND: I agree with that. We respect what you do, and, and your role in the system, absolutely. [off mic] Okay, good morning, my name is Seth Diamond, Executive Deputy Commissioner at the Human Resources Administration's Family Independence Administration. With me is Ray Singleton, Assistant Deputy Commissioner in charge of the

Employment Services Division at HRA. We are here to discuss the agency's back to work program, and accomplishments over the most recent contract cycle. HRA's "Back to Work" program is a partnership between the agency and seven service providers. This partnership is further supplemented by the work of nine not-for-profit community based organizations, who act as subcontractors. These contractors and subcontractors, which represent the City's leading employment and training providers, operate throughout the five boroughs and offer a range of employment services to low income New Yorkers. The "Back to Work" program is part of a larger, integrated service structure, that offers employment services to cash assistance applicants and recipients of all abilities. That network of programs has helped the City achieve record job placements, and is a key component of our welfare reform strategy. To more fully understand the "Back to Work" program, it is important to first better understand the role the providers play in our employment system. Individuals who apply for cash assistance are asked by one of HRA's job

opportunity specialists, as part of the application process, about their employment experience and interests. The interview also includes a discussion of any barriers to employment the applicant may have, and if they are currently enrolled in a training program. Based on the results of the interview, the individual will be referred to a program designed to meet their needs. If an individual has a potential health barrier to employment, they will be referred to the agency's "We Care" program, for further assessment. If they are already enrolled in a training program, they will be referred to a centralized training assessment process. Someone who claims to or may have a substance abuse issue, is referred for a more detailed assessment by credentialed substance abuse workers. If a cash assistance applicant is not enrolled in a program, and does not have a substantial barrier, after childcare is put in place, should it be needed, they will be referred to the "Back to Work" program. While other programs in our employment system are designed specifically to assist individuals with more substantial barriers to

employment, the "Back to Work" program also serves individuals with a wide range of experience and backgrounds. Although some of those enrolled may recently have lost a job and need only minimal help connecting to a new employer, others have more challenges to employment. For example, some recipients may be homeless, recently released from prison; young people aging out of foster care; people who have no substantial prior work experience, or who have limited to no specific training skills. "Back to Work" vendors have services available for the full range of cash, the cash assistance population, and must assist all who are referred in finding employment. During the applicant period, the "Back to Work" vendor is expected to focus on assisting those individuals who can work, into employment. The hope is that during this phase, which lasts about a month, individuals can find employment, eliminating or reducing the need for cash assistance. Prior to assignment to a work activity, the "Back to Work" programs conduct a more detailed assessment of the individual's skill and abilities, and try to identify an appropriate employment goal.

Individuals are expected to participate full time, 35 hours a week, in a range of activities, which could include job search, résumé preparation, interviewing skills, and short term training.

Individuals not placed in employment during the application phase of "Back to Work" or assigned to a recipient activity. This assignment incorporates the experience during the "Back to Work" applicant phase, and it's determined after a meeting between the individual and an HRA worker who was out-stationed at the "Back to Work" vendor. Many individuals are actively engaged in looking for employment at the completion of the applicant phase, and continue working as a recipient with the "Back to Work" vendor. For others, the applicant phase has led to the identification of career interests, which can be better served in a skills training program. Some may need the literacy or language proficiency services of the agency's "Begin Education and Gain Independence Now" program. There may be other recipients who start as, there may be others who start as a recipient working with the "Back to Work" provider, but are later referred to a

subsidized employment opportunity, such as the one at the City's Parks Department. For those who stay with the "Back to Work" vendor, the continuity of working with the same employment vendor as a recipient, as when they were an applicant, is helpful. This is a change from our previous approach, and is in response to input we receive from both advocates and service providers. Individuals may have developed relationships with counselors and job developers, and rather than starting over with a new set of providers, they can build on that work as a cash assistance recipient. Those working with a "Back to Work" vendor as a recipient, generally spend two days weekly with that vendor, and three days weekly working in a work experience assignment. This full time engagement best prepares individuals for paid work, and is an important part of the City's overall employment strategy. Individuals are required to complete their required hours each week at the "Back to Work" program, but are excused for illness, religious holidays, jury duty and other documented reasons. The service providers participating in the program are responsible for

keeping attendance and reporting that information weekly to HRA. Since the attendance standards at "Back to Work" and in our other programs are designed to replicate what a recipient should face in the private sector, we allow and expect providers to exercise discretion when completing their attendance rosters. Like a private employer, staff has the discretion not to report non-compliance for a participant if they feel a cash assistance recipient is making good progress in finding employment in otherwise complying with the required employment program hours. Our "Back to Work" providers offer a full range of employment services. In addition to job search services, the vendors may utilize employment focused training programs to better prepare an individual for work in a specific field. If needed and appropriate, individuals can be excused from work experience on a particular day, to attend a program the contractor is offering. Although there are federal and state rules regarding the ability to count certain activities that vendors must follow, the City does not dictate any particular employment strategy for our

partners, but leaves service related decisions to the program providers who are experts in the field and who are working closely with program participants. Our "Back to Work" partners are intensely focused on the key goal of any employment program: finding a job for those enrolled. "Back to Work" vendors receive most of their funding, not from merely providing services, but for, for an individual beginning to work, and remaining employed for 30, 90 and 180 days. This milestone structure is a critical component of the contract. It ensures taxpayer dollars are only spent when vendors achieve successful outcomes, and just as importantly, it guarantees vendors will aggressively work with those who are enrolled to help them find employment as quickly as possible. Vendors have no incentive to merely provide services not tied to employment, and must ensure the jobs they connect people to are a good fit. If someone is placed in a job, and then leaves the job in less than a month, the contractor received no payment for that placement. As I have said, the vendors work does not end 30 days after placement. For the vendor to receive

full payment, the cash assistance recipient must continue to be employed at the 90th and 180th day. Vendors are expected to provide services designed to help with a participant's transition to the workplace, and must provide pay stubs for them to document a claim for a retention payment. While the performance nature of the "Back to Work" contract ensures our contractors are working intently to achieve program goals, the agency also closely monitors performance. Each month, contractors are provided with a report card of their performance on over 40 indicators. Vendors' offices are judged against other offices operated by the same vendor, and against other vendors for the calendar year and the contract period. Discussion on these indicators, which include placement and retention rates, average wages of placement, and a, and a variety of process measures, takes place weekly at vendor stat meetings. HRA also conducts contract monitoring visits to vendor locations. As I mentioned earlier, the "Back to Work" vendors are one part, certainly an important part, but only one part of a larger, comprehensive, employment system.

Because the system works together with the different parts supporting each other, it is best to view the results of our employment system as a whole. Last year, despite an already difficult economic environment, over 80,500 cast assistants, applicants and recipients gained employment. This was an improvement over the previous year, even with a smaller caseload. The average wage for those jobs was over \$9 an hour. While we are of course concerned about the impact on the cash assistance population of the downturn in the economy, we continue to work to move people to employment, and at that, at this point, the turnover in the entry level job market still allows for continued job placement. This year alone, over 19,000 individuals have moved to employment. We are proud of our relationship with our "Back to Work" providers, and believe together, with our other programs, we have created one of the most integrated and comprehensive employment service systems in the country. Thank you, and we are available for your questions. However, as you noted, Madam Chairman, we are not at this time able to respond to questions

concerning the exercise of the "Back to Work" contract renewal option, since these contract options have not yet been finalized.

CHAIRPERSON JAMES: Thank you. We've been joined by Council Member White and Council Member Foster, and Council Member Brewer--

MALE VOICE: Was here?

CHAIRPERSON JAMES: Was here. And--
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MALE VOICE: Still here. She's still here.

CHAIRPERSON JAMES: And Council Member Stewart. Gale Brewer, for a second time. Let me begin by reading to you some letters that I received from some constituents who apparently have taken advantage of your program. I'm not going to give you their names, but just tell you their stories. "While I was waiting for my welfare application to be processed and accepted, I was expected to do the 'Back to Work' program. I was told to go to the site every day and all day, without any resources. I was frustrated and broke. I couldn't even pay for laundry, let alone afford lunch at the 'Back to Work' site, or

1
2 groceries to pay my own lunch to bring to the
3 site. I came to welfare in crisis, yet I was
4 expected to do job search activities, without
5 receiving any help. I don't think it's fair that
6 I needed to go to a 'Back to Work' site before my
7 benefits kicked in. Applicants should not be
8 required to participate in 'Back to Work,' it
9 should be optional. If we can't even pay for
10 lunch, how can we expect to work, be expected to
11 work without receiving first our benefits?"

12 That's one. Two, "One of the sanctions I've
13 gotten was the result of my housing crisis. In
14 the fall of 2007, I was in six months of rent
15 arrears and facing eviction. I was in back and
16 forth to housing court, the Legal Aid Society and
17 the Section VIII office to try to stop from
18 becoming homeless. The rent arrears occurred
19 because HRA had stopped paying my rent, when I was
20 in the 'Back to Work' program and was sanctioned."

21 Three, "I was assigned to the 'Back to Work'
22 program when I had recently reapplied for public
23 assistance. I had been working as a security
24 guard for about nine months when suddenly the
25 company went under and no longer existed. I

wasn't able to get another job right away, and my unemployment wasn't kicking in. Therefore, I had to apply for public assistance. While I was waiting for my application to be accepted, I was sent to the 'Back to Work' program, I had to stay at the site all day, every day, at a point in time when I didn't have any resources. I wasn't even able to bring my own lunch, because I didn't have any money. This was really frustrating. They expect you to be there all day, but they don't even have food or drinks for you, and when you're still in the application phase, you don't even have public assistance to pay for stuff yourself. While some people get emergency food stamps at this point, I didn't qualify for them. I didn't have any money to wash my laundry at the Laundromat, either, and had to wash everything by hand. This takes longer and being forced to be in a welfare program all day doesn't allow you to deal with basic issues." I could read you more letters, Commissioner, but I'll spare you. I also have heard about the fact that "After sitting at a two hour orientation, I was sent to 'Back to Work.' I was told that when in compliance with

HRA policies, they'd help public assistance recipients go back to school. My experience has in fact been the opposite. At the 'Back to Work' program, I was asked to attend the program every day, to be in the office and look for work, yet there was very little work available. Without appropriate explanation, I was given a failure to comply notice. I had to reenter the entire system once again, going through the two hour orientation for the second time." And basically this person found a job on their own, independently of HRA. I've also been told about the overcrowding, I've been told about the unprofessional manner in which the staff deals with HRA recipients, or public assistance recipients. I've been told that there's adequate resources, and there's not enough opportunity for growth. So, Commissioner, in response to the comments that I have read, and these are letters from constituents who have written to me, and to other members on this panel, basically criticizing the program. And these are individuals who want to work, and who need assistance. A significant number of them want to go back to school. At a time of these austere

1 times, and a time of these difficult challenging
2 times, our colleges are flooded with individuals
3 who are looking for opportunity for growth. Why
4 shouldn't we not provide the same opportunity for
5 development and growth to the recipients of public
6 assistance to people, for low income individuals?
7 Why is that not a priority and a focus of this
8 administration?
9

10 SETH DIAMOND: Well, a couple
11 things. First, of course, it's hard to evaluate
12 any particular case without seeing the, the full
13 details. But our hope and expectation is that
14 people have a positive experience with coming to
15 "Back to Work," and we think that most people, the
16 overwhelming number, have had a positive
17 experience, and certainly if anybody feels they
18 are not being treated appropriately by a vendor or
19 HRA staff, that's totally unacceptable, and I'd
20 want to know about that, and look into that right
21 away. In terms of the overall program goals, our
22 priority is to move people to employment. And I
23 think one of the major changes of welfare reform,
24 and of the, the Act that President Clinton signed,
25 the Personal Responsibility Act, was to emphasize

1 the importance of moving people to employment
2 quickly. That is reflected in our program, which
3 has a general emphasis on moving people to jobs as
4 quickly as possible, and to have programs in place
5 to assist them in doing so. We do allow for
6 people who, where it is appropriate, for people to
7 pursue other opportunities, such as college. We
8 have people enrolled in college programs, we have
9 an extensive relationship with the CUNY system, to
10 allow and support people who are in college. And
11 we recognize that the welfare reform, the welfare
12 population, the cash assistance population, is not
13 homogeneous. For some people, where college is
14 appropriate, where training programs are the best
15 step, we allow them to enroll. For others, who do
16 not have, or are not enrolled in a program, or who
17 need some basic work skills to be able to get to
18 the point where working, the better route for them
19 is a different program. So we don't dictate any
20 particular strategy, but we try and deal
21 individual by individual, and design the best
22 program for each person, to get them to employment

24 CHAIRPERSON JAMES: There has been
25 some criticism of the caseworkers. What are the

educational requirements of the caseworkers who perform these assessments?

SETH DIAMOND: Well, the, there's a two stage assessment. The agency, HRA workers, initially do an assessment of people's backgrounds and interests and determine if there are any substantial barriers to employment.

CHAIRPERSON JAMES: I guess the question is what are the backgrounds of your caseworkers?

SETH DIAMOND: Of the HRA caseworkers?

CHAIRPERSON JAMES: Correct.

SETH DIAMOND: They're civil service caseworkers, they're all required to have a college degree.

CHAIRPERSON JAMES: College degree meaning an associate's degree or a bachelor's degree?

SETH DIAMOND: A bachelor's degree, and the job title, just to be clear, is Job Opportunity Specialist.

CHAIRPERSON JAMES: Sure. And all, you're telling me that all of those job

1
2 opportunity specialists have either, have a
3 bachelor degree, bachelor's degree.

4 SETH DIAMOND: There was a period,
5 before we used the Job Opportunity Specialist
6 title, when we were using a different title, that
7 did not have a college requirement, and we, rather
8 than firing people who did not have the college
9 degree, we grandfathered people in, so we allowed
10 them to continue if they had been doing the job
11 well, into the new title. So there may be some
12 that do not have a college degree, but all new
13 hires going forward are required to have a college
14 degree.

15 CHAIRPERSON JAMES: It's my
16 understanding that there are incentives and
17 resources that HRA provides for vendors to remove
18 barriers to employment for hard to employ clients.
19 Let me just talk a little bit about these
20 incentives. It's my understanding that the
21 vendors include Good Will, America Works, Arbor,
22 Fegs, F-E-G-S, Enpac [phonetic], CEC, Wildcat,
23 Arbor. Are there any other vendors that I missed?

24 SETH DIAMOND: You said CEC?

25 CHAIRPERSON JAMES: Yes, I did.

1
2 SETH DIAMOND: Yeah, no, is it the
3 group?

4 CHAIRPERSON JAMES: It's also my
5 understanding that for pre-employment plans, each
6 vendor receives \$160 for each recipient that has
7 a, that is provided with a pre-employment plan?

8 SETH DIAMOND: The rates are
9 somewhat different, depending on the results of
10 the contract process, so that's, it's not a set
11 rate for each milestone. They vary, but that,
12 that's in the range, yeah.

13 CHAIRPERSON JAMES: So, so they
14 range from as low as \$129 to as high as \$250, pre-
15 employment plan for each recipient that I, I would
16 imagine receives on, yes?

17 SETH DIAMOND: Right. And that,
18 that's a more detailed assessment that I think we
19 would all want the contractors to do when they
20 receive somebody from HRA referral, the initial
21 assessment was in the job center, and tried to
22 assess barriers, but now you're conducting a more
23 detailed assessment. You're testing people, you
24 want to describe that a little bit, the
25 assessment?

RAYMOND SINGLETON: My name is
Raymond Singleton.

CHAIRPERSON JAMES: Hello, Mr.
Singleton.

RAYMOND SINGLETON: Hi. And so,
one of the things I think that's important is a,
is that during the assessment process, it's
provided by people within the "Back to Work"
program, who not only have academic experience,
but also have experiential learning. And some of
the people who come through our doors as
participants, end up as employees on the "Back to
Work" program. So, they themselves have firsthand
knowledge of what it is to struggle, and poverty,
come out of poverty, and get a job and keep that
job. And that experiential learning happens
during that assessment phase. So when they come
into a "Back to Work" program, they're assessed
for what their work experience was, prior to them
coming into the program, what their interests are
and what their goals are. And I think it's
important also to consider that when people are
coming through the program, they have to have some
buy in, into the services. So, what you're saying

1
2 is that there are people who somewhat complained
3 about the services they received, at the "Back to
4 Work" program.

5 CHAIRPERSON JAMES: Or lack
6 thereof.

7 RAYMOND SINGLETON: Right.

8 CHAIRPERSON JAMES: Or lack
9 thereof.

10 RAYMOND SINGLETON: And so, they
11 have to believe that this program is going to work
12 for them, they have to be open, and willing to
13 engage in the process. And that assessment
14 process is where people are engaging, the "Back to
15 Work" folks are getting all of the proper
16 information to make that proper plan for them, so
17 that they can go forward and connect to services
18 and connect to employment.

