



Center for Economic
Opportunity

Strategy and Implementation Report

Contents

Letter from Mayor Michael R. Bloomberg

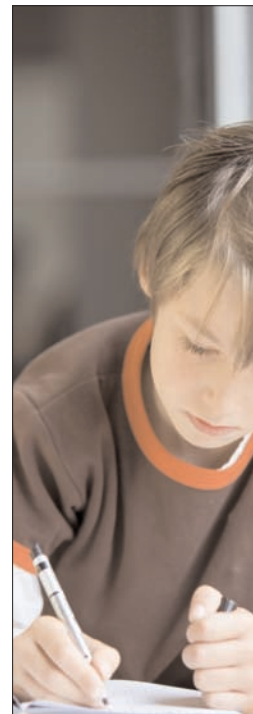
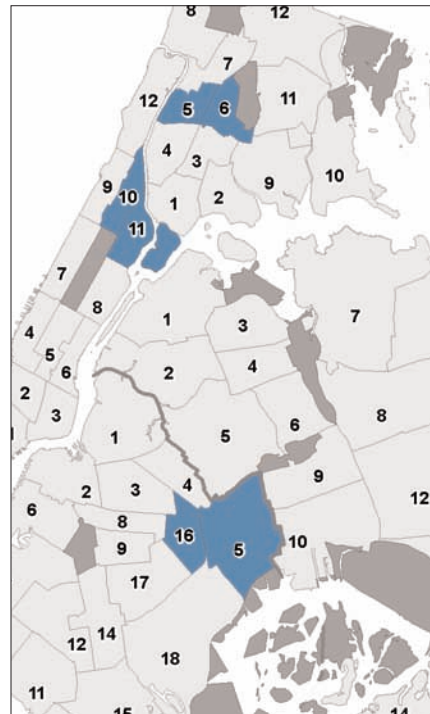
Letter from Deputy Mayor for Health and Human Services Linda Gibbs

Letter from CEO Executive Director Veronica White

Executive Summary	1
I. Innovative Programs and Evaluation	9
II. Opportunity NYC: Conditional Cash Transfers	20
III. Public Policy	30
IV. Poverty Measurement and Research	38

Appendices:

A. Commission Recommendations/ CEO Program Responses	48
B. Detailed Program Descriptions	57
C. List of Sponsoring Agencies and Programs	136
D. Partners	138





THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, NY 10007

Dear Friends:

Last year, I charged the Center for Economic Opportunity with an ambitious anti-poverty agenda, encouraging the Center to develop innovative and results-driven programs that would reduce poverty and improve the lives of low-income New Yorkers. I am pleased to report that the Center is working to fulfill each of the recommendations put forth by my Commission for Economic Opportunity and, it has laid the groundwork for reaching our most critical goal: to help our City's neediest residents lift themselves out of poverty for good.

The Center's work builds upon our Administration's other efforts to prepare New York City for the century ahead: improving our growing school system, tackling the affordable housing shortage, and creating a greener, more livable city as we continue to grow.

To men and women of all backgrounds, from every corner of the globe, New York has always meant one thing: opportunity. I am confident that the Center will sustain and enhance this tradition, ensuring that our City always remains a place where anyone who works hard can achieve success.

Sincerely,

A handwritten signature in black ink that reads "Michael R. Bloomberg".

Michael R. Bloomberg
Mayor

“We make a difference.”

I remember what New York City was like when I arrived here in 1985. Crime was high and the streets were dirty. Entire communities were plagued by a crack epidemic. Scores of homeless men and women slept in Penn Station every night. And too many children left school never having learned to read.

Government action transformed a city beset by problems that many believed were intractable. Certainly, a strong economy pulled people into the workforce and the non-profit sector responded to challenges with resourcefulness and perseverance; but, government investment and leadership were critical. Federal government policies like welfare reform and an expanded Earned Income Tax Credit (EITC) moved millions of families into work. And locally, Mayor Bloomberg’s commitment to affordable housing, working family supports, public school improvements, and crime reduction have improved our city for all New Yorkers.

But challenges remain. Even with all that we have done, too many New Yorkers find the opportunities of this great city out of their reach. While welfare reform moved many low-income women into employment, far too many families remain in poverty. I do believe it is within our power to change this.

We are now looking at ways to take our efforts to the next front. We need to re-engage low-income men and support their connection to work and to their children. So at a Federal level, the Mayor has proposed tripling the EITC for single adults, which includes many non-custodial parents—a proposal that can help make low-wage work pay. At the local level, the Mayor’s Center for Economic Opportunity (CEO) is at the forefront of testing innovative strategies to assist the working poor and reengage disconnected youth, such as a conditional cash transfer program and a service learning program for at-risk teens.

By reducing need, rewarding personal initiative, and reaffirming hope, programs like these will create a future that benefits every New Yorker. We can, and will, continue to make a difference.

A handwritten signature in black ink, appearing to read "Linda Gibbs". The signature is stylized and cursive.

Linda Gibbs
Deputy Mayor for Health and Human Services

A year ago, the Center for Economic Opportunity (CEO) set to work armed with the blueprint created by the Mayor's Commission for Economic Opportunity. The City committed to funding and raising \$150 million each year for an Innovation Fund dedicated to reducing poverty among young adults, children, and the working poor. The Commission made 31 specific recommendations of how to best serve these populations, and CEO, with the help of 20 City agencies, developed programs to fulfill each recommendation.

Forty-one new anti-poverty initiatives have been created. Thirty-one of these are already serving clients, and ten more will begin by the spring of 2008. The programs represent new ideas, as well as best practices identified from around the world. The initiatives support the educational and employment aspirations of low-income New Yorkers and ensure that they have access to the public services and benefits that they need. Our approach is targeted and results-driven.

CEO's programs alleviate poverty among children by improving early childhood education, supporting working parents, and providing intensive support to young, first-time mothers. Other initiatives give youth who have left school and who are unemployed a second chance to gain the skills and work experience they need to escape a bleak future. Finally, those who are already in the labor market but still struggling to make ends meet can take advantage of new programs designed to bolster their skills and introduce them to new opportunities to move from jobs with limited economic mobility towards developing long-term career paths.

Each program will be carefully evaluated to ensure that it is having a positive impact on the lives of low-income New Yorkers. All will be fully assessed by independent evaluators, and several programs will undergo rigorous controlled experimental study. CEO and its partner agencies are monitoring program performance and offering technical assistance and other supports to ensure accountability for results.

CEO is also seeking to improve the way the nation measures poverty. The outdated Federal poverty level fails to reflect the current level of economic deprivation in New York nor does it assess the effect of current public policy.

We look forward to learning from these initiatives in the coming year and to reporting back with promising outcomes. We thank the Mayor for his vision, Deputy Mayor Gibbs for her leadership, and the City agencies and providers for their hard work.



Veronica White
Executive Director



EXECUTIVE SUMMARY

In December of 2006, Mayor Michael Bloomberg established the Center for Economic Opportunity (CEO) to implement, monitor, and evaluate the City's ambitious new anti-poverty agenda. The Center for Economic Opportunity's mission is to reduce the number of people living in poverty in New York City through the implementation of innovative, results-driven initiatives.

CEO is guided by the recommendations of the New York City Commission for Economic Opportunity, which was convened in 2006 under Mayor Bloomberg. Comprised of 30 business and community leaders, the Commission undertook extensive research to develop a strategic agenda for low-income households and individuals. The Commission issued 31 recommendations in its September 2006 report, *Increasing Opportunity and Reducing Poverty in New York City*. Over the past year, the Center successfully designed and implemented a range of programs that fulfill each of these recommendations.¹

The poverty reduction strategy emphasizes actions that can achieve quick results, as well as investments for long-term gains. The common principles shared by CEO programs are that they seek to build human capital and improve access to the public services that can help all New Yorkers reach their full potential.

CEO is collaborating with City agencies, non-profits, and the private sector to implement 41 initiatives. The initiatives represent new ideas, best practices, and expansions of existing model programs.

TARGET POPULATIONS AND PROGRAMS

CEO concentrates on high-poverty groups with the capacity to make demonstrable progress towards long-term financial stability in a few short years. Its programs aim to reduce poverty among the working poor, young adults, and young

Mission Statement

The Center for Economic Opportunity's mission is to reduce the number of people living in poverty in New York City through the implementation of result-driven and innovative initiatives. Programs are aimed at reducing poverty in three key populations throughout the City: the Working Poor, Young Adults 16-24, and Children 0-5. By drawing from successful examples and bringing together New York's public and private resources, we can help foster a new confidence in our ability to reduce poverty in a systematic and permanent fashion. Ultimately, by reducing need, rewarding personal initiative, and reaffirming hope, we will strive to create a future that benefits every New Yorker.

children, which together comprise approximately 700,000 individuals, or about half of all people living in poverty in New York City.² Many of the programs listed below serve more than one target population.

Working Poor

Over 350,000 working New Yorkers live in poverty.³ Nearly half of all poor households include an employed adult, representing a dramatic change from only 29% of poor households in 1989.⁴ This change reflects an increase in work participation among single mothers, as well as persistent wage stagnation for low-skilled workers.

- CEO's working poor programs promote career ladders, financial literacy and asset building, and improve access to work supports such as subsidized child care, child health insurance, Food Stamps, and EITC.

¹ See Appendix A for a list of the Commission's recommendations and CEO programs.

² According to the 2006 American Community Survey, 1,547,152 or 19.2 % of New York City residents live in poverty.

³ U.S. Census Bureau, 2006 American Community Survey; includes all persons aged 16 and over in the work force.

⁴ Analysis of 1990 Census data by the New York City Department of City Planning.

Working Poor Initiatives

- *Opportunity NYC: Family Rewards*
- *Opportunity NYC: Work Rewards*
- *Opportunity NYC: Spark*
- Office of Financial Empowerment
- Nursing Career Ladders: Accelerated Licensed Practical Nurse Program
- Nursing Career Ladders: Registered Nurse Program
- Customized Training Funds (grants to businesses for employee training)
- Work Advancement and Support Center
- Sector Focused Career Center
- Training Provider Directory (online listings of work-force programs)
- Employment Works (employment placement and training for probationers)
- Food Stamp and Employment Training (a policy initiative to draw down Federal funds)
- Community Based Organization Outreach
- Efforts to Increase EITC Receipt
- Language Access (promote city services to (LEPs)
- ACCESS NYC
- 311 Health and Human Services Language Access Outreach and Marketing Campaign
- Living Wage Executive Order
- City Agency Hiring Initiative
- Non-Custodial Parents Initiatives
- Security Contracts
- Microlending study

Young Adults (ages 16-24)

Over 25% of young adults in New York City live below the Federal poverty line.⁵ These youth are among the estimated 165,000 young adults who are disconnected from school or work and face an uncertain future.⁶

- CEO supports initiatives to reduce teen pregnancy rates, engage young people in school and their communities, provide alternative education models to court involved teens, and increase the number of internship and job placement opportunities for young adults.



Young Adults Initiatives

- Teen ACTION (service learning program)
- New School-Based Health Clinics in high-poverty neighborhoods
- Young Adult Internship Program
- Expansion of the Multiple Pathways to Graduation program
- CUNY ASAP
- CUNY Prep
- Model Education for Rikers Dischargees: Literacy
- Model Education for Rikers Dischargees: Mentoring
- Model Education for Rikers Dischargees: GED/college
- Youth Financial Empowerment (individual development accounts) for youth aging out of foster care
- Life/Work Skills for Youth in Detention and in the Community
- NYC Justice Corps

Young Children (ages 0-5)

Over 185,000 young children are poor in New York City, representing one out of three young children.⁷ There is strong evidence that early interventions can blunt the negative impact of poverty.

- CEO programs targeted to poor children include a tax credit to subsidize quality child care and an expansion of the Nurse-Family Partnership program, which provides first-time mothers with at-home

⁵ U.S. Census Bureau, 2000 Census.

⁶ Levitan, Mark. *Out of School, Out of Work . . . Out of Luck? New York City's Disconnected Youth*. New York: Community Service Society, January 2005.

⁷ U.S. Census Bureau, 2006 American Community Survey.

nursing care during and after their pregnancy. Many of the programs listed above for working poor and young adults also benefit young children.

Young Children Initiatives

- Child Care Tax Credit
- Early Childhood Policy and Planning
- Expansion of the Nurse-Family Partnership Program
- Food Policy

A total of 31 CEO sponsored programs started in the past year and are already serving clients. More initiatives will begin operating in early 2008 for a total of 41 initiatives. See Appendix B for full descriptions of each initiative, including the expected number served, responsible agency, and empirical evidence for each strategy.

LOCATION AND SCALE OF INITIATIVES

Many CEO programs are available citywide whereas other initiatives are concentrated in select high-poverty neighborhoods. CEO target communities include Bedford-Stuyvesant (Brooklyn), Melrose (Bronx), and Jamaica (Queens). CEO's conditional cash transfer programs target additional low-income communities, including the Central Bronx, Central and East Harlem in Manhattan, and Brownsville and East New York in Brooklyn.

Citywide initiatives include programs with significant reach such as ACCESS NYC, a web-based tool that screens for over 35 City, State, and Federal human service benefit programs; the Child Care Tax Credit, estimated to benefit up to



49,000 low-income families; language access initiatives to ensure that City services are responsive to non-English speakers; and a multi-agency effort to increase receipt of the EITC. Other programs are citywide but serve a more modest number of people, such as a model education program to provide literacy skills to formerly incarcerated youth, or a nurse training program to create career ladders for low-skilled employees in the health care industry.

INNOVATION

The Center for Economic Opportunity represents a fundamentally different approach to combating poverty. It combines a significant new financial commitment with interventions that are highly targeted and performance based. Because of our unique mandate, CEO has attracted interest from the World Bank, the Brookings Institution, the National Governors Association, the U.S. Conference of Mayors, the National Conference of State Legislatures, leading foundations, and many others who want better and more efficient ways to address poverty.

Innovative initiatives include:

- **Opportunity NYC: Learning from other countries**

NYC's conditional cash transfer (CCT) programs test the impact of monetary incentives on health, education, and employment outcomes, as well as overall impact on poverty reduction. *Opportunity NYC* is a privately-funded \$53 million pilot initiative that builds on the conceptual framework and lessons learned from CCT programs internationally. Conditional cash transfer programs have been implemented in Latin America, Asia, and Africa.

Opportunity NYC includes three distinct pilot programs. CEO developed two of its programs, *Opportunity NYC: Family Rewards and Work Rewards*, with MDRC, a national policy research organization, and Seedco, an experienced community development organization. *Family Rewards* is the most comprehensive of the three programs and offers participating families incentives for health, education, and employment activities.

Work Rewards serves residents of subsidized housing and compares the impact of immediate employment incentives to a longer-term matched savings and support program. CEO is also collaborating with the Department of Education and Harvard Economics Professor Roland Fryer to implement *Opportunity NYC: Spark*, a program that offers modest monetary incentives to public school students for academic improvements.

- **Child Care Tax Credit: A major new City commitment to working families**

This summer New York City became one of only two cities nationwide to offer a tax credit for child care expenses. The Child Care Tax Credit (CCTC) is CEO's



largest initiative and is expected to cost up to \$42 million per year and to provide refundable credits of up to \$1,700 to an estimated 49,000 low- and moderate-income families. The City credit is similar to the State and Federal credits and together these credits provide real support for low- and moderate-income working families, and ensure that children have access to quality child care.

- **Evaluation: Holding programs accountable**

CEO is committed to monitoring and evaluating all of its projects to determine which are the most successful. As recommended by the Commission, CEO and partner agencies have identified target outcomes and

performance measurement strategies. Agencies and their contractors are required to document robust client outcomes to maintain CEO funding. Successful programs will be positioned to receive ongoing or increased public funding to serve additional participants.

CEO is working with nationally recognized, independent evaluation firms. MDRC is conducting a five-year random assignment evaluation of CEO's experimental conditional cash transfer programs. Westat and Metis Associates will conduct implementation, outcome, and benefit-cost evaluations of all other CEO programs.

CEO also established a small in-house evaluation team that is collecting program monitoring information and working with agencies to use performance data to improve program services and outcomes.

- **A New Measure of Poverty: A better means to understand how New Yorkers are faring**

Under the Federal poverty threshold a family of three in New York City or Natchez, Mississippi is considered poor if annual household income is less than \$16,227.⁸ The measure reflects neither the cost of living nor the value of public transfer programs, such as Medicaid or the Earned Income Tax Credit. The measure has been widely criticized, and the Mayor's Commission for Economic Opportunity observed that in order to successfully address poverty, the City needed a better set of tools by which to measure it.

CEO will base its alternative poverty measure on a set of recommendations developed by the National Academy of Sciences' Panel on Poverty and Family Assistance.⁹ The Panel's approach expands the definition of family resources and updates the income thresholds that draw the Federal poverty line. It has received extensive scrutiny by government researchers and university-based scholars and is widely regarded as a far superior method of measuring poverty than the current measure.

⁸ *Federal Register*, Vol. 72, No. 15, January 24, 2007, pp. 3147–3148.

⁹ National Research Council, Panel on Poverty and Family Assistance. *Measuring Poverty: A New Approach*. Constance F. Citro and Robert T. Michael, eds. Washington, DC: National Academy Press, 1995.

- **Nurse-Family Partnership: An evidence-based model**

This national model program supports young, first-time mothers through their pregnancies and up until their child's second birthday. Registered Nurses make regular home visits and support good parenting, child development, and participation in maternal education and employment. Program evaluations by the Rand Corporation and others indicate positive effects on behavioral and emotional development as measured by achievement test scores, instances of child abuse, number of emergency room visits, and length of hospital stays.¹⁰ By fall 2009, the program is expected to serve 3,420 families in New York City. CEO is proud to support this and other exemplary programs.

- **CUNY ASAP: A New York City innovation**

Less than 20% of community college students graduate with an Associate's Degree within six years.¹¹ The new CUNY ASAP program provides 1,000 students in six New York City community colleges with intensive support to ensure that they graduate within three years. The program offers small classes with a consistent peer cohort, block scheduling to facilitate work and family life, additional tutoring and counseling services, job placement assistance, as well as free books, Metrocards, and other financial assistance.

ACCOMPLISHMENTS

Thousands of New Yorkers are already benefiting from CEO programs. Early accomplishments include the following:

Young Adults

- Over 1,000 students began intensive, supported college study.
- CUNY Prep students earned over 200 GEDs during the 2006-07 school year.
- Multiple Pathways Learning to Work program increased seat capacity by 33% and internship placements by 115% in the last year.
- 200 additional inmates registered for school on Rikers Island.

- Three new Model Education Programs launched to provide basic literacy and mentoring for young adults incarcerated on Rikers Island.
- 1,580 youth served in the first 31 service learning sites.
- 15 Young Adult Internship Programs established throughout New York City.
- New CEO funded School-Based Health Clinic opened this year in the Bronx providing comprehensive health services to as many as 700 students.

Working Poor

- 148,000 visitors have used ACCESS NYC to learn about public benefits.
- The new Office of Financial Empowerment (OFE) was established to educate, empower, and protect low-income New Yorkers so they can build assets and make the most of their financial resources. OFE is the first of its kind in the nation.
- More than 100 low-wage workers began participating in work advancement services and are expected to see significant income gains.



- 39 low-income students began an accelerated Licensed Practical Nurse program and are expected to earn nearly \$40,000/yr as LPNs in HHC facilities by summer 2008.

¹⁰ Karoly, Lynn A., M. Rebecca Kilburn, and Jill S. Cannon. *Early Childhood Interventions: Proven Results, Future Promise*. Washington, D.C.: Rand Corporation, 2005.

¹¹ U.S. Department of Education. "Beginning Postsecondary Students Longitudinal Study of 1996-2001." 2003.

- 5 companies received over \$700,000 to train more than 300 employees. Applications for an additional \$1 million in grants are currently being assessed.
- Over 4,500 families enrolled in *Opportunity NYC: Family Rewards*.
- Over 1,000 families received their first incentive payments for opening or having a bank account.
- 80% of families participating in *Family Rewards* submitted documentation for first bimonthly incentive payments, representing a very high active participation rate.
- Enhanced outreach and support for non-custodial parents to meet their child support obligations.
- Mayoral Executive Order No. 102 signed, which strengthens the enforcement of prevailing and living wage requirements in City contracts.

Young Children

- Child Care Tax Credit established in August 2007; expected to benefit up to 49,000 families.
- Nearly 900 young families served by the Nurse-Family Partnership program.
- Nearly 10,000 new Universal Pre-Kindergarten slots were established this year.



FUNDING

The Innovation Fund is an approximately \$150 million annual commitment to pilot new solutions to poverty. The Fund includes \$67 million in new City funding, \$11.4 million for educational programs for youth at risk, \$42 million for the new Child Care Tax Credit, and \$7 million in Federal and State funds. Included in this total are private donations that the City is raising for Opportunity NYC, the conditional cash transfer pilot programs. Opportunity NYC costs approximately \$26 million a year and CEO has already raised \$46 million of the \$53 million needed for the two year pilot.



At the press announcement for the Center for Economic Opportunity: Councilmember Gale Brewer, Commission Co-Chair Geoffrey Canada, Congressman Charles Rangel, CEO Executive Director Veronica White, Deputy Mayor Linda Gibbs, Mayor Michael Bloomberg, Councilmember Rosie Mendez, DCA Commissioner Jonathan Mintz.

Opportunity NYC funders include: The Rockefeller Foundation, The Starr Foundation, Bloomberg Philanthropies, American International Group (AIG), The Robin Hood Foundation, The Open Society Institute, The Broad Foundation, New York Community Trust, The John D. and Catherine T. MacArthur Foundation, The Annie E. Casey Foundation. CEO appreciates the generosity of its funders and support from the Mayor's Fund to Advance New York City.

