



INSIDE THE BUDGET

November 1, 2000

A Newsfax of the Independent Budget Office

No. 72

Welfare and Work

Having welfare recipients participate in work programs has been a focus of New York City's welfare policy since 1995 when the Work Experience Program (WEP) was significantly expanded. The growth of the work programs has created a pool of low-cost labor available to city agencies, in some cases restoring services lost to previous budget cuts. However, the continuing evolution of welfare work policies may result in a decline in this labor supply, posing a challenge for agencies that have come to depend on these workers in providing an improved level of service.

The first article in this issue examines the role of WEP workers in the Department of Parks and Recreation and the contributions they have made to improving conditions in the city's parks. The second article provides an update on the number of recipients actually engaged in work activities, six months after the Administration declared that the city had achieved the goal of fully engaging all recipients. Significantly, the number of WEP workers declined over the six month period and could decline further as other work programs come on line.

Use of Work Experience Program Participants at the Department of Parks and Recreation

Between fiscal years 1991 and 2000, the number of full-time employees at the city's Department of Parks and Recreation (DPR) plummeted from 4,285 to 2,025, or 53 percent. At the same time, overall parks acceptability increased from 57 percent in 1992 to 89 percent in 2000. The increase in ratings despite a reduction in headcount is not necessarily proof of a "do more with less" efficiency. Instead, much of the explanation may be due to the increase of Work Experience Program (WEP) participants at DPR.

The Work Experience Program

WEP is one of New York City's welfare-to-work programs. In return for welfare benefits, WEP participants at DPR work an average of 20.5 hours a week and frequently participate in other activities, such as job training. WEP workers generally do low-skill maintenance and clean-up in city parks. About 5 percent of WEP participants have clerical responsibilities. As shown in Figure 1-1 (on page 2), WEP workers (adjusting for their part-time status) have significantly augmented DPR's workforce, even as the number of full-time and seasonal employees has declined.

Full-time Parks Department headcount has dropped an average of 273 positions per year. The steepest decline was 849 positions between 1991 and 1992. For two years, total headcount

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Welfare and Work Revisited

In December 1999, the Mayor announced that the city had achieved "full engagement" in work activities for all able-bodied public assistance recipients. IBO's analysis of the public assistance caseload work status as of that time indicated that the Administration was using a fairly loose definition of full engagement (*Inside the Budget*, April 3, 2000). An update by IBO using newly available data from June—six months after full engagement was declared—has found that 47 percent of welfare cases included an adult who was engaged in work activities or was being assessed but not yet assigned (see Figure 2-1 on page 4). The remaining 53 percent of cases were not engaged for a variety of reasons including age, temporary or permanent disability, or involvement in a conciliation process to resolve disputes over the implementation of work rules.

Over the six-month period (December 1999 to June 2000) the long-term decrease in the public assistance caseload continued, with the number of cases falling by 23,000 or 9 percent. This reduction did not occur evenly across work categories, however; the number of cases with adults engaged in work fell by 17,000 or 13 percent, while the number of cases not engaged decreased by 6,000 or 5 percent. As a result, the proportion of cases engaged in some work activity declined from 49 percent to 47 percent. In absolute terms, the number of

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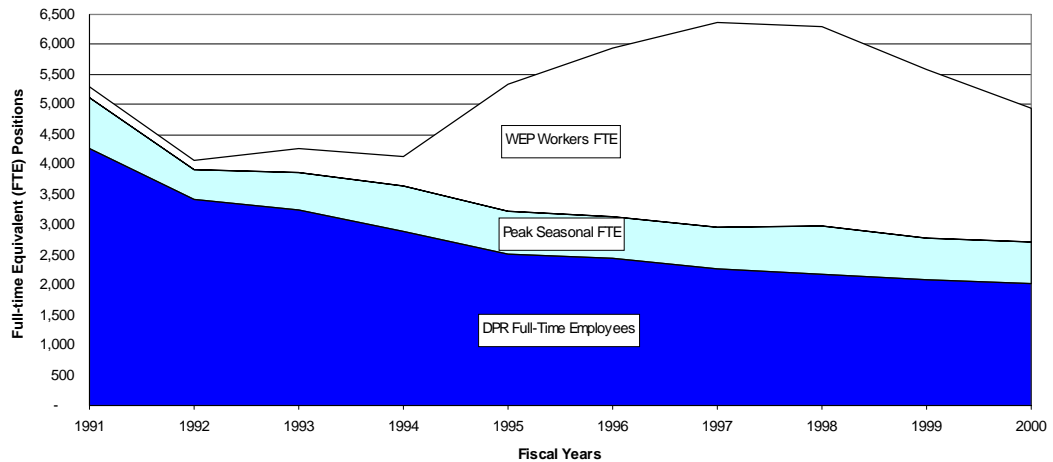
remained low. Then in 1995, the number of WEP workers rose sharply and continued to do so through 1997. This rise helped offset the declining numbers of DPR employees.