19 CHAIRPERSON JAMES: I thank you for
20 that explanation, but the question is, whether or
21 not these vendors receives a, receive a incentive
22 for a pre-employment plan, of a, ranging from \$129
23 to \$250.

24 SETH DIAMOND: Yes, that's one of
25 the, the initial milestone in the contract is to

set up an employment plan, and conduct a detailed assessment.

CHAIRPERSON JAMES: Thank you, and the next incentive that they receive, each of these vendors, is for a post-employment plan, which ranges from \$129, again to as high as \$250. Is that true?

SETH DIAMOND: Well, in order to get to the post-employment plan, you have to get somebody a job, so yes, if they've gotten somebody a job, and they are staying in that job, then they would, are eligible for the post-employment plan.

CHAIRPERSON JAMES: And they receive that incentive, whether or not they keep that job for longer than six months. Correct?

SETH DIAMOND: Yes, they can get that. Obviously, the, the substantial money in the contract comes in placement and retention services.

CHAIRPERSON JAMES: And if they receive un, un-subsidized employment within 30 days, the incentive that they can receive ranges from as high as, as low as \$772 to as high as \$1500 per vendor, if they receive unsubsidized

employment, each vendor. Is that true?

SETH DIAMOND: If they receive, if they place somebody a job, and they maintain that job for at least 30 days, that's the initial placement milestone, yes.

CHAIRPERSON JAMES: They also get incentive if they are, they get a supplement for a time limit, I guess this is a sanction, which can range from \$250, that's on the low side, to as high as--I guess the highest is \$500 here. So every time a recipient is sanctioned, they receive an, a incentive as low as \$250, to as high as \$500. Is that true?

SETH DIAMOND: No, I think you're, you're, you may not be reading that one correctly.

CHAIRPERSON JAMES: So it's, so explain to me this supplement for time limit and/or a sanction.

SETH DIAMOND: Those are incentives, we actually received some suggestions during the formulation of the contracts from advocates, that it would be good to incentivize the vendors to provide additional services to certain populations that were having difficulty

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2 reaching employment. And among those are people
3 who have been on welfare for substantial period of
4 time, over five years, or who have a history of
5 being sanctioned. So these, they're, the bonuses
6 you're talking about pays, pay the vendors on top
7 of the placement milestone for work they do with
8 moving these particularly hard to serve
9 populations into employment.

10 CHAIRPERSON JAMES: So all of these
11 are on top of one another, they receive all of
12 these bonuses for, again, for pre-employment,
13 post-employment, and if in fact they receive
14 unemployment, unsubsidized employment, all of
15 theses are added up.

16 SETH DIAMOND: If, for successful
17 outcomes. We're only paying for successful
18 outcomes, outcomes that benefit the person in
19 terms of moving to employment and keeping a job;
20 benefit the City, because it's less cost to the
21 taxpayers than public assistance; and comply with
22 the rules that we face under state and federal
23 requirements.

24 CHAIRPERSON JAMES: But they still
25 get these bonuses whether or not these individuals

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still have these jobs after six months, correct?

SETH DIAMOND: They have, there's a, a range of bon--of payments they can get, they go up as the person stays in the job longer, that's correct. But their incentive is to try and help people stay in the job for as long as possible, which we think is the right incentive for the City and for the individual. And that's why the payments get higher the longer they're able to maintain somebody in employment.

CHAIRPERSON JAMES: I'm glad you mentioned that. So, for unsubsidized employment, if they get it within 180 days, the, they get a bonus as low as \$635 to as high as \$1250. Yes?

SETH DIAMOND: If they are placed in a job and maintain that job for six months, we think that's a substantial accomplishment that the vendor should be rewarded for, and the participant has done a great job. And yes, that's the payment.

CHAIRPERSON JAMES: And so our, and I'm sure you're aware of the report by IBO, which indicated that after six months most "Back to Work" recipients lose their jobs.

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2 SETH DIAMOND: I--I don't think
3 that that was a proper reading of the numbers by
4 IBO.

5 CHAIRPERSON JAMES: Okay.

6 SETH DIAMOND: Those numbers assume
7 that everyone who did not claim a retention
8 payment for it lost their job. And that's not the
9 case. There are people who are placed in a job,
10 and decide for a variety of reasons that they
11 don't want to have further contact with the,
12 excuse me, with the agency that placed them, and
13 so they do not work further on a long term basis,
14 in terms of support and retention services. The
15 vendor may have trouble getting a pay stub, which
16 is required for payment. And so, there are people
17 who are working, but the vendor can't prove that
18 they're working. You only get paid for those if
19 the contractor, the service provider produces
20 documentation in terms of a paystub that the
21 person continues to work. And there are people
22 who are working but for a variety of reasons the
23 vendor can't prove that they're working, so they
24 don't get paid for that milestone. I don't think
25 it's fair to assume that because you couldn't

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2 produce a paystub from the person, the person is
3 not working. In fact, the agency is able to track
4 people who are placed in jobs and don't return to
5 public assistance. And that we know solidly
6 because we, we know who's placed in a job and we
7 know who returns to public assistance. And
8 depending on the timeframe, between 70 and 80
9 percent of the people who are placed in jobs
10 retain those jobs.

11 CHAIRPERSON JAMES: Commissioner,
12 I'm reading to you a letter from IBO, which says
13 in part the following: "While the 'Back to Work'
14 vendors have largely, largely achieved the
15 agency's initial employment goals, the data
16 indicate a significant drop off in employment
17 retention over time. The number of clients
18 reaching the 30 day employment milestone in 2008
19 represent about 28 percent of the number of
20 clients who completed employment plans. By the 90
21 day milestone, the retention rate decreased to 14
22 cent, 14 percent, and by the 180 day milestone, it
23 further decreased to nine percent of completed
24 employment plans. Because not all clients
25 reaching a particular milestone in a given fiscal

year entered the program that year, these results are not necessarily measuring the same individuals reaching each of these milestones in a given year. It goes on to say, but clearly you're characterization of IBO's position varies from the four corners, from the black letter law of the letter, that has been provided to this Committee from the Independent Budget Office. Commissioner, there's also an incentive for the number of closed cases. The vendors receive supplements for case closure, from as low as \$5 to as high as \$100. So they also get bonuses for closing cases. Yes?

SETH DIAMOND: That's not the right, the accurate way to read that.

CHAIRPERSON JAMES: Okay.

SETH DIAMOND: They, there, the vendors get--

CHAIRPERSON JAMES: How do you read it?

SETH DIAMOND: The vendors get bonuses if they place somebody in a job, and that job is at a high enough wage to close someone's case. That's an incentive to place people in better paying jobs, so that the jobs can, can

better support the individual and their family.

We want to reward those high wage jobs, and we do that with the incentive you describe.

CHAIRPERSON JAMES: So, Commissioner, based on your assessment, you would, you come to the conclusion that, that the, the amount of money that we spend on this "Back to Work" program has been, is in the best interests of taxpayer dollars.

SETH DIAMOND: Absolutely.

CHAIRPERSON JAMES: Taxpayers.

SETH DIAMOND: I think it benefits not only taxpayers, it benefits the participants who are taxpayers also, many of them. And we think it's a strong interest of the City, it's done an excellent job in providing placements to people, and the vendors are only paid, and this is critically important, only paid when they achieve successful outcomes.

CHAIRPERSON JAMES: I know a number of my colleagues have a number of questions. I'll come back. At this time, I'm going to turn it over to my co-chair, Council Member Bill de Blasio.

CHAIRPERSON DE BLASIO: Thank you, Chair James, and I want to welcome Council Member Mike Nelson and we're going to have questions in just a moment from Council Members Tom White and Jessica Lappin. Commissioner, I'm, I'm a little surprised at your last answer. I mean, I'm, I don't know how you can look us in the eye, and in effect look the taxpayers in the eye, and say this is working. I don't know how you can say we're getting our money's worth. It's, I'm not doubting that the contract does incentivize performance, I appreciate that. We've talked about that before, that's a good thing. But the numbers, we're not making up these numbers. The fact is, and you know, you can say all you want that you don't keep in touch with some of the folks, so there's some questions here. God, this administration believes in numbers and data so much, so we should go by what we know. That's the only thing we can hold in our hand. IBO says only 5,337 people kept their job after six months, out of an initial pool of 143,000. That's just not an acceptable result. So, I don't understand how you can defend that.

SETH DIAMOND: Well, that, that,

those numbers are skewed at both ends. First of all, the referrals, the referrals are not an accurate base to judge the contract. Many people are referred to the program and decide not to enroll, maybe they later decide that they're not interested in the program, they may not be eligible for public assistance. Something else may, may come up between the time they're referred and the time they're enrolled, so they don't actually appear at the program. A better base to judge the success, or the results of the program, are based on people who have employment plans completed. At least those people have shown up at the program, they've conducted an initial assessment, the vendor has explained the services, and I think it's fair to use that as your initial denominator. As I said, I don't think it's fair to assume that everyone who was placed in a job, that you can't prove is working at 180 days, is not working. We've all had people who've worked for us and with us, and three months and six months later we may have lost touch with them, and I don't know that it's fair to assume that they're not working. We've lost touch with them.

CHAIRPERSON DE BLASIO: Yeah, but in this economy, I think it is fair to assume there's a good chance they're not working, and, and my bottom line here is, I don't understand how you can run your business not having that answer. So let's, let's take your--

SETH DIAMOND: But we do have, the answer, the way we look at it, which is solid, is looking at how many of the people come back to public assistance. The people are placed--

CHAIRPERSON DE BLASIO: Alright, what's that number?

SETH DIAMOND: --people are, if people are placed in a job, they had been on public assistance and they lose the job, I think it's fair to assume that they would come back to public assistance if they had a further need, after the job placement. At the three month point, for people who were placed in jobs, 88 percent of the people are, have not returned to public assistance. At the six month point, it's 79.8 percent, and at the nine month point, it's 75.4 percent. Those are for all placements throughout the agency. I think that's a fairer

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2 way to judge the employment programs. Not that we
3 don't want "Back to Work" programs to do a better
4 job providing retention, and I think that's one of
5 the goals for the, for the programs to improve on
6 that. So I, I think we can agree that that is
7 something that they should do a better job with
8 and a service that they need to enhance. But I
9 don't think it's a fair criticism the way you're
10 characterizing the - -

11 CHAIRPERSON DE BLASIO: Well, I'm
12 going to push this a little further, I'm not going
13 to take too much time, because again I know other
14 people have questions. Let's, what's, you don't
15 like the IBO, and again the IBO is the independent
16 budget office, and bluntly I believe they're a
17 place to look for objective information, 'cause
18 they don't have an axe to grind. You have a
19 position to defend, but let's, let's say we're
20 going to put aside their number of 143,000
21 clients, what's your base number?

22 SETH DIAMOND: Well, it depends on
23 the time period.

24 CHAIRPERSON DE BLASIO: Which one
25 do you want to use? We're talking about 2008, the

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same as the IBO report.

SETH DIAMOND: Okay.

CHAIRPERSON DE BLASIO: Let's,
let's compare apples to apples. IBO says 143,000
clients were referred to "Back to Work" in 2008.
What do you say?

SETH DIAMOND: I agree with that
number, but all I'm saying is I don't think that's
a fair base to base the success of the program on.

CHAIRPERSON DE BLASIO: So you want
to talk about the 56,828 people who completed
employment plans.

SETH DIAMOND: That's right.

CHAIRPERSON DE BLASIO: Okay.

SETH DIAMOND: That would be a fair
denominator.

CHAIRPERSON DE BLASIO: Now, you
don't disagree with the IBO's number that
5,337,000 people, I'm sorry, let me do this again,
5,337 people retained a job after 180 days, that
you could document, that you knew for sure. You
don't disagree with that number.

SETH DIAMOND: We, the numbers that
I have, are that about 40 percent, which is,

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2 sounds like about what you're talking about, of
3 the people who were placed, had retained their
4 jobs. We could prove they retained their jobs. I
5 don't disagree with what the IBO numbers were, in
6 fact they got those numbers from HRA. We provided
7 them to them. So the numbers themselves are
8 accurate. What I'm disagreeing with is the
9 conclusion. I don't think you can say, because
10 you can't prove they are working, it means they
11 are not working.

12 CHAIRPERSON DE BLASIO: Wait, I'm
13 just going to take your bias and try and sketch
14 this out. Start with 56,000 plus people, we know
15 5,000 plus retained a job after 180 days. You
16 cannot prove, good or bad, what happened next.
17 And I'm saying that, you know, understanding your
18 argument that it's hard to do, but I'm also
19 criticizing that if we don't have answer, it's
20 hard to make good policy. But let's just stay on
21 the numbers. If you agree with those two numbers,
22 less than ten percent, we can confirm, had a job
23 after six months. I'd love you to be able to show
24 me tomorrow that in fact it turned out to be some
25 huge percentage that had a job after six months, I

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2 would love for you to be able to declare success,
3 but you can't do it, you're being very honest
4 about it, you can only prove to us that 5,337
5 people had a job after six months, which is less
6 than ten percent of the people you started with
7 who completed an employment plan. And it's well
8 below, let me get my math right here, you started
9 out with almost 150,000 people, and you've only
10 got five percent, just a couple of percentage of
11 what you started with in your bigger base.

12 SETH DIAMOND: But again, I don't
13 think that's a fair conclusion from the numbers.
14 I think the, the numbers that we know solidly, if
15 we want to talk about the data, are how many
16 people were placed, and how many people came back
17 to public assistance. And I think it's fair to
18 assume if somebody had a history on public
19 assistance, if they were placed in a job, and they
20 ran into trouble, either they lost the job, or
21 they had some kind of difficulty that caused their
22 income to go down. They, if they needed
23 additional assistance, they came back to public
24 assistance.

25 CHAIRPERSON DE BLASIO: And you

1 used a interesting double negative in describing
2 after 30 days, 60 days, 90 days. If I heard you
3 correctly, you were telling us that at the 60 day
4 point, 21 percent of people came back to public
5 assistance, and at the 90 day point, if I'm
6 getting this right, 25 percent--your higher
7 numbers, you said 79 percent and 75 percent, did
8 not come back to public assistance; which tells me
9 the remainder did come back to public assistance.
10 So, if at your highest point, I'm going to assume
11 that's the 90 day, 25 percent returned to public
12 assistance. And only a small, single digit
13 percentage can be proven to have stayed in a job.
14 Something's not working. It doesn't mean the
15 intent isn't good, it means something's not
16 working.

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18 SETH DIAMOND: Let's just be clear
19 on the numbers. At the 90 day point, it's 88
20 percent.

21 CHAIRPERSON DE BLASIO: I'm sorry,
22 continue.

23 SETH DIAMOND: At the nine month
24 point, it's, the numbers you're referring to.

25 CHAIRPERSON DE BLASIO: Okay, so

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the nine month is 79 percent.

SETH DIAMOND: 75 percent.

CHAIRPERSON DE BLASIO: 75 percent.

Okay, so stay on there, nine month, nine month?

SETH DIAMOND: Nine months after
job placements--

CHAIRPERSON DE BLASIO: 200--

SETH DIAMOND: Three quarters of
the people are still--

CHAIRPERSON DE BLASIO: I just get,
make sure I got this--

SETH DIAMOND: --have not returned
to public assistance.

CHAIRPERSON DE BLASIO: 270 days or
whatever that is.

SETH DIAMOND: 270 days after
placement--

CHAIRPERSON DE BLASIO: Okay.

SETH DIAMOND: --three-quarters of
the people--

CHAIRPERSON DE BLASIO: 270 days
after placement--

SETH DIAMOND: --three quarters of
the people placed in jobs have not returned to

public assistance.

CHAIRPERSON DE BLASIO: Yeah, and, now - - , now I appreciate your debate skills, but let's say it in human terms, after nine months, less than a year, 25 percent of the folks were back on public assistance. That is not a stunning record. I appreciate how hard the work is, but you have evidence after six months of only 5,000 plus people staying in a job. You say there's all these other people who might be in a job that we don't know about, that's fine. But you have hard evidence of 25 percent coming back to public assistance. Now here's my bigger challenge to you. How about after all these years, Seth, we think about changing things. How about we say, "This is the biggest economic crisis since the Great Depression, maybe we can let down our ideological barriers a little, embrace education and training for this period of time more, embrace transitional jobs, it worked for Franklin Roosevelt, it might work for you," you know, why don't we think about the fact that we've got to change course for a period of time, 'cause these numbers are not good enough to justify the current

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2 policy and you know there's going to be less to
3 place people in for the next few years, so why not
4 change course for a while?