INNOVATIVE PROGRAMS
and Evaluation



CUNY Prep Students taking the High School Equivalency (GED) Exam

INNOVATIVE PROGRAMS AND EVALUATION

INTRODUCTION

This section provides highlights of program design, implementation, and early outcomes. For a list of the Commission's recommendations and full descriptions of each of the CEO initiatives see Appendices A and B. This section also includes a description of our evaluation efforts. Several programs are presented at greater length to illustrate specific milestones or characteristics.

CEO and City agencies developed programs to fulfill each of the Commission's 31 recommendations. The planning and design phase for each program focused, whenever possible, on identifying models and best practices that demonstrate significant effects on mitigating poverty. CEO initiatives build human capital and assure that work supports and other public services are responsive to New Yorkers' needs. Early assessments suggest that the CEO programs are reaching the target populations.

Evaluation is a key component of CEO's mission. CEO is working with several of the nation's premier evaluation firms to rigorously measure program impacts and provide objective evidence to inform decisions of whether to continue, replicate, or eliminate programs.

PLANNING AND PROGRAM DESIGN

Over the past year, CEO and City agencies worked together to quickly transform the Commission's recommendations into model programs. The planning and design phase included thorough reviews of existing programs and research. CEO staff visited program sites in Toluca, Mexico, attended conferences in Washington D.C., Los Angeles, Philadelphia, and Chicago, and studied homegrown models of excellence to identify best practices. CEO also engaged in conversations with experts and practitioners. Meetings with low-income New Yorkers and community groups further refined program elements.

For truly new strategies, agencies developed concept papers presenting their ideas for public comment, pursuant to City procurement rules. Four CEO projects including the Young Adult Internship Program, Service Learning (Teen ACTION), the Work Advancement and Support Center, and Criminal Justice Programming (Employment Works) issued concept papers. The public comments helped to shape the program design and expectations as well as generate interest in the subsequent requests for proposals.

Program design teams struggled to balance the mandate to implement innovative and evidence-based programs with the realities of limited time, funding, agency and contractor capacity. Some initiatives are truly innovative and not yet tested – others are based on national models or have been identified as excellent programs that deliver real educational or employment outcomes for low-income individuals.

Veronica M. White is the Executive Director of the New York City Center for Economic Opportunity, established by Mayor Bloomberg under Deputy Mayor Linda Gibbs. As the Executive Director of CEO, Ms. White oversees the work of the Center to implement the recommendations from the Commission for Economic Opportunity. Ms. White most recently worked as a consultant specializing in strategic business planning and management for non-profits, real estate development and environmental issues, and public-private partnerships. She has served in various executive positions, including as Chief Operating Officer of the New York City Partnership and President and CEO of the New York City Housing Partnership. Ms. White has also served as Deputy Commissioner of Planning, Policy and Intergovernmental Affairs at the New York City Department of Housing Preservation and Development. She practiced law at the firms of Brown & Wood and Sidley & Austin. Ms. White received a Master of Arts in Law and Diplomacy from the Fletcher School of Law and Diplomacy and a Juris Doctorate from Harvard Law School. She is a member of the Board of Directors of the Taconic Foundation and served for eight years on the New York Advisory Council of the Trust for Public Land.

Some programs are being implemented at considerable scale and will serve thousands of New Yorkers, such as the Child Care Tax Credit and efforts to increase receipt of the Earned Income Tax Credit or CUNY programs that increase degree attainment and college completion. Other programs are more modest in scale such as two nurse training programs.

The programs that emerged are a diverse, ambitious, and pragmatic set of initiatives that fill service gaps, meet the needs of underserved populations, and improve the education, skills, and job opportunities for low-income New Yorkers.

Research and Planning Example: Work Advancement and Support Center (WASC)

The Department of Small Business Services (SBS) collaborated with MDRC, a national policy research organization, to develop model programs to help low-wage workers retain employment, increase income, and advance their careers. These programs represent an important new direction for workforce development services.

The CEO-funded WASC project includes two models:

- an expansion of services within existing Career Centers to serve low-wage workers citywide; and
- a new center that will target specific employers to support the retention and advancement of their employees.

The SBS projects are informed by MDRC's recent evaluations of model work advancement programs.

Early evidence from MDRC's national Work Advancement and Support Center (WASC) demonstration project supports expanding career center services to include a full range of job retention, advancement services, and financial supports for low-wage workers.¹²

MDRC also studied employer-based retention and advancement programs in the U.S. and United Kingdom. The Employment Retention and Advancement project was designed to promote job retention and increases in income among welfare recipients and other low-wage groups.¹³ These evaluations found support for employer-based interventions and demonstrated increased retention, leading to increased wages, job stability, and opportunities for advancement for employees. For employers, the program reduced worker turnover, leading to greater workforce stability, decreased training costs, and increased productivity. Other program models worked with public assistance recipients to provide post-employment services and work supports and resulted in increased earnings and higher employment rates.

SBS also incorporated best practices from other workforce development programs throughout the country, including The Advancement Project (Seattle, WA), San Francisco Works, Center for Working Families, The Source (Grand Rapids, MI), Boston SkillWorks, and the Ohio Bridges to Opportunity Program.

The SBS planning process resulted in the development of two promising advancement program models.

¹² The MDRC evaluation is measuring the extent to which the WASCs increase low-wage workers' earnings, employment retention, and career advancement; and improve low-wage workers' economic circumstances and family well-being. The MDRC demonstration project includes four sites: Dayton, OH, San Diego, CA, Bridgeport, CT, and Fort Worth, TX.

¹³ Results from five out of the fifteen sites are available on MDRC's website: http://www.mdrc.org/project_publications_14_9.htm.

The Office of Financial Empowerment: Research and Program Development

Research and Surveys

The Office of Financial Empowerment (OFE) was the first CEO initiative launched. OFE works to educate, empower and protect New Yorkers with low-incomes so they can build assets and make the most of their financial resources. OFE's evaluation and analysis team promotes this mission through research to inform programs and policies; the team also disseminates best practices in asset building and financial education, and evaluates OFE programs.

In the last year, OFE's work has included research into several areas: the use of and need for financial information, products, and services for low- to moderate-income consumers (including City employees), and a comprehensive analysis of financial education best practices and service availability in New York City. OFE is also developing a directory of financial education resources and forming a provider network to promote best practices. Further, OFE has identified innovative transactional, credit, and savings products aimed at better serving the un-banked and under-banked.

Neighborhood Financial Services Study

OFE led a study of local financial services in two low- to moderate-income neighborhoods (Melrose in the Bronx and Jamaica in Queens) with the principal objective of identifying gaps between the delivery of financial services and education and the needs of low- to moderate-income consumers. The study was developed in partnership with The William J. Clinton Foundation, the Neighborhood Economic Development Advocacy Project, Neighborhood Housing Services of Jamaica and Phipps Houses Community Development Corporation. Over 600 residents of the two neighborhoods were surveyed, and four focus groups were conducted to gain a nuanced picture of the demand for financial services. In addition, existing financial service businesses were canvassed to determine the levels and types of services offered in the neighborhoods.

Approximately 70% of respondents reported having a checking or savings account; yet, two-thirds of bank users also used check cashers. Survey and focus group results suggest that banking fees, lack of financial resources, and comfort are the main reasons for which residents use mainstream financial institutions on a limited basis or not at all. Focus groups indicated that residents were uncomfortable in banks for several reasons including lack of customer service, fear of transaction security and discomfort with the physical environment. Overall, the findings indicate that there is a demand for better, low-cost banking services and products to help low- and moderate-income consumers fulfill their basic financial transactions, credit, and savings needs. OFE will work to identify innovative products that reflect an understanding of the context in which low-income households conduct business – where many people cannot use personal checks to pay rent or other bills and where many employers do not offer direct deposit.

This study also found surprising levels of saving among low- to moderate-income households; two-thirds have some savings and the median savings balance for account holders was \$1,000. More than a quarter of those without bank accounts report having savings – either formal or informal. Unfortunately, households with savings are generally more likely to also hold debt, and this held true in the communities studied. High cost debt was especially common, with 1 in 5 respondents using pawn brokers and credit card cash advances. These and other results will help shape OFE's work with financial institutions and low-income households.

IMPLEMENTATION

Thirty-one CEO programs and policy efforts are already underway. The majority of these programs began serving participants in the fall of 2007.

- Programs for young adults range from basic literacy to college, job training, and placement.
- Programs for the working poor include a new Licensed Practical Nurse program, work advancement and other job training services, and a number of programs to engage non-custodial parents.
- Young children are benefiting from new early childhood and pre-kindergarten offerings and an expansion of the Nurse-Family Partnership program.



CEO and City agencies instigated more than a dozen competitive procurements to select qualified contractors to implement the CEO initiatives. These solicitations generated considerable interest and contracts are underway with many exceptional citywide and community based organizations. (See the list of partner agencies in Appendix D). To emphasize CEO's commitment to measurable client outcomes, nearly all contracts are performance-based and link a portion of payments to specific participant outcomes. Some contracts, notably the Department of Corrections Model Education programs, are exclusively performance-based and providers are only paid for measurable participant outcomes.

Agencies and their contractors were tasked to implement their programs in a very short period of time. Many City agencies put in place curricula, technical assistance, and other supports to ensure effective program implementation. Agencies have developed careful monitoring plans and intervened when early indicators suggested that the program or individual providers were not fulfilling expectations.

"We are thrilled to see the increased focus of attention and resources on young adults, particularly those most at risk of becoming "disconnected" and the dedication of resources that has been made by this Administration to prevent youth disconnection. Furthermore, providing youth with internship opportunities is an important strategy for helping young people connect to the world of work and build employment skills and we applaud DYCD for putting it forward as a CEO initiative."
– Michelle Yanche, Neighborhood Family Services Coalition (4/19/07)

CEO and the agencies played an active role in developing marketing materials, and engaging businesses and communities to recruit participants, and identify possible internships as well as job placement sites.

Despite best efforts, several new programs took longer than anticipated for design and procurement and are delayed in their implementation. These programs include the Civic Justice Corps for court involved youth and the Sector-Based Career Center. These and other

programs are expected to start in spring 2008 and will serve fewer participants during their first year of operation.

CUNY ASAP (Accelerated Study in Associate Programs): Increasing Graduation Rates at Six Community College Campuses

"I need a program that makes it possible for me to work full time and go to school full time so that I can accomplish my goals in a reasonable amount of time." – Nathaniel W., BMCC ASAP student¹⁴

"CUNY's ASAP will enhance students' ability to graduate in a timely manner with the skills that are required in today's competitive marketplace." – Matthew Goldstein, Chancellor of the City University of New York¹⁵

Community college students confront a variety of obligations that conflict with their educational goals. Nationally, only 17% of students who enroll in a community college end up receiving an Associate's degree within six years.¹⁶ In New York City, this number is higher, but still only 21%.¹⁷ For many students, competing work and family responsibilities can prolong or interrupt college attendance. More than 60% of the City's community college students balance their studies with full-time or part-time work.

The CUNY ASAP program includes several promising strategies to improve college retention and degree completion for 1,000 students at New York's six community colleges: Bronx, Hostos, Kingsborough, LaGuardia, Manhattan, and Queensborough.

ASAP students receive added academic, social, and financial supports. Students are grouped in cohorts based on their academic interests. Peer cohort groups of 25 students attend classes together and receive dedicated tutorial support. This practice has been piloted at Kingsborough Community College as part of an MDRC evaluation and demonstrated positive impacts on credit accumulation and retention. ASAP students attend all of their classes at the same time of day or on weekends in block scheduling to better accommodate work and family life. Academic advisors work with students and faculty to address student needs. Job developers help students find employment that accommodates their school schedules and supports their career interests. Low-income students are eligible for full financial aid and the program provides added support through free textbooks and monthly Metrocards.

CEO staff recently visited each campus and spoke with faculty and students. Both groups said they were pleased with the cohort model and appreciated the added support. It was particularly striking to see how the advisors work with the faculty, facilitating a high-level of engagement with students. Professors are able to focus on academics knowing that the advisors are available to follow up on student attendance issues, learning difficulties, and personal problems. The first semester is an adjustment for all college students and CUNY reports that at mid-term only a handful of ASAP students have officially withdrawn.

In order to graduate within three years and to qualify for full financial aid, ASAP students are required to take 12 credits per semester. Because they are full-time students they differ somewhat from the majority of community college students in that they tend to be younger and, according to ASAP faculty, often more motivated than other students.



¹⁴ Speaking at a press conference to launch the CUNY ASAP program, April 16, 2007.

¹⁵ Quoted from a CUNY ASAP press release, April 16, 2007.

¹⁶ U.S. Department of Education. "Beginning Postsecondary Students Longitudinal Study of 1996-2001." 2003.

¹⁷ CUNY Office of Institutional Research and Assessment. "System Retention and Graduation Rates of Full-time First-time Freshmen in Associate Programs by Year of Entry: Total University." New York: CUNY, March 7, 2007.

ACCOMPLISHMENTS

“The City responded to our recommendations with resources and a clear plan of action. We commend the Center for Economic Opportunity for all that it has accomplished in one year.” –
Geoffrey Canada and Richard D. Parsons, Co-Chairs of the Commission for Economic Opportunity

In its first year, CEO developed and implemented new initiatives for low-income youth, working adults, and young children. These programs are making a difference in communities across New York City.

The young adult portfolio spans a broad range of programs that reflect New York City youth and the challenges they confront. Teen ACTION provides a service learning experience for young people in low-income communities that supports their civic engagement and the development of leadership skills and other assets. Similar programs in other cities have demonstrated significant changes in risky behaviors and teen pregnancy rates. The Young Adult Internship Program and several initiatives for current and former Rikers Island inmates offer young adults with multiple barriers connections to education and employment. And multiple programs associated with CUNY help young people to attain their GEDs and college degrees.



CEO’s working poor initiatives are nothing short of transformational. Many programs take workforce development to the next level with an explicit focus on jobs with opportunities for economic mobility. Low-income students that started in the new Licensed Practical Nurse training program in September will be earning \$37,000 in positions with the City’s Health and Hospitals Corporation by summer 2008. Training funds offered to businesses improved employee retention and led to average wage gains of more than 20%.¹⁸ And, ACCESS NYC has dramatically changed how people learn about public benefits and work supports.

For our youngest residents, CEO is proud to have expanded early childhood resources as well as the Nurse-Family Partnership. One of the largest CEO initiatives is the Child Care Tax Credit, which is expected to bring \$42 million in additional resources to as many as 49,000 low- and moderate-income households.

The table on the next page lists all CEO accomplishments to date.

¹⁸ As reported by the New York City Department of Small Business Services.

CEO Year 1 Program Accomplishments

General

- Established new Center for Economic Opportunity under the leadership of Veronica M. White. CEO program and evaluation teams collaborate with City agencies and provide program oversight.
- Implemented 31 new initiatives to reduce poverty, including the nation's first set of conditional cash transfer programs.
- City agencies initiated 13 competitive procurements to select service providers.
- Selected independent evaluation firm, Westat and its subcontractor, Metis Associates, to conduct process, outcome and benefit-cost evaluations of all CEO initiatives.
- Committed to develop a new poverty measure based on National Academy of Sciences recommendations.
- Approximately 100 new positions were created within City agencies to implement the CEO initiatives.

Young Adult Initiatives

- New school-based health clinic providing comprehensive health and reproductive health care to up to 700 Bronx high school students.
- Established 31 service learning programs (more to come in January), serving more than 1,580 students.
- 15 internship programs established for disconnected youth in high-poverty communities.
- Successful expansion of CUNY Prep, a model GED to college program.
- CUNY ASAP established at six community colleges to improve college retention and degree completion for 1,000 students.
- 25 foster youth completing financial literacy program towards initiating individual development accounts.
- 200 additional young adults participating in education programs on Rikers Island.
- 80 former inmates from Rikers Island receiving mentoring and other re-entry support.

Working Poor and Early Childhood Initiatives

- Over 16,000 households received more than \$10 million in Earned Income Tax Credits (EITC) from a ground breaking City initiative that mailed out completed tax forms.
- EITC outreach campaign generated 30,000 calls to 311 from New Yorkers during the 2007 tax season, representing a 40% increase from the prior year.
- Up to 49,000 households now eligible for a new City Child Care Tax Credit worth up to \$1,700 per household; one of only two nationwide.
- Expanded the nationally recognized Nurse-Family Partnership program in NYC. Now serving over 900 pregnant and new mothers.
- Implemented three conditional cash transfer pilot programs offering incentive payments for health, education, and employment activities.
- 39 students embarked on an accelerated Licensed Practical Nurse Program; graduates are expected to be in positions earning nearly \$40,000 by the summer.
- Businesses offering customized training to 393 employees.
- 160 low-wage workers receiving advancement and retention support services.
- 657 low-income community residents actively recruited to fill job vacancies.
- 5,000 over-age and under-credited students attending Multiple Pathways programs and working towards high school or GED degrees.
- 148,000 visits to ACCESS NYC, the City's on-line screening tool for over 35 public benefit programs.
- Nearly 10,000 young children enrolled in new Universal Pre-Kindergarten slots.
- Mayor signed executive order enforcing living and prevailing wage requirements for City contractors.
- Enhanced outreach and support for non-custodial parents to fulfill their child support obligations.

Measurable Outcomes for Youth: CUNY Prep



“CUNY Prep is dedicated to helping students take and pass the GED tests with high scores, apply to and be accepted at postsecondary institutions, and develop and implement career plans that include both collegiate studies and part-time or full-time employment. The emphasis of the program—both culturally and academically—is not, therefore, on GED test prep, but rather, on helping students reconnect with themselves as life-long learners. As they work through a rigorous curriculum, they relearn or perhaps in some cases learn for the first time how to be effective students. By encouraging the habitual practices of successful students, CUNY Prep strives to enhance their self-efficacy in ways that will lead to success in higher education.” – Derrick Griffith, Director of CUNY Prep

“At CUNY Prep it was a one-on-one relationship. It wasn’t just about getting a GED. They were like family to me...Principal Derrick Griffith never gave up on me. He gave me a lot of chances when other principals wouldn’t have.” – Octavio Rodriguez, Hostos Community College student, former CUNY Prep student

CUNY Prep is now in its fifth academic year and was able to quickly implement its CEO expansion in January 2007. CEO funds enabled this model GED to college program to continue its day program for young high school dropouts and to establish an evening program for adults.

The school accepts new students four times per year and at any given time the program serves 200 in its day program and an additional 175 in the evening. In academic year 2006-2007, 370 students participated in the day program and 146 students attained their GEDs. In 2007, an additional 182 adults were served in the evening program and 56 attained GEDs.¹⁹ Day students are between the ages of 16 and 18 and many describe themselves as having been being lost or pushed out of high school. After the successful completion of one semester in the program, students can attend credit bearing classes at Hostos Community College taught by CUNY Prep and college faculty.

¹⁹ An additional 140 day and evening students are expected to take the GED in December 2007.

MONITORING AND EVALUATION

“Our programs are results driven and we are doing every thing we can to support their success. We are deeply committed to understanding what works and program evaluations will use rigorous methodologies to inform our decisions.” – Veronica White, Executive Director of CEO

CEO is dedicated to assessing the impact of its programs. This high-level of accountability is a hallmark of the initiative and CEO hopes that rigorous evaluation will become the standard among City agencies. Many of the programs address issues or populations for which there is scant empirical evidence of what works. CEO sponsored evaluations, therefore, have the potential to make important contributions to social policy.

Agencies and their contractors know that they will be required to demonstrate significant participant benefits to maintain CEO funding. For successful programs, CEO will advocate for long term funding and replication. When programs fail to meet participant needs, CEO will recommend reallocating resources to more promising interventions.

CEO has established a small in-house evaluation team, led by Kristin Morse, which is focusing its efforts on collecting ongoing monitoring information and working with agencies to use performance data to improve program services and client outcomes. In order to ensure that all the initiatives are thoroughly evaluated, CEO has selected an external evaluation firm to perform an independent and in-depth evaluation of each program. The in-house team will support the work of the independent evaluator, and facilitate data collection from City agencies. MDRC will lead an evaluation of the conditional cash transfer project.

Westat and its subcontractor, Metis Associates, were selected through a competitive Request For Proposals process to serve as the CEO evaluator. The two firms will conduct implementation, outcome, and benefit-cost evaluations of the CEO initiatives. Results from the evaluations will be used to strengthen program operations and make future funding determinations. “Westat and its subcontractor

Metis Associates look forward to helping New York City better understand the effectiveness of its anti-poverty programs. Reducing poverty is vital to New York and the nation and we are enthusiastic about being able to help,” said Dr. Alexander Ratnofsky, Senior Vice President, Westat.