In order to examine the trends in DPR's workforce, we organized the Department's position titles into nine broad categories (see Figure 1-2). Among the position categories in Figure 1-2, all but Planners, Architects and Engineers and Staff Analysts lost full-time headcount between fiscal years 1991 and 2000. In particular, the number of full-time DPR positions in the City Park Workers and Maintenance category decreased 64 percent, or 1,297 positions.

The full-time equivalent number of WEP workers, meanwhile, increased by 2,055 (from 182 to 2,237). According to DPR, about 95 percent of WEP workers perform routine maintenance and clean-up. These tasks are similar to the work done by City Park Workers and Maintenance employees. (The remaining five percent perform clerical tasks.) Including WEP workers, therefore, the effective number of City Park Workers and Maintenance positions actually increased by 655 positions (see Figure 1-3).

Parks acceptability ratings began to improve in 1995, the same year that the number of WEP workers at DPR took a sharp jump upward (Figure 1-4). Over the next several years, the ratings rose as the number of WEP workers increased.

Figure 1-1. Increasing Use of WEP Workers Has Offset Declining Number of DPR Employees



SOURCE: IBO, based on the Mayor's Management Reports and Department of Parks and Recreation data.

NOTES: FTE for seasonal workers was calculated by dividing total positions by 4, assuming 3-month seasons. FTE for WEP workers was calculated by dividing the biweekly average number of WEP participants by 1.7, based on a 20.5-hour work week for WEP participants and a 35-hour full-time work week.

Figure 1-2. Change in Parks Personnel by Selected Categories, FY91-FY00

	FY91	FY00	Change	Percent Change
City Park Workers, Maintenance, Climbers/Pruners	2,025	728	-1,297	-64.0%
Administrative and Clerical	435	294	-141	-32.4%
Laborer, Painter, Mechanic, Electrician, Plumber, Carpenter	546	287	-259	-47.4%
Planners, Architects, Engineers	221	242	21	9.5%
Community and Youth Workers	149	83	-66	-44.3%
Staff Analyst	11	79	68	618.2%
Urban Park Rangers, Recreation	381	62	-319	-83.7%
Commissioners, Directors	60	49	-11	-18.3%
All Other	542	368	-174	-32.1%

SOURCE: IBO, based on New York City FMS data. Position counts are from the final modified budget for the fiscal year.

NOTE: Includes only full-time DPR employees, not seasonal workers.

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In the past two years, however, the number of WEP participants at DPR has declined sharply. The biweekly average fell from 5,104 workers in August, 1999 to 3,340 in August 2000. Despite the recent headcount decreases, parks ratings have continued to improve over the past two years, albeit more slowly than in the previous four years. If this pattern continues, the city may once again have to choose between increasing the number of full-time maintenance workers and keeping up the cleanliness and acceptability ratings of city parks.