5 SETH DIAMOND: Well, I don't think
6 we're ideologically driven. I think we're driven
7 by what works, and what has been shown to work,
8 both in the, in the City, and it's similar to
9 results across the country. That--

10 CHAIRPERSON DE BLASIO: Up until
11 now. But I'm saying about this moment in history.

12 SETH DIAMOND: Okay, we, we would
13 agree with you that should the economic downturn
14 face, force entry level jobs to dry up, we would
15 have to reevaluate, or at least look at, maybe
16 doing things differently. I'm not disagreeing
17 with that. But up until now, we haven't had a
18 drying up of entry level jobs, we still have very
19 strong entry level job placements, and I want
20 every entry level job filled by a public
21 assistance recipient. So I want to continue to
22 make sure that public assistance recipients get
23 those jobs and are prepared to take them. Now
24 that being said, we are, to the extent possible,
25 expanding the transitional jobs program the City

1 runs, what I believe to be the largest subsidized
2 transitional jobs program in the country. We are
3 now going to be, as of July 1st, in three agencies.
4 We'd like to go to more places. There's
5 additional money in the State budget for
6 transitional jobs that we hope will come to the
7 City, and we would welcome that money as a way to
8 expand our programs. So to the extent we can,
9 we're interested in transitional jobs for the very
10 reason you said, we are concerned that there won't
11 be as many entry level jobs available.

13 CHAIRPERSON DE BLASIO: I'll finish
14 by saying this to you: I saw a little glimmer of
15 hope there. Seth, it's, I just want to tell you
16 what time it is, it's 8.1 whatever it is percent
17 unemployment. That's the official figure, the
18 unofficial figure is obviously higher. There's a
19 lot of very smart people who believe we're going
20 to double digit unemployment before this crisis
21 gets better. That will obviously hit entry level
22 jobs particularly hard. I would urge that
23 starting today is the time to reform our policies,
24 to focus more on transitional jobs, maybe with the
25 help of the stimulus funding. To recognize that

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2 transitional jobs have their own stimulus effect
3 by employing people and creating economic
4 activity. And to loosening up, as the State has
5 urged us, on education and training, for this
6 period of time at least. Let's compromise, for
7 this period of time, let people gain some skills
8 if they can't find a job, and you know what
9 bluntly? For CUNY, for the community colleges,
10 and the four year colleges, it would mean more
11 business for them, and that's a good thing. So
12 I'm urging you not to wait until you find out you
13 can't place people, 'cause I fear, a) that's going
14 to be too late, and b) I fear that you're going to
15 be able to unfortunately experience that pretty
16 soon. Why don't we start today to turn the
17 supertanker of New York City government towards
18 these new directions, 'cause we can pretty much
19 guarantee that's where things are going. So
20 that's my two cents. Do you have something to say
21 to that before we turn it over?

22 SETH DIAMOND: Well, the only thing
23 I would say is that I think that the, it's not
24 fair to say that people in the program do not have
25 access to education and training services. We

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2 have a substantial number who are involved in
3 education and training as their primary activity,
4 and almost everyone on public assistance is doing
5 education and training, if not as a primary
6 activity in conjunction with some other activity.
7 There's almost no one on public assistance, very
8 few people, who are enrolled in only one activity,
9 maybe work experience or something like that.
10 Most people, the overwhelming number, receive
11 education and training through the very same
12 providers who are our "Back to Work" vendors.
13 They, rather they, they're enrolled in programs
14 through our "Back to Work" vendors that provide
15 education and training services. And those "Back
16 to Work" vendors provide a range of education and
17 training services, we have additional agreements
18 with CUNY to provide literacy and support people
19 in college--

20 CHAIRPERSON DE BLASIO:

21 Respectfully, I know what you're saying, you've
22 said it many times, respectfully, we're talking
23 about actually getting people two year and four
24 year degrees, this is what we've been debating for
25 years. Here's your most recent report, this is

1 HRA's April 19th 2009 weekly report, weekly case
2 load engagement status, the number of people
3 primarily in education and training. 2.7 percent
4 of your caseload, 2,325 people. This is a moment
5 in history where you're not going to find everyone
6 what they deserve in the way of work, but you can
7 find them what they deserve in the way of
8 education. You've got a incredibly effective
9 public education, higher education system ready to
10 serve them. Why don't we just connect these dots
11 for the next few years? Don't, don't, with all
12 due respect, don't give us a half answer that
13 they're engaged in some way. People need
14 associate's degrees and bachelor's degrees to be
15 successful in the current economy. And we're not
16 getting it to 'em, and this is moment when we
17 could be getting it to them. Why don't we go in
18 that direction? But I know you're not going to
19 agree with me, so I'll leave it at that. I want
20 to welcome Council Member, I welcomed Council
21 Member Nelson before, Council Member Jackson, I'd
22 like to welcome, and I would now like to turn the
23 questioning to Council Member Tom White.
24

25 COUNCIL MEMBER WHITE: Thank you

1
2 very much. [off mic] Thank you very much. Now,
3 do unsubsidized employers get federal, state or
4 local tax credits for hiring those on public
5 assistance?

6 RAYMOND SINGLETON: Right, so, any
7 employer that play, pays taxes is, has an
8 opportunity to receive work opportunity tax
9 credits. For anybody who is eligible, and that
10 includes people who are on public assistance.

11 COUNCIL MEMBER WHITE: Okay. But
12 the question is, are they getting it? You're
13 qualified for it, I understand that, but are they
14 getting it?

15 RAYMOND SINGLETON: Right. Right,
16 so it's hard, it's hard for us to say if employers
17 are getting it, because they, they wouldn't give
18 those reports back to us. But we do do on our end
19 is we go out of our way to streamline that process
20 for employers. We've been working with the State,
21 the State has come up with a system called Cognos
22 Upfront, and we've made that system available to
23 employers, to ensure that all of the people that
24 they work with us with, to make sure that they get
25 a job, that we let them know that these people are

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2 eligible for the work opportunity tax credit. We
3 streamline that process by helping them fill out
4 the 8850 form. We get that form over to the
5 employers, the employers send that up to the
6 State. But then the employers are informed from
7 the State by a certificate that says that these
8 people are eligible. And it's up to their fiscal
9 department, then, to claim those tax credits at
10 the end of the year.

11 COUNCIL MEMBER WHITE: Okay, but
12 at, at a certain point, those, those recipients
13 have to show you their tax, their, their stubs,
14 their work stubs, right?

15 RAYMOND SINGLETON: They give us
16 their stubs when, when they initially go to work.
17 Yes. So, we know when they're getting a job, and
18 we know for six months out if they're keeping that
19 job, that they're still working.

20 COUNCIL MEMBER WHITE: And how
21 long, how long--do they usually work?

22 RAYMOND SINGLETON: It varies.
23 Our, our participants vary. Some are working for
24 90 days, some are working for 60 days and beyond.

25 COUNCIL MEMBER WHITE: When does a

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person qualify for unemployment insurance?

RAYMOND SINGLETON: Usually when they stop working. [laughs]

COUNCIL MEMBER WHITE: No, you have to work a certain amount of time.

RAYMOND SINGLETON: Right, it's up to the court. I mean, I, I don't keep track of the unemployment insurance for people. We're talking about the Work Opportunity Tax Credit.

COUNCIL MEMBER WHITE: I, okay, but I'm, okay, I'm finished with that.

RAYMOND SINGLETON: Oh, okay.

COUNCIL MEMBER WHITE: You, I'm back to the, the 30-60-90 day work period that you have with "Back to Work," where you place people on jobs. And they don't work even six months. But some do, you said, some do go to nine months. So my question is, out of those individuals that work for six months or more, do they qualify for unemployment insurance benefits.

RAYMOND SINGLETON: It depends on the quarters. What I understand about unemployment insurance, you have to work a period of time--

COUNCIL MEMBER WHITE: Yeah, what period of time is that?

RAYMOND SINGLETON: It, I'm not the right one to ask about unemployment insurance. I'm not.

COUNCIL MEMBER WHITE: Mr. Diamond, do you have that answer?

SETH DIAMOND: I don't know specifically. I think it's generally six months, but there is some variation, as Ray said, depending on the quarters, 'cause they look at your quarterly earnings, and if you start in the middle of a quarter, it could skew it a bit. But I think the important point is, if there, if people are eligible for unemployment, and that's a support, they should get that. But if they're not eligible for unemployment, they can be eligible for continued public assistance if they lose their job. So there should be support available either way.

COUNCIL MEMBER WHITE: Well, the reason why I asked that question, I mean, I'll go out on a limb and say a person has to work six months. Solid. Whatever way you want to put it,

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2 it could start in the middle of a month, or the
3 last three weeks of a month, or the first three,
4 first week of the month, but it has to total six
5 months worth of work in order to qualify for
6 unemployment. And if I'm hearing correctly, based
7 on the statistics that you have presented, not too
8 many people are working that six period, that six
9 month period of time.

10 SETH DIAMOND: Again, I don't think
11 that that's the best way to read the numbers. 80
12 percent, nearly 80 percent of the people who the
13 agency has assisted, or have attained job
14 placements, have not returned to public assistance
15 after six months. I think most of those people,
16 the overwhelming number are working; if they're
17 not working, they may be accessing other supports
18 like unemployment, and if they need further
19 assistance they can come back to, to welfare for
20 help. But the overwhelming number of people who
21 get jobs, maintain those jobs. There is, because
22 this is an entry level job population, there are
23 some people who do not succeed, and they come
24 back, and then we replace them in a job, and
25 hopefully they'll succeed the second time. Think

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2 it's unrealistic to expect people, a hundred
3 percent of the people, to maintain those jobs,
4 when for many they don't have a substantial work
5 experience. But I think the record we've shown
6 when, even at nine months out, over three quarters
7 have not returned to public assistance, is a
8 strong one, and reflects the fact that people want
9 to work--something I think we agree on--and that
10 we're placing them in jobs where they can be
11 sustained over the long term.

12 COUNCIL MEMBER WHITE: There's one
13 thing that disturbs me. I was looking at the, the
14 educational training. The vouchers. And I
15 coupled that with the, the question of whether or
16 not those individuals who are assessing those who
17 are seeking assistance, they themselves, whether
18 or not they have the educational qualifications to
19 make a proper assessment. And I believe the
20 gentleman next to you stated the fact that, or and
21 you stated the fact that, a lot of people were
22 grandfathered in, and now moving forward you have
23 a set standard of the qualifications for that case
24 manager. For lack of a better term, is that
25 correct?

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2 SETH DIAMOND: Let's, let me just
3 be clear, there, the grandfathering in I was
4 talking about was for city workers who were in a
5 title, that we combined with another title, to
6 create a job opportunity specialist. In order not
7 to disrupt the people who didn't have the
8 education credentials, we allowed those people to
9 continue. New people hired do have to have a
10 college degree. But the, the assessment you're
11 talking about, the more detailed assessment that
12 takes place at the vendor location, the contractor
13 location, is done by contracting staff, contracted
14 staff, not HRA staff. And that's the, Ray was
15 talking about some of the experience and the
16 qualifications that they typically bring to the
17 job.

18 COUNCIL MEMBER WHITE: Okay. Now,
19 you, Chairperson James asked you to, for a, a list
20 of vendors that people were referred to. I think
21 you mentioned Wildcat and several others. Could
22 you let me hear that list again, please?

23 SETH DIAMOND: Sure. I think the
24 Chair read all the "Back to Work" providers.
25 Again, as I said in my testimony, that is only one

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2 component of a larger employment system we have,
3 that encompasses many more service providers than
4 just the "Back to Work" providers. But the, you
5 want to just read the--

6 RAYMOND SINGLETON: Sure. So, the
7 list here is Miracle Works, is one of our
8 contracted vendors, Arbor, CEC, Fegs, Goodwill,
9 Seed Co,, and Wildcat.

10 COUNCIL MEMBER WHITE: Okay. Now,
11 you know, a lot of people cannot be held
12 responsible for their economic way of life as it
13 stands now. But you cannot compare their economic
14 life with their educational, and their ability to
15 be very, very, very smart. And when you talk
16 about referring people to educational, and
17 referring people to various vendors, based on, as
18 you had said, the level of employment of the
19 people who were referral, I think to some degree
20 is a little demeaning, because there's an
21 assumption there that the people can only qualify
22 for those low paying jobs that pay \$9. And I, and
23 I really think that it's very unfair if you're
24 talking about job opportunity. And also, I read
25 here, and the Chairman de Blasio stated about the

high rate of unemployment. We already have high unemployment. And I see here by 2010, the United States has five, according to the United States Bureau of Labor Statistics, there'll be \$11.6 million, and the unemployment rate will be 7.6. And it rolls in '09, over the 12 month period, the number of unemployment persons increased by 4.1 million, and the unemployment roll is at 2.7. Now, in New York City, it is stated that we are expected to lose 294,000 jobs through the second quarter of '010, in public and private employment. The City's expected to lose 46,000 of those jobs from Wall Street. Now, it, it's hard for me, I go along with, with Chair James and, and Chair de Blasio. If, I mean, common sense, if you have a high rate of unemployment, okay, just in general; and you have people who need a job; and you have jobs gradually decreasing; then the only people that are making out, and the reason why is not working, is because like everything else, you can only do referral, and at the very best, temporary placement. And the only people who are benefiting are the vendors. The work, you know, I mean, if you just take a look at it. I don't expect for

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2 you to say, "Well, yeah, it's not working," but I
3 mean [laughter] you know, but we want things to
4 work, we want people to work, we want people to
5 have opportunity. It's not the idea that, I'm not
6 playing gotcha. But let's be real. How do we
7 arrive at that? Realistically, how do we arrive
8 at making adjustments, tweaking a little a this,
9 tweaking a little a that. Maybe taking a look at
10 the State and what they're doing, and what they're
11 offering. I, I saw where they had recommended an
12 increase, and we did not fulfill that increase
13 before, with under the guidelines that they
14 allotted us to go to. There's 75 percent of the
15 people, okay, that we haven't reached. If you did
16 25 percent, where are the other 75? And we just
17 can't say we don't know.

18 CHAIRPERSON JAMES: This your last
19 questions, Council Member.

20 COUNCIL MEMBER WHITE: That is my
21 last question.

22 CHAIRPERSON JAMES: Thank you.

23 SETH DIAMOND: Well, I'm not sure
24 about the 75 percent. The 75--Well, let me
25 address it more broadly. I mean, I think you're

right, in the sense that in these times, we do have to look more broadly to the resources available. The State has made some programs available to, through the career pathways program; that program was increased significantly in the stimulus, as a result of stimulus money that was added in the most recent budget. As I said earlier, there are transitional job opportunities that may be available, and we're, we're willing and agree that we need to look at all of that. But I also think, we need to understand that even with the difficult circumstances, we are able to place significant numbers of people in jobs. It's a tribute to the great work done by our service providers. We have in New York City the best employment and training programs in the country. And they're able, even in difficult times, to work with people to get them jobs. Every job opening, even if there are fewer of them, every job opening that's out there, I want it to go to a qualified public assistance person. Therefore, I'm going to continue to insist that public assistance recipients be prepared for work, so that when there are opportunities, they're able to take

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2 them. I think it's a disservice to public
3 assistance recipients to not prepare them, so that
4 they're not able to take those job openings that
5 are available even if they're fewer than what they
6 used to be.

7 CHAIRPERSON JAMES: Before I turn
8 to Council Member Lappin, just a point of
9 clarification. Again, my earlier questioning, I
10 was trying to point out the fact that there's so
11 much emphasis and bonuses and incentives placed on
12 temporary placement, without regard for the skills
13 and the interests of the client. And yet there
14 are no payments or incentives for vendors who
15 place clients into education or training programs.
16 And so the, the emphasis is on placing them into
17 these temporary jobs, without regard for their
18 skill sets, and without regards for their
19 longevity. And so I think you have to change the
20 focus and there needs to be more of a focus, and
21 you need to pay more attention, that need, there
22 should be more bonuses and incentives on placement
23 into training programs and into education
24 programs. And my last question is, it's my
25 understanding that there is, that vendors receive

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2 payments also for placing clients into these
3 employment agencies. It's my understanding that
4 Goodwill is tied to a temporary employment agency,
5 and somehow they get credit for just referring
6 individuals to this employment agency. Is that
7 true? Or is that not true? Are the individuals
8 who are nodding telling a fib, or is something
9 askew here?

10 SETH DIAMOND: Well, I, I don't
11 know exactly what people have said. But I can
12 assure you that no one is paid for any, for merely
13 referring anybody to anything. That's one of the
14 strengths of the contract, and one of the things
15 that I think you can have confidence in, that
16 we're only paying for successful outcomes. When
17 people get jobs, and when they keep those jobs.
18 And because the vendors have a strong financial
19 incentive to make sure people keep those jobs,
20 they have no interest in placing people on jobs
21 that they are not happy with, or that, that are
22 not a good fit. The people will not stay in those
23 jobs, and the vendor will not receive payment for
24 that placement. They have to work very hard to
25 make sure that the person understands the job,

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2 that they want the job, and that it's an
3 appropriate fit given their background, their
4 interests and their abilities. The only way they
5 make money is to make that match an appropriate
6 one, and that person keeps that job for six
7 months. Nobody's going to keep the job just to do
8 a favor for the vendor, they're going to keep the
9 job because it's in their best interests.