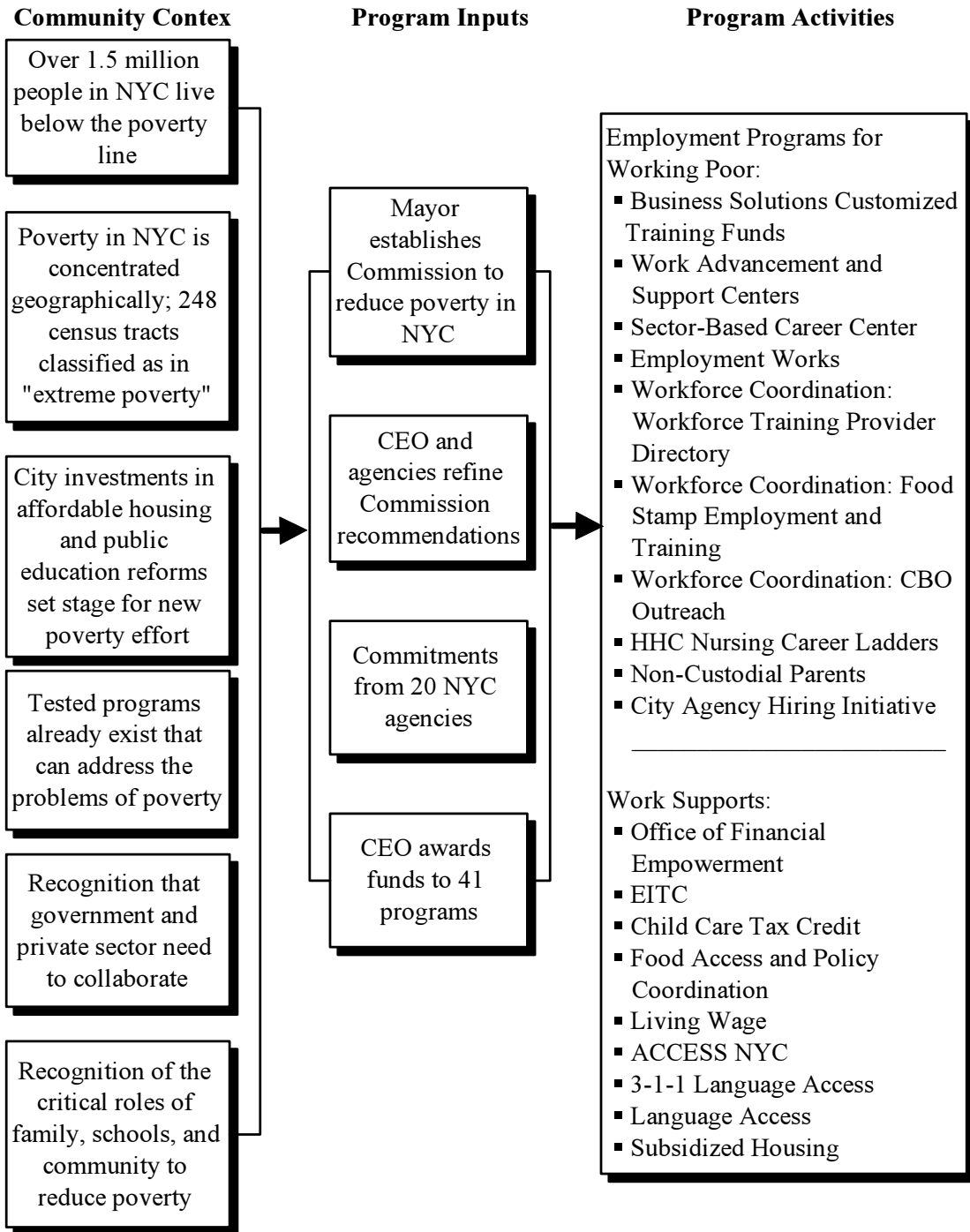
WESTAT

Westat is an employee-owned research firm known for the quality of its professional staff in a broad range of research areas, including statistical design, survey research, and program evaluation. Since 1961, Westat has grown steadily by serving Federal and local government agencies, private businesses, and other clients. Current Westat clients include the U.S. Department of Health and Human Services (HHS), the U.S. Department of Labor (DOL) and New York City’s Administration for Children’s Services (ACS). Westat’s headquarters is located in Rockville, Maryland, in the Washington, DC, metropolitan area. Westat’s research, technical, and administrative staff totals more than 1,800. An additional 1,100 staff members are engaged in data collection and processing at Westat’s survey processing facilities, at their Telephone Research Center (TRC) facilities, and throughout nationwide field data collection operations.

METIS ASSOCIATES

Joining Westat as a subcontractor and local partner is Metis Associates. Metis Associates is a national social services research and evaluation consulting organization. Founded in 1977, Metis has a thirty-year history of providing successful program evaluation services to clients serving the economically disadvantaged. Metis is a full-service consulting organization - offering services in program and policy research and evaluation, management information systems, and program and grants development. Metis, which is headquartered in lower Manhattan, currently maintains service contracts with several New York City agencies, including the Department of Education (DOE), the Administration for Children’s Services (ACS), the Department of Health and Mental Hygiene (DOHMH), and the Economic Development Corporation (EDC).

Preliminary Logic Model for CEO Employment and Work Support Programs*

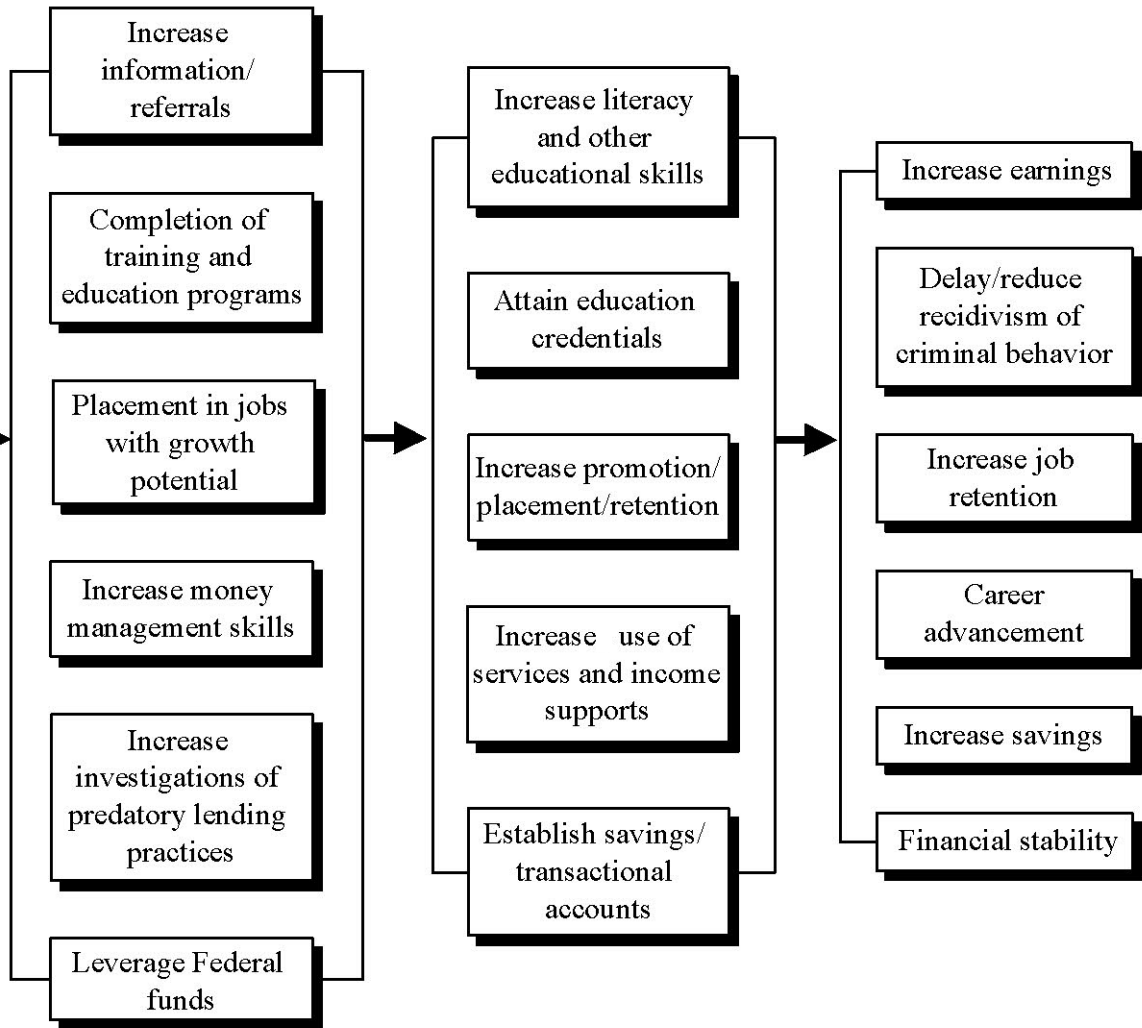


* The logic model does not include other CEO programs that target young adults, children, or the Conditional Cash Transfer Program (Opportunity NYC).

Short-term Outcomes

Intermediate Outcomes

Long-term Outcomes



OPPORTUNITY NYC: CONDITIONAL CASH TRANSFERS

BACKGROUND AND INTRODUCTION

“We don’t know if these initiatives will work, but shame on us if we do not try new things, especially if there is strong evidence of their ability to have a significant impact on poverty reduction.”

– Mayor Michael R. Bloomberg

Conditional cash transfer (CCT) programs provide monetary incentives to households living in poverty when they complete activities aimed at increasing human capital development and breaking the cycle of poverty. The most established and rigorously evaluated CCT program is Mexico’s

Oportunidades. Over the course of the past ten years *Oportunidades* has increased the educational and health outcomes of its participants, including significant increases in school attendance, achievement and preventive health visits.¹ International CCT programs traditionally offer payments for education, health, and nutrition related activities.



Opportunity NYC is a privately-funded \$53 million pilot initiative² that builds on the conceptual framework and lessons learned from international CCT programs. It is the first major CCT initiative implemented in the United States. Opportunity NYC innovates on the traditional CCT model by adding employment and training incentives as core program components.

The initiative consists of three distinct programs:

Opportunity NYC: Family Rewards is the most comprehensive of the three, offering monetary incentives to families living in poverty for education, health, and workforce participation and job training activities.

Opportunity NYC: Work Rewards offers monetary incentives to adults in subsidized housing for enhanced workforce participation and job training. The CCTs will be compared to other self-sufficiency strategies.

Opportunity NYC is made possible by funding from:

- The Rockefeller Foundation
- The Starr Foundation
- Bloomberg Philanthropies
- American International Group (AIG)
- The Robin Hood Foundation
- The Open Society Institute
- The Broad Foundation
- New York Community Trust
- The John D. and Catherine T. MacArthur Foundation
- The Annie E. Casey Foundation

Funders made their donations to the Mayor’s Fund to Advance New York City*, the not-for-profit organization established in 1994 to strengthen public programs serving the needs and general welfare of New Yorkers.

* Except for The Broad Foundation’s grant

Opportunity NYC: Spark provides small monetary incentives to fourth and seventh grade public school students for achievement on periodic assessments offered throughout the academic year.

The principal objective of the three pilots is to test the impact of monetary incentives on child, adult, and family outcomes, as well as their overall impact on poverty reduction. Each of the three programs is being evaluated using a random assignment design to rigorously assess the impact of the incentives.

CEO selected MDRC, a nonprofit, nonpartisan education and social policy research organization with over three

¹ For the most recent and comprehensive review of urban, rural and national results of the Oportunidades program, see: Cruz, C., Rodolfo de la Torre, and Cesar Velazquez. *Informe compilatorio. Evaluación externa de impacto de Programa Oportunidades 2001-2006*. Cuernavaca, México: Instituto Nacional de Salud Pública, 2006.

² CEO has raised \$46 million for Opportunity NYC as of November 2007.

decades of experience designing and evaluating programs at this scale, and Seedco, a national non-profit intermediary development organization with over two decades of experience to lead the design, implementation, and evaluation of the *Opportunity NYC: Family Rewards* and *Opportunity NYC: Work Rewards* programs. CEO, MDRC, and Seedco designed the pilots with the support of international governments, national and international experts and academics, private foundations, the Mayor’s Fund to Advance New York City, community groups, and City agencies. *Opportunity NYC: Spark* was developed by the Department of Education (DOE) in collaboration with Harvard economist Dr. Roland Fryer and the American Inequality Lab (AIL) at Harvard University.

EARLY ACCOMPLISHMENTS

Six community based organizations, selected through a competitive procurement process, are actively recruiting families for *Opportunity NYC: Family Rewards*. Enrollment began in July 2007 and to date, more than 4,521 families are participating in the experiment. The goal is to reach full enrollment of 5,100 families by the end of the calendar year. Half of the families will be randomly assigned to a control group. As of September 1, activities completed by participating families in the program group were eligible for monetary rewards.

The first incentive payments were granted to program families who opened bank accounts (or already had accounts upon enrollment). To date, 2,048 program participants received this incentive for a total of over \$102,400. The first payments for health, education, and work activities will be made in mid-December.

Thirteen community based organizations were selected to recruit and enroll Section 8 voucher holders into *Opportunity NYC: Work Rewards* (Federal Section 8 vouchers offer rental subsidies to low-income households). The CBOs began recruitment in mid-December and the expected date for the program start is February 2008. As part of *Opportunity NYC: Work Rewards*, some participants will also be enrolled in a Federally supported program,³ which will be enriched by the Department of Housing Preservation and

Development (HPD). HPD is in the process of contracting with additional community based organizations to provide enhanced services to participants in this program.

Opportunity NYC: Spark began in September 2007. Fifty-nine public schools are participating in the project – fourth graders at 34 schools and seventh graders at 31 schools – representing close to 8,600 students. At the time of this writing, participating students have taken four of the ten assessments required during the program year and are scheduled to take the fifth and sixth the first week of December. Together the students earned over \$19,000 on the first two tests.



Full descriptions of each program follow.

OPPORTUNITY NYC: FAMILY REWARDS

Overview

Opportunity NYC: Family Rewards is the largest and most comprehensive of three incentive-based pilots in New York City. The program aims to:

1. Lessen immediate income-related hardships for poor families through cash transfers
2. Encourage families living in poverty to increase—or sustain—positive efforts to improve their futures
3. Help and encourage families to invest in their children’s futures

³ The HUD Family Self-Sufficiency program.

A total of 5,100 families from six of the poorest communities in New York City are being enrolled in the program, 2,550 of which will be randomly assigned to a control group that will not receive incentives. The rigorous evaluation of the program will help determine if incentive-based strategies are a cost-effective approach to reducing poverty in New York City.

Family Rewards	
Design	CEO, MDRC, Seedco, DOHMH, DOE, HRA, SBS & DCA
Operation	Seedco & CBOs
Evaluation	MDRC

LEARNING FROM OPORTUNIDADES AND ADDING A NEW YORK INNOVATION

Over the past decade, over 20 countries around the world have developed and implemented CCT programs. To date, Mexico’s CCT program, known today as *Oportunidades*, has been the most comprehensively and rigorously evaluated. The empirical evidence suggests that incentive-based strategies are an effective approach to investing in human capital and to reducing poverty and its associated social problems.⁴ The program currently serves over 25 million very low-income Mexicans – about one-fourth of the country’s population.

Oportunidades achieved wide acclaim and became the largest targeted social program in Mexico because it demonstrated significant, positive impacts. Rigorous evaluation is embedded in the program design. Best practices learned from *Oportunidades* inform CCT programs in Brazil, Chile, Colombia, Peru, Turkey, South Africa, and other countries.⁵

A critical part of the design process for *Opportunity NYC: Family Rewards* was identifying the activities that would be incentivized through the program. *Oportunidades* and most other CCT programs incentivize activities related to education, health and nutrition. New York City is the first in the

world to include workforce activities as a core CCT element. Adapting the CCT model to include a robust employment and training component was a natural choice for New York. Supporting work participation is the major thrust of recent American social policy and, certainly in high-cost New York City, increasing household earnings is critical to any anti-poverty initiative. Other countries are now considering including work incentives in their models.



Mayor Bloomberg and Judith Rodin, President of the Rockefeller Foundation, meet with high level Mexican Government Officials and *Oportunidades* Program participants.

Learning from Abroad

In January 2007, CEO in collaboration with the Rockefeller Foundation, invited representatives from the *Oportunidades* program, as well as independent evaluators of the program from around the world to meet with the design team in NYC to discuss *Oportunidades*.

Following the January visit, the Mexican government invited the *Opportunity NYC* team to visit *Oportunidades* to learn about its operation first hand and to meet program administrators. In April 2007, a New York City delegation, led by Mayor Bloomberg and Deputy Mayor Linda Gibbs, visited Mexico, traveling to Tepotzlan, a small town near Mexico City, and Toluca to witness *Oportunidades* in action.

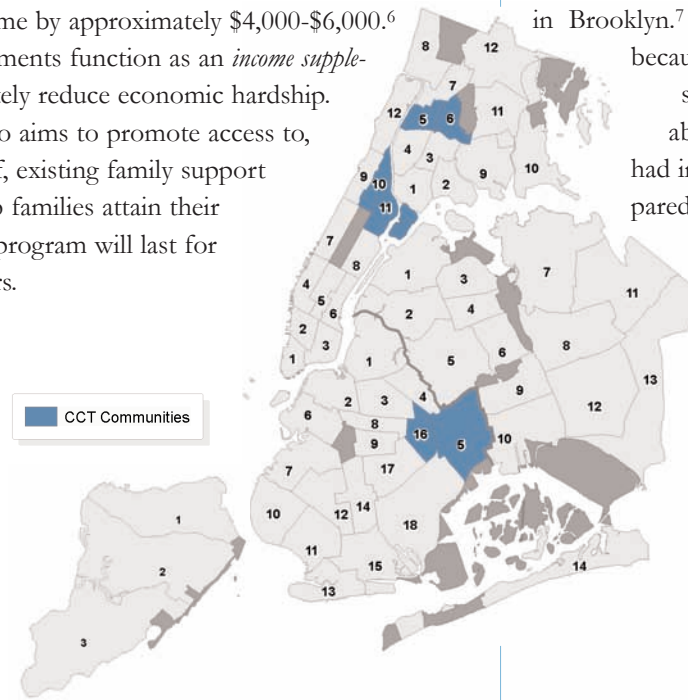
The visits provided insight from renowned international experts on the possibilities for the design of *Opportunity NYC*. The New York team was particularly interested in the operational structure of this large and complicated program, as well as its fully integrated evaluation component.

⁴ Cruz et al., 2006 (full citation in footnote 1).

⁵ In addition to CCT programs implemented abroad, there are several smaller scale programs using incentives in the U.S. At least three programs have used financial incentives to encourage a range of activities. Their positive results add to the growing body of experimental literature suggesting that financial incentives can generate improvements in health, education, and workforce outcomes.

Program Design

Opportunity NYC: Family Rewards offers monetary incentives to low-income families for fulfilling targeted activities in education, health, and workforce and training domains. The payments are significant and together have the potential to raise family income by approximately \$4,000-\$6,000.⁶ As such, the payments function as an *income supplement* to immediately reduce economic hardship. The program also aims to promote access to, and utilization of, existing family support resources to help families attain their goals. The pilot program will last for two to three years.



Targeted Neighborhoods

Opportunity NYC: Family Rewards is being implemented in a total of six community districts in the City. The districts are located in the Central Bronx, East Harlem and Central Harlem in Manhattan, and Brownsville and East New York in Brooklyn.⁷ These community districts were chosen because they are among New York City's most persistently disadvantaged. For instance, in 2000, about 40% of the households in these districts had incomes below the Federal poverty level, compared with a citywide rate of 21%. The unemployment rate across the districts was 19%, on average, compared with 5% for the City as a whole. Higher proportions of residents in these communities also relied on public benefits, including TANE, Food Stamps, and Medicaid. Table 1 presents an overview of the poverty and unemployment rates of the targeted communities.

Table 1: Key Income and Benefit-Receipt Information, by Community District

Characteristics	Bronx		Brooklyn		Manhattan		Citywide
	CD 5	CD 6	CD 5	CD 16	CD 10	CD 11	
<i>Total Population in 2000</i>	128,313	75,668	173,198	83,343	107,109	117,743	8,008,278
<i>Equal or below poverty-level income (% of Households)</i>	41	46	33	43	37	37	21
<i>Unemployed persons over 16 years (%)</i>	20	21	16	23	18	17	5
<i>Persons receiving Public Assistance (%)</i>	17	19	11	16	10	11	5
<i>Persons receiving SSI (%)</i>	9	10	8	9	8	10	5
<i>Persons receiving Medicaid (%)</i>	58	56	48	50	44	48	33
<i>Total Food Stamp recipients (%)</i>	32	33	25	30	23	26	14

Sources: Poverty: New York City Department of City Planning (2000 Census); benefit information (as of 10/05) from Human Resources Administration (HRA). Public Assistance is defined as TANE, Safety Net Assistance, and Safety Net Converted; Medicaid program data include Child Health Plus Part A and Family Health Plus.

⁶ International CCT experts have found that for a CCT program to be effective, its monetary incentives need to offer between 25-30% of a family's income.

⁷ Bronx Community Districts (CD) 5 and 6, Brooklyn CDs 5 and 16, and Manhattan CDs 10 and 11.

Target Population

Opportunity NYC: Family Rewards will provide incentive payments to 2,550 families⁸ in the selected community districts, whose household income is equal to or less than 130% of the Federal poverty level⁹ and who have school-age children at home. Families must have at least one child in the fourth, seventh, or ninth grade attending a New York City public school. These grades were carefully chosen in light of evidence that suggests that they are critical transition years where children face increasing risk of falling behind. It should be noted, however, that once a family has enrolled in the program, *all* school-age children in the family are eligible for the program's education-focused incentive payments regardless of their grade level. In addition, a family must have at least one parent who is a U.S. Citizen or legal permanent resident.

Incentive Payments

Monetary rewards are granted bi-monthly to participating households that meet specific targets in children's education, family preventive healthcare practices, and parents' workforce efforts. For example:

- **Education targets** include children's superior school attendance, sustained high achievement or improved performance on standardized tests, and parental engagement in children's education.
- **Health targets** include maintaining adequate health coverage for all children and adults in participant households, and age-appropriate medical and dental visits for each family member.
- **Workforce targets** include sustaining full-time work and/or combining work with approved education or job training.

Incentive payments range from \$25 for attending parent-teacher conferences and \$600 for passing a regents exam to \$100 for a preventive health screening and \$150 a month for maintaining full-time employment. In total, it is expected that participating families can earn approximately \$4,000-\$6,000 per year depending on family size and the number of target activities met successfully.

Although each of these components targets specific problems that contribute to long-term and intergenerational poverty, the CCT model builds on the recognition that sustained achievements in any one of these areas may be aided by progress in the others. For example, improvements in children's health may lead to improved attendance and school performance. Children's health and education, in turn, may benefit from growing up in a household that has more economic resources at its disposal, for which parents' sustained employment is critical.



The multi-dimensional conditional cash transfer program also makes it easier to construct a transfer that has a sizable total cash value without attaching excessive amounts of money to any one area of progress.