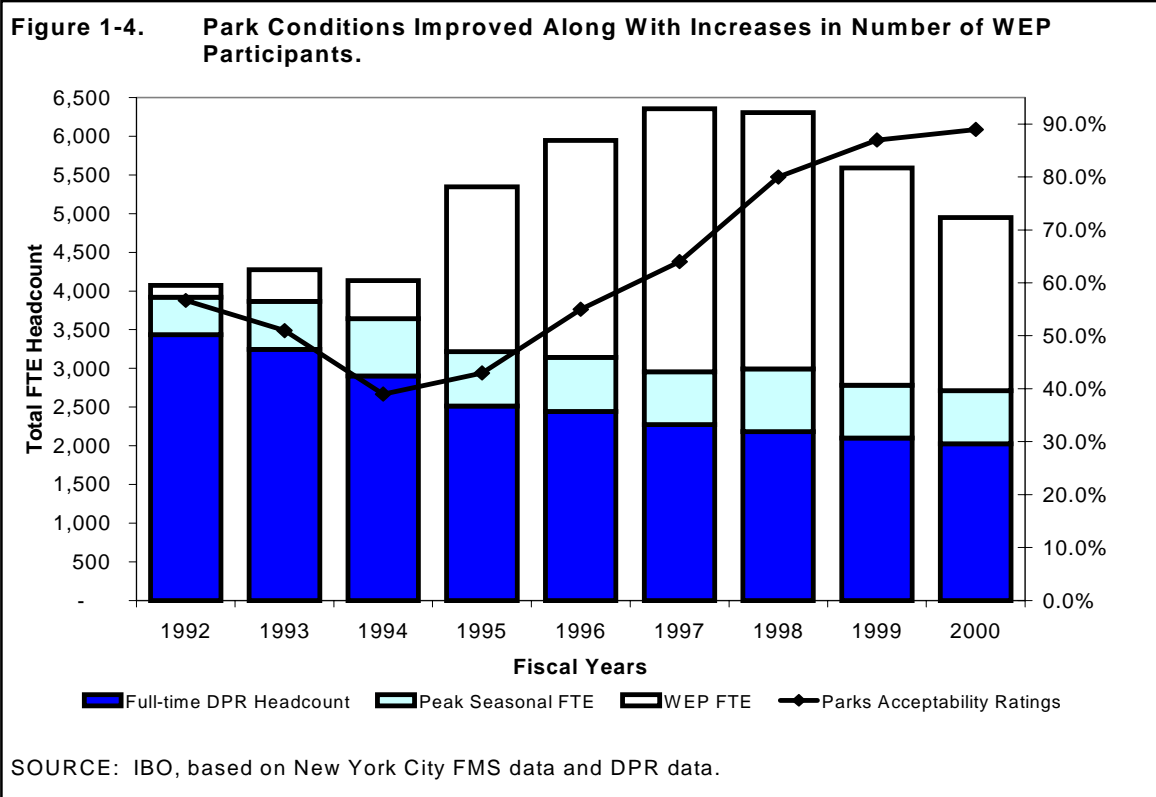
Figure 1-3. WEP Workers More Than Offset Decline in City Park Worker and Maintenance Positions

Personnel	FY 1991	FY 2000	Change
City Park Workers/Maintenance ¹	2,025	728	-1,297
WEP Participants ²	173	2,125	1,952
Total Equivalent City Park Workers	2,198	2,853	655

SOURCE: IBO, based on New York City FMS and DPR data.

NOTES: ¹DPR full-time positions. ²WEP workers measured in full-time equivalents.

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Putting a Dollar Value on WEP Output

From 1991 to 1999, DPR spending on personal services decreased by \$16.5 million (from \$153.7 million to \$137.2 million). This is, of course, attributable to the drop in headcount. These figures, however, do not include spending on WEP workers, whose benefits are paid by the Human Resources Administration (HRA).

Assuming that WEP participants do the work of a City Park Worker, a low-level full-time equivalent WEP participant would earn \$21,000 if salaried. If we multiply the number of full-time equivalent WEP workers by this salary, the Department of Parks and Recreation would have had the equivalent of an additional \$47.0 million in personal services budget in fiscal year 1999, or \$184.2 million total. In 1991, assuming a salary of \$20,000, DPR had the equivalent of an extra \$3.6 million in personal services, for a total of \$162.3 million. Counting WEP participants, therefore, the Parks Department saw an increase of \$21.9 million, or 13.5%, in its effective personal services resources between 1991 and 1999. (Note that these are nominal dollars, not adjusted for inflation.)

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individuals participating in the city's work program decreased from 132,000 to 114,000 over these six months.