10 CHAIRPERSON JAMES: So it's your
11 understanding that none of these vendors have a
12 relationship with a temporary employment agency?

13 SETH DIAMOND: Well, they may have
14 a, a relationship, but they don't get paid merely
15 for a referral. They only get paid for placement
16 and retention in those jobs.

17 CHAIRPERSON JAMES: So if they, so
18 if the clients get placed in a temporary job,
19 that's okay with you. Or, HRA.

20 SETH DIAMOND: We would prefer them
21 to be in as long a term a job as possible, but
22 working is better than not working.

23 CHAIRPERSON JAMES: And temporary
24 work is better than education.

25 SETH DIAMOND: It, it can often be

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2 a good first step, just like transitional jobs
3 through the Parks Department, a model that I think
4 we agree on, are six months in nature, and
5 designed to move somebody to unsubsidized
6 employment after. Temporary jobs can often be a
7 springboard to later getting a more permanent job.
8 I think it's silly to deny people opportunities
9 for work if they exist, that can give them good
10 experience and good background that they can use
11 to get better jobs the next time around.

12 CHAIRPERSON JAMES: I think it's
13 silly that we not require that they get an
14 education, which is a key to success in society.
15 Council Member Lappin.

16 COUNCIL MEMBER LAPPIN: Since it's
17 already 11:30, I'm not going to ask a question,
18 I'm just going to make a very, 60 second
19 statement. Which is, there seems to be a very big
20 disparity between the IBOs, roughly three-and-a-
21 half percent of folks in 2008, who were in jobs
22 after six months, and your 70 to 80 percent. I
23 mean, that's a pretty big spread. And they are
24 ostensibly verifying that, you are verifying that
25 these people have gone away, not that they're

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2 working. You are assuming that they're working,
3 but we don't know that they're working. And even
4 if you met somewhere in the middle, it just brings
5 to me the question, \$53.8 million, is this the
6 most cost effective way to achieve this goal? And
7 I'm not sure that it is. Thank you.

8 SETH DIAMOND: Can I respond to
9 that? Or no not?

10 CHAIRPERSON JAMES: Is--

11 COUNCIL MEMBER LAPPIN: Sure.

12 CHAIRPERSON JAMES: Sure.

13 SETH DIAMOND: The IBO, you may
14 criticize me for assuming that all the people who
15 are working, but the IBO is assuming that anyone
16 who can't prove that they're working is not
17 working. I don't think that that's a valid
18 assumption. I think it's a better assumption to
19 make, when you're dealing with uncertainty on both
20 side. We don't know for sure that the people we
21 place who have not returned to public assistance
22 are working. IBO, which got the numbers from HRA,
23 let me be clear about that, the numbers that they
24 produced in the report that you have, are numbers
25 that they receive from us. Those numbers reflect

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2 the fact that in many cases, after some period on
3 the job, it is difficult to retain an attachment
4 with the person, and so you're not able to prove
5 that they're working. I think a better way to
6 view the numbers is how many people who are
7 placed, who do not come back to public assistance.

8 COUNCIL MEMBER LAPPIN: Right, and
9 you said that multiple times this morning. But
10 there's also an incentive, a financial incentive,
11 for the vendor to prove that that person is
12 working.

13 CHAIRPERSON JAMES: Right.

14 COUNCIL MEMBER LAPPIN: So why are
15 we assuming, I'm assuming--

16 CHAIRPERSON JAMES: That's a good
17 point.

18 COUNCIL MEMBER LAPPIN: --since
19 they have a financial incentive, they're trying to
20 verify. And they're not succeeding, but yet you
21 are still assuming--

22 CHAIRPERSON JAMES: That's it.

23 COUNCIL MEMBER LAPPIN: That they
24 are working. And I, I doubt--

25 CHAIRPERSON JAMES: She got it.

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2 COUNCIL MEMBER LAPPIN: --that they
3 are all working. I would doubt that none of them
4 are working, but my point is 50, I mean \$160
5 million over three years is not chump change. We
6 want to be sure that we're spending this money to
7 really achieve the goal. And I'm not convinced
8 that we are.

9 SETH DIAMOND: I agree with you,
10 it's a large amount of money, and we have to be
11 sure that it's spent in the right way, and that's
12 why the milestone structure in the contract
13 ensures that we're only paying for successful
14 outcomes.

15 CHAIRPERSON JAMES: And we would
16 urge that a successful outcome would be someone
17 enrolled in college, and/or, and/or a training
18 program. Council Member Brewer.

19 COUNCIL MEMBER BREWER: Thank you.
20 Couple questions, one is with your providers, they
21 are also the same, in some cases at least, Wildcat
22 and Seed Co., maybe others, as the Small Business
23 Services one stops. So how does that get
24 coordinated, and is there any savings in terms of
25 collaboration. I know this is an endless story,

I've been asking it for years, but I'm still going to ask it again.

SETH DIAMOND: You want to talk a little bit on it.

RAYMOND SINGLETON: Sure. So, much to your credit, Council Member, Council Member Brewer, I - -

COUNCIL MEMBER BREWER: Gale, I like Gale.

RAYMOND SINGLETON: Gale.

COUNCIL MEMBER BREWER: Go ahead.

RAYMOND SINGLETON: I've seen a lot of your writing, makes a lot of good sense.

COUNCIL MEMBER BREWER: Thank you.

RAYMOND SINGLETON: I think recently we have worked a lot closer with Small Business Services to try to figure out how those services can be cheaper for the City, and certainly accomplish the goals that we both have, as two agencies trying to move people to employment. Our workforce system, you're right, does include vendors that work for Small Business Services. And I'm sure at some point in time, thought I don't have the answer here now, we can

move to a place where we are mutually working to accomplish the same goal. One of the things that I think we've been doing--

COUNCIL MEMBER BREWER: I can set it up whenever you want. [laughter]

RAYMOND SINGLETON: We'd love to be there. But one of the things that we've been working with Small Business Services on, has been to expand some of our neighborhood improvement projects, and the subsidized jobs - -

COUNCIL MEMBER BREWER: What's a neighborhood improvement project, I'm sorry.

RAYMOND SINGLETON: It's a project that Wildcat is working on.

COUNCIL MEMBER BREWER: Okay.

RAYMOND SINGLETON: And they're working in areas in Queens where property has been foreclosed, to make sure that that neighborhood--

COUNCIL MEMBER BREWER: Okay, I understand.

RAYMOND SINGLETON: --is still upgraded.

COUNCIL MEMBER BREWER: Okay.
Second issue is, do you have as part of whatever

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2 the contract is, evaluation? In other words, how
3 do you evaluate? Is it from the contractors
4 telling you? Or how do you do independent
5 evaluation?

6 SETH DIAMOND: Well, that takes
7 place at several levels. First, again, the
8 performance nature of the contract ensures that
9 the vendors are focused on achieving the goals
10 that we want. And that they only get paid based
11 on achieving outcomes that are in the best
12 interests of the City and the person. In, in
13 addition to that, as I mentioned in the testimony,
14 we do conduct vendor stat, which is a weekly
15 meeting with the agency contractors, where we go
16 over a whole report card on their performance,
17 measuring it in recent times, in the contract
18 period, against other vendors. And that helps us
19 establish whether they're performing up to the
20 standards. There's also a range of contract
21 monitoring visits that we do. You want to talk
22 about that.

23 RAYMOND SINGLETON: Sure. So, in
24 the contract monitoring, we go out and we look at
25 the site.

COUNCIL MEMBER BREWER: "We" is
HRA?

RAYMOND SINGLETON: We, as in HRA.
We take a look at what the performance is and what
our expectations are, about how people are
receiving services, and what's happening with each
individual while they're there on site. We look
at the case files that are on site, we review them
to make sure that all the documentation is in, in
the files, and that it tells a story that there's
a clear track of progression for people, as
they've come in for services and moved out to
employment. And then finally we have an overall
score of how each vendor has performed, and if
they're measuring up to our expectations.

COUNCIL MEMBER BREWER: Okay.
'Cause I was under the impression, I guess,
incorrectly, that when you have a contract, and
it's several this large, that you do have an
outside evaluator. But that is not the case here.
Is that correct? An academic outside evaluator.

SETH DIAMOND: No, I mean--

COUNCIL MEMBER BREWER: There's no
such--

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2 SETH DIAMOND: Well, there are
3 certainly a number of people who've looked at the
4 contracts, some of which are here with us today.
5 So there are others who have looked at them. But
6 the, the official monitoring is as we described.

7 COUNCIL MEMBER BREWER: Okay.

8 SETH DIAMOND: The combination of
9 statistical analysis, that is discussed with
10 vendors at vendor stat, and then the visits that
11 Ray mentioned.

12 COUNCIL MEMBER BREWER: The
13 stimulus, maybe you talked about this earlier, but
14 between Tannif and other kinds of stimulus, how
15 does, we've had I don't know how many briefings on
16 the stimulus package. I think I know as much as
17 anybody, and it's not expert by any matter of
18 means, as to what's available. There's greening,
19 there's this, there's that. How, between the
20 Tannif and your programs, are you going to be
21 plugging in to the stimulus opportunities?
22 Obviously you can't be specific 'cause there's
23 time constraints here today, but how are you
24 actually doing that?

25 SETH DIAMOND: Well there's,

there's money that's available. Some money we know that's available, right away. As I reference, there's about \$15 million in subsidized jobs in three different pots. You, I think you were right mentioning the green jobs.

COUNCIL MEMBER BREWER: Right, I have that. Yeah.

SETH DIAMOND: The healthcare jobs, and the general subsidized pot. There's some discussion at the State level whether that money should be given to the City or to other providers. We're certainly hopeful that it will come to the City, and we would use that money to invest in subsidized jobs in the City system. In addition to that, there are some extra funds that have been used in other projects. But the bulk of the moneys that we hope to gain, still awaits distribution by the State. So we're entirely clear--

COUNCIL MEMBER BREWER: So the \$15, it would be in addition to the \$15 million, or is the awaiting for the State within that \$15 million.

SETH DIAMOND: No, well, we're

hopeful, and first of all the \$15 million is statewide.

COUNCIL MEMBER BREWER: Right.

SETH DIAMOND: So the City will get a portion of that.

COUNCIL MEMBER BREWER: Right.

SETH DIAMOND: We hope a fair portion, but a portion.

COUNCIL MEMBER BREWER: Right.

SETH DIAMOND: In addition to that, there's money both in food stamp administrative money, and other Tannif money that the State has drawn on, that we're hopeful they will distribute a significant portion to the City, but those decisions have not been made.

COUNCIL MEMBER BREWER: Okay, and then just finally, we're very familiar, we all like the Parks program. How many, how do you think that differs from the work that some of your providers do? Do people at Parks stay longer? It seems to be something that works for the employee and the employer. Why is that program so much more respected, with all due respect, than some of the ones we listed today?

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2 SETH DIAMOND: Well, I, I don't
3 know that it's more respected, I think it's
4 another--

5 COUNCIL MEMBER BREWER: It is by
6 the employ--by the people who, who participate,
7 put it that way.

8 SETH DIAMOND: Well, I think the
9 Parks Program is another option, and I think one
10 of the strengths of the City program is that we
11 have a range of options so that we can provide
12 services to people of all abilities. For people
13 who need some paid work experience, maybe they've
14 been through a program and have not been
15 successful, Parks would be a good option for them.
16 Who others who may be starting, who it may be
17 possible to get them quickly back into
18 unsubsidized employment, we have programs for
19 them, and for people who have other kinds of
20 barriers to employment, we have programs that
21 address those. So I think the reason why the City
22 program continues to be successful and has
23 continued to increase employment numbers is
24 because we have a range of programs for the full
25 ability for people of all abilities on public

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2 assistance, but all our programs are united in
3 that they have a strong emphasis on placing people
4 in jobs, and a heavy component of the programs are
5 that people who--the service providers only get
6 paid when they place people in jobs.

7 COUNCIL MEMBER BREWER: Okay,
8 finally, 2.7 percent that de Blasio read in
9 education and training. Does that include
10 vouchers and associate and four year college? Or
11 what is that number as of April '09?

12 SETH DIAMOND: The, the 2.7 percent
13 that Mr. de Blasio was referring to are only
14 people who are in full time education and
15 training.

16 COUNCIL MEMBER BREWER: Okay, and
17 so what's the percentage in the voucher, etc.?

18 SETH DIAMOND: The vouchers are
19 within people who are within the "Back to Work"
20 program. Some, some number of those people are
21 receiving training and education services through
22 the resources of the "Back to Work" program. Some
23 number of them have vouchers on top of that. And
24 other people who are in other employment programs
25 are receiving education and training services

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2 also. So, the 2.7 percent that, the 2,325 people
3 on the report I have, who are in fulltime
4 education and training, is only a portion of the
5 people receiving education and training services
6 throughout the system.

7 COUNCIL MEMBER BREWER: Okay,
8 alright, thank you.

9 CHAIRPERSON JAMES: Commissioner,
10 before I turn to Council Member Stewart, do you,
11 before you renew these contracts, do you believe
12 that there should be an independent evaluation
13 done by an outside agency, since you obviously
14 take issue with the, some of the comments by my,
15 by myself and my colleagues, as well as IBO? Do
16 you believe that there should be an outside
17 company, evaluate these contracts? And, if not,
18 do you see, is there, do you feel that there's a
19 need for any revisions in these contracts? And if
20 so, in what area?

21 SETH DIAMOND: As we said, the area
22 on renewal is not something that we're at liberty
23 to talk about at this time. It's the subject of
24 discussion, ongoing discussion with the vendors.
25 And we can't get into those details.

CHAIRPERSON JAMES: How about the outside independent evaluator?

SETH DIAMOND: We believe that we can make a decision based on the performance, about whether we want to go forward with the renewals, that we're in the best position. It's not provided for in the contract to have an outside provider, and we think we're able, based on the substantial data that we have, to make a judgment.

CHAIRPERSON JAMES: Do you anticipate inclu--Or, do you anticipate focusing more on education and training in the next contract?

SETH DIAMOND: [pause] As, as I said before, I think education and training is a strong component of our program. There are a lot of people who don't go to "Back to Work" because they're in an education and training program. And they either come in with an education and training program when they initially apply for public assistance, or they express an interest in one. Those people do not go to "Back to Work," we have those people in a separate, through a separate

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2 process, and we support them through a range of
3 agreements with the City University system. I
4 think education and training is an important
5 component of our program. I don't think the
6 research has shown, and experience in New York
7 City has shown, that education alone, for most
8 people, is the best ticket to employment. I think
9 a range of activities reflecting some education
10 and training, some work experience, and other
11 activities, has been shown consistently, both in
12 New York and across the country, to be the best
13 way to prepare people for employment.

14 CHAIRPERSON JAMES: I totally
15 disagree, emphatically disagree, and I believe
16 education, obviously, is the key to success and
17 will open up all doors. And although it is a
18 component, I would hope that you would focus more
19 on that component and that area.

20 SETH DIAMOND: Well--

21 CHAIRPERSON JAMES: It's been my
22 experience working with individuals with
23 challenging backgrounds, that if given the
24 opportunity, they would commit their lives to
25 focusing on improving their, their situation,

their lifestyle, and would focus on education.

You know, I, I sit before you, I'm a City Councilperson, but I also have a number of relatives and friends and family members who were once on public assistance. My mother was once on public assistance. She went back and got a degree at 60-something years old. And she was able to feed eight children. And a lot of these individuals are in the same situation. And I would hope that you would focus on that and make that a priority. Council Member Stewart.

COUNCIL MEMBER STEWART: Thank you. Commissioner, I wanted to go back to some things that we, you spoke about earlier. And you said that 80 percent of these folks have not returned to unemploy--to the - - in terms of, to get benefits. And you, you're saying that based on that, that means that they might be working someplace else, they might be--And you use that as part of your reasoning that you, we can't use the stats that we're using. Now, you said that you, you're, the vendors are the one who make the placement for these jobs. Well then, if the vendors make the placement for these jobs, why

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2 after three months or six months there couldn't be
3 a check to see if these people are still working
4 at the places that they placed these jobs at? Why
5 can't you use that as your way of determining who
6 is still at work? Rather than saying, "Well, they
7 have not gone back to the unemployment line."

8 SETH DIAMOND: The vendors do have
9 an incentive to work with people and to try and
10 prove that they're working after three months and
11 six months. And, and I would agree with you,
12 that's, that's something that I think they should
13 invest in and do a better job in being able to
14 track. But the reality is, some people who were
15 placed in jobs, do not want any further contact
16 with the public assistance system, or with the
17 vendor who helped them get the job.