Delivery of Payments

Each program family received a coupon book highlighting the incentivized activities, and every two months families submit documentation for completed activities, such as a signed doctor's form verifying a health check-up. Some activities, like school attendance, are automatically verified using administrative data. Each two-month period, Seedco receives and processes each family's documentation and then distributes the earned rewards.

The bi-monthly reward payments are deposited into a bank account or a stored-value card. The program encourages participants to open, and/or maintain, a bank account to promote savings and reduce the use of services that have high transaction costs, such as check cashing services. The Department of Consumer Affairs' Office of Financial Empowerment (OFE), which helps low-income New Yorkers build assets and maximize their financial resources,

⁸ As noted in the previous section, 5,100 families will be selected to participate in the program, with 2,550 families randomly assigned to a control group.

⁹ 130% of the poverty level represents an annual income of less than \$22,321 for a family of three. Source: *Federal Register*, Vol. 72, No. 15, January 24, 2007, pp. 3147-3148. This is also the same eligibility standard used for Food Stamps, free school lunches, and a number of other benefit programs.

negotiated with eight financial institutions¹⁰ to provide special *Opportunity NYC* savings accounts that have no minimum balance, protect against overdraft, and waive fees for at least four monthly withdrawals from ATMs operated by other institutions.

Participants that open an *Opportunity NYC* savings account, or use an existing account, receive a one-time \$50 reward. To date, participants have opened over 1,050 *Opportunity NYC* accounts.

IMPLEMENTATION AND EVALUATION

Enrollment and Support

Six community based organizations (CBOs), one in each of the target community districts, were selected to enroll families into the program.¹¹ Once enrolled, families were randomly assigned into the program or control group by MDRC. Each family had an equal chance of being in the program group and was notified of their status.

Families selected to be in the program group participated in an orientation workshop conducted by the CBOs in their respective communities. During the orientation workshop, families learned specific details about the incentivized activities and the process by which they earn and receive the monetary rewards.

Enrollment began in July and 4,521 families have been enrolled in the project to date, half of which were randomly selected to receive incentives (forming the program group). CBOs offer information and referrals to program participants seeking guidance on services that might help them fulfill the requirements for the incentives.

Earning Rewards

The initial program incentive period began September 1, 2007 and ended October 31, 2007. Seedco reviewed families' submitted documentation and the administrative data, and will directly deposit the first period's rewards into participants' bank accounts (or stored value cards) in mid-December. The first incentive payments were made in October and early December to more than 2,000 program

participants for establishing Opportunity NYC bank accounts (or maintaining accounts they had prior to enrollment).



Mayor Bloomberg and Deputy Mayor Gibbons at the Opportunity NYC Program Launch

Evaluation

MDRC will evaluate *Opportunity NYC: Family Rewards*. The study will track members of the program and control groups for five years using surveys and administrative data. The comprehensive evaluation of the program will include three major strands of research: implementation and process analysis, impact analysis, and benefit-cost analysis.

The implementation study will focus particularly on the roles and experiences of the institutions involved in the program (Seedco, City agencies, and community partners) and on the perceptions and experiences of the participating families.

The outcomes of participants will be assessed against those of the control group. Because it is a controlled study, any differences that emerge between the groups over time—for example, differences in employment and earnings, poverty rates, or even school performance among children—will be attributable to the CCT.

Finally, MDRC will also provide a benefit-cost analysis that will estimate the cost of operating Opportunity NYC, distinguishing how much was spent on various aspects of program delivery versus the amount of cash transferred to the participating families.

¹⁰ The eight financial institutions that are offering the Opportunity NYC accounts are Amalgamated Bank, Bethex Federal Credit Union, Brooklyn Cooperative Federal Credit Union, Carver Federal Savings Bank, Lower East Side Peoples Federal Credit Union, M&T Bank, North Fork Bank, and Union Settlement Federal Credit Union.

¹¹ *Opportunity NYC: Family Rewards* CBOs are Union Settlement Association, Groundwork, Inc., Urban Health Plan, Citizens Advice Bureau, Catholic Charities Community Services, and Brownsville Multi-Service Family Health Center. Appendix C includes a list of all CEO partner organizations.

MDRC’s benefit-cost analysis will make a number of comparisons, examining the economic “gains” and “losses” from several perspectives, such as from the viewpoint of participants and their families and from the perspective of taxpayers and



government budgets. It will look at benefits and costs that are directly observable during the period of data collection, as well as over a longer time horizon (e.g., 10 years), based on systematic projections using alternative assumptions about trends in costs and impacts.

CEO and its partners hope that the combination of education, health, and workforce incentives in this program will be more powerful than one or two of these components alone. The three domains are expected to mutually support progress towards achieving *Opportunity NYC: Family Reward’s* goals — alleviating poverty in the short run, improving health, education, and self-sufficiency outcomes in the intermediate term, and reducing intergenerational poverty in the long term.

OPPORTUNITY NYC: WORK REWARDS

Overview

Opportunity NYC: Work Rewards offers work incentives to adults living in subsidized housing. The program will target 4,100 Section 8 voucher recipients. Section 8 is a Federal means-tested housing voucher program that calculates program eligibility and rent payments on income, thereby creating a disincentive to increase earnings. The Federal Family

Self-Sufficiency (FSS) program was established by the U.S. Department of Housing and Urban Development (HUD) in 1990 to increase work participation and earnings among residents of public and subsidized housing by providing them with a savings escrow account that matches any increased rental payments and is receivable after five years.¹²

Approximately 75,000 households participate in FSS nationwide, representing only a proportion of eligible households.¹³ Among the reasons cited for the low take-up rate are that most FSS programs do not actively assist families to attain self-sufficiency and that the five-year term before households can access the money is perceived as too long.

Opportunity NYC: Work Rewards tests the impact of an enriched FSS model and the workforce incentives from the comprehensive *Opportunity NYC: Family Rewards* program to provide a more immediate work incentive for voucher holders.

Work Rewards	
Design	CEO, MDRC, Seedco, HPD & NYCHA
Operation	Seedco & CBOs
Evaluation	MDRC

THE OPPORTUNITY NYC: WORK REWARDS MODEL

In New York City, both the Department of Housing Preservation and Development (HPD) and the New York City Housing Authority (NYCHA) grant Section 8 vouchers and implement FSS programs. *Opportunity NYC* is conducting several incentive-based and asset-building demonstrations with the two housing agencies.

HPD’s FSS Program is one of the largest FSS programs in the country and has been recognized as a “best practice” by HUD.¹⁴ The HPD program has offered case management and support services through a contract with LaGuardia

¹² The accumulated escrow savings are available upon successful completion of the five-year program (sooner if the person “earns out” of Section 8), or for approved purposes in the interim related to the client’s self-sufficiency objectives.

¹³ Cramer, Reid. “Family Self-Sufficient Program: An Asset-Building Opportunity.” Washington, D.C.: New America Foundation, 2004.

¹⁴ See “*Working with Community Colleges to Link WIAW/FSS Families to Employment Opportunities in New York, NY*,” at http://www.hud.gov/offices/pih/programs/hcv/wtw/ppp/learning/newyork_ny.cfm.

Community College's Division of Adult and Continuing Education. The program has increased FSS program participation and earnings rates among some participants; generally those proximate to LaGuardia's campus in Queens.

With funding from the Center for Economic Opportunity, HPD is expanding its promising FSS model; the agency is contracting with community based organizations (CBOs) in Upper Manhattan, the South Bronx and Central Brooklyn to make the FSS case management services more accessible to participants throughout the City.

A workforce-focused CCT is also being offered to a randomly selected subset of HPD's voucher holders.¹⁵ This CCT offers a more immediate incentive to promote work and training. Participants are eligible to receive cash bonuses for sustained full-time employment¹⁶ and for completing education and training courses while employed.

Opportunity NYC: Work Rewards measures the impact of three distinct HPD program models:

- Group 1 (700 participants): Enriched FSS program only.
- Group 2 (700 participants): Enriched FSS program and CCT component.
- Group 3 (700 participants): Serves as the control group and is not enrolled in FSS or offered the CCT, but is invited to re-apply for the enriched FSS program after 1 year.

The NYCHA component of the program targets voucher holders who are not participating in FSS and offers them the employment or training incentive payments. Families participating in the NYCHA program include:

- Group 1 (1,000 participants): Eligible for CCT incentives.
- Group 2 (1,000 participants): Serves as the control group and is not offered the CCT incentives.

Program participants receiving the CCT may earn up to \$3,000 per year depending on the number of employment activities that are completed successfully. Sustained full-time employment is rewarded with a \$150 monthly benefit or up to \$1,800 per year. Incentives are also offered for approved education and training courses.

Implementation and Evaluation

In collaboration with HPD and NYCHA, Seedco is implementing the program and MDRC is conducting the evaluation. Seedco and HPD have contracted with 13 community based organizations to recruit program participants.¹⁷ The contracted CBOs will support families so that they are well-positioned to maximize their receipt of the new CCT bonuses. The CBOs will also provide service referrals, and offer other customer service support. Seedco will administer the CCT verification and payments. Participants will begin earning incentives in February 2008.

The evaluation will be structured as a randomized control trial. Because slots in the enriched FSS and CCT programs will be limited, a lottery-like process will be used to select participants from among a larger group of eligible volunteers. Those who are not selected for a program group will form a control group. The study will track members of the program and control groups for a number of years using surveys and administrative data. Because it is a controlled study, any differences that emerge between the groups over time—for example, differences employment and earnings—will be attributable to the FSS and/or CCT interventions.

The program is the first random assignment evaluation of the FSS program in the nation.¹⁸ As such, it has the potential to provide a rich set of data to assess the effectiveness of FSS as well as CCTs. The CEO initiative will also broaden the nation's knowledge about housing as a platform for lifting residents out of poverty and towards economic self-sufficiency.

¹⁵ Eligible participants must also have a household income that is within 130% of the Federal poverty line (approximately \$22,000/year for a family of three).

¹⁶ In order to receive this bonus, the participant must be employed for at least 30 hours per week for 6 out of every 8 weeks (that is, about 75% of the weeks in each two-month accounting period).

¹⁷ *Opportunity NYC: Work Rewards* CBOs are Phipps Community Development Corporation, St. Nicholas Neighborhood Preservation Corporation, CAMBA, Erasmus Neighborhood Federation, Ridgewood Bushwick Senior Citizens Council, Inc., Asian Americans for Equality, Strycker's Bay Neighborhood Council, Inc., Bronx Shepherds Restoration Corporation, Mid-Bronx Senior Citizen's Council, Bedford Stuyvesant Restoration Corporation, Brooklyn Housing and Family Services, Harlem Congregations for Community Improvement, and Northern Manhattan Improvement Corporation. Appendix D includes a list of all CEO partner organizations.

¹⁸ There have been other significant evaluations of the FSS program, however, none have employed a random assignment design. See www.fsspnterships.org for more information.

OPPORTUNITY NYC: SPARK

Overview

As part of CEO’s *Opportunity NYC*, the Department of Education (DOE), in collaboration with Harvard University Economics Professor Roland Fryer, is implementing a program that rewards students for academic achievement.

The pilot program will study the impact of modest financial incentives on student performance. The program is serving students in high-poverty schools and hopes to foster significant gains in student achievement. The program is also offered as a strategy to help close the racial achievement gap.

Spark	
Design	DOE, Fryer & AIL
Operation	DOE, Fryer & AIL
Evaluation	Fryer & AIL

Project Design and Implementation

The primary objective of *Opportunity NYC: Spark* is to improve the academic achievement of participating students and create a lasting connection between students and academic success. The hypothesis is that offering direct financial incentives to students will be a significant motivator for improving academic achievement. In a city where close to 70% of students are eligible for free or reduced-price school lunch, it is expected that earning discretionary funds of their own – perhaps for the first time – will send a powerful signal to students about the value of education, achievement, and future opportunity. This program will test whether short-term monetary incentives are effective in getting students to do what is in their long-term best interest.

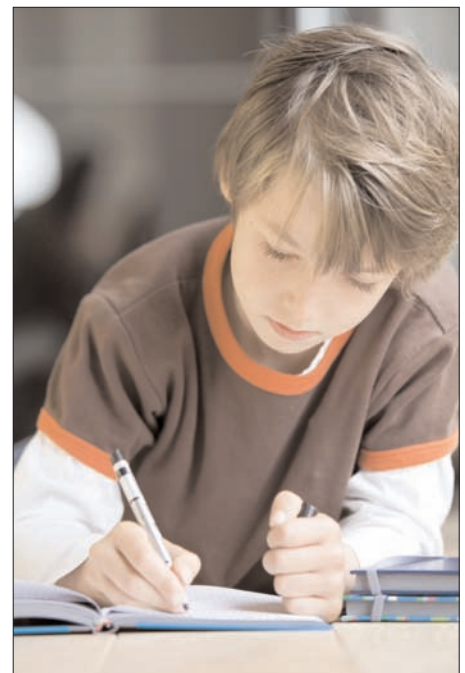
Spark offers students in select New York City public schools the opportunity to earn financial incentives for performance on periodic assessments. The two-year initiative began in September 2007 and has enrolled 59 schools throughout the City into the program, representing a total of close to 8,600 participating elementary and middle school students. Students have the chance to earn up to \$250 in the fourth grade and up to \$500 in the seventh grade based on their achievement on ten standardized assessments offered during the school year.

This program represents a new strategy for engaging students and fostering academic achievement. Individual and group incentive models are being assessed to better understand their impact and potential for system-wide expansion.

In the first year, the program will test the impact of *individual incentives* by offering performance awards of up to \$25 per test for fourth graders and up to \$50 for seventh graders. All students will receive a minimum of \$5 in the fourth grade and \$10 in the seventh grade for the effort associated with sitting for the assessments. Students will receive their incentive payments after each of ten tests assessments throughout the school year.

At the time of this writing, the students have taken four of the ten assessments in the program year and are scheduled to take the fifth and sixth the first week of December. Based on participating students’ scores on the first two assessments, they earned over \$19,000 in aggregate.

To help evaluate the effectiveness of the program, student performance on the Predictive Assessments (which are low stakes assessments that students across New York City take) and on the state standardized tests (which do not have awards directly associated with them) in January and March will be compared to the performance of students in a control group of schools not selected for the program. Some



general comparisons will also be made to a larger sample of non-participating schools on a citywide and statewide basis.

In the second year of the program, *group incentives* will be tested. The group incentives closely mirror individual incentives. The crucial distinction is that performance is determined by the average of one's group. So, if the five-person group achieves, all students are rewarded equally regardless of the achievement of any single student. Group rewards may also provide the impetus for collaborative learning and tutoring across different ability levels.

Evaluation

There is a growing interest in student incentives and several states have recently established programs. These programs encourage outcomes including homework completion, test



performance, attendance, pleasure reading, and graduation. Incentives range from symbolic dollars or points that students can use to purchase tangible items of interest (pens, small toys, assorted trinkets) to actual cash. The impact of student incentive programs has yet to be rigorously evaluated in the United States. International evidence suggests that incentives can boost student performance and graduation rates. During the 2004-2005 school year, Professor Fryer conducted an initial pilot study of a student incentives program in the third grade of a Bronx elementary school. Participating students received movie passes and pizza parties. While this was a small project, the early results were encouraging: incentives had a positive impact on student

achievement and teachers were enthusiastic about the program. The controlled study structure of *Opportunity NYC: Spark* will allow for a robust evaluation of the impact of monetary incentives on the academic achievement of children.

PUBLIC POLICY

New York City has made investments in affordable and supportive housing, health care, education, and emergency services that go well beyond its mandate, yet poverty continues to be a serious problem. In response, the City has developed new approaches to poverty, successfully leveraged private support, and become an advocate for policy change at the State and Federal level. A central part of these efforts was the creation of the Center for Economic Opportunity (CEO).

CEO has an ambitious program and policy agenda that aims to reduce the causes and consequences of poverty through human capital investments and public service improvements. The 41 model interventions funded by CEO's \$150 million Innovation Fund are a strategic attempt to demonstrate measurable outcomes among the three key populations identified by the Commission for Economic Opportunity.

The focus on the working poor and young adults is partly one of pragmatism, with the expectation that the economic returns to education and increased employment skills and opportunities will be evident in the short term. The Commission also clearly sought to reward the efforts of working parents and to give young people at-risk a second chance. Investments in young children are unquestionably the most important thing we do, though the social and economic impacts may not be measured for many years. There is strong evidence that early interventions can limit the impact of poverty and ensure that children are not diminished by their circumstances.



CUNY Students

CEO's policy agenda is comprehensive, and includes a call for expanding the Earned Income Tax Credit, establishing a refundable child care tax credit, and creating a better poverty measure. CEO also includes two major on-going policy and planning initiatives, one for early childhood interventions, and the other for food access and healthy eating. The early childhood policy goal is to improve access to and quality of services for young children. The food policy work aims to reduce hunger and improve the availability of healthy foods in low-income communities. These policies all have a direct impact on our target populations.

More broadly, CEO is also helping to make poverty alleviation a priority among policymakers, foundations, academics, and the general public. CEO leadership has engaged mayors from other cities, the World Bank, the World Health Organization, the Brookings Institution, and countless others to focus on the issue of poverty. Beginning with the formation of the Commission for Economic Opportunity and throughout the last year, CEO has been involved in a uniquely public and collaborative process.

NATIONAL AGENDA

Earned Income Tax Credit (EITC) Expansion

Since its introduction in 1975, the Earned Income Tax Credit (EITC) has been acclaimed by researchers and policymakers alike as one of the most important Federal poverty reduction policies. The program provides \$37 billion in tax relief annually and moves 2.5 million children out of poverty each year.¹

The EITC primarily targets low-income, working families with children and rewards those who work by providing an offset to Federal taxes. The Federal EITC is refundable, and low-wage earners can receive the full amount of the Credit even if it exceeds their income tax liability. The maximum EITC benefit for the 2007 tax year is \$4,716 for families with two or more children and \$2,853 for families with one child.² A number of studies highlight the positive effect of the EITC in increasing labor force participation and employment for families with children. As a result of these

¹ Annie E. Casey Foundation. "Building Family Economic Success: The Earned Income Tax Credit (EITC)." August 2005.

² IRS Website: <http://www.irs.gov/individuals/article/0,,id=150513,00.html>.

outcomes, the EITC has become a fixture in Federal, State and even City policies.

Modifications have been made to the Federal EITC over the past several decades, but it was not until 1994 that a smaller credit was added for adults without dependent children. The EITC benefit for these adults is very limited, and non-custodial parents who do not claim their children on their tax forms as well as other low-income working adults only receive a small amount (a maximum of \$428 in tax year 2007).³ According to IRS calculations, this group is “estimated to comprise the largest segment of eligible taxpayers who fail to claim the Earned Income Tax Credit.”⁴

In a speech made at the Brookings Institution this past summer, Mayor Bloomberg credited welfare reform and the EITC with encouraging employment among women with young children. But, he said, “fathers are missing from our strategy to drive down the poverty rate.” He proposed significant changes to the credit for adults without dependent children to encourage workforce participation and increase income for these individuals.

Mayor Bloomberg’s recommendations include increasing the amount of the credit and amending the eligibility criteria for adults without dependent children. His plan also requires a minimum work threshold and a child support cooperation threshold for those benefiting from the new expansion. Mayor Bloomberg also supports eliminating the existing marriage penalty that provides a greater EITC return for two adults who remain unmarried. The Human Resources Administration estimates that the Mayor’s proposal would affect approximately 15.3 million individuals nationwide (married and singles with no children) of which, approximately 6.5 million would be newly eligible. In New York City, it would benefit approximately 415,000 individuals, roughly 100,000 of which are new.⁵

Broad support for the EITC and proposals to expand the credit have been offered by the Brookings Institution, MDRC, Catholic Charities, congressional leaders, several presidential candidates and others.

Opportunity NYC

Just a few months into operation, CEO’s conditional cash transfer demonstration project has generated tremendous interest as well as some controversy. This privately funded demonstration tests whether linking cash incentives to educational, health, and work related activities, which have been so successful in other countries, will reduce poverty in New York City. Other cities have already expressed an interest in developing similar projects. National foundations, think tanks, and congressional leaders are watching the program, and CEO has established a national learning community to share lessons learned and build a base of support for the strategy. In the words of Mayor Bloomberg, “it’s new, it’s innovative and as with any good idea there’s always the possibility that it won’t work.

“I’m willing to say let’s see what works. We are in a capitalist society and people are motivated by money across race and across class, so why not?”
– Darwin M. Davis,
President and CEO,
the New York Urban
League⁶

But we can’t be afraid to try new things.” The Mayor is promoting the program across the country and CEO is actively positioning the program to receive public funding if it is successful in reducing poverty.

New Poverty Measure

Each year the U.S. Census Bureau issues annual reports providing the poverty rate for the nation, states, and larger municipalities. Over the last four decades the poverty rate has become one of the most carefully watched social indicators. The annual estimate frames public perception of how well the most disadvantaged Americans are faring. Increasingly, however, the conversation about poverty also includes criticism of how well our measure actually counts the poor.

The inadequacy of the poverty measure becomes an acutely practical problem when political leaders, such as Mayor Bloomberg, commit new resources to innovative approaches to poverty reduction. Policymakers need to know and the

³ Ibid.

⁴ Ibid.

⁵ HRA estimates based on Census data.

⁶ Quoted in Medina, Jennifer. “Schools Plan to Pay Cash for Marks.” *New York Times*, June 19, 2007.

public has a right to understand, what exactly are we trying to reduce? And, how do we gauge our progress?

CEO is developing an alternative poverty measure for New York City (see Section IV: Poverty Measurement and Research for a fuller description). The Center is consulting with leading policy experts in this effort. CEO hopes that its work prompts other cities and states to undertake similar efforts. CEO is also advocating that the Federal government update its poverty measure to include in-kind benefits, and reflect geographical differences in the cost of living, among other things. In August, the Deputy Mayor for Health and Human Services, Linda Gibbs, testified before the U.S. House of Representatives Committee on Ways and Means calling for a new measure.

