



OFFICE OF THE NEW YORK CITY COMPTROLLER

TESTIMONY BY

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Before the

New York City Council General Welfare Committee

New York City Council

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Comptroller William C. Thompson, Jr.
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Good morning, Chairman DeBlasio and members of the Committee. My name is Glenn von Nostitz. I am the Director of Policy Management for New York City Comptroller William C. Thompson, Jr. With your permission, I would like to read the Comptroller's testimony into the record.

Thank you for the opportunity to be heard this morning on the proposed renewal of HRA's seven Back to Work contracts, valued at nearly \$160 million. While the effort to link public assistance applicants and recipients with jobs is of paramount importance, there have been reports that performance under these contracts has not met stated goals. Concerns have been raised about low placement rates, lack of vendor action to improve job retention, and consequent high recidivism. In response to these concerns, we make the following recommendations.

We recommend that HRA, either itself or through an independent evaluator, publish and regularly update statistics that demonstrate how the Back to Work program is performing compared to its goals. While HRA does publish statistics regarding its overall caseload, these metrics do not permit us to evaluate individual programs, nor do they deal with the applicant population, which is a large component of the clientele of the Back to Work contractors.

We specifically recommend that HRA track and report on recidivism in the Back to Work program. How many of the people placed in jobs return to the caseload (or to the application process) within three months? Six months? We also recommend that a larger portion of the payment under the contract be tied to 180-day job retention and to the creation of a job retention and career plan for clients who have found jobs.

Some public assistance applicants have complained that they are not permitted to seek jobs on their own. Although we recognize that if applicants had been successful in their own job searches, they would not be applying for public assistance, we nevertheless believe it is reasonable to provide one day a week for them to pursue jobs on their own. We therefore recommend that HRA consider meeting the federal 30-hour participation requirement in four 7-1/2 hour days, rather than over five days.

We also recommend that applicant and recipient populations be separated in the Back to Work program. These populations face different challenges, and vendors have reported that it is difficult for them to address these divergent needs at the same time.

We suggest that referrals to the Back to Work program be made weekly rather than daily. This would allow vendors to use Monday as an “orientation” day and not necessitate orientations be held five days a week.

We urge that HRA and the Back to Work vendors work more closely with the Department of Small Business Services in accessing appropriate training vouchers, as well as in identifying sectors where appropriate jobs may be available. My October 2008 report on the City’s workforce development programs, *Demands of the Times*, recommended greater coordination between DSBS and HRA, among others, to help rationalize the City’s workforce development process. In addition, the report called for better use of training vouchers, questioned whether the \$2,500 lifetime limit for these vouchers was reasonable, and suggested that the City vastly improve its labor information system so that the City administration would know which sectors have current openings and are likely to grow in the future.

It is especially important now, when our economy is troubled and City revenues are falling, that we spend the taxpayers’ money prudently. Therefore, before we renew these contracts with a value of nearly \$160 million, we must do everything we can to ensure that we are getting our money’s worth. Thank you for the opportunity to be heard.