18 COUNCIL MEMBER STEWART: Well,
19 well, you know--

20 SETH DIAMOND: So they're not
21 willing to cooperate. It's not enough to--

22 COUNCIL MEMBER STEWART: So what
23 happened to the employer? Can't you, if you pay
24 somebo--someone in a job--you place them in that
25 job in the first place. Why you figure that there

1
2 might not be any contact? Why can't you check
3 with the employer after a certain time, to see if
4 that person still works there?

5 SETH DIAMOND: Well, I think that
6 some of the vendors do that. But I think we also
7 have to be conscious of the fact that employers
8 have a substantial burden, especially in this
9 time, and for vendors to be calling them
10 constantly, asking for verification of employment
11 would be a great burden; particularly for small
12 employers, where many of our people begin work.
13 And so, we don't want necessarily people to be
14 harassing employers. We want employers to do what
15 they do best, which is employ people and make
16 money in their business. And we rely on the
17 relationship between the service provider and the
18 person they place in the job to provide
19 documentation. That could be stronger, I would
20 agree with you on that, but I think that they're
21 doing better in that, and that needs to be an area
22 of greater emphasis.

23 COUNCIL MEMBER STEWART:

24 Commissioner, I beg to differ with you, because I
25 think if I have a relationship with an employer,

1
2 and it means that I can, this could be, if that
3 person that was placed there is no longer there, I
4 can replace that with someone else who may need
5 that position. That, so your answer to me, it
6 doesn't hold water. Let me, let me go onto
7 something different. In terms of sanctions, what
8 percentage of the clients are sanctioned? And
9 what are the most common reasons clients are
10 sanctioned during their time in the program?

11 SETH DIAMOND: In the, in the "Back
12 to Work" program specifically? Or--?

13 COUNCIL MEMBER STEWART: Well, yes,
14 you know, if there are any sanctions whatsoever,
15 and what forms of sanctions you uses, and, you
16 know.

17 SETH DIAMOND: Well, in general,
18 about 15 percent of the public assistance
19 population is under sanction at any point in time.
20 The, the way you get sanctioned is not cooperating
21 with an employment obligation that you have. And
22 before anyone is sanctioned, there's a three stage
23 appeal process that persons can avail themselves
24 of, where they can contest the reason for the
25 sanction, and if they are found, and the sanction

1 is not imposed until after the end of that
2 process. So, people have an opportunity to
3 contest sanctions and make a hearing on them. And
4 if not, then the sanction is imposed. But let me
5 also say that sanctions for employment
6 requirements are only imposed if the employment
7 and training provider decides that the person is
8 not cooperating with efforts to get them a job.
9 We do have attendance standards, they do require
10 that people attend the program, but there is
11 flexibility there, both for documented reasons for
12 excuse, and for times where the person may not
13 have documented their reason for not attending.
14 But the service provider still feels that they're
15 complying with the program. They do not have to
16 place them on the sanction path. So that vendors
17 are making a judgment as to who they think is
18 cooperating and who is not cooperating. People
19 who are not cooperating then begin this three-
20 stage appeal process that may end with a sanction.

21 COUNCIL MEMBER STEWART: What
22 services are provided for the people who fail to
23 report, you know, if, if there's someone who
24 failed to report, what efforts do you put out
25

there to help those folks?

RAYMOND SINGLETON: So we've, we've made a lot of efforts in our collaboration with the Department of Homeless Services. There we've been working hard to try to make sure that people are in compliance, because in order for them to move out of shelter, they have to be eligible for a work advantage voucher. One of the ways to get that is to have an active case, and to be engaged in trying to find a job. So we've done a number of things to outreach to people while they're in shelter, and then in the general population to "Back to Work" vendors, to encourage people to participate in job search activities. We've brought employers to shelter systems, on site where people are receiving employment services, trying to encourage people to have more of an open conversation with employers, to find out more about the job opportunities that employers have, especially because not everybody wants to work at minimum wage. But because there are opportunities at certain employment entities for people to move up, and gain higher wages, we think that it might be inspiring to people have a conversation with

1
2 people, find about how those low wages increase,
3 what they have to do on their part, to be more of
4 a, a productive worker at this employer site, so
5 that they can move up within that company, or gain
6 skills so that they can move throughout the
7 industry and gain other work that pays more money.
8 So, one of the things we've done, like I've said,
9 is we've sort of reached out more to employers,
10 tried to bring more employers on to our sites,
11 tried to work closer with entities like DHS and
12 other City agencies, to make sure where people are
13 out of compliance, where they get more into
14 compliance.

15 COUNCIL MEMBER STEWART: Yeah, well
16 so, so, your, your attempt to answer my question
17 seemed not to be full. And I'm asking, you know,
18 people who fail to report, you have sent them out
19 some place, they fail to report. What are things
20 that you will do if someone--Are you, do you reach
21 out to them, do you call them? Do they--what,
22 what do you do if they fail to report? That's
23 what I'm asking. I'm not asking to give me the
24 reason, when, if someone does not work and, and
25 because of low wages and all of that. If someone

has been sent out to a job, and they failed to report, how do you follow? What do you do? That's what I'm asking.

RAYMOND SINGLETON: Okay. I'm sorry, I thought you were saying, "What do we do when they're in the program?"

COUNCIL MEMBER STEWART: Well, they're in the program, but you, you sent them out. I'm asking, what do you do to, as a follow up, if they fail?

RAYMOND SINGLETON: So, one of the things we try to do is figure out where people are at, and how we can communicate to them. If they don't show up, if we have information, contact information on them, the "Back to Work" vendors in business we work with make outreach phone calls to them. They try to bring them back in, they try to bring them back in for services, and they encourage them to come back in, especially in the scenario where you're talking about, where they've lost employment. If they've lost employment, again, they try to encourage them to get back involved in the process, to go back on interviews, to talk to more employers, to see if they can find

a job that maybe is more suitable for them.

COUNCIL MEMBER STEWART: Alright, I would hope that you can build on that, what you just said, if you can build on that to make sure that folks who may fall in between the track, the cracks, in terms of failing or whatever, the reason someone may take ill and they didn't show up, and so I just wanted to know that you, you have an effort out there to help those folks. But my last question is basically this: We spoke about education, the education part of it. And you said, we said that basically that, you know, helping people successfully complete their GED or, or associate degree or, you have any stats on that, that, where folks have come into your program, and you see that they have gone through education process, and have gotten degrees. Do you have any stats on that?

SETH DIAMOND: We have statistics on how many people are in education and training programs full time. And I will tell you that we have a contract for several million dollars with the City University system to support people who are in college, to provide academic advisement and

counseling and job placement services, for people who are in college. So we, for people for whom education and training isn't appropriate, we make great efforts to support them. We do not track graduation rates.

COUNCIL MEMBER STEWART: Right, but you, that's a good idea that you, you want CUNY to help them. But, you know, I would like to know if there is some sort of form of success as far as that is concerned. If you, you say, "Well, we working with CUNY," and then no students who are helped, or no one was helped in that respect, you know, saying that you, that's your idea, is great. But if you have no results, why talk about it.

SETH DIAMOND: Well, we do have, we do have results, the, the contract I referenced with CUNY is performance based contract that pays CUNY based on how successful they are at helping people get jobs. And we - -

COUNCIL MEMBER STEWART: And how much money has CUNY received so far?

SETH DIAMOND: I don't have the number here, but it's several, it's several million dollars, over the year.

CHAIRPERSON JAMES: Thank you.
This administration loves to pay people off.
Council Member Foster.

SETH DIAMOND: I think that's
inapprop--an inappropriate comment. I'm sorry.

COUNCIL MEMBER FOSTER: I, good
morning, I have a few questions. You have
constantly referred to people not returning to
public assistance. What's the timeframe in which
you look to see if these members are back on the
roll?

SETH DIAMOND: Well we, the numbers
we were talking about were based on the dates
after job placement. So we have a three month
point, a 90 day point, a six month point, a nine
month point, and then we also have a twelve month
point.

COUNCIL MEMBER FOSTER: And at the
point of three, six, nine and twelve, you're
saying that you don't see an increase on these
numbers, as the months go out?

SETH DIAMOND: No, there, there is
an increase. The highest number, the fewest
people come back is at the, at the three month

point, as you would expect. But the numbers still remain high, even nine months out.

COUNCIL MEMBER FOSTER: And do you work, do you know the timeframe in which it takes a person who has gotten off welfare to get back on welfare?

SETH DIAMOND: It depends on their, on the, the type of case, it's either 30 days or 45 days after application, depending on what type of case they are.

COUNCIL MEMBER FOSTER: And isn't it a time period, if in fact you're found to be ineligible, before you can apply again?

AUDIENCE: Yes, yes.

SETH DIAMOND: No, you're, you can come back and--

COUNCIL MEMBER FOSTER: Or appeal.

SETH DIAMOND: If you, if you apply for public assistance, and your application is rejected for some reason, you can come in the next day. You can also appeal it on a separate track, but you can come in the next day and apply again.

COUNCIL MEMBER FOSTER: And if you keep getting, if I, if I keep getting denied, so

my question, and let me put it in a, an analogy:
I have a job, I've lasted two-and-a-half months.
I got back to apply for welfare, and I'm rejected,
and I'm rejected. So, I wouldn't show up on your
three month role, not because I'm still employed,
but because I could possibly have been rejected.

SETH DIAMOND: Well, if you, if you
don't, either you're not financially eligible, or
you're not providing the documentation, or there's
some other issue, you wouldn't be accepted, and--

COUNCIL MEMBER FOSTER: And were,
and I, I know you're not making the assumption
that, in terms of applying for welfare, and, and
going through the system, there are not times when
the mistake isn't on the client applying, but is
on the other end.

SETH DIAMOND: I'm sure there are
times when, unfortunately, we make mistakes, I'd
like to know about those and try and correct them.
And there is an appeal process for clients who
feel that they, applicants who feel that their
case was not handled appropriately. But I think
in the overwhelming number of cases, we handle it
appropriately.

COUNCIL MEMBER FOSTER: With the clients that you can't find, we seem to keep throwing the word "incentive." Are incentives given to these people that are in the program to stay in contact with HRA, after the fact?

SETH DIAMOND: Well, the, you want to talk about that?

RAYMOND SINGLETON: Sure. Through the "Back to Work" program, people have a number of different incentives, so one of the incentives is a monetary bonus. If people go to work, they're encouraged to stay on the job, and some of the vendors give them monetary bonuses to keep them at the job, and to keep them in communications with us.

COUNCIL MEMBER FOSTER: And who monitors those bonuses, you or the vendors?

RAYMOND SINGLETON: The vendors do, this is the vendor's initiative.

COUNCIL MEMBER FOSTER: And, but then the vendors get incentives from HRA for making sure that people are placed in jobs.

RAYMOND SINGLETON: Right, they get paid according to the contract milestones. That's

right.

SETH DIAMOND: Yeah, and just to be clear that, the vendors sometimes, as a business decision, to make sure that they can get the documentation at the placement points, provide incentives to people to maintain contact. One of the very strong incentives that the vendors and the recipients, I think, like, are we pay for car fare after, Metro cards, after people are working, so people can get their transportation costs paid for, for several months after they begin work, if they continue to work with the vendor. That's a strong incentive for them to maintain contact with the vendor, and we think there's benefits for that, and we think that's a strong support when people begin work.

COUNCIL MEMBER FOSTER: With that incentive, and the Metro card, are you finding that's working, given the number of recipients that you can't find? Or are unable to track?

RAYMOND SINGLETON: Well, I think it's one tool. I think it's a worthwhile discussion to have about what additional tools would make it easier for vendors to, to keep in

touch with people, and what incentives would be provide, could be provided to people who are working, to give them an incentive to continue to work with providers. I think the providers gain because financially they can continue to get payment, if somebody keeps working. But I think the person could also gain, the person in the job could gain, from continued contact with the service provider. They could get additional support, they might get some counseling that would be helpful, they might find out about additional resources. And I think too often people placed in jobs think, "There's nothing HRA can do for me now, I've been, I'm placed in a job, I want to put that behind me," but in fact there are substantial support we can give them, and I think it is a worthwhile discussion to have, to see what would incentivize people to be, to want to continue to work with people who can help them and give them additional support.

COUNCIL MEMBER FOSTER: Last question, when the Chair James spoke about education, you said "Most people, especially in New York, don't always benefit from education."

Who, who do you define as "most people"?

SETH DIAMOND: I, I--I'm not sure if I said that, I misspoke. But what I, what I, what I think I said, and certainly what I mean, is that full time education and training has not been found, either nationally or in New York, to be the best path to employment for people on public assistance. The heart of the bill that President Clinton signed, was that education and training alone should not be the path that people should take to public assistance, to employment from public assistance. It endorsed what we do here, which is a balanced approach, which includes education and training, but not to the exclusion of other services. That bill, again, which the President Clinton signed, which Rahm Emmanuel, President Obama's Chief of Staff, has heartily endorsed, has a mixed strategy that the City has embraced. And it does not include, and does not provide for education and training to the exclusion of other activities, it endorses a combination. And that's the program that we have in New York City.

COUNCIL MEMBER FOSTER: And when

you said, "We judge success," when you said the program with CUNY is successful, but you don't track graduation, then how is, how do you judge success? What determines the program being successful?

SETH DIAMOND: Moving people to, to jobs, that CUNY is able to move people to employment.

COUNCIL MEMBER FOSTER: Do you track the jobs in terms of the potential for growth?

SETH DIAMOND: Well, our jobs have milestones, which again the "Back to Work" program, we talked about--

COUNCIL MEMBER FOSTER: But I'm talking specifically with the CUNY jobs.

SETH DIAMOND: I don't--

RAYMOND SINGLETON: I could just, let me answer some of the ways that we could define success. One of the things that Seth mentioned is we do work very closely with CUNY. I think some of us are aware that when people are enrolling in college, sometimes they are taken advantage of, and they're Pell Grants and the

finances that they have, are very reserved. And if they're not using them appropriately, then they don't get the best bang for their buck when they're going to college. We work very closely with CUNY Cope, a program that we have that serves people who enroll in college, to make sure that they stay engaged, make sure that they stay compliant with HRA rules, so that they can do the whole long term experience for themselves, to get a two year degree if they can. And to stay engaged in the college, in this way, is probably a very good and successful strategy on our part to work with CUNY. One of the things that CUNY is supposed to do in the CUNY Cope program, is make sure that people have a work experience program that's located either closely to where they live, or closely to where they're going to school. And that work experience program should have experience that's relative to what they're studying in school. So they get the complete package. And I think one of the best ways, one of the most successful ways to go to school is to learn and have work experience happening simultaneously, and CUNY Cope does have numbers,

they, we don't have those stats with us, but they do have statistics about how many people they help to put into that program, and by enrolling them in that program, I think people are more successful in their college experience.

COUNCIL MEMBER FOSTER: My question specifically, though, was the jobs, are we able to track the jobs to see if these are jobs that have growth potential?

RAYMOND SINGLETON: Growth potential, so, when you're asking about the jobs, are you, are you asking if they're relative to what people are learning in school or going?

COUNCIL MEMBER FOSTER: No, I'm asking if it's, the potential to make a living and support a family, and then be able to uplift their children. You know, getting a job, you know, for example, with the new Yankee stadium, getting a job as a busboy at the Hard Rock Café, is not what I'm talking about in terms of growth.

RAYMOND SINGLETON: Right, so let me just say that we don't target those types of jobs. The jobs that we are encouraging people to take are jobs that pay good wages, where people

can have this growth that you're talking about. If people can, and if they're motivated enough and they have experience and they can make, you know, the right presentation with the employer at the time that they're interviewing, they can get into these jobs you're talking about. And if they stay on those jobs, and they work with the employer, they can have some growth on that job. I think it's hard to say if people are working in jobs that, if these are growth jobs, just because New York is a very difficult place to live, and pay for everything. People sometimes need things to happen outside of the one job that they're working, so that they can have, you know, the sort of success that you're talking about.

COUNCIL MEMBER FOSTER: Well, well let me end in saying that I think this, I think at some point, this program is going to have to be looked at seriously. Because there's a real disconnect between what the recipients feel, what HB, what IBO documented for us, and what you're saying. Is there any type of advisory council where you hear first hand from the people that are actually on the front lines, who are working in

these programs, as to whether it works, so that as you look to renew contracts or tweak the program, you can find out from the recipients what's working, what's not?

SETH DIAMOND: Well, we did have a meeting with Community Voices Heard, the Commissioner Doar did, after the report was issued, where they came with several people to talk about their experience in the program, and then more fully discuss the report. The Commissioner has met several times, actually, with Community Voices Heard, on a range of topics. There are also member, representatives both from Community Voices Heard and other people we serve on the Commissioner's advisory board. So I think there is input, and opportunity for input, from people who are served by our programs.