LOCAL LEGISLATIVE AND POLICY AGENDA

In the past year, CEO has accomplished several important items on its legislative and policy agenda.

Child Care Tax Credit

New York City established a new Child Care Tax Credit (CCTC) for low-income families, becoming one of only two cities nationwide to offer a local credit. The CCTC offers a City tax credit of up to \$1,700 for qualifying families to be combined with already existing refundable New York State and non-refundable Federal Child and Dependent Care credits. The combination of all three credits provide low-income households with the support they need to work while also providing young children with quality child care and early learning opportunities. New York City dedicated up to \$42 million for the program in FY08 and estimates that nearly 49,000 households may be eligible for the credit.

The Child Care Tax Credit is one of CEO's largest initiatives and its enactment represents an important legislative victory. Governor Eliot Spitzer signed the legislation on August 1, 2007, stating, "Access to quality childcare in New York City has become cost prohibitive for far too many families. The Child Care Tax Credit will support struggling low-income families who are currently forced to weigh child care costs

against other important priorities such as the chance to work, put food on the table and pay health care costs. At the same time, this law addresses the needs of young children in these families by helping them gain access to the quality care and early learning needed to succeed."

Protecting Low-Wage Workers

New York City has prevailing and living wage laws for City contracts related to specific services, such as homecare services, building services, day care services, Head Start services, food services, and others. This past July, Mayor Bloomberg issued Executive Order No. 102 that expands oversight authority of the Mayor's Office of Contract Services (MOCS), to ensure enforcement of prevailing wage and living wage laws in City contracts. Under the new law MOCS has the authority to require City agencies to provide documentation that low bidders will pay employees prevailing wages, and, for large contracts, guarantee that workers are paid by check, with specific information printed on the check stubs to alert the employee as to how much he or she is legally entitled to be paid. This is important, particularly in industries employing large numbers of low-income workers, to prevent unscrupulous companies from taking advantage of individuals who could be reluctant to speak out when they are paid cash wages that fall below the legal standards.



The City contracts with private providers for more than 2,833 security guards for its public facilities and buildings (approximately 888 posts). The City recently centralized its security contracts to ensure that security firms doing business with the City are in compliance with prevailing wage requirements, pay their taxes, and comply with license requirements (such as drug testing and criminal background checks). Further contractual reforms will include increasing training requirements and providing a mechanism to hire public assistance recipients in apprentice titles that lead to permanent positions.

Early Childhood Policy and Planning

Children living in poverty face a number of risk factors that jeopardize their well-being and life outcomes. Quality early interventions for children often demonstrate significant educational, health, and developmental gains.⁷

The City is committed to improving the availability, quality, and coordination of early childhood resources. Multiple City agencies are involved in providing and regulating services for young children; key services include subsidized child care, Head Start, Universal Pre-Kindergarten (UPK), and special education services for young children with developmental delays. CEO resources support early childhood policy and planning, and staff are playing an active role in



increasing the access to UPK for low-income and at-risk children, and launching other initiatives that expand and enhance the quality of early childhood services.

New York City is leveraging new investments made by the State to not only expand UPK but to also improve the quality of early childhood programs and to extend services to better meet the needs of working families. Although early childhood programs are funded by a variety of sources, including the Federal Head Start program, these funding streams often fail to meet the demand for early childhood education. There is also tremendous variation in the offerings and quality of different early childhood education programs. Several existing programs for four year olds will be converted into UPK slots, thereby establishing common standards and freeing resources for younger children. Only about 10% of eligible infants and toddlers attend publicly funded child care centers and increasing services for this age group is a key priority for the coming years. Some sites will also create blended programs that provide both educational as well as support services, providing a richer mix of services for at-risk children.

CEO has funded two new early childhood coordinator positions, one at the Administration for Children's Services and the other at the Department of Education. These staff members are conducting gap analyses of early childhood services, developing strategies for implementing common performance standards measures, and coordinating expansion efforts across both agencies.

The City is also working to increase access to early intervention services for at-risk children from low-income families in an effort to identify and address developmental needs at an earlier age. In particular, the Administration for Children's Services and the Department of Health & Mental Hygiene are partnering to ensure that all young children involved in preventive services are screened for developmental delays and referred to services as necessary.

⁷ CEO Report, 36.

These efforts, along with others underway, will set a solid foundation for a coordinated system that serves the comprehensive needs of young children and their families. In so doing, the City's children will be better poised for improved outcomes in health, education, and general welfare.

Food Policy

“The lack of affordable and healthy food options, such as fruits and vegetables, in low-income communities is a problem that can have significant health consequences. Through this new coordination we will bring together the many City agencies that will play a role in expanding the range of easily accessible, affordable and nutritious food options.” – Deputy Mayor Linda Gibbs

Low-income communities have higher rates of obesity and more deaths due to diabetes and heart disease than more affluent neighborhoods. Approximately 31% of adults in East Harlem and 27% in Central Harlem are obese, compared to only 9% of adults on the Upper East Side.⁷ The lack of supermarkets, limited food selection at bodegas, and prevalence of fast food establishments often contribute to the paucity of healthy food options in poor neighborhoods.

In November 2006, Mayor Bloomberg and City Council Speaker, Christine C. Quinn, announced the formation of a new Food Policy Task Force and the creation of a new ombudsman for the City's efforts around hunger and access to healthy foods. The Food Policy Coordinator reports to

Deputy Mayor Gibbs, and collaborates with advocates and service providers. He has already advanced the work of committed City agencies, such as the Department of Health and Mental Hygiene, the Department of Education, the Human Resources Administration, and the Health and Hospitals Corporation.

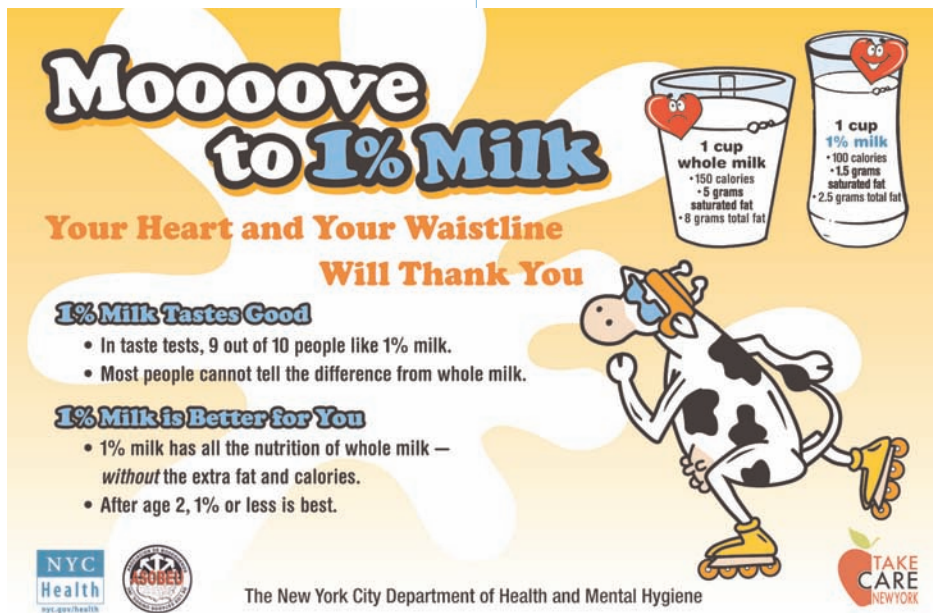
The Task Force has identified several priorities:

- Healthy food retail access
- Making the food that the City serves healthier
- Hunger/food support

The Healthy Bodegas Initiative, started by the Department of Health and Mental Hygiene (DOHMH) in 2006, focuses on increasing the availability of healthier foods at bodegas in District Public Health Office areas located in the South Bronx, Central Brooklyn, and Harlem. CEO funds created an outreach team which is expanding the initial pilot of

approximately 300 bodegas to 1,000 additional bodegas. The Healthy Bodegas Initiative is currently focusing on increasing the availability and demand for 1% milk. To date, the outreach team has recruited 402 bodegas to participate in the campaign and expects to visit

1,000 bodegas twice (baseline and follow up) by March, 2008. A third and possibly fourth visit will be made to a subset of bodegas to introduce additional campaigns through August 2008. Efforts to increase demand through community outreach has been, and will continue to be, conducted in the South Bronx, Central Brooklyn, and Harlem.



⁷ Gordon C, N. Ghai, M. Purciel, A. Talwalkar and A. Goodman. *Eating Well in Harlem: How Available Is Healthy Food?* New York City Department of Health and Mental Hygiene, 2007.

The City serves approximately 217 million meals and snacks per year through its schools, hospitals, jails, senior meals, and other programs. City agencies are committed to improving the quality of meals served and are working with DOHMH to develop new standards for City meals. These standards will include requiring City agencies to eliminate all deep-fried foods and to serve exclusively 1 % and skim milk. Several agencies have already addressed this matter. The Department of Education, for example, serves only 1% and skim milk; it has also increased the availability of fresh fruits and vegetables and reduced the amount of fried and processed foods in City schools.

The City also has several initiatives to increase enrollment in food support programs. Over 1.09 million New York City residents received Food Stamps in FY 2007 – a 25.7% increase since FY 2002.⁸ Because of this remarkable increase, the USDA recently recognized New York State as being among the most successful states in the country at improving access to the Food Stamp program. The City’s ACCESS NYC, an online benefit screening tool, helps people apply for Food Stamps, and the Food Policy Coordinator has also worked with the Human Resources Administration to streamline Food Stamp application and re-certification processes.

The Food Policy Task Force bolstered outreach for the summer meal program and eight public libraries offered meals for the first time. Together, these two efforts led to a nearly 7% increase in participation in the summer meal program.⁹ Under the auspices of its 311 system, the City also initiated a 24-hour hunger hotline. Live operators are available 24 hours a day, 7 days a week to give callers information about the location and hours of local soup kitchens and food pantries. These efforts have led to vastly improved services for those in need. The Food Policy Coordinator is also Co-Chair of the New York City Partnership for Food and Fitness sponsored by the W.K. Kellogg Foundation. The Partnership includes public and private organizations that identify and recommend ways to make healthy eating and physical activity a part of daily life for more New Yorkers.

PUBLIC OUTREACH

CEO has sustained the dialogue initiated by Mayor Bloomberg and the Commission for Economic Opportunity, which involved leaders from the public, private, nonprofit, philanthropic, and academic fields. Through participation in various meetings, conferences, panel discussions, and other events, CEO is able to share the lessons learned and describe efforts to identify promising and innovative programs. In this way, CEO also gains opportunities to learn about other new promising programs and strategies. These outreach efforts, undertaken by the Mayor’s Office, CEO, and agency staff promote anti-poverty efforts across the country, and stimulate innovative ideas and policies.



Mayor Bloomberg and Deputy Mayor Gibbs speak with Shakira about her international poverty efforts.

Opportunities for Collaboration

Since December 2006, CEO and Mayor’s Office staff have met with dozens of organizations, advocates, and local governments. CEO has educated service providers and advocates on the landscape of City services and CEO programs. Member organizations like Community Voices Heard have helped to facilitate recruitment for CEO programs and have drawn our attention to other promising training and support projects. Mayor Bloomberg, Deputy Mayor Gibbs, and CEO have connected with local governments across the country, including Chicago, Los Angeles, Detroit, Philadelphia, and Savannah, describing the Commission’s

⁸ The Mayor’s Management Report Fiscal 2007 (see section on the Human Resources Administration).

⁹ As reported by the NYC Department of Education, Office of School Food, 2007.

process for identifying new strategies, emphasizing the Administration's commitment to innovation and evaluation, and highlighting the Mayor's new Earned Income Tax Credit (EITC) proposal. These partnerships allow us to identify new opportunities for collaboration and assist others in their efforts to create similar agendas for economic opportunity.

Advisory Boards

The City agencies charged with the implementation of CEO initiatives have played an active role in this dialogue. Agencies continue to meet with experts, program administrators, and others to improve the design of CEO pilot programs and projects. These meetings inform CEO work, improve service delivery, and identify possible challenges. Some initiatives have developed more structured opportunities for input, creating new advisory boards and committees. For example, the Administration for Children's Services has assembled a steering committee to help develop the financial education curriculum for its Youth Financial Empowerment program. CEO's Office of Financial Empowerment also recently appointed an advisory board to provide support and guidance on new asset building projects.

Networks & Policy

In addition to these presentations, and expert and stakeholder meetings, new learning networks are being created to ensure an ongoing exchange of ideas in support of several initiatives. CEO, with *Opportunity NYC: Family Rewards* and *Opportunity NYC: Work Rewards* partners MDRC and Seedco, is in the process of developing a CCT Learning Network with additional funding from the Rockefeller Foundation. This Network will encourage information sharing among leaders of incentive-based programs from the international community. Network participants will become influential voices in future discussions about incorporating a conditional cash transfer approach into government policies.

On a national scale, the Office of Financial Empowerment is working to develop a coalition of cities committed to protecting low-income families. This coalition will enable cities to combine their voices and strength in key policy areas affecting the ability of low-income families to accumulate assets. Similarly, CEO plans to convene a meeting of

national experts to discuss alternative poverty measures. By creating these more formal networks, CEO hopes to sustain an ongoing conversation on poverty policy and contribute to the debate both nationally and internationally.

Conclusion

A dialogue linking policymakers with stakeholders, advocates, and experts helps to sustain interest in innovative programs and enables us to identify ever-stronger, more promising anti-poverty programs. Organizations including the National League of Cities, the U.S. Conference of Mayors, the National Conference of State Legislatures, and the National Governors Association have provided venues for discussion and are an invaluable network of support. CEO's experience allows New York City to make substantial contributions to the poverty debate and will serve to further anti-poverty work both at a national and international level.

POVERTY MEASUREMENT AND RESEARCH

The Commission for Economic Opportunity's Report to the Mayor urged the City to develop new instruments to gauge economic well-being in New York. This suggestion grew out of a widespread frustration among the Commission's members, who felt that the data and conceptual tools at their disposal were inadequate guides for either understanding the current level of economic deprivation in New York, assessing the effect of current public policy, or forecasting the potential impact of new policy initiatives on the City's low-income population. The Commission concluded that, along with programmatic innovation to reduce poverty, the City needed to improve the tools that measure it.

The Center for Economic Opportunity is responding to this need. In June 2007, Dr. Mark Levitan was hired as CEO's Director of Poverty Research. Dr. Levitan comes to CEO with a decade of experience as a Senior Policy Analyst at the Community Service Society where he authored a number of highly influential studies on poverty, joblessness, and the New York City low-wage labor market.

The Center has a two-fold agenda for poverty measurement in 2008. Over the next year, CEO will inaugurate a series of annual reports that will track the well-being for each of the Center's target populations: children under six, young adults (persons 16 through 24 years of age), and the working poor. In addition, CEO will issue a study of economic deprivation in the City that is based on a new measure of poverty.

Annual Reports on CEO Target Populations

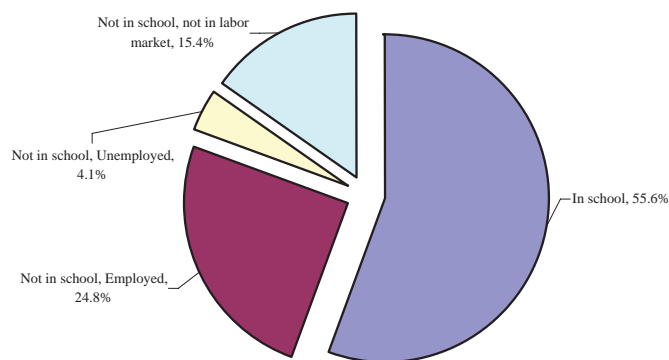
CEO's target populations were selected because of their strategic importance to the broader goal of poverty reduction in New York City. The Center will issue annual reports detailing trends in the social and economic indicators that are most relevant for each target population. The goal of these studies is to offer policymakers and the public the information they need to track citywide and neighborhood-level trends over time; they are not intended to serve as program evaluations or agency performance measures. Those needs will be met through CEO's evaluation efforts, as detailed in

Section I of this report. Rather, the studies will offer a big picture view that can inform strategic thinking and program planning going forward.

The first report will be issued in spring of 2008. It will focus on the City's youth: our 16 through 24 year old population. People in this age group face the challenge of making a successful transition from the end of their childhood to an adulthood characterized by success in the workplace, rewarding family relationships, and positive civic participation.

Figure 1 provides a point in time estimate of the extent to which the City's youth are either attending school or participating in the labor market. A little more than half (55.6%) of New York's nearly 1.1 million youth are attending school. A quarter (24.8%) were not in school, but employed. Another 4.1% were not in school, but unemployed (jobless, but actively seeking work). Finally, more than one-in-seven (15.4%) were neither in school or participating in the labor market. These roughly 165,000 young people have become known as "disconnected" youth.

**Figure 1: School Enrollment and Labor Market Status
NYC Youth, 2005/2006**



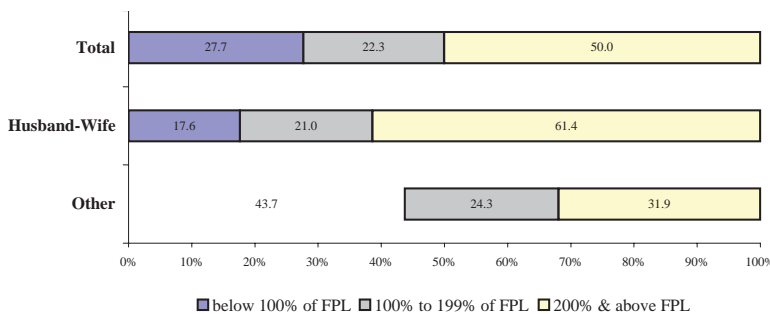
Source: CEO tabulations from the Current Population Survey.

The social science research tells us that disconnected youth more likely than others to engage in activities (such as drug abuse and crime) that are destructive to themselves and their communities. Adults who have experienced prolonged spells of disconnection in their youth are more likely to be jobless and earn lower wages later in their lives than those who had been able to stay in school or find steady employment.¹

The CEO report on the City’s young adult population will provide indicators tracking their progress in school and engagement in work. It will also explore factors and behaviors that threaten a successful adulthood such as teen pregnancy, involvement in the criminal justice system, or participation in other risky behaviors.

The youngest New Yorkers (children under 6 years of age) are another CEO focus population. As Figure 2 indicates, many of the City’s children begin life from a disadvantaged position; one half are living in low-income families. Over a quarter (27.7%) lives in poverty (below 100% of the Federal poverty line) and another 22.3% are near poor (family income from 100% up to 200% of the Federal poverty line).

Figure 2: Poverty Status of NYC Children less than 6 Years of Age, By Household Type



Source: CEO tabulations from the American Community Survey 2006.

Child poverty is less common among children in two-parent households. Yet, the poverty rate for children in this group is still disturbingly high at 17.6%. More than a third (38.6%) of New York’s children are living in some other household type (headed by a single parent, grandparent, or other relative). Over 43.7% of this group lives in poverty, and another 24.3% is near poor.

The surest way for a person who is born into poverty to rise out of it is to succeed at school. CEO, therefore, is most interested in indicators that speak to the degree to which the City’s children can begin their career as students physically and emotionally ready to learn. The dimensions of child well-being that are most relevant and measurable are the stability of their family life, physical health, and participation in early childhood development programs. CEO will develop indicators that track progress in these areas.

A third annual report will focus on New York City’s low-income working families. Of the nearly 350,000 families in New York who are living below the poverty line, 141,000 (47.6%) are headed by a worker.² A comparable estimate for 1989 was 29%.³ The CEO report will explore trends in family status, educational attainment, labor force participation, employment and wages that underlie the growth in working poverty. In addition, the report will track an increasingly important factor in the well-being of low-income working families, their participation in programs that provide supplements to their earnings (such as the Earned Income Tax Credit) and foster job retention (such as subsidized childcare).

A New Measure of Poverty

Mayor Bloomberg’s 2006 State of the City speech put poverty reduction on the City’s agenda. His commitment, the work of the Commission for Economic Opportunity and the subsequent creation of CEO all raise the questions, what are we trying to reduce? And how do we gauge our progress? The U.S. Census Bureau issues annual reports providing the poverty rate for the nation, states, and larger municipalities. Over the last 40 years, the poverty rate has

¹ Besharov, Douglas J. and Karen N. Gardiner. “Introduction: Preventing Youthful Disconnectedness.” In Douglas J. Besharov, Editor. *America’s Disconnected Youth: Toward a Preventative Strategy*. Washington DC: CWLA Press, 1999.

² CEO calculations from 2006 American Community Survey, Table C17016.

³ Analysis of 1990 Census data by the New York City Department of City Planning.

become one of our most carefully watched social indicators. Each year's announcement of the poverty rate sparks discussion of how well the most disadvantaged Americans are faring. But increasingly, the conversation also includes criticism of how well the poverty rate actually counts the poor.

How is Poverty Measured?

The Census Bureau measures poverty by comparing a family's total pre-tax cash income against a set of thresholds (the poverty line) that vary by family size and composition. Income includes cash received from any source including earnings, investments, pensions, insurance as well as means-tested cash assistance. The threshold levels rise as the number of family members grows; thus the 2006 threshold for a family of one adult and two children was \$16,227. For a two-adult, two-child family it stood at \$20,444.⁴ If a family's income falls below the threshold the family (and each of its members) is classified as poor. The poverty rate is the proportion of the total population that is living below the poverty line.⁵

What is Wrong with the Current Measure?