Among those engaged in work activities, caseload reductions varied across specific program categories. Because many of these program categories are small, their individual rates of change may have only slight impacts on the overall composition of the caseload. However, some changes are noteworthy. The number of public assistance recipients engaged in private employment fell by 13 percent over this six-month period, significantly outpacing the 8 percent decrease among participants in the Work Experience Program (WEP). This could indicate that public assistance recipients already engaged in some level of private employment activity are better positioned to find full-time jobs than those whose primary activity is WEP. Additionally, there was a disproportionately large decrease in the number of recipients who were being assessed and had not yet been assigned to a work activity. It is not clear if this resulted from a decrease in the number of new cases or more rapid assignment into work programs.

Among those not engaged in work activities, the relatively modest overall decrease of 5 percent also occurred unevenly across categories.

These program categories can be broadly divided between those that result from administrative actions against recipients and those that are based on age or health status. The two categories that are based on administrative actions showed a combined decrease of nearly 8,200 or 14 percent over this period. The number of cases with a sanctioned adult but children still receiving assistance decreased by 21 percent or 4,900, while the number of cases with an adult in conciliation to resolve disputes declined by 10 percent or nearly 3,300. Thus, all of the net reduction in the number of cases not engaged in work activities can be accounted for by the decreases in these two program categories, over which the city has the most control. While some individuals formerly in these categories may have

ended up in one of the other engaged work categories after their sanction periods ended or their conciliation hearings were resolved, others may have left the welfare rolls.

Significantly, all of the other categories of non-engaged recipients, primarily those permanently or temporarily exempted from work requirements due to age or health status, showed a net increase of 1,900 or 2 percent. Decreases among those who are indefinitely disabled were largely offset by increases among recipients who qualify for AIDS services, suggesting some movement between these categories as a result of administrative reclassifications. While the number of cases with an adult age 60 or over fell by 700, there were increases in other categories

Figure 2-1. Public Assistance Cases by Work Status, December 1999 vs June 2000

	Total Cases December 1999		Total Cases June 2000		Change	
	#	%	#	%	#	%
Engaged						
Work Experience	35,559	13.3%	32,771	13.5%	-2,788	-7.8%
Private Employment	32,264	12.1%	28,019	11.5%	-4,245	-13.2%
Community Service	9,904	3.7%	7,992	3.3%	-1,912	-19.3%
Other Work Activities	449	0.2%	751	0.3%	302	67.3%
Substance Abuse Treatment	12,697	4.8%	12,879	5.3%	182	1.4%
Education/Training/Job Search	5,081	1.9%	4,350	1.8%	-731	-14.4%
Teens in High School	5,491	2.1%	4,299	1.8%	-1,192	-21.7%
Assessment/Not yet assigned	30,159	11.3%	23,376	9.6%	-6,783	-22.5%
Total Engaged	131,604	49.4%	114,437	47.1%	-17,167	-13.0%
Not-Engaged						
Child Only Cases	30,435	11.4%	32,326	13.3%	1,891	6.2%
Sanctioned Adult/Children Recipients	23,004	8.6%	18,095	7.4%	-4,909	-21.3%
AIDS Services	7,632	2.9%	11,754	4.8%	4,122	54.0%
Have Child Under 3 Months	1,217	0.5%	2,661	1.1%	1,444	118.7%
Age 60 or Older	10,464	3.9%	9,793	4.0%	-671	-6.4%
Indefinitely Disabled	20,099	7.5%	15,020	6.2%	-5,079	-25.3%
Temporarily Disabled	7,584	2.8%	7,783	3.2%	199	2.6%
Temporarily Exempt	732	0.3%	706	0.3%	-26	-3.6%
In Conciliation/Decision Pending	33,857	12.7%	30,605	12.6%	-3,252	-9.6%
Total Not-Engaged	135,024	50.6%	128,743	52.9%	-6,281	-4.7%
TOTAL	266,628	100.0%	243,180	100.0%	-23,448	-8.8%

SOURCE: NYC Human Resources Administration.

such as child only (up 1,900), cases with an infant child (up 1,400), and temporarily disabled (up by 200).

These trends suggest that there is a core group of recipients who may be difficult to move off of the public assistance rolls and into private employment. The existence of this core group should be of increasing concern to the city as December 2001 approaches, when the first wave of Family Assistance recipients will reach their five-year limit under federal law.

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