COUNCIL MEMBER FOSTER: I think that has to be ongoing. I just want to say that I think that, in terms of education, given that the majority of the people in this program are black and Latino, we know that education is really the key. And if you look at the Mayor's own administration, when he doesn't even have people

of color in his, in his cabinet, and we're talking about the best way for most people is through jobs and not education, I think you do this, our community a disservice, because the last thing I need is another person in the district who can work at McDonald's. That's, that's not progression, that is not how someone lifts themselves out of poverty, and then goes on to lift their family out of poverty. And I think when we look at this program, we don't have to worry about whether I like it or you like it, we need to make sure that it is working for the people that need it. And we need to judge success by the people that we pull off the rolls, not because we don't know where they are, but because we know where they are, they've even gotten a education, gotten a job, or are working towards an education. Just saying, "We don't know where they are" is, is not enough. And we do incentives, maybe we need to start sanctioning organizations when they don't keep track of the recipients [applause] and I guarantee we might have better numbers. Thank you, Chair.

CHAIRPERSON JAMES: Thank you,

Madam Foster. So, in my district, it's Target and White Castles, so--

COUNCIL MEMBER FOSTER: Yeah.

CHAIRPERSON JAMES: And that can't sustain families at all. Commissioner, you talked about a balanced approach, but my president, President Obama, talked about education, and education being the key to success, and I adopt his philosophy and would hope that this administration would do the same. You talked about a balanced approach, but unfortunately the scales are tipped far too, far too towards temporary placement of individuals, and not towards jobs that can sustain families, and can address the poverty in the City of New York. And so, you indicated that Commissioner Doar met with Community Voices Heard. My, my last question to you is whether or not HRA is prepared to adopt any of the recommended changes that have been proposed by Community Voices Heard. And if [applause] and either sound recommendations, solid recommendations, recommendations would address a lot of the concerns that you heard there this morning, and that, that would basically put people

to work in permanent jobs, sustaining, jobs that would sustain their families, and jobs that would lift them out of poverty, and that would focus on education, which I believe, based on my personal experience, is the key to success.

SETH DIAMOND: Well, as I said before, we are open to input; in fact, we made changes in the "Back to Work" program, in contrast to its predecessor, specifically based on certain recommendations that we got from Community Voices Heard and others about the continuity of service about trying to emphasize dealing with people who had substantial barriers to employment. So I think where the input is appropriate, and where we think it fits the best program ideals, we have incorporated it. We think we have a strong program, we think it's reaching the goals that we have set, we think it benefits the vast majority of people who are served. And as to the specifics, we, that's part of the renewal process, and as I said before we can't discuss that.

CHAIRPERSON DE BLASIO: Thank you, Chair James. Commissioner, I understood what you said earlier about what the researcher said, and

what the original legislation was encouraging about the mix of work and education. I certainly understand that. I think there's some truth in that, but that's not what I'm talking about. I just need to nail this point for you once and for all: I'm trying to talk about the biggest economic crisis since the Great Depression. I'm not making this up, I'm asking you to consider that there's time when you change direction because of objective reality. So even though the ideal, and often the most effective approach is a mix, if that mix can't be successfully achieved because the economy is not allowing the opportunity, the natural private sector opportunity, then the creation of the transitional jobs and/or greater use of education and training, as a transitional piece, as an opportunity to give people something substantial in the meantime. The transitional jobs stimulate the economy; the, the education and training opportunities also provide an indirect stimulus effect through CUNY, for example, because there's more people getting employed because there's more people to serve. I'm just urging you to be open and creative for

this moment. And I would really ask you to take that seriously, and have, you and Commissioner Doar and others consider that and let us know there's openness to some change of direction for these next couple of years.

SETH DIAMOND: As I said before, where Commissioner Doar has been a big booster of transition jobs, and we're creating our own program in HRA, he's been a strong proponent of the Parks Program. We hope that we'll be able to do additional work on, with some of the money, the stimulus money that we'll be hopefully getting, and we'll be able to expand those opportunities. So, I think we're in agreement, or largely in agreement there. We're willing to consider what works. Our program, we believe, is a strong program that works, the balanced approach that I talked about is the one that has led to the great success. And I want to continue to ensure that public assistance recipients are able to take the jobs that are available to them. If the number goes down and the situation changes, we may have to reevaluate; but for now, we have a substantial number of jobs over 19,500 jobs just this year

1 alone. And every entry level job in the City, I
2 want a public assistance recipient vying for that.
3 The only way we could do that is to make sure
4 they're prepared for employment, that they want to
5 go to work, that they're ready to go to work. And
6 that's the emphasis of our programs.
7

8 CHAIRPERSON DE BLASIO: Well, let's
9 continue this dialogue, and hopefully find a way
10 to work together. Thank you for you and your team
11 being here.

12 SETH DIAMOND: Thank you.

13 CHAIRPERSON DE BLASIO: Now I'd
14 like to call up our next testimony from Paul
15 Lopatto, Supervising Analyst at the Independent
16 Budget Office. And while Paul's coming up, I want
17 to thank the IBO again. I think they did very
18 important work on this issue, as they do on so
19 many. And it's another reminder of how important
20 the IBO is in the City's public debate. So we
21 welcome you, we welcome your testimony.

22 PAUL LOPATTO: Thank you. I am
23 Paul Lopatto, I am the Supervising Analyst for
24 Social and Community Services at the New York City
25 Independent Budget office. We've been asked to

take a look at the "Back to Work" program, and we provided you the letter that you have in hand. I was going to open with, with a little bit of a brief testimony, but since we've been so extensively quoted already, [laughter] perhaps we could just open it to questions.

CHAIRPERSON DE BLASIO: It's nice to be popular. Do you, do you--Any, I mean, I don't know if we have any immediate question, although I would like to take up where I left off with Commissioner Diamond. Is there any piece of the exchange between the Commissioner and the, and the Committee Members that leads, you need to clarify anything?

PAUL LOPATTO: I would just respond to HRA's, one of, one thing that HRA said. They, it is true that all the figures here are, are HRA's own figures, and these are the objective measures of the milestones they have. In terms of, if I understand their argument, they may be losing track of some people who are continuing to work. It seems unlikely to us, given the incentives that the providers have to make sure that all these things get measured, or else they

don't get paid, that this is happening in any frequent kind of basis.

CHAIRPERSON DE BLASIO: I

appreciate that answer, that was my instinct as well. And at minimum, I felt that HRA either needs to focus more on being serious about collecting its data, because if everything, including a huge expenditure of money, is going to be based on those outcomes, and we're literally saying, you know, that people just fall off the edge of the world at a certain point, and we don't know what happened to them, something's wrong. We shouldn't be spending this much money without evidence. And secondly, I just had a problem with the logic, with saying, "We don't know what's happening, therefore it must be a good thing." You know, unfortunately I think in this economy, if we don't know what's happening, it's pretty safe to assume, and unfortunately it might be a bad thing. So, I appreciate that. Do you, do you agree that there is an argument to look, and I'm not asking you to editorialize, I'm just looking for an analytical answer, that because the economy's getting worse, there, it's going to be

harder to do placement? And therefore it's time to reevaluate whether we shouldn't look at other directions? I mean, I'm biased in terms of more focus on education and training, and I'm biased in terms of the transitional jobs. But I, I didn't hear any connecting of the dots from the Commissioner. Your supply and demand, if your, if your supply of available entry level jobs is rapidly dwindling, you must look in other directions, and you don't wait until it's too late to do that. What, what does your analysis say, or your, the work you did on this? What does it make you think about that question?

PAUL LOPATTO: Well, IBO has projected that the unemployment rate will continue to go up for the next year-and-a-half or so, so one, you know, one would think it would become harder over time to place people in any sort of job, including these sort of entry level ones. There'll be much more competition.

CHAIRPERSON DE BLASIO: What level do you, I mean, based on your analysis to date, what level do you see unemployment getting to?

PAUL LOPATTO: I can't, I don't

have those figures here.

CHAIRPERSON DE BLASIO: Okay, but you see--And do you, just as an analyst, do you agree that when there's high unemployment, you know, "overqualified" people vie for jobs they would not have gone to in a stronger economy? So that in effect not only are there fewer jobs but there's more competition?

PAUL LOPATTO: More, more people moving down, yes, one, one--That would almost certainly be the case, yes.

CHAIRPERSON DE BLASIO: Okay, I appreciate. Co-chair? Okay. Thank you so much, your report was extremely helpful, and we do appreciate how well done it was and how promptly done it was. Thank you. We love the IBO.

CHAIRPERSON JAMES: Yes!

CHAIRPERSON DE BLASIO: That's my sound bite for the day, "We love the IBO." Okay. We'd now like to call up Sondra Youdelman of Community Voices Heard, and I know she's bringing some of her colleagues with her. [applause] We thank her for their report, which was--You're getting so much praise to day, Sondra.

CHAIRPERSON JAMES: Yes.

CHAIRPERSON DE BLASIO: Very important report.

CHAIRPERSON JAMES: You too have been, you too have been quoted often.

SONDRA YOUDELMAN: I know, I don't need to say much. But are, do you want me to come up with our--

CHAIRPERSON DE BLASIO: Yeah, sure.

SONDRA YOUDELMAN: --care members? So, Janet, you're doing testimony, and need a-- And Jonathan?

CHAIRPERSON JAMES: Let me apologize for reading some of your testimony. 'Cause I knew that by the time you testified they would have left.

MALE VOICE: Yes.

CHAIRPERSON JAMES: And I wanted them to hear it.

SEVERAL: Thank you.

[off mic crosstalk]

CHAIRPERSON DE BLASIO: Okay, who would like to begin?

MALE VOICE: Me?

CHAIRPERSON DE BLASIO: Could everyone calm down a little bit, we have to keep listening to our panels. So, who would like to begin on our panel? Please, welcome, and we welcome your testimony. And please everyone say your name at the beginning of your testimony.

ANITA WALTON: Okay. My name is Anita Walton. I have been, been a member of Community Voices Heard for the past eight years, and I have been in the, in the "Back to Work" program on and off since November 2006. I have been on and off the program because I am constantly getting sanctioned. I have been sanctioned six, I mean ten times. [laughs] Each time I request a fair hearing, because the sanction was unfair. I fought, I fought and won each one. Okay. Before I begin my testimony, I want to let all of you in this hearing know, that we are frustrated with the poor quality of the "Back to Work" program, and aggressively encourage Commissioner Doar to make overdue and much needed improvements. As our signs in the audience say, "Back to Work Does Not Work." Today before the hearing began, we delivered a "Failure to Comply

Notice" to Commissioner Doar, explaining that he should be sanctioned if he does not meet his work requirements of helping us move out of poverty into good jobs. To get into compliance, he should implement our recommendations for program improvement. A copy of his FTC is attached to my testimony, for all of you to read. Okay.

[laughs] Now, I will continue with my personal experience and with "Back to Work." One of the sanctions I've gotten was the result of my housing crisis, in the fall of 2007, that was me. I was in six months of rent arrears and facing eviction. I was back and forth to Housing Court, the Legal Aid Society office and the Section VIII office, to try to stop from becoming homeless. The rent arrears occurred because HRA had stopped paying my rent when I was in the "Back to Work" program, and was sanctioned. The sanctions were unjustified in that each fair hearing I have proper, proper evidence and would win the case. Still, HRA did not pay my rent, and therefore I was being threatened with eviction. While all of this was happening, I was on the brink of a breakdown. I was facing mental health issues and trying to find

help and support so I could get through this tough time. When I told someone at the "Back to Work" program that I was having these housing problems, they didn't seem to care, and were too busy to help me. So they just told me to bring in documents, verifying the reasons I was going to be out when I needed to be. And there's no room without documents, there's off with their heads, just sanction. So, anyway, no one actually had the time to help me. I couldn't focus on finding a job, because I was fixating on my problems all day, while I sat at the program. I just sat, I just had to sit there and do nothing, and all I could think about was the eviction situation, and that I could do, and what I could do about it, once I got done with the program for the day. If I was going to have to sit there all day, the least they could do was help me fix this situation. But instead, they made it harder to sort out my housing situation, and just fed me more stress, and that ultimately led me to a breakdown. They brought people in to the "Back to Work" site like cattle. A group got started together would get connected, start figuring out

what they were going to do, be ready to search for jobs, and then every day, there'd be more people brought in. People were all at different points in their search. There was only one job developer, and they would be swamped with clients. It never became a positive place to search for a job. It was so frustrating being there. I haven't gotten to the point where I have found a job because every time I give my life to a place where I could start looking for a job, I get sanctioned. Every time I get sanctioned, I have to restart the program, and I have to retake all the tests over again. That really got to me. It is a waste of my time and a waste of the City's money, and makes me lose hope. I am working towards associate's degree, a secretary of studies. I'm not trying to play the system. I'm really trying, just trying to get through, and I just need a little help to do so. I started Bronx Community College a year prior to the passage of the 1996 Wayfair [phonetic] Law. If I hadn't been constantly pressured to get a job instantly, attend programs like the "Back to Work" program, do a WEP assignment, and constantly be sanctioned

unjustly, I might be done with the degree by now, and already be working a good paying job. Okay. As soon as "Back to Work," as a "Back to Work" client in Community Voices, or a member, I am asking that Commissioner Doar make the following significant changes to the "Back to Work" program, and that the City Council assures that he does so. I just wanted to make a respond to the claims of Ray Singleton and Seth Diamond regarding education assets. As soon as a person going to college, they are required to work more than attending classes. In other words, work was the emphasis. Okay? We students had to focus more on getting papers properly signed, attendance at college works study web labs, classes, - - documents, where the professors got harassed, and things that pushed a lot of students towards probation. Okay? And for a bachelor's degree, you just have to do the "Back to Work." Okay, so that's a little story on him. It is not about the little minor mistakes that happen, it's about the fun--the foundation for the mistakes. Okay? And "Back to Work" vendors should do outreach case managements before - - a client is sanctioned, not just after.

Many of us on public assistance are facing crisis and need assistance with that. Sometimes it is the crisis that prevent us from work, from meeting work requirements. And other times, sanctions make lives worse. We came to welfare looking for help, not to make our lives worse. Okay? People are recycling in and out of the system because of sanctions. If HRA required vendors to remove our barriers and provide us with case management, we could finally get on our feet. Thank you.

CHAIRPERSON JAMES: Ms. Walton, who was your vendor?

ANITA WALTON: My vendor right now is Goodwill. I'm just starting another "Back to Work," I'm starting another one. I'll be there today, I'm going in at 4:00 o'clock, after I leave here.

CHAIRPERSON JAMES: Thank you.

ANITA WALTON: For a new story.

JONATHAN SAWYER: Good afternoon. My name is Jonathan Sawyer. I'm a public assistance recipient, a college student, and a member of Community Voice Heard. One of my biggest challenges with the Human Resource

Administration has been their sanction policy. I am sincerely interested in pursuing higher education, but the Work First model has hindered this pursuit. Throughout my first year as a student at Borough of Manhattan Community College, I have been repeatedly assigned to the Work Experience Program, even though, according to HRA policy, I'm not supposed to be assigned to WEP, I still am. As a full time student, it is difficult to juggle coursework in WEP. In January of 2008, I applied for public assistance at the Waverly Job Center in Manhattan. This was my first time receiving public assistance after having applied multiple times in the past. After sitting through a trial orientation, I was sent back to a "Back to Work" site. I was then told that when in compliance with HRA policies, they help public assistance recipients go back to school. My experience has in fact been the opposite. At the "Back to Work" program, I was asked to attend the program every day, to be in the office and look for work, yet there was very little help available. Without appropriate explanation, I was given a "Failure to Comply," FTC notice. I had to

reenter the entire system once again, going through the two hour orientation for the second time in one month. After this, I happened to find a training program at the "Back to Work" site that taught Microsoft Office skills, for administrative assistant work. I was once again given an FTC notice while in the training program, with vague descriptions explaining why this happened. As a result of having been accepted to the program, my job search was discontinued. I independently found a job at Shay Stadium, and was fired. I had to quit this program since I needed to have this time during the program to find a job and maintain my housing situation. After being encouraged by my support network to apply for college independently of HRA, I applied and was accepted; however, I was still required to go to the Training Assessment Group, TAG, to complete paperwork in order for HRA to know what I was doing. At this time, I was attending classes as well, as an information technology program. And HRA gave me difficulties for being in both programs. I was asked to fill out paperwork for the IT program, and was then told that it was not

an approved program, when in fact it was. More recently, after not reporting to WEP, I was sanctioned. I'm still not clear about why I'm being asked to attend WEP, when HRA knows that I am in college. I requested a fair hearing, where an HRA representative retracted a prior grievance. This was in the system since December, and I was not aware of it. The judge in this case ruled in my favor. One of the biggest issues in the sanction process is that HRA does not properly notify people of the intention to sanction. When you are notified, there isn't sufficient communication of why and for how long. The written communication is not dated, so participants are unaware of when these notices were issued. I believe the sanction policies are punitive, distracting, and fail to meet the goal of maintaining compliance in the program. Pursuing my education should not be in opposition to program compliance. For people like me who are trying to get on their feet, and want to get higher education, we should not be penalized or discouraged from doing so. As a "Back to Work" client, and Community Voices Heard member, I'm

asking that the Council make sure that Commissioner Doar makes some significant changes to the "Back to Work" program, that can allow "Back to Work" clients to better access education and training. WEP should be eliminated. It is unpaid labor that does not help us get good jobs, or achieve our goals. In my case, WEP work requirements interfered with my pursuit of higher education. My college education is more likely than WEP to lead me into a career.