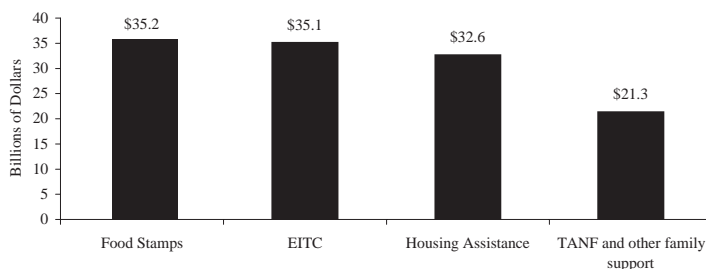
The apparent simplicity of this measure – a straightforward definition of resources and a yardstick against which they are measured – masks a number of significant deficiencies. As a recent review aptly concluded, “The United States got itself the worst of all worlds – an increasingly mean measure of poverty that also suggested that U.S. social programs were not making a difference when they were.”⁶

Pre-tax cash income is an increasingly incomplete measure of the resources available to a family to attain an acceptable standard of living. Income is taxed and what goes to government reduces what is available to families. But government also uses refundable tax credits (such as the Earned Income Tax Credit) to supplement family income. Cash income does not account for the effect that “in-kind” benefit programs have on living standards.

Food Stamps or Section 8 housing vouchers, for example, are used like money by low-income families to meet their food and housing expenses. They free recipients' cash income to meet other needs. Tax credits and in-kind benefits have become an increasing share of government anti-poverty expenditures; as Figure 3 indicates spending on Food Stamps, housing subsidies, and the Earned Income Tax Credit each dwarf expenditures for traditional cash assistance. As a result, ever more of what government does to provide support to low-income families is undetected by the poverty rate.

The income thresholds are problematic in different ways. They were developed in the mid-1960s on the basis of the cost of the U.S. Department of Agriculture's “Economy Food Plan,” a diet for “temporary or emergency use when funds are low.” Because the survey data available at time indicated that, on average, families spent a third of their income on food, the thresholds were set at three times the cost of the food plan.

Figure 3: Federal Payments for Individuals in Selected Anti-Poverty Programs, Fiscal 2006



Source: U.S. Bureau of the Census. Statistical Abstract of the United States: 2007. Table 463.

⁴ U.S. Census Bureau, Poverty Thresholds 2006.

⁵ A more detailed explanation for how the Census Bureau measures poverty is available at: <http://www.census.gov/hhes/www/poverty/povdef.html>.

⁶ Glennerster, Howard. “United States Poverty Studies and Poverty Measurement: The Past Twenty-Five Years,” *Social Science Review*, March 2002.

With the exception of some minor revisions, the only change in the thresholds since they were officially adopted in 1969 is that the Census Bureau updates them annually by the change in the Consumer Price Index.⁷

Four decades later, the poverty thresholds have also become an anachronism. First, they no longer reflect spending patterns. As illustrated in Figure 4, food now accounts for little more than one-eighth of family expenditures. Housing is the largest major item in a typical family's budget, representing nearly one-third of total spending.⁸

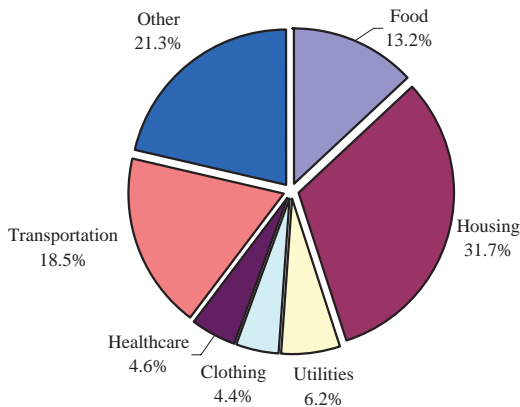
Another of the thresholds' shortcomings is that they are uniform across the nation. The poverty line that measures poverty in Manhattan is the poverty line that applies in rural

Mississippi. The need to account for differences in living-costs across the nation is an obvious concern here in New York City.

Differences in living costs are driven by the wide variation in the cost of housing. A commonly-used indicator of those differences is the Fair Market Rents calculated by the U.S. Department of Housing and Urban Development. Figure 5 provides these for a rural county in Mississippi (Carroll), a number of urban areas, and the suburban counties of Nassau and Suffolk in New York. At \$1,318, the Fair Market Rent for a two bedroom apartment in the New York, NY Fair Market Rent Area (consisting of the City's five boroughs along with Putnam and Rockland counties) is 2.6 times that of Carroll County (\$498) and 1.5 times the national average (\$867). While it is not quite at the level of San Francisco, it is also considerably higher than a number of major urban areas.⁹

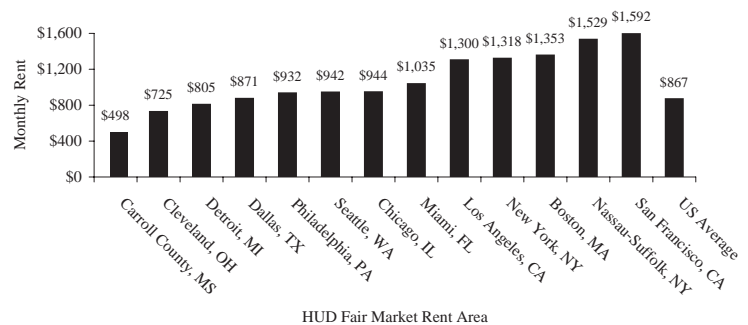
Another issue concerning the thresholds is their declining relationship to income levels enjoyed by the economic

Figure 4: Composition of Family Expenditures



Source: U.S. Bureau of Labor Statistics: Consumer Expenditure Survey.

Figure 5: Selected Fair Market Rents, Two-Bedroom Apartment



Source: U.S. Department of Housing and Urban Development.

⁷ Fisher, Gordon. "The Development and History of the Poverty Thresholds" *Social Security Bulletin* Vol. 55 No. 4, 1992. Available at www.ssa.gov/history/fisheronpoverty.html.

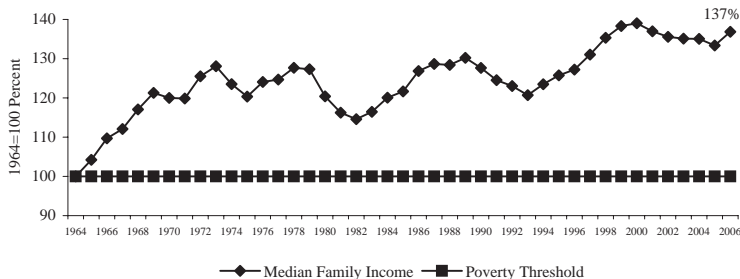
⁸ Family expenditure shares are computed for a consumer unit consisting of a husband and wife with children from data in "Consumer Expenditures in 2005." U.S. Department of Labor, Bureau of Labor Statistics, Report 998, April 2007.

⁹ For an explanation of the derivation and use of the Fair Market Rent estimates, see U.S. Department of Housing and Urban Development, Office of Policy Development Research. "Fair Market Rents for the Section 8 Housing Assistance Payment Program." July 2007. The rents provided in Figure 3 are for fiscal year 2008. The national average Fair Market Rent was calculated as a weighted-by-population size mean for all the HUD areas.

mainstream. Because they are only adjusted to reflect the rising cost of living, the poverty lines are designed to represent an unchanging standard of income adequacy. In more technical language they are an “absolute” poverty measure. They take no account of the rise in living standards over time.

Figure 6 illustrates how over the last four decades the gap between the poverty thresholds and median family income has grown. Because the inflation-adjusted value of the poverty threshold is held steady by its annual revision, the plot for its value is a horizontal line. But median family income has grown more rapidly than the inflation rate, reaching 137% of its 1964 purchasing power in 2006.¹⁰

Figure 6: The Poverty Threshold and the Growth of Inflation-Adjusted Median Family Income



Source: U.S. Bureau of the Census.

When they were first introduced, the poverty line for a family of four equaled roughly 50% of median income for a family of that size. Today that threshold is less than one-third of the median.¹¹ Thus, although the poor are no worse off in an absolute sense, the income threshold that defines who is poor has fallen relative to the American standard of living.

The drawback with an absolute measure is that it fails to recognize poverty’s social dimension. As Adam Smith observed centuries ago, “By necessities I understand not only the commodities which are indispensably necessary for the support of life, but whatever the customs of the country renders it indecent for credible people, even the lowest order, to be without.”¹²

More modern research echoes Smith’s insight. The poor’s experience of deprivation reflects their economic distance from the rest of society. Expert estimates of income adequacy and public opinion as to what constitutes enough income to “get by” increase as living standards (the “customs of the country”) rise.¹³

The inability to meet an unchanging level of material need, CEO believes, is too narrow a basis for a democratic society to judge who is poor. A democracy also values the capacity of all to be “credible persons,” to participate in society as members of communities, families, as well as in their workplaces. That ability depends, to a large degree, on having access to the ever-expanding prosperity enjoyed by the rest of society. Over time, goods and services that were once viewed as luxuries become common comforts and latter, necessities of a normal life. In most of the nation, for example, it is now nearly impossible for a family to function without a reliable automobile. Today every family must have a telephone if it is to contact emergency services. If it is to have access to news, information and culture a TV, radio, and newspapers are essential. This was not always true, but it is true now. And soon (if not now) we will need to add cell phones and access to the Internet to that list.

¹⁰ Family income was adjusted by the CPI-U. Data are from U.S. Bureau of the Census Historical Income Tables available at <http://www.census.gov/hhes/www/income/histinc/f05.html>.

¹¹ Ziliak, James. “Understanding Poverty Rates and Gaps: Concepts, Trends, and Challenges.” *Foundations and Trends in Microeconomics*. 1 (3), 2006.

¹² Smith, Adam. *An Inquiry into the Nature and Causes of the Wealth of Nations*. Republished, New York: Prometheus Books, 1991 (originally published 1776).

¹³ Fisher, Gordon. “Is There Such a Thing as an Absolute Poverty Line Over Time? Evidence from the United States, Britain, Canada, and Australia on the Income Elasticity of the Poverty Line.” U.S. Bureau of the Census. Poverty Measurement Working Papers, August 1995. Available at www.census.gov/hhes/www/povmeas/papers/elastap4.html.

What Should an Alternative Look Like?

The growing dissatisfaction with the official poverty measure has led to a variety of alternative approaches. These can be categorized as proposals to:

1. *Change the definition of resources available to meet needs.* In addition to its reports using pre-tax cash, the Census Bureau has been publishing poverty rates based on a series of alternative measures of in-kind benefits.¹⁴ Some researchers have proposed a more fundamental change: to use consumption expenditures, what families are actually spending on necessities, rather than income (the potential to purchase) as the resource measure.¹⁵
2. *Change the definition of income adequacy.* Rather than basing the standard of an adequate income on one type of necessity, food, some have argued for creating “basic needs,” “basic needs,” “basic family,” or “self-sufficiency standard” budgets that estimate the current cost of meeting a broad market basket of necessities that also includes housing, utilities, clothing, transportation, child care, health insurance, etc.¹⁶
3. *Change the definition of poverty.* In light of the shortcomings of an absolute poverty measure, some policy experts have argued that poverty should not be defined in relationship to a standard of need that is based on either the costs of or expenditures on necessities. Instead, they take a purely relative approach to defining who is poor.¹⁷ One commonly employed gauge of relative poverty is to use a percentage of median family income (such as 50%) as the standard of income adequacy.

CEO has reviewed these as well other approaches. Our thinking was guided by several criteria.

1. The new measure should be easily understood by the “non-expert” public. This suggested that rather than a radical departure from the familiar, if flawed, official measure, a new approach should maintain its structure (economic resources measured against a set of thresholds that are derived from expenditures on necessities), but seek to improve its component parts. Specifically the new measure should:
 - A. Provide a more complete measure of resources.
 - B. Employ thresholds that reflect differences in living costs across the country and are updated in a manner that takes account of the long-term rise in living standards.
 - C. Provide a poverty rate, a count of what fraction of the City’s or nation’s population is living below the poverty line.
2. The new measure should be grounded in a substantial body of research and should be supported by experts in the field. Poverty measurement is a controversial topic. The credibility of a “CEO poverty measure” will rest, in part, on the degree to which it is based on research by, and consensus among, researchers.
3. The new measure should be a better tool for policymaking. The call for new measures of poverty came out of the frustrations experienced by people who wanted to design policies that address poverty. CEO put a premium on the extent to which a new measure should capture the current impact and potential effect of public policy.

¹⁴ See, for example, U.S. Bureau of the Census. “Alternative Poverty Estimates in the United States: 2003.” June 2005.

¹⁵ An example of research in this vein is, Meyer, Bruce D. and James X. Sullivan. “Further Results on Measuring Well-Being of the Poor Using Income and Consumption.” NBER Working Paper 13413, September 2007.

¹⁶ Cauthen, Nancy K. and Sarah Fass. *Measuring Income and Poverty in the United States*. New York: National Center for Children in Poverty, 2007. Bernstein, Jared, Chauna Brocht, and Maggie Spade-Aguilar. *How Much is Enough? Basic Family Budgets for Working Families*. Washington, DC: Economic Policy Institute, 2000. Pearce, Diana M. “The Self-Sufficiency Standard: A New Tool for Evaluating Anti-Poverty Policy.” *Poverty & Race*, 10 (2), 2001.

¹⁷ This is the approach taken by the Organization of Economic Cooperation and Development. See, for example, Organization for Economic Cooperation and Development, *OECD Employment Outlook*, June 2001.

4. A new measure should be practicable, that is, the City must be able to turn a better idea into an annual measure and do so at a reasonable cost.

CEO concluded that it should base its alternative poverty measure on a set of recommendations that, at the request of Congress, had been developed by the National Academy of Sciences’ (NAS) Panel on Poverty and Family Assistance.¹⁸ While the Federal government has yet to adopt its recommendations, they have received extensive scrutiny by government researchers and university-based scholars. It is widely regarded as a far superior method of measuring poverty than the official measure (a side-by-side comparison of the official and NAS recommended measure is provided in Figure 7).

The NAS Panel’s Recommendations in Brief

1. *Changes to the poverty threshold:* The NAS panel recommended that the poverty thresholds reflect purchases on food, clothing, shelter, and utilities, rather than basing the threshold on the costs of, or expenditures on, just one basic need. Specifically the threshold should be set to equal roughly 80% of median family expenditures on this market basket of necessities, plus “ a little more ” for other necessary expenditures. These thresholds would be updated annually by the change in median expenditures. Over time this method would ensure that the poverty line would reflect the long-term rise in the nation’s standard of living.

FIGURE 7: COMPARISON OF POVERTY MEASURES

	CURRENT POVERTY MEASURE	NATIONAL ACADEMY OF SCIENCES RECOMMENDATION
THRESHOLD	Equal to 3 times cost of “Economy Food Plan.”	Equal to roughly 80% of median expenditures on food, clothing, shelter (including utilities) plus “a little more.”
	Adjust annually by change in Consumer Price Index.	Adjust annually by change in expenditures.
	No adjustment.	Adjust geographically using differences in housing costs.
RESOURCES	Total family pre-tax cash income.	Total family after-tax income.
		Include value of in-kind benefits such as Food Stamps and housing subsidies.
		Subtract work-related expenses such as child care and transportation costs.
		Subtract medical out-of-pocket expenses.

¹⁸ National Research Council, Panel on Poverty and Family Assistance. *Measuring Poverty: A New Approach*. Constance F. Citro and Robert T. Michael, eds. Washington, DC: National Academy Press, 1995.

In addition, the NAS suggested that the thresholds be adjusted geographically to reflect differences in the cost of living across the U.S.

2. *Changes to the definition of resources:* Rather than pre-tax cash income, the NAS panel suggested a much more inclusive definition of family resources that would be compared to the new threshold. In addition to cash income, the resource measure should account for the effect of tax liabilities and credits along with the cash value of in-kind benefits. They also recommended that resources should be adjusted to reflect necessary expenditures related to work, such as transportation costs and child care. Medical out-of-pocket expenses would also be subtracted from income, since what families must spend to maintain their health is available for purchasing other necessities.

Plans to implement the NAS recommendations in New York

CEO is planning to use the Census Bureau's American Community Survey (ACS) as the primary data source for this new measure. The ACS is an annual survey that is designed (as its name suggests) to provide data for relatively small geographic areas. The survey covers a variety of housing, income, and demographic subjects such as shelter costs, sources of income, work experience, family status, age, race, nativity, and educational attainment. The public use micro-data files, which CEO will be using, provide a sample equal to roughly one-percent of the U.S. population. The large sample available for New York City will facilitate neighborhood-level estimates of poverty, allow for comparisons between demographic groups, and enable us to compare New York City to other major cities in the United States.

Aspiration to spur Federal action

In addition to providing the public and local policymakers with better tools for understanding poverty and the impact that policy initiatives are having on low-income New Yorkers, our hope is that our example prompts other cities to engage in similar efforts. Ultimately, the poverty measure should be revised by the Federal government. As Deputy Mayor Linda Gibbs noted in her testimony to the U.S. House Ways and Means Subcommittee on Income Security and Family Support, the public needs to know whether its government is taking effective action to address poverty.¹⁹

¹⁹ Testimony Submitted for the Record to the U.S. House of Representatives Ways and Means Subcommittee on Income Security and Family Support. Linda Gibbs, Deputy Mayor for Health and Human Services, City of New York. August 1, 2007. Available at <http://www.nyc.gov>.



APPENDIX A:

COMMISSION RECOMMENDATIONS/
CEO PROGRAM RESPONSES

APPENDIX A: COMMISSION RECOMMENDATIONS AND CEO PROGRAM RESPONSES

In September of 2006, the Mayor's Commission on Economic Opportunity issued a report calling for a substantive new commitment to policies and programs to reduce poverty among three key target populations. The following pages list the 31 recommendations made by the New York City Commission for Economic Opportunity. This section lists each recommendation and the CEO program response. The 41 CEO initiatives are briefly described and programs that address more than one of the Commission's recommendations are repeated where appropriate. There are also several initiatives that are not based on Commission recommendations but certainly in the spirit of its charge. These are listed at the end of this section.



The New York City Commission for Economic Opportunity presents its report to Mayor Bloomberg and Deputy Mayor Gibbs.

Working Poor

According to the NYC Commission for Economic Opportunity, there are over 350,000 working New Yorkers who live in poverty.¹ The Commission made recommendations in three distinct areas for this population: Strategies for Promoting Career Paths, Asset Building and Financial Literacy, and Creating Affordable Housing for Low-Wage Working Families.

STRATEGIES FOR PROMOTING CAREER PATHS

Commission Recommendations: Restructure and coordinate workforce development services to promote career skills building and career advancement.

Workforce Coordination: The Workforce Provider Training Directory is a new internet-based service that will match job seekers with appropriate training programs to promote skills building and career advancement. The directory, the first comprehensive listing of training programs, will also include participant ratings and completion rates so that consumers can assess program quality.

Workforce Coordination: Food Stamp Employment and Training is a policy initiative to increase the funding for workforce development by accessing available Food Stamp employment and training funds.

Workforce Coordination: The Community Based Organization Outreach initiative employs outreach workers from three Workforce1 Centers in Brooklyn, Queens, and the Bronx to inform local community based organizations about Workforce1 Career Center job orders and services.

Promote the expansion of apprenticeship and credentialing programs.

The **HHC Nursing Career Ladder Program** creates a four-year Registered Nurse (RN) and an accelerated ten-month Licensed Practical Nurse (LPN) program for low-income New Yorkers and HHC employees. An LPN prep program helps to prepare potential students for the reading and math skills required for the intensive program.

¹ Census Bureau, 2006 American Community Survey; includes all persons aged 16 and over in the work force.

Establish career pathways for entry-level employees.

The **Customized Training Funds** initiative expands the number served and the range of employee training activities under the successful NYC Business Solutions Training Fund. Grants to businesses provide workers with contextualized literacy training, ESL, work readiness, and occupational skills training; businesses commit to wage gains and improved retention.

CEO funding also supports the creation of a new **Sector-Focused Career Center** that meets the skill and employment needs of a growth industry as it provides low-income workers access to jobs with career advancement opportunities.

Increase access to training for those who are working.

The **Work Advancement and Support Center** promotes job advancement and increased earnings through two program models. The first incorporates retention and advancement services, as well as access to work supports in an existing Workforce1 Career Center located in upper Manhattan. The second project is a dedicated neighborhood-based Center in Bedford-Stuyvesant that combines workforce services, supportive services, and access to work supports.

Create effective partnerships among labor unions, business, and government to promote career ladders.

CEO's work-related programs partner with members of the business community in order to promote job placement and training, as well as foster career ladders for low-income individuals. For example, the **Sector-Focused Career Center** is industry-focused, demand-driven and business-oriented. It also provides workforce preparation that is grounded

in both the employment needs of businesses as well as the developmental needs of jobseekers and employees.

Improving and expanding benefits that support work.

Nationwide, approximately 86% of households eligible for the **Earned Income Tax Credit** file for credit,² New York City lags slightly with 80% of eligible households participating.³ CEO supports several initiatives to increase the number of individuals receiving the Earned Income Tax Credit. In one innovative approach, the City mails completed tax returns to eligible households that have not filed for the benefit. The City also continues to work with the EITC Coalition to promote the EITC and facilitate tax filing.

The City's new **Child Care Tax Credit** provides up to \$1,700 to families with young children and an annual household income of less than \$30,000. The City credit is similar to the State and Federal credit and together these credits provide real support for low- and moderate-income working families.

Use technology to improve access to work supports.

CEO funding supports the promotion and expansion of **ACCESS NYC**, a web-based pre-screening tool that customers can use to assess their eligibility for public benefits like Head Start, food stamps, Section 8 Housing Assistance, and Medicaid.

In addition, the **3-1-1 Language Access** initiative markets 3-1-1 Health and Human Service Information & Referral to non-English speakers as a comprehensive access point for public and other support services.

Encourage enrollment in income-enhancing work support programs through outreach and marketing campaigns.

² Burman, Leonard E., and Deborah Kobes, "EITC Reaches More Eligible Families Than TANF, Food Stamps." Washington, D.C.: Urban Institute, March 17, 2003.

³ CEO Report, 19.