CHAIRPERSON JAMES: Thank you for -
- . Next.

JONATHAN SAWYER: I still have more.

CHAIRPERSON JAMES: Sorry, I apologize.

JONATHAN SAWYER: Sorry, I just had one--

CHAIRPERSON DE BLASIO: You know, Madam Chair, we do let people finish their testimony. [laughter]

CHAIRPERSON JAMES: I'm so sorry, I - -

CHAIRPERSON DE BLASIO: I'm sure I

want to say I'm very sorry you had to experience this. [laughter] And please--

JONATHAN SAWYER: No, I'm sorry.
[laughs]

CHAIRPERSON DE BLASIO: Please, the rest of the Committee members are very interested in what you're saying.

JONATHAN SAWYER: [laughter] HRA should have, should have point people--

CHAIRPERSON JAMES: Very good point, by the way.

JONATHAN SAWYER: Thank you very much. [laughter] Yeah, as was pointed out by one of the other Committee members, not everyone who's on public assistance is uneducated, or is unintelligent.

CHAIRPERSON JAMES: That's right, that's right, that's right.

JONATHAN SAWYER: HRA should have point people at vendor sites that specialize in connecting clients to education and training. As my experience has shown, "Back to Work" clients trying to access education and training programs get conflicting and wrong information. Clients

can be enrolled in HRA approved programs, and still experience hassles in accessing them. This is ridiculous and should be improved, with an educational specialist or point person at vendor sites. Third point, many people in "Back to Work" are not accessing education and training. HRA should encourage vendors to place and ensure successful completion of quality education and training programs, and better access to individual training account vouchers. In fact, this encouragement should be linked with goals. HRA should set a goal of connecting clients to education and training to ensure accountability with access. Also, "Back to Work" clients should be allowed to conduct independent job searches. I was able to find employment through my own efforts. If "Back to Work" vendor supported clients were searching for jobs on their own, the clients may be able to find job placement a lot sooner than waiting and job searching at the "Back to Work" vendor site. Now, I'm done. [laughter]

CHAIRPERSON JAMES: Mr. Sawyer, you have concluded?

JONATHAN SAWYER: Yes, I have.

[laughter] Thank you.

CHAIRPERSON JAMES: Thank you very much. Yes, ma'am.

JANET RIVERA: Thank you. My name is Janet Rivera, and I'm a public assistance recipient, and a board member of Community Voices Heard. I was assigned to the "Back to Work" program in 2006 when I had recently reapplied for public assistance. I had been working as a security guard for about nine months, when suddenly the company went under and no longer existed. I wasn't able to get another job right away, and unemployment was not kicking in. Therefore I had to apply for public assistance. While I was waiting for my application to be accepted, I was sent to the "Back to Work" program. I had to stay at the site all day, every day, at a point in time when I didn't have any resources. I wasn't even able to bring my own lunch because I didn't have any money. This was really frustrating. They expect you to be there all day, but they don't even have food or drinks for you. And when you're still in the application phase, you don't even have public assistance to

1
2 pay for your, for your own stuff yourself. While
3 some people get emergency food stamps, at this
4 point, I, I didn't qualify for them. I didn't
5 have money to wash my laundry at the Laundromat
6 either, and had to wash everything by hand. This
7 takes longer, and being forced to be in a welfare
8 program all day doesn't allow you to deal with
9 basic issues. The "Back to Work" site only gave
10 me a Metro card to get there, and that, and to get
11 back home, and that was about it. During this
12 time, we took a test that was about three hours
13 long. It was a familiar test, the TAB test.

14 JONATHAN SAWYER: TABE.

15 JANET RIVERA: TABE, thank you.

16 [laughs] I've taken this test every single time I
17 applied, I applied for welfare. It got to the
18 point that I knew everything on, on it, I thought
19 they would have the results of the last time I
20 took the test, but they didn't. Each time I had
21 to reapply for welfare I had to do everything all
22 over again. They explain to you that you have to
23 sit at a computer and look for jobs, but then
24 there's only one person in the room there to help
25 people. You could ask for help, but sometimes you

had to wait for an hour for someone to help you. There were like 50 people and one counselor in the room. There weren't enough staff at the vendor site to help us out or answer our, our questions. When "Back to Work" clients had interviews, they could go to them, but people didn't necessarily have money for transportation. At the "Back to Work" site, there was one person in charge who could give you an extra Metro card to go to an interview and to look for jobs. But if that person wasn't there, you were stuck. How is this supposed to help you look for a job? I don't think it's fair that I needed to go to a back to work site before my benefits kicked in. This should have been a time for me to deal with issues in my persona life that might be related to why I'm applying to public assistance again, or why I lost my job. Someone at the "Back to Work" program, or HRA, should have helped me to deal with these issues while I was waiting for my benefits. Instead, I was stuck at a site and could not deal with all these, with all the things I really needed to, in order to get a job and get off of welfare. As a "Back to Work" client, and

Community Voices Heard board member, I am asking that Commissioner Doar make some significant changes to the "Back to Work" program, so that public assistance applicants can have a better experience. In the new contracts for the "Back to Work" program, the City Council should insist that Commissioner Doar one, make participation in the program optional for public assistance applicants. As my personal story shows, it is difficult to meet HRA's work requirements when you're not receiving benefits. People like myself come to public assistance in crises. These crises need to be addressed before making us work. If we cannot afford lunch during the day, or car fare to get to and from the site, how can we be expected to meet work requirements? Two, if "Back to Work" is optional for applicants, case management is very important and should be mandatory for vendors to provide. If during the weeks when someone's application is pending, they could get assistance with other crises in their life, and could really help. Also, the work experience program should be eliminated because it unsatisfying and unproductive work. I have worked to WEP

assignments since I first came to public assistance. Fortunately, I had a chance to participate in a paid transitional jobs program as a job training participant, through the Parks Department, known as POP, the Parks Opportunity Program. I like the JTP program because I was a paid worker, making six times more than I was getting through public, public assistance benefits. New York City should eliminate WEP and replace it with JTPs. Thank you.

[off mic]

CHAIRPERSON JAMES: Question. The Commissioner would like to believe that your situation, the situations of, the stories that you tell, each of you, is unique, and that you apparently are isolated incidents.

JONATHAN SAWYER: Oh, brother.

CHAIRPERSON JAMES: Isolated cases, and that somehow it, you know, these issues are unique, and that for the vast majority of the residents, of other, of the clients, all is well in the world. Are you unique? Is your, are your cases different from anyone else's? Or are your cases typical? And your experience typical?

JONATHAN SAWYER: All too common.

JANET RIVERA: Yeah, I would say
the same.

CHAIRPERSON JAMES: You would say
it's all too common.

JONATHAN SAWYER: Yeah.

CHAIRPERSON JAMES: And Mr. Sawyer,
and Ms. Rivera, what is your, what's the name of
your vendor? Is it Goodwill as well?

JONATHAN SAWYER: My vendor was
CEC, which [laughter] Mr. Singleton pointed out,
when he was correcting, you were listing the "Back
to Work" vendors, that was my former vendor. And
I stopped attending the "Back to Work" program
because they were not helping me with what I
needed to address.

CHAIRPERSON JAMES: Ms. Rivera, was
it also C--is it also CEC?

JANET RIVERA: Mine was Catholic
Charities.

CHAIRPERSON JAMES: Okay.

JANET RIVERA: And after, after
that, I, I did choose a, an HRA approved program.
After that, and I was able to attend, but I was

also sanctioned during that time, so--But I still continued the, the HRA training, thank you, but it was Catholic Charities.

CHAIRPERSON JAMES: So your stories are all too common. And Mr. Sawyer, I don't understand how you can juggle class work and homework and all of these requirements. It was, it was just dizzying to me.

JONATHAN SAWYER: I think that's part of the issue, that I'm not really juggling them, and I'm kind of in a place that Anita had referred to right now.

ANITA WALTON: Yeah, I just want to say--You know, the students, I'm trying to get my mind together.

CHAIRPERSON JAMES: It's alright.

ANITA WALTON: You mentioned a lot about college, and that's where, you know, a lot of my troubles started. I started stumbling. A lot of students, I don't think that, you know, I'm by myself, because when I was in school, a lot of students was facing probation. And some was behind that, to me. You know, I don't, I don't know, nobody ever talked about it, so I just want

to put that out there. But you know, I'm the type of person, I took, I'm having an issue with the State jobs right now, 'cause I took, I'm taking a test in that area, again. But that's another issue for me. But, when I go to the Department of Labor, and stuff like that, they, you know, even from before, you know, they used to want associate's, but now they even want more credentials. And, I was thinking of something else. [laughs] My mind is going too fast. But, you know, it's, you know, the, going to college is, is important. Going to college is important. I'm sorry, I lost my train of thought.

CHAIRPERSON DE BLASIO: Can I jump in for a second.

ANITA WALTON: There was one more important thing I wanted to say while I have this seat.

CHAIRPERSON DE BLASIO: You can come back to it. It'll come back to you.

ANITA WALTON: Thank you. [laughs]

CHAIRPERSON DE BLASIO: But I just want to say, I'm going to, before I call on Sondra, and Sondra we're going to need you to

unfortunately be brief, 'cause we're really about to lose this room in, in about 20 minutes. I really appreciate what you're laying out, everyone here, and but, but the most striking thing to me is, you know, all of you are articulate and intelligent and obviously motivated. And what an interesting statement on the current program, that it couldn't serve folks who, I could instantly see you in any number of jobs, being very effective. So if we can't help folks who are that, you know, immediately placeable, what does that say about the program in general. You're sort of the most eloquent testimoniars that I could, you know, you, I could take you down the hall and there's any number of jobs right here in this building you could effectively, I can tell right away. And so something, we're not connecting some dots, obviously, if it's not working for you. Sondra, go ahead.

[crosstalk]

SONDRA YOUDELMAN: See, I let you go first, and then--Thank you. And I'm not going to read my whole testimony, so don't worry. But you have that. [laughs] So you can read it at

your, at your leisure time. But first of all, I want to thank both the Contracts Committee and the General Welfare Committee for holding this hearing, and Chair James and Chair de Blasio for your work around this. We've obviously been working very hard to highlight the challenges with this program, and we appreciate very much you taking this call up with us, and hope that we can kind of need to move forward with it, too, to make sure that the changes get made. So, one quick thing in reference to the sort of anecdotes that often get dismissed by HRA, and your question, Council Member James, about whether or not these experiences are unique. I mean, I think one of the reasons why we did our research, was because we kept getting that as the response. That "You've just brought another five people in and these stories are not reflective of the entire system." And that's what inspires the research that we do. So, the report that you have the executive summary of, is based on a lot more than just the three testimonies here, or the two other people that gave testimony at the press conference. We drew from a variety of sources,

including 954 short conversations with participants from all of the vendors, 152 phone surveys, five focus groups that we held with 50 participants, ten vendor interviews, and a review of HRA contracts, policy manuals, training materials, site visit summaries, and vendor stat reports, which are the monthly performance evaluation reports prepared by HRA that we obtained through Freedom of Information Act requests. So, when our numbers and our, and our analysis is questioned, more than half the time it's HRA's figures themselves that we were reporting out on. And then in the experiences of the participants in the program, it's through contact with a vast number of participants, and not just a handful.

CHAIRPERSON JAMES: What word comes to mind? Thorough.

SONDRA YOUDELMAN: Thank you.
[laughter] So, we, we also did a report a number of years ago on the previous program, the employment services and placement program, which was the previous set of contracts to the "Back to Work" contracts. That report was called the

"Revolving Door," and sadly showed many of the exact same findings, in terms of very low placement rates, low retention rates, high sanction rates, and high recidivism, people coming back to public assistance. I'm not going to actually go through the findings, because I think you did a good job of quoting some of them earlier, and referring to them. And I know that in your briefing paper, some of them were referred to as well. What I do want to say is that it is clear from our research that the "Back to Work" program has been failing in a lot of ways. It's failing the clients of the system who are unable to get the services that they need to propel themselves into the workforce and out of poverty. It is failing the vendors of the system who are unable to run the type of programs they know will work, and are instead forced to focus on an approach that only meets the needs of a select few that get referred to them. And it is failing us, the taxpayers--in tight fiscal times our money is being wasted on ineffective programming and welfare is forced to become a permanent state, rather than a temporary transitional one.

CHAIRPERSON DE BLASIO: Okay, summarize, 'cause we really are running out of time, no offense.

SONDRA YOUDELMAN: Okay. So, the main recommendations that we want done in the contracts, we need to have new benchmarks added into the contracts, ones for education and training, and ones for case management. These are things that are done in the DYCD contracts, so we know that they can be done in the welfare contracts. We appreciate your recommendation, also, Council Member de Blasio, about carving out money to do a long term evaluation. The Center for Economic Opportunity and the Mayor are very supportive of long term evaluations and finding out what anti-poverty programs work. They will evaluate their new initiatives, but they're not evaluating a program that we've been throwing \$50 million a year into, year after year, for many, for many cycles. We want to also see money set aside for external monitoring; the internal monitoring that HRA is doing is not adequately holding the vendors accountable to what the contracts are, and we're hearing that from the

clients who aren't getting the services that the vendors claim. But also capacity building, I think a lot of the challenges that the vendors face is also due to them not knowing exactly how to run the program in this moment in time, and with the population that they're serving, and with all of the federal restrictions. So, capacity building is critical. And then the last recommendation that I would make today, and the rest is in my testimony, is that Small Business Services has started with sector based career centers as a new approach, trying to create hubs where those that are serving participants and clients that are coming into the centers are able to be experts on the type of education and training that's out there for those careers--the various career pathways that exist, as well as connections to particular jobs in particular industries. We believe that part of the money should be carved out to create sector based hubs, rather than just the geographic one-size-fits-all approach. So that welfare recipients that know the type of career pathway that they want, for instance in the healthcare industry, could go to a

place that actually understands how to connect them to the right training and career pathways and the right jobs.

CHAIRPERSON DE BLASIO: Okay.

SONDRA YOUDELMAN: Thank you.

CHAIRPERSON DE BLASIO: Thank you very much, thanks everyone. Going to move it along quickly here, thank you so much for all your work. Now--

ANITA WALTON: Before we, I just want to say one thing.

CHAIRPERSON DE BLASIO: Real quick.

ANITA WALTON: College motivate jobs.

CHAIRPERSON DE BLASIO: Thank you. We agree. And now, next panel, Peter Cove of America Works, thank you for your patience, and we have one more panel after this. Thank you, everyone, for your patience today. We, and every, all written testimony will be part of the formal record, so we urge people to give us your gut, give us your summary and your core points where you want us to focus, and we would appreciate it.

CHAIRPERSON JAMES: Did you say

gut?

CHAIRPERSON DE BLASIO: Your gut feelings.

CHAIRPERSON JAMES: Oh, okay.
[laughs]

CHAIRPERSON DE BLASIO: Not your--
theoretically, what do you, tell us the core of
your ideas, in your message. Go ahead.

PETER COVE: Well, the core is
that--

CHAIRPERSON DE BLASIO: Wait, first
introduce yourself.