The **ACCESS NYC** and the **3-1-1- Language Access** initiatives both utilize outreach and marketing campaigns to encourage enrollment in income-enhancing support programs.

Expand and restructure work support programs to assist and encourage participation in the labor force.

The New York City **Child Care Tax Credit (CCTC)** targets families with young children who often experience the greatest difficulties finding and paying for child care. When combined with the State and Federal Child Care Tax Credits, families receive real support for their child care expenses.

Increase access to health insurance coverage.

ACCESS NYC screens for all publicly funded health insurance. In addition, the majority of work-related programs seek to include health and other benefits as part of the effort to move low-income workers out of poverty.

ASSET BUILDING AND FINANCIAL LITERACY

Preserve assets, improve financial literacy and encourage capital accumulation.

The **Office of Financial Empowerment (OFE)** is the first municipal office nationwide that is designed to educate, empower, and protect workers with low incomes, and help them make the best use of their financial resources.

Facilitate the expansion of small and micro-business lending.

The **Community Development Finance (Micro-lending) Research** initiative is analyzing access to financial products and services for micro and small businesses in New York City.

Enforce consumer protection and labor laws directed at low-income families and workers.

The **Living Wage** initiative enacted on July 18, 2007 by Executive Order No. 102 established new enforcement measures for living and prevailing wage requirements for City contractors.

The **Office of Financial Empowerment** offers low income workers consumer protection against predatory lending and other practices.

CREATING AFFORDABLE HOUSING FOR LOW-WAGE WORKING FAMILIES

Enhance and expand programs that transition families enrolled in Section 8, towards self-sufficiency.

CEO supports the enrichment of the **Family Self-Sufficiency** program (FSS), an asset development program available to residents in HPD's Section 8 program as part of a Conditional Cash Transfer (CCT) experiment.

Target affordable housing to poverty-level households.

The **Cross-Subsidized Housing** initiative provides support for the construction of housing that increases the stock of affordable housing available across the City to households living below the Federal poverty level. The initiative uses a combination of tax incentives and financing programs, and will be implemented and assessed by the NYC Department of Housing Preservation and Development (HPD).

Support the creation of mixed income developments.

The **Mixed-Income Housing** initiative pursues strategies to create mixed-income communities using a variety of tax and zoning incentives. These strate-

gies aim to improve the quality and affordability of housing for low-income households, as well as promote the social and economic benefits of mixed-income communities. The initiative will be implemented and assessed by the NYC Department of Housing Preservation and Development (HPD).

Young Adults (16-24 years)

Twenty-five percent of young adults in New York City live below the Federal poverty line.⁴ The Commission for Economic Opportunity made recommendations for this population in three distinct areas: Strategies to Prevent Youth Disengagement from School and Work, Strategies to Promote Re-engagement among Disconnected Youth, and Strategies to Support Vulnerable Young Adults.

STRATEGIES TO PREVENT YOUTH DISENGAGEMENT FROM SCHOOL AND WORK

Expand the availability of specialty settings for youth at risk of dropping out of high school.

CEO funding supports an expansion of the **Multiple Pathways to Graduation** initiative with new transfer schools, GED programs, Young Adult Borough Centers (YABC), and Learning to Work Programs. Multiple Pathways was established in September 2005 by the Department of Education with the goals of significantly increasing the graduation rates and college readiness of over-age and under-credited high school students.

Expand school-community collaboration to foster positive youth development in our neediest communities.

Teen ACTION (service learning) programs engage youth aged 13-21 who are attending school. Teen ACTION provides young people with a sustained opportunity to serve their community, learn about social issues, and reflect on their actions/contributions. Workshop sessions cover reproductive health and other topics.

Expand school-based health and reproductive health services.

Five new **School-Based Health Clinics** are being established in NYC high schools that are located in high-poverty and high teen pregnancy neighborhoods. The clinics provide comprehensive health services, including reproductive health services.

Expand on collaborations that connect youth in high school to college.

In addition to the Multiple Pathways initiative, the **CUNY ASAP** program is helping over 1,000 low-income students and young working adults obtain their Associate's Degree within three years. The program provides extensive support to ensure completion of the degree.

STRATEGIES TO PROMOTE RE-ENGAGEMENT AMONG DISCONNECTED YOUTH

Increase the availability of GED-to-College programs and other support services for young adults to continue with post-secondary education.

CUNY Prep is a model program that offers out-of-school youth an opportunity for full-time study in order to qualify for admission to college by obtaining a General Equivalency Diploma (GED). Students also earn college credits while participating in the program. In FY08, CEO funds enabled CUNY Prep to maintain and expand its program.

Increase the availability of work opportunities such as internships.

The **Young Adult Internship Program** provides paid internships, placement in permanent jobs or educational programs, and follow-up services for up to 1,440 youth aged 16-24 who are neither working nor in school.

⁴ U.S. Census Bureau, 2000 Census.

STRATEGIES TO SUPPORT VULNERABLE YOUNG ADULTS

Create career pathways for youth aging out of foster care.

The **Youth Financial Empowerment** program creates matched savings accounts for youth exiting foster care. Participants attend financial literacy work shops and can contribute up to \$1,000 to their individual development accounts. A 2:1 match is provided by private and government funds. Participants can withdraw funds to purchase approved assets, which include educational services, housing, and micro-enterprise or employment investments.

Create career pathways for youth exiting detention.

Life/Work Skills for Youth in Detention and in the Community introduces youth in detention who are between the ages of 11 and 17 to skills and resources to support their connection to the educational and workforce mainstream. The program will provide workshops to young people in detention and support services upon their return to the community, including case management, school referrals, workshops, and positive social interaction.

Increase opportunities for non-custodial fathers to participate in the workforce.

The Non-Custodial Parents (NCP) Initiatives engage low income, non-custodial parents in order to increase child support payments. Several programs help NCPs to manage child support orders, including adjusting arrears and default orders. Other programs provide NCPs with parenting classes and employment assistance.

Mandate and expand literacy and work readiness to individuals in prisons and jails.

Education for 19-24 year olds on Rikers Island expands educational programming on Rikers Island, and provides literacy, GED preparation and testing, English as a Second Language, vocational training, and support services to an additional 380 inmates.

In addition, **Model Education Programs for Youth Discharged from Rikers Island** offers three models of transitional educational programs for 16-24 year olds released from jail or on probation. The first model offers basic literacy for low-level readers, the second model provides GED preparation and connects college bound inmates to community college programs, and the third model utilizes mentoring to help the transition to education and/or jobs in the community.

Create transitional jobs for ex-offenders.

The Civic Justice Corps places court-involved youth, age 16-24, in a six-month work readiness program that includes skill building and assessment, work on a community benefit project, and internships. These activities are followed employment or education placements and follow up support.

Young Children (0-5 years)

Over 185,000 young children live in poverty in New York City.⁵ The Commission for Economic Opportunity made recommendations for this population in two distinct areas: Strategies to Ensure Good Starts, and Strategies to Promote Early Learning.

STRATEGIES TO ENSURE GOOD STARTS

Expand the Nurse Family Partnership program.

The **Nurse-Family Partnership program** provides low-income, first-time mothers with home visits from Registered Nurses during the prenatal

⁵ U.S. Census Bureau, 2006 American Community Survey.

period and during the first two years of the child's life. The program was established in NYC in 2003 and is in the midst of expanding the number of families it serves. As of October 2007, the program was serving nearly 900 women.

Extend health insurance coverage for children and families.

ACCESS NYC screens for all publicly funded health insurance, among other public services and benefits. More generally, the majority of work-related programs seek to include health and other benefits as part of the effort to move low-income workers out of poverty.

STRATEGIES TO PROMOTE EARLY LEARNING

Expand resources available for working families to access child care.

As previously mentioned, the New York City **Child Care Tax Credit (CCTC)** targets families with young children who often experience the greatest difficulties finding and paying for child care. The CCTC provides families with additional resources by giving them a child care tax credit up to \$1,700.

Expand Universal Pre-Kindergarten Program (UPK) to serve all three and four year-olds in NYC.

The **Universal Pre-K** initiative seeks to expand pre-kindergarten slots. The City added thousands of new slots for this school year and is also using UPK funds to improve the quality of services provided at existing pre-school/day care sites.

OTHER CEO INITIATIVES

The following anti-poverty initiatives were created above and beyond the recommendations of the Commission for Economic Opportunity.

Opportunity NYC

Opportunity NYC is a pilot project encompassing three distinct programs that offer cash transfers in strategic ways to help poor families achieve self-sufficiency. The project tests the impact of monetary incentives for completing activities in the areas of employment, health, and education.

Early Childhood Policy and Planning

Early Childhood Policy and Planning is a policy initiative that supports the integration and expansion of quality early childhood services through enhanced interagency coordination, development of performance standards, and efficient resource utilization.

Food Access and Policy Coordination

The Food Access and Policy Coordination initiative increases access to healthy foods, including an expansion of the Healthy Bodega Initiative.

Employment for Populations Involved in the Criminal Justice System

The Employment Works program is a job training and placement initiative that will help individuals on probation to secure employment and/or advance to better paid, permanent, unsubsidized employment.

City Agency Hiring

The City agency hiring initiative helps public assistance recipients to obtain eligible City agency and contracted positions.

Language Access

The Language Access initiative provides technical assistance and guidance to City agencies to more effectively serve limited English proficiency (LEP) New Yorkers.

APPENDIX B: DETAILED PROGRAM DESCRIPTIONS

CEO PROGRAM AREAS

Working Poor	<p>Benefits, Assets & Savings</p> <p>Asset building and savings strategies promote self-sufficiency and long-term economic success.</p> <ul style="list-style-type: none"> • Office of Financial Empowerment • ACCESS NYC • Increase EITC Receipt • Language Access • 311 Health & Human Services Language Access Outreach & Marketing Campaign • Microlending Study
	<p>Employee Skill Development</p> <p>An ever-widening skills gap and wage stagnation require strategic approaches to raise the living standards of low-wage workers.</p> <ul style="list-style-type: none"> • Nursing Career Ladder: LPN & RN • City Agency Hiring Initiative • Non-Custodial Parents • Living Wage • Security Contracts • Customized Training Funds • WASC: Upper Manhattan • Workforce Coordination: Training, FSET & CBO Outreach • WASC: Bedford-Stuyvesant • Training Provider Directory • Employment Works (Criminal Justice Programming) • Sector-Focused Career Center
Young Adults	<p>High-Risk Youth & Education</p> <p>Every effort to graduate a child to the next level is an investment in moving them out of poverty.</p> <ul style="list-style-type: none"> • Model Education Programs for Youth • Discharged from Rikers (3 Models) • Multiple Pathways Graduation Expansion • New School-Based Health Clinics • Teen ACTION (Service Learning) • Youth Financial Empowerment • Expansion of CUNY Prep • CUNY ASAP • Expansion of Education Opportunities on Rikers Island Multiple Pathways
	<p>High-Risk Youth & Employment</p> <p>Efforts to connect youth in ways that mainstream systems can't or won't must be explored.</p> <ul style="list-style-type: none"> • NYC Justice Corps • Young Adult Internship Program • Life/Work Skills for Youth in Detention and in the Community
Children	<p>Early Childhood Start</p> <p>Investments in improving the life chances of young children are critical to breaking the cycle of poverty.</p> <ul style="list-style-type: none"> • Early Childhood Policy & Planning • Food Policy • Expansion of Nurse-Family Partnership • Child Care Tax Credit
Opportunity NYC Conditional Cash Transfers	<p>Family Rewards</p> <p>A comprehensive, two-generation strategy to reduce current and long-term poverty by tying incentives to family efforts to improve:</p> <ol style="list-style-type: none"> 1. children's educational achievement, 2. family members' preventive health care, and 3. adults' work outcomes.
	<p>Work Rewards</p> <p>A strategy to reduce current and long-term poverty by tying incentives to adults' work outcomes, while using subsidized housing as a platform.</p>
	<p>Spark</p> <p>A school-based strategy to reduce second-generation poverty by closing the educational achievement gap through incentives for student performance on achievement tests.</p>

Opportunity NYC: Family Rewards

Opportunity NYC: Family Rewards is a privately-funded initiative that tests the impact of monetary incentives on health, education, and employment outcomes. The incentives are substantial enough to reduce poverty in the short-term as they encourage families to make long-term investments in human capital. *Family Rewards* is one of CEO's three conditional cash transfer experiments.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year¹</i>	<i>CEO Budget (Private Donation)</i>	<i>Total Budget (Private Donation)</i>
Center for Economic Opportunity	September 2007	2,550	\$34,950,000	\$34,950,000

Problem Statement

Despite considerable regional economic growth and changes in federal, state and local welfare and related policies over the last two decades, one out of five New Yorkers and a third of New York City's children live in poverty. Moreover, poverty in New York City is concentrated geographically, creating "pockets" of extreme poverty – where more than 40% of the population lives below the Federal Poverty Line.²

Research and Evidence

Conditional cash transfer (CCT) programs in over 20 countries around the world provide monetary incentives to households living in poverty when they complete activities aimed at increasing human capital development and breaking the cycle of poverty. To date, Mexico's CCT program, known today as *Oportunidades*, is the largest and the most comprehensively evaluated. The empirical evidence gathered from these evaluations shows that incentive-based strategies are an effective approach to reducing poverty and building human capital. *Oportunidades* currently serves over 25 million very low-income Mexicans – about one fourth of the country's population.

Several smaller scale CCT programs in the U.S are also using incentives. At least two of these programs have used financial incentives to encourage a range of positive activities. Although neither program has been rigorously evaluated, initial outcomes are positive:

- [The Family Independence Initiative](#) provides monetary rewards for actions like improving children's grades, improving credit scores, or enrolling in a health insurance program. Families can receive up to \$2,000 annually, plus an additional \$4,000 as part of a matching savings program. An initial pilot in Oakland served 140 families, and program sponsors reported that household incomes rose 26% in 18 months.
- A Chicago program, [Pathways to Rewards](#), allows participants to earn points for an individualized set of goals such as holding a job, going to scheduled medical appointments, improving their children's school attendance, and paying the rent on time. The points can be redeemed for gift certificates or checks made out to particular stores or vendors (e.g., a utility company). About 80% of the 130 participants in a small pilot met their goals.

Opportunity NYC: Family Rewards is the first major CCT program to offer incentives for employment/training, in addition to the health and education incentives offered by international programs.

Program Description

Opportunity NYC: Family Rewards is being piloted in six community districts with high levels of poverty. The program offers monetary incentives to low-income families for successfully completing targeted activities in education, health, and employment and training domains. The payments are significant and together have the potential to raise family income by an estimated 25-30% (approximately \$4,000 - \$6,000).³ As such, the payments function as an *income supplement* to immediately reduce economic hardship. Moreover, this initiative aims to promote access to, and utilization of, existing family support resources. The program will last between two and three years and will be evaluated over five years. It is being implemented in the central Bronx, East and Central Harlem in Manhattan, and Brownsville and East New York in Brooklyn.

MDRC, a nonprofit, nonpartisan education and social policy research organization, and Seedco, a national nonprofit intermediary organization will lead the design, implementation, and evaluation of the program.

To be eligible for the program, families must have at least one child in the fourth, seventh, or ninth grade attending a New York City public school. These grades were carefully chosen in light of evidence that suggests that they are critical transition years where children faced increasing risk of falling behind. It should be noted, however, that once a family has enrolled in the program, *all* school-age children in the family are eligible for the program's education-focused incentive payments regardless of grade level. In addition, a family must have at least one parent who is a U.S. Citizen or legal permanent resident.

A total of 5,100 families residing in the selected community districts, whose household income is equal to or less than 130% of the federal poverty level⁴ and who have school-age children at home will be enrolled in the program. Half of these families will be randomly assigned to a control group which will not receive incentives. The other half will receive incentive payments for completing activities in the targeted areas.

Six community based organizations (CBOs), one in each of the target community districts, were selected through a competitive process to enroll and support families. Families selected to be in the program group participated in an orientation workshop conducted by the CBOs in their respective communities. Throughout the program, the CBOs will offer information to program participants who seek guidance on services that might help them fulfill the requirements for the incentives.

Monetary rewards are awarded bi-monthly to participating households that meet specific targets for children's education, family preventive healthcare practices, and parents' workforce efforts. For example:

- **Education targets** include children's superior school attendance, sustained high achievement or improved performance on standardized tests, and parental engagement in children's education.
- **Health targets** include maintaining adequate health coverage for all children and adults in participant households, and age-appropriate medical and dental visits for each family member.
- **Workforce targets** include sustaining full-time work and/or combining work with approved education or job training.

Incentive payments range from \$25 for attending parent-teacher conferences and \$600 to high school students for passing a regents exam to \$100 for a preventive health screening and \$150 a month for maintaining full-time employment. In total, it is expected that participating families can earn approximately \$4,000 to \$6,000 per year depending on family size and the number of target activities met successfully. These funds are unrestricted, and may be used as the family deems necessary.⁵

Target Population

Opportunity NYC: Family Rewards serves 2,550 low income families with school-aged children. The program serves the following communities:

Manhattan CD 10, 11
 Brooklyn CD 5, 16
 Bronx CD 5, 6

Expected Outcomes

Short-Term:

- Alleviate poverty through the income supplement provided by the incentives
- Improve health and education outcomes for children and adults and workforce outcomes for parents

Long-Term:

- Reduce intergenerational poverty

¹ This number refers to the actual number of families that will receive monetary incentives. Because *Opportunity NYC: Family Rewards* is subject to a controlled experiment design, 5,100 families will be enrolled in the program. Half of these families will be randomly assigned to a control group that will not receive any monetary incentives or services.

² CEO Report, 8-9.

³ International CCT experts have found that for a CCT program to be effective, its monetary incentives need to offer between 25-30% of a family's income.

⁴ 130% of poverty represents an annual income of less than \$22,321 for a family of three.

⁵ Each program family received a coupon book highlighting the incentivized activities, and families submit documentation of meeting specified targets, such as a signed coupon by a doctor to verifying a health check up on a bi-monthly basis. Some activities like school attendance are automatically verified using administrative data. Each two-month period, the families' coupons and administrative data are reviewed and their earned rewards are deposited into a bank account or a stored-value card.

Opportunity NYC: Work Rewards

Opportunity NYC: Work Rewards is a publicly and privately-funded initiative targeted to adults in subsidized housing that tests the impact of monetary incentives tied to workforce activities, and an enriched Family Self Sufficiency Program. *Work Rewards* is one of CEO’s three conditional cash transfer experiments.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year¹</i>	<i>CEO Budget</i>	<i>Total Budget</i>
CEO/ HPD/NYCHA	November 2007	2,400	\$12,755,000 (private funds) \$3,400,000 (CEO funds)	\$16,155,000

Problem Statement

Section 8, the Federal housing voucher program, bases rent payments and continued program eligibility on income, thereby creating a disincentive to increase earnings. The Federal Family Self-Sufficiency (FSS) program, established by the U.S. Department of Housing and Urban Development (HUD) in 1990, aims to increase work participation and earnings among residents of public and subsidized housing by providing them with a savings escrow account that matches any increased rental payments and is receivable after five years. However, only a small proportion of eligible households participate in the FSS program.²

Research and Evidence

Opportunity NYC: Work Rewards tests two different strategies: 1) the impact of an enriched FSS model; 2) immediate monetary incentives for workforce and training activities on Section 8 voucher holders.

New York City’s Housing Preservation and Development (HPD) FSS program is one of the largest FSS programs in the country and has been recognized as a “best practice” by HUD.³ The program offers case management and support services through a contract with LaGuardia Community College’s Division of Adult and Continuing Education. The program has increased FSS program participation and earnings rates among some participants -- however, overall program participation rates have remained low. The goal is to increase FSS participant involvement through access to case management services close to home.

With funding from the Center for Economic Opportunity, HPD is expanding its promising FSS model by contracting with community based organizations (CBOs) in Upper Manhattan, the South Bronx, and Central Brooklyn to make the FSS case management services more accessible to participants throughout the city.

The CEO initiative also offers a workforce-focused conditional cash transfer (CCT) to a randomly selected subset of HPD’s and NYCHA’s voucher holders.⁴ The CCT is a more immediate incentive to promote work and training. Participants are eligible to receive cash bonuses for sustained full-time employment⁵ and for completing education and training courses while employed.

Empirical evidence gathered from the extensive evaluations of CCT programs around the world suggests that incentive-based strategies are an effective approach to reducing poverty and building human capital.⁶ The immediate rewards nature of a CCT provides the ability to decrease poverty in the short term through its function as an income supplement, as well as provide sustained and recurring inducement to take full advantage of existing institutions and programs that can help participants succeed.

Program Description

In New York City, both the Department of Housing Preservation and Development (HPD) and the New York City Housing Authority (NYCHA) grant Section 8 vouchers. *Opportunity NYC: Work Rewards* experiments with several program models. It will serve a total of 2,400 households (with an additional 1,700 households serving as control groups).

Opportunity NYC: Work Rewards measures the impact of two distinct HPD program models:

- Group 1 (700 participants): Enriched FSS program only.
- Group 2 (700 participants): Enriched FSS program and CCT component.
- Group 3 (700 participants): Serves as a control group and will not be enrolled in FSS or offered the CCT, but will be invited to re-apply for the enriched FSS program after 1 year.

The NYCHA program targets voucher holders who are not participating in FSS and offers them employment or training incentive payments. Families participating in the NYCHA program include:

- Group 1 (1,000 participants): Eligible for CCT incentives.
- Group 2 (1,000 participants): Serves as control group and will not be offered the CCT incentives.

Participants in the CCT component may earn up to \$3,000 in a year depending on the number of activities that are completed successfully. Sustaining full-time employment can lead a participant to earn \$150 per month, or up to \$1,800 per year. Additional incentives are offered for approved education and training courses.