PETER COVE: I'm sorry, I'm Peter
Cove, I'm the founder of America Works, ranked
number one by HRA in the "Back to Work" contracts.
It's, it's fun for me to be back here. In 1965, I
worked at 250 Broadway, and brought the first
proposal down to Washington for the anti--what was
then called the Anti-Poverty Operations Board,
which was the predecessor to HRA. Looking back on
that, and this is my gut, looking back on that
proposal that we brought down to then the Housing
and Urban Development, there were many mistakes
that were made by us, in terms of what should've

been done. And many of those mistakes are being echoed here this morning. And let me tell you what I think about education and training. I think it's terrific, and I think everybody should have it. But I also know that education and training has failed as a first strike in welfare to work. All the studies by MDRC now show that welfare to work has to work by having work first. Now, does that mean education and training should not be part of it? Of course not. It just means we got the cart before the horse wrong. What we want to see is people getting jobs and using the education and training to move them up. And move them into better jobs. But work first does work, it has worked. And I have to just tell you, I think what this City has done, should be, you should be yelling from the rooftops, as to your success. Do you know that England is now going to be putting millions of pounds of money into exactly the same program that we have here, because it has worked. And it's because of performance based contracting, it is because of work first, and yes, education and training needs to be part of that, and I think, I think for the

advocates here, I think you got to push for that.
 But you got to push for it in the right place.
 And the right place is to move people into better
 jobs. And to, and as far as America Works is
 concerned, we really believe very strongly, after
 25 years of being in existence, we believe very
 strongly, after being in many states around the
 country right now, we really believe in placing
 ex-offenders as part of this contract; placing
 fathers who are the, the support of their
 children, so that they can then pay the child's
 support; in placing people who are coming out of
 foster care, maxing out of foster care, and
 getting them moving, and not just ending up in
 shelters; after placing people who are in shelters
 in jobs. We, and only being paid if we get those
 people in jobs and they stay in jobs. We believe
 that works. So that's my gut.

CHAIRPERSON DE BLASIO: Damn, that
 was good. So--

PETER COVE: [laughs]

CHAIRPERSON DE BLASIO: I don't
 agree with all of it. But it was good, it was
 good exhortation.

CHAIRPERSON JAMES: The timing was good.

CHAIRPERSON DE BLASIO: the timing was great. I want to say this to you--

CHAIRPERSON JAMES: Content.

CHAIRPERSON DE BLASIO: --and I, I appreciate, don't always agree with the approach, but do appreciate the work you've done, but here, here's my core point. Maybe it's President Obama, bringing us all together. Maybe that's the mood we're in right here. I don't know if we disagree as much as we all think we disagree. As I said in my last point to Seth, I, in many ways, do believe you need a mix. But I'm trying to talk about the moment in time and say, if you can't place properly--and I think this report does raise serious questions about whether we can, and I think the IBO really doesn't have an ax to grind, and they're pointing out the, where our employment picture is going--should you not do the two prongs, which I, I come right back to your point: one prong is work, create transitional jobs--again this is age old, I'm not coming up with this for the first time here; and the second is education

and training. If, if you've got someone who really wants to move forward and can, there's no place to place them. There's just no place. We haven't created the transitional jobs, there's no place to place - - . Could you not then say, "Well, more education and training is valuable as something to keep a person moving forward"? So, it's not trying to break out of your model, which I appreciate.

PETER COVE: Sure.

CHAIRPERSON DE BLASIO: It's saying, at this moment in history, don't we have to have an understanding of this next couple years, as particular, and needing a different approach for this time period. What do you say?

PETER COVE: As a hypothetical, yes, I agree with you. But in the practical, I don't. And let me tell you why. The contracts that HRA has are what I would call microeconomic not macroeconomic. Your position, which is a macroeconomic issue, it is how do we deal with the problem of unemployment in the City of New York, which is rising? That's a macro issue. The micro issue is, how many people under contract do I have

1
2 to place in good jobs? And they have to be good
3 jobs, or else the people aren't going to stay in
4 those jobs, and I'm not going to paid for them,
5 and I'm going to out of business. How many people
6 do I have to place? Well, I placed all of the
7 people that I had to place. In fact, I've placed
8 more in the first quarter of this year. So, the
9 questions is a good question. But you have to
10 look at it both from this contract that goes out
11 to the "Back to Work" vendors, as a micro issue.
12 On the macro issue, it's a very good issue, it's
13 an important issue, and there're an awful lot of
14 people that should be education and training under
15 those conditions.

16 CHAIRPERSON DE BLASIO: And one
17 more quick follow up. I, I actually have sympathy
18 for, for HRA on the level of the difficulty of the
19 work. I don't have sympathy on their response to
20 the data question. I, I do think, and I'm not
21 saying it's easy to keep track of people, lord
22 knows. But we, boy we have more technology and
23 more capacity to do it than we've ever had in
24 history. So, in the, in the absence of the
25 ability of knowing whether people are staying in a

job, again I think it's perfectly right to question, in other words that, that after 180 days, or in 270 days, you know, it's very unclear what was happening with people. The only thing we knew was 25 percent were coming back onto the welfare roles. Do you find any change in this last year, in the ability to either place people or to keep them placed, because the essence, the essential question to me is, is it continuous or is it only a temporary place?

PETER COVE: No, we have not found any major change in our ability to do that. But again, Councilman, it really has to do with the numbers. If you ask me to do 250,000 people, I can't do it. If you ask me to do the 664 that I had to get in the first quarter this, this year, I can do it. So, you know, it, as a vendor, I can only speak to what it is we can do, and what we're asked to do.

CHAIRPERSON DE BLASIO: You got it?

CHAIRPERSON JAMES: Yeah.

FEMALE VOICE: I'm sorry, I didn't catch your name. - -

PETER COVE: It's Peter Cove.

CHAIRPERSON JAMES: Mr. Cove, yesterday there was a hearing in the City Council. It was held by the Higher Education Committee. We focused on opportunities to higher ed. There are four programs that I've been working with and have been involved in, not only as, as a member of the City Council, but when I worked in Albany. The programs are College Discovery, the Seek Program, the Step Program, the CSTEP Program. These are programs that create, that provide entrée to individuals who are formerly incarcerated individuals who lead challenging lives, into higher ed. The City Hall chambers yesterday was packed with hundreds, if not, hundreds of individuals, with challenging backgrounds, who are now in school; similar to the people who are your clients. And the success rate is very, very high. So, I take issue with this notion that, that most of your clients would not benefit if in fact they were provided with the opportunity of higher ed, and/or a training program.

PETER COVE: I never said that.

CHAIRPERSON JAMES: Okay. So, do you believe that if in fact we focus, and there is

more of a priority, particularly during these austere times, when there are cutbacks, that we should focus more on training opportunity and higher ed opportunities, and in fact there should be some milestones associated with that, and some incentives? Do you, do you agree with me on that?

PETER COVE: I think you, you'd best ask that question to the over 5,000 ex-offenders under this contract that we've place.

CHAIRPERSON JAMES: And--

PETER COVE: And have stayed in the job.

CHAIRPERSON JAMES: That you have placed in, in a job--

PETER COVE: Yes.

CHAIRPERSON JAMES: --or that you have placed in higher ed.

PETER COVE: Placed in jobs.

CHAIRPERSON JAMES: And are they still on the job?

PETER COVE: Yes.

CHAIRPERSON JAMES: Okay. So is it, is it because America Works, is it because you are so unique that the, the three out of four

number that is often cited by advocates, as well as IBO, three out of four "Back to Work" clients are no longer employed. That does not apply to your company?

PETER COVE: No, it does not.

CHAIRPERSON JAMES: It does not. So you're unique.

PETER COVE: I, I can't speak for the other vendors.

CHAIRPERSON JAMES: Okay. The other vendors, those vendors are, are failing to meet, are failing to provide oppor--placement to individ--permanent placement to formerly incarcerates or individuals on public assistance, but not you.

PETER COVE: I don't evaluate them.

CHAIRPERSON JAMES: Okay. But America Works, that is not an issue.

PETER COVE: That is not the issue.

CHAIRPERSON JAMES: Okay, most of your clients are currently employed, they're, they're no longer in poverty, no longer on public assistance, and, and--

PETER COVE: It's why we were asked

to come here today--

CHAIRPERSON JAMES: --and you're a success.

PETER COVE: --because, because HRA has found us to be the best vendor.

CHAIRPERSON JAMES: So, I guess, I guess you want us to join you in increasing your contract.

PETER COVE: I would really appreciate that. [laughter] Thank you, Madam.

CHAIRPERSON JAMES: Thank you - - , thank you.

CHAIRPERSON DE BLASIO: Thank you very much, appreciate your vibrant testimony. And we will continue this debate. [off mic] And you must - - , let me tell you.

PETER COVE: Thank, thanks for--

CHAIRPERSON DE BLASIO: We will continue this debate.

PETER COVE: Thanks for inviting me back to where I first started.

CHAIRPERSON DE BLASIO: It's great to have you back in the building, we're glad you're continuing to do this work.

PETER COVE: Thank you.

CHAIRPERSON DE BLASIO: Alright,
final panel, and again we're going to ask everyone
to super-summarize here, no written statement,
just summarize: Liz Accles of Federation of
Protestant Welfare Agencies; Mark Dunley of the
Hunger Action Network; and Lori McNeil, the Urban
Justice Center. We're sorry that time has gotten
tight. But you can say a lot in a few minutes in
life. And everything written will be in the
permanent record. So, give us your gut feeling.

LIZ ACCLES: Okay, here I go. I'm
just going to take a minute. We, the Federation,
I'm Liz Accles, A Senior Policy Analyst at
Federation of Protestant Welfare Agencies. I work
on welfare policy and early childhood education.
And we just released a report today, that
documents ten, the last years of welfare in New
York State, and specifically with the impact in
New York City. So, my gut, I'm going to tie this
into "Back to Work," but the findings that, that
we have is that given this economic crisis, the
fact that the welfare rolls have not increased, in
response to the shooting unemployment, is quite

startling, and speaks to the fact that access to basic assistance is very, very, very difficult to get. And since the "Back to Work" program is where many people that are deemed employable are funneled to, we think that it's very important to look at all aspects of the program, including, before getting to "Back to Work," the screening and assessment process, the requirements for reporting, and administrative kind of paperwork that people need to do, that don't help screen people better for assistance, but actually serve to do the opposite: keep people that are, are eligible for assistance off. So, the other pieces of my testimony don't add anything new, you guys are right on target. You know, obviously, better assessments that really are, are oriented towards getting people assistance, that are eligible for it. Reducing the requirements, administrative and time reporting requirements, where it doesn't serve people's needs, and obviously the most, one of the biggest things is full access to education and training. Everyone knows that people are talk--that receive welfare, are talked about as if they're in a different category, disconnected from

the rest of the economy. That's not how it works. We're all in it together in different ways, people come to welfare from, from different situations. And what's good for everyone else is also good for welfare recipients, and everyone knows that access to education is key to financial mobility.

CHAIRPERSON DE BLASIO: I think that's right on the money, and very, very well stated. And I want to thank you for the report you put out, and the article in the Times was very important. And congratulations on that. But most importantly, we've been focused on a whole range of issues, but you're, you're raising a red flag, which I think wasn't being talked about before, that, that these numbers are a little bit eerie and there must be more going on, and it's good that we're going to be looking at that. We want to follow up with you on that.

LIZ ACCLES: Okay, thank you.

CHAIRPERSON DE BLASIO: Thank you. Go ahead, sir.

MARK DUNLEY: My name is Mark Dunley, and I'm Executive Director of the Hunger Action Network of New York State. Like Federation

of Protestant Welfare Agency, we're about to release a report on welfare to work statewide, so we wanted to share some of our findings. Hunger Action Network actually started Community Voices Heard back in 1994, so we agree with everything they said, and generally with their recommendations. Couple things I want to highlight from their recommendations. Certainly issues of addressing barriers to employment, connection, education and training programs, and sanctions, has been a statewide problem. I'm surprised that no one has pointed out today that Health and Human Services consistently ranks New York State pretty much the worst program in the United States, in moving people from welfare to work. We rank, we get ranked either 45th or 48th, depending on what year--

CHAIRPERSON JAMES: Ranked by whom?

MARK DUNLEY: The Health and Human Services. This is the federal government. [off mic] Now, and I will say that DSS contends that those statistics are not accurate. National advocates, I talked to some would agree, say New York's probably no worse than 37th, 38th. But we're

1 still pretty much at the bottom. I want to
2 quickly read an article mentioned in New York
3 Times, just going to summarize it. After an
4 extensive examination, we found scant evidence
5 that workfare accomplished one of its central
6 goals, moving a significant number of people from
7 welfare to full time work. There is no indication
8 that many people have been able to use workfare as
9 a springboard to real jobs. Across the countries,
10 officials are rethinking welfare, have largely
11 shunned workfare as an expensive program that has
12 not been notably successful at getting people into
13 real jobs. Now the only thing a little bit odd
14 about this article, it was written in 1998. And
15 New York State, unlike every other state in the
16 country, has decided to invest very heavily in
17 workfare. It has not worked. Jobs First, Works
18 Fair, cannot work, because it's based on the
19 premise that once we get you into a job, then
20 we'll provide you with the education and training.
21 They don't do that. And we were stunned a couple
22 years ago when we did a statewide survey, we found
23 there are no, no post-employment training and
24 education programs for welfare participants in New
25

York State. So this whole idea about work first is generally a lie. We certainly agree, this is the first time I've been to the City Council meeting. You guys are great. [laughter]

CHAIRPERSON DE BLASIO: Thank you.

MARK DUNLEY: I usually testify at the State Legislature.

CHAIRPERSON JAMES: We're the team

- -

MARK DUNLEY: Okay. [off mic, laughter] Well. We look forward to the City Council exerting more control over the Mayor on these issues. [laughter, groans] We certainly appreciate the fact that many years ago, you did start the transitional jobs programs, which moved into POPS. Transitional jobs, subsidized employment, is the most cost effective way to help people become employed. We need to do that, back to work doesn't work; workfare doesn't work. New York is ranked the worst pretty much in the country.

CHAIRPERSON DE BLASIO: Okay.

Thank you.

MARK DUNLEY: It's time for a

change.

CHAIRPERSON DE BLASIO: Thanks very much, we appreciate it. [cheers, applause] I want to thank our first two contestants, because you both have given us your gut feeling [laughter] with passion and clarity. It's up to you now. Take it on home.

LORI MCNEIL: Alright, I'll see what I can do.

CHAIRPERSON DE BLASIO: Take it on home.

LORI MCNEIL: Good afternoon, Lori McNeil from Urban Justice Center, Director of Research. I'm speaking because we released a report last month, called "We Want to Work," which was based on intensive interviews of HRA clients. And I've provided you with copies of those. And basically what we found was very similar to what CVH found. Our data was based on intensive interviews, so we talked with clients for at least several hours each, and it pretty much reiterated what the CVH report had found. And our recommendations again are very similar, so I won't go through those. Gut feeling. Okay, twice the

Commissioner suggested that, and I quote, "I want every entry level job to go to a public assistance recipient." Okay, so that phrase in and of itself suggests the ideology of HRA, and I'm guessing of the Commissioner as well. That is suggesting that certainly HRA is aiming way too low. Clients are telling us that their aspirations are based on careers, and careers that, where certainly they're willing to start at a particular level, we all have, that they need jobs that provide living wages. Most entry level jobs don't provide living wages, they don't even provide poverty level wages or above poverty level wages. And so, certainly I'm suggesting that that statement is an indicator of that program of aiming way too low. And secondly, I quote "Education is not the fastest ticket to work," which certainly is counterintuitive, and is against all research relative to education, over and over and over again, statistical, quantitative, qualitative, data will suggest that in fact it is the only consistent route to self-sufficiency. And lastly, as a parent, I know that I tell my son that if something doesn't work, change it.

CHAIRPERSON DE BLASIO: Yes!

LORI MCNEIL: It's time for a
change up, back to work doesn't work. And--

CHAIRPERSON DE BLASIO: What a
great conclusion. [laughs]

LORI MCNEIL: --if children can
understand this, then we in New York City need to
adopt that as well. Thank you.

CHAIRPERSON DE BLASIO: Well done!
[applause, cheers] Great ending. You, you, you
were given the ball and you scored.

LORI MCNEIL: [laughs]

CHAIRPERSON DE BLASIO: Alright. I
want to say thank you to this panel. I want to
say we have for the record testimony from
Comptroller Thompson and from Vicki Lens, that
will go into record. I want to thank my fellow
chair, Tish James, as always. And these two
Committees, thank you, and this joint hearing of
the Contracts Committee and General Welfare
Committee is now--

CHAIRPERSON JAMES: Education is
the key!

CHAIRPERSON DE BLASIO: --

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adjourned. [gavel]

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[cheers, applause]

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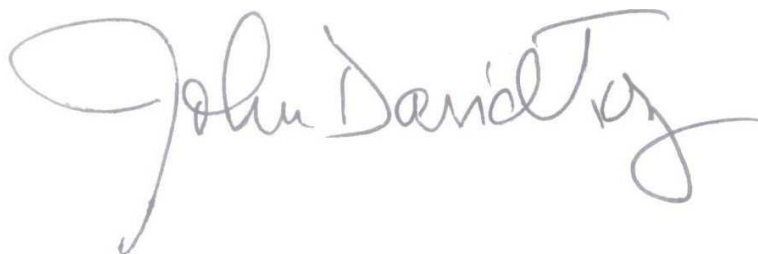
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C E R T I F I C A T E

I, JOHN DAVID TONG certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature _____

A handwritten signature in cursive script that reads "John David Tong". The signature is written in a dark ink and is positioned above a horizontal line.

Date May 21, 2009