Selected community based organizations (CBOs) will recruit Section 8 voucher holders for *Opportunity NYC: Work Rewards*. These CBOs will also provide ongoing support to program participants receiving the workforce-focused CCT. In addition, HPD Section 8 Voucher Holders will receive FSS case-management services from CBOs located throughout the City.

Opportunity NYC: Work Rewards is the first random assignment evaluation of the FSS program in the nation.⁷ As such, it has the potential to provide a rich set of data to assess the effectiveness of FSS. All three interventions (enriched FSS, enriched FSS and CCT, and CCT alone) will be evaluated by MDRC, a nonprofit, nonpartisan, education and social policy research organization to determine their effectiveness.

Target Population

Opportunity NYC: Work Rewards serves 2,400 low-income Section 8 voucher holders.

Expected Outcomes

Short-Term:

- Increase participants' workforce outcomes
- Alleviate household poverty through the income supplement provided by the CCT
- Improve households' human capital

Long-Term:

- Participants achieve greater self-sufficiency
- Reduce intergenerational poverty

¹ This number refers to the actual number of participants that will receive services over the course of the program, rather than each year. *Opportunity NYC: Work Rewards* is subject to a controlled experiment design, some portion of enrollees will not receive services. See section on Program Description for more details.

² Among the reasons cited for the low take up rate is that most FSS programs do not help families attain self-sufficiency, poor information and anxiety about maintaining voucher eligibility, and the five-year term before households can access the money. For further discussion, see Cramer, Reid. "Family Self-Sufficiency Program: An Asset-Building Opportunity." New America Foundation. Washington, D.C. 2004.

³ See "Working with Community Colleges to Link WtW/FSS Families to Employment Opportunities in New York, NY," at http://www.hud.gov/offices/pih/programs/hcv/wtw/ppp/learning/newyork_ny.cfm

⁴ Eligible participants must also have a household income that is within 130% of the federal poverty line (approximately \$22,000 per year for a family of three).

⁵ In order to receive this bonus, the participant must be employed for at least 30 hours per week for 6 out of every 8 weeks (that is, about 75 percent of the weeks in each two-month accounting period).

⁶ To date, Mexico's CCT program, known today as *Oportunidades*, has been the most comprehensive and most rigorously evaluated. For the most recent and comprehensive review of urban, rural and national results of the *Oportunidades* program, see: Cruz, Carlos, Rodolfo de la Torre, and Cesar Velazquez. *Informe compilatorio. Evaluación externa de impacto de Programa Oportunidades 2001-2006*. Cuernavaca, México: Instituto Nacional de Salud Pública, 2006.

⁷ There have been other significant evaluations of the FSS program; however, none have employed a random assignment design. See www.fsspartnerships.org for more information.

Office of Financial Empowerment

The Office of Financial Empowerment (OFE) is the first municipal office designed to educate, empower, and protect City residents with low incomes and help them to make the best use of their financial resources.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
Department of Consumer Affairs	December 2006	800,000 unbanked & 350,000 working poor	\$2,500,000	\$2,500,000

Problem Statement

Nearly 800,000 New York City residents do not have bank accounts and rely on check-cashing enterprises concentrated in low-income and immigrant neighborhoods for most of their financial needs. In addition, the fees that many of these residents pay for tax-preparation services in order to receive the Earned Income Tax Credit (EITC) erode the benefit of the tax credit. Low-income families also often fall victim to predatory lenders and are subject to disproportionately higher mortgage and insurance rates. ¹

Research and Evidence

A recently released study by the Metropolitan Policy Program of the Brookings Institution demonstrates that poor financial literacy skills put low-income families at tremendous disadvantage in the marketplace. ² Research also suggests that many eligible individuals do not know that they qualify for resources such as the EITC, and do not take advantage of available free or low-fee bank accounts. ³

OFE is also conducting its own research to advance the field and to better understand more about low-income City residents' financial needs and practices. For example, in partnership with the William J. Clinton Foundation, the Neighborhood Economic Development Advocacy Project, Neighborhood Housing Service of Jamaica and Phipps Houses Community Development Corporation, OFE conducted a survey of over 600 individuals in two low- to moderate-income neighborhoods (Melrose and Jamaica) in NYC. Seventy percent of survey respondents reported having a checking or savings account; yet, 2 out of 3 respondents used check cashers. The survey's general findings suggest, however, that access to mainstream financial institutions is not as lacking as in low-income communities in other cities; rather there is a need for better low-fee banking products.

In addition to working with the US Treasury's Office of Financial Education, OFE has reached out to multiple other cities that are engaged in financial empowerment and asset building activities. OFE and the Department of Consumer Affairs has been a leader in engaging these cities and others in dialogue about how to work collectively to build a national movement of municipal empowerment efforts. OFE has worked closely with the National League of Cities on this effort. This dialogue facilitates OFE's goal of working with a strong and vibrant network of public-sector entities, and permits OFE to import and refine best practice models developed around the nation.

Program Description

OFE has several strategic priorities: (1) to establish a network of high-quality financial service providers; (2) to launch and coordinate large-scale public awareness campaigns, like the successful Earned Income Tax Credit campaign; (3) to protect workers with low incomes from unfair predatory practices; and (4) to identify and implement strategies to help low-income people become "banked" and to build assets.

In order to help low-income workers learn about high-quality financial service providers, OFE is establishing the first-ever network of providers to identify and develop best practices in financial education, services, and literacy. The network provides an opportunity for providers to learn and share best practices. It seeks to coordinate and synchronize these resources and make them more accessible to the typical low-income consumer. Using the City's successful Earned Income Tax Credit campaign as a blueprint, OFE is also launching targeted public education campaigns that encourage workers with low-incomes to reduce debt and build savings and assets.

OFE is also identifying and analyzing best practices from across the country and around the globe for reaching the unbanked and promoting asset accumulation among low-income workers to implement and test in NYC. OFE has also worked with financial institutions to design a safe, no-fee account offered to participants in Opportunity NYC. This account cannot be overdrawn and offers a second-chance to many who previously faced challenges maintaining an account.

To protect workers with low-incomes from deceptive and predatory practices in the financial marketplace, OFE is forming partnerships across all sectors to identify harmful practices and find solutions. It is also building on the Department of Consumer Affairs' mandate and resources to enforce consumer protections and to improve legal protections.

OFE's efforts will be evaluated using multiple data sources, such as 311 referrals, website hits, the distribution of materials, requests for information and financial capacity indicators, such as the creation of new bank accounts and the uptake of related programs.

Target Population

The Office of Financial Empowerment serves the working poor and low-income young adults citywide.

Expected Outcomes

Short-Term:

- Increase the number of low-income New Yorkers that open accounts at financial institutions through OFE activities
- Increase access to free and low-cost tax preparation services for EITC eligible individuals and families
- Distribute financial education materials
- Make referrals to financial education network partners
- Increase investigations into harmful practices in the financial services industry

Long-Term:

- Increase the number of low-income individuals who maintain open accounts and build savings
- Increase the number of EITC filers that link to asset building opportunities
- Improve financial knowledge of low-income New Yorkers
- Reduce incidence of harmful practices in the financial services industry

¹ CEO Report, 22.

² Fellowes, Matt. *From Poverty, Opportunity: Putting the Market to Work for Lower Income Families*. Brookings Institution, July, 2006.

³ Holt, Steve. "The Earned Income Tax Credit at Age 30: What We Know." Brookings Institution, Research Brief, February 2006; Barr, Michael S. "Banking the Poor: Policies to Bring Low-Income Americans Into the Financial Mainstream" Brookings Institution, Research Brief, September, 2004.

ACCESS NYC

ACCESS NYC is a free internet-based service that identifies and screens for over 35 City, State, and Federal human service benefit programs.

<i>Agencies</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Office of the Deputy Mayor of Health and Human Services/The Department of Information Technology and Telecommunications	Launched Fall 2006	TBD	\$2,750,000	\$3,510,907 (expense) \$50,000,000 (capital)

Problem Statement

Over 46% of households in NYC living below the federal poverty line have a head of household who is working.¹ For many in this population, work support programs are critical. However, access to these benefits can be complicated: to apply for human service benefits, a City resident may be required to visit many separate service providers and then required to complete multiple application forms, many of which ask for duplicative data.

Research and Evidence

Increasingly, NYC residents who live in poverty are working, but for wages that cannot sufficiently meet their families' needs. There are many eligible New Yorkers who are not enrolled in government work support programs² – for example:

- 28% of those eligible are not enrolled in the Food Stamp program.
- 27% of those eligible are not enrolled in subsidized child care
- 11% of those eligible are not enrolled in public health insurance
- 20% of those eligible have not claimed the Earned Income Tax Credit

In 2002, Mayor Bloomberg convened a task force to examine the City's human services agencies and identify ways in which technology might be employed to enhance and streamline service delivery. The task force determined that an Integrated Human Services System – known as ACCESS NYC – could provide pre-screening, eligibility and enrollment, and integrated case management that would improve service provision.

Program Description

ACCESS NYC is a web-based initiative to promote self-sufficiency among New York City residents by providing greater access to benefit programs offered by City, State, and Federal government agencies. When launched in September 2006, ACCESS NYC included a pre-screening tool for 21 programs; the site now screens for more than 35 benefit programs. For many of these programs, ACCESS NYC populates benefit applications for users to print out. Starting in December 2007, ACCESS NYC will provide eligibility screening for several additional tax credits including the New York City and New York State Child Care Tax Credits.

The CEO initiative has funded several components of the larger ACCESS NYC project. These include:

- Adding workforce development programs to the application
- Providing training and ongoing support to agencies and organizations with a client base that could benefit from the web-based tool
- Developing a marketing campaign to promote the application
- Making resources available to provide hardware, software and internet connectivity at various locations throughout the city to increase digital inclusion.

Target Population

ACCESS NYC targets all New York City residents who are interested in learning about City, State, and Federal benefits. Many New Yorkers, especially low-to-moderate income families, will learn about benefits for which they may qualify. The CEO funded training and outreach team will pay special attention to working poor adults in Mott Haven, Melrose and Morrisania (B1 and B3), Jamaica (Q12), and Bedford-Stuyvesant (K3).

Expected Outcomes

Short-Term:

- Expand the number of programs included in ACCESS NYC
- Increase volume of training sessions and people trained
- Increase website hits resulting from ad placement in several locations throughout the City
- Increase use of screening tool at various organizations as a result of hardware and internet distribution

Long-Term:

- Data-driven service provision will help to improve service delivery and target resources towards those areas where the need is the greatest
- Significant increase in public awareness and usage of ACCESS NYC
- Promote work supports and increase program participation rates
- Increase transparency and access to human services in the City of New York.

¹ CEO Report, 8-9, 15.

² CEO Report, 19.

Increase Receipt of the EITC

This initiative helps eligible low-income New Yorkers claim the Earned Income Tax Credit by providing them with completed amended tax returns for prior tax years.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year¹</i>	<i>CEO Budget (City FY 08)²</i>	<i>Total Budget (City FY 08)</i>
The Department of Finance	January 2007	TBD	TBD	TBD

Problem Statement

Since 2002 New York City has organized a coordinated citywide campaign to increase the number of eligible New Yorkers claiming the EITC. However, even with the most comprehensive coalition in the country to publicize the credit, nearly 20% of eligible households do not claim it.³ Fortunately, the program allows people to claim the credit up to three years after the initial tax filing deadline.

Research and Evidence

The Earned Income Tax Credit is considered one of the most effective anti-poverty tools in the United States. Since the credit was enacted in 1975, it has been expanded multiple times (1986, 1990, 1993, 2001).⁴ In a report examining the impacts and accomplishments of government programs that assist low-income families, the Center for Budget and Policy Priorities praised the EITC program, finding that, “by increasing the rewards of low-wage employment, the Earned Income Tax Credit has substantially raised the proportion of single mothers who work, while lifting 2.7 million children out of poverty in 2002.”^{5,6}

In two published studies, researchers Bruce Meyer and Dan Rosenbaum found that EITC expansions between 1984 and 1996 were responsible for 63% of the increase in the employment rate of single mothers over the 12-year period. The authors also found that the most significant gains in employment traceable to the EITC were for mothers with young children and mothers with low education levels.⁷ Several researchers have also shown that the expansions of the EITC have substantially increased the employment of female family heads.⁸

Economist Jeffrey Grogger suggests that the EITC may be the single most important policy for explaining recent increases in work and earnings and declines in receipt of cash welfare assistance among female-headed families.⁹ Due to the EITC’s effects in increasing employment among single mothers, expansions of the EITC have produced large declines in receipt of cash welfare assistance. Economists Stacy Dickert, Scott Houser, and John Scholz estimate that expansions of the EITC between 1993 and 1996 induced more than a half a million families to move from welfare (AFDC cash assistance) to work.¹⁰

Program Description

In order to increase participation in the EITC program the City’s Department of Finance (DOF) analyzes income tax data to determine eligibility in prior years, prepares and mails pre-filled amended tax returns and self-addressed, stamped envelopes to eligible New Yorkers. Recipients must verify their income and dependent child information, provide their social security number, and sign and mail the returns. Finance creates a web-based look up for eligibility and works with the City’s 311 system, the Department of Consumer Affairs, and a network of volunteer income tax assistance sites to provide customer assistance after the mailing is sent.

Program Description

In order to increase participation in the EITC program the City's Department of Finance (DOF) analyzes income tax data to determine eligibility in prior years, prepares and mails pre-filled amended tax returns and self-addressed, stamped envelopes to eligible New Yorkers. Recipients must verify their income and dependent child information, provide their social security number, and sign and mail the returns. Finance creates a web-based look up for eligibility and works with the City's 311 system, the Department of Consumer Affairs, and a network of volunteer income tax assistance sites to provide customer assistance after the mailing is sent.

Starting in January 2007, mailings were sent out for 2003 and 2004 tax years, which resulted in 16,000 households receiving EITC worth an estimated \$10 million. In February 2008, completed tax forms for the 2005 tax year will be sent to targeted households. DOF will continue the mailings each tax season.

Target Population

This initiative serves the working poor citywide who were eligible for the EITC in prior years but did not file a claim.

Expected Outcomes

- Increase the income of EITC eligible households that have not filed a claim

¹ 16,000 households benefited from the January '07 mailing; In February '08, forms will be sent to 30,000 households. See program description for further details.

² The minimal costs associated with mailing completed tax forms will be covered by existing agency resources.

³ CEO Report, 19.

⁴ Eighteen states have also enacted their own EITCs, including New York.

⁵ For a review of the literature on the EITC, see Hotz, V. Joseph and John Karl Scholz. "The Earned Income Tax Credit." In Robert A. Moffitt, ed., *Means-Tested Transfer Programs in the United States*. Chicago: The University of Chicago Press, 2003.

⁶ Committee for Economic Development. "Welfare and Beyond: Making Work Work." 2000.

⁷ Meyer, Bruce D. and Rosenbaum, Dan T. "Making Single Mothers Work: Recent Tax and Welfare Policy and its Effects." In Bruce D. Meyer and Douglas Holtz-Eakin, eds., *Making Work Pay: The Earned Income Tax Credit and Its Impact on America's Families*. Russell Sage Foundation, 2001.

⁸ Eissa and Liebman 1996; Dickert, Houser, and Scholz 1995; Meyer and Rosenbaum 1999; Ellwood 2000.

⁹ Grogger, Jeffrey. "The Effects of Time Limits, the EITC, and Other Policy Changes on Welfare Use, Work, and Income among Female-Head Families." *Review of Economics and Statistics*, May 2003.

¹⁰ Dickert, Stacy, Scott Hauser, and John Karl Scholz, "The Earned Income Tax Credit and Transfer Programs: A Study of Labor Market and Program Participation," in *Tax Policy and the Economy*, Vol. 9, MIT Press, 1995.

311 Health and Human Services Language Access Outreach and Marketing Campaign

In order to increase awareness about the health and human services that are accessible through 311, this initiative uses multilingual marketing and outreach messaging to reach low-income limited English proficient New Yorkers.

<i>Agencies</i>	<i>Start Date</i>	<i>Number Served per year¹</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
Deputy Mayor for Health and Human Services/ The Department of Information Technology and Telecommunications/ The Mayors Office of Immigrant Affairs	Winter 2008	600,000	\$127,000	\$132,000

Problem Statement

Approximately 24%² of New Yorkers are limited English proficient (LEP), yet only 2.37% of calls to 311 were in languages other than English in FY 07.³

Research and Evidence

Low-income LEP New Yorkers experience barriers to accessing critical poverty-alleviation programs and services. Lack of access to information in their own language is one of the most significant barriers. A 2004 report by the Center for New York City Affairs at the Milano Graduate School (The New School) found, for example, that language barriers prevent many low-income LEP New Yorkers from accessing Food Stamps.⁴ A 2007 report by CUNY Center for Urban Research and Communities for Housing Equity found that, although poor LEP communities are more likely to have substandard housing, they are less likely to report these conditions to 311.⁵

Low-income immigrants may fear coming into contact with the government. Even though their children are eligible for benefits, they may be afraid to apply for these benefits for fear of deportation. Executive Orders 34 and 41, which detail the City’s privacy policy, protect immigrants by prohibiting City employees from sharing a person’s immigration status with third parties. However, many immigrants are not aware of this policy or fear government even if they have heard of these executive orders.⁶

Program Description

The 311 Health and Human Services Language Access Project is a marketing and outreach initiative to educate LEP New Yorkers about 311 and address perceived barriers that prevent more of them from calling 311. Using a variety of means, this project will reach out to LEP populations to educate about (1) health and human service-related services accessible via 311; (2) the availability of 311 in over 170 languages; and (3) the ability to call 311 anonymously, without having to give information about one’s immigration status.

The core components of the project include the distribution of materials (educational posters, and post cards) through City agency offices and community based organizations, TV public service announcements (PSAs), radio PSAs, and print advertisements in ethnic newspapers.

Target Population

The 311 Language Access Outreach and Marketing Campaign is focused on Limited English Proficient New Yorkers who speak Spanish, Chinese (Mandarin and Cantonese), Russian, Haitian Creole, Korean and Arabic. The outreach and marketing will be done citywide.

Expected Outcomes

Short-Term:

- To increase non-English call volume at 311

Long-Term:

- To increase LEP uptake in health and human services accessible through by 311

¹ This number refers to the population of LEP New Yorkers; the actual number served may be lower.

² This number comes from 2000 Census data.

³ This number comes from the Mayor's Management Report.

⁴ White, Andrew, Sharon Lerner, Mia Lipsit and Coco McPherson. "Hardship in Many Languages: Immigrant Families and Children in NYC." Center for New York City Affairs, Robert J. Milano Graduate School of Management and Urban Policy, January 2004.

⁵ *Living in Isolation: Issues of access of City housing services among Immigrant New Yorkers*, CUNY Center for Urban Research and Communities for Housing Equity, March 5, 2007.

⁶ Greenberg, Mark and Hedieh Rahmanou. "Commentary 1" *Children of Immigrant Families*. The Future of Children, Volume 14, Number 2, Summer 2004.

Nursing Career Ladders

The Nursing Career Ladders initiative creates a 11-month Licensed Practical Nurse (LPN) program and a four-year Registered Nurse (RN) program for low-income students and Health and Hospitals Corporation employees.¹

<i>Agencies</i>	<i>Start Date</i>	<i>Number Served per year²</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Health and Hospitals Corporation/The Department of Education	September 2007	LPN Program: 40 RN Program: 60 ³	\$1,007,000	\$5,400,000

Problem Statement

Limited seats available in nursing programs fail to produce enough qualified nurses to meet the demand for nurses. Compounding the problem, there are not enough seats for academically qualified students. Current nursing programs are academically competitive and income is not a major factor for admissions.

Research and Evidence

Beginning in 2003, the Health and Hospitals Corporation (HHC) created a nursing career ladder program for its employees, using a New York State Department of Health and Labor Workforce Retraining Initiative grant. The program allowed HHC employees to enroll in either LPN or RN programs. Upon successful completion of training, graduates are promoted to new titles. Thus far, 109 employees have completed the LPN program, and 113 have graduated from the RN program. Currently, 67 employees are attending LPN training programs, and 172 are enrolled in the RN program. HHC facilities have also supported employees in LPN and RN programs using other funding sources, such as TANF and Community Health Partnership.

In a similar effort in Texas, the Harris County Hospital District (HCHD) in Houston used a nursing career lattice model to address significant shortages in nursing staff. Since the program launched in April 2004, 88 HCHD employees have completed Certified Nursing Assistant coursework with a 100% pass rate and 98% retention rate. Sixty percent of program graduates have indicated that they plan to continue advancing in their nursing careers. As a result of these efforts, which helped to staff community health clinics, waiting times for patients in HCHD clinics decreased from four hours to 70 minutes.

By hiring the nurses who graduate from the Nursing Career Ladders program, HHC will be able to reduce its nursing overtime hours. This not only improves the quality of care provided, but saves money over the cost of paying higher overtime wages.

Program Description

The purpose of the Nursing Career Ladder initiative is to develop career prospects for low-wage health workers and other low-income individuals. The program prepares students who are currently living at or below 130% of the Federal poverty level for sustainable careers in nursing. Nurses trained through these programs will be offered well paying positions at the Health and Hospitals Corporation. Salaries within HHC start at \$37,633 for LPNs and \$61,528 for RNs.

Licensed Practical Nurse Program

The central components of the initiative include an expansion of the Department of Education's 11-month accelerated LPN training program. The new expansion site is located at Goldwater Hospital on Roosevelt Island. Participants are required to pass the Department of Education entrance exams, which consist of the Pre-Nursing Assessment test (C-NET),⁴ and the Test of Adult Basic Education. Enrollees receive full tuition and support services as needed.

Registered Nurse Program

The RN program recruits income-eligible participants who demonstrate strong academic skills. For the first two years of the program, participants take coursework required for the Bachelor of Science in Nursing degree. Coursework may be completed at any accredited college. As with the LPN program, enrollees receive full tuition and counseling services as needed. Participants who maintain a 2.75 GPA are then eligible to transfer to the HHC/Long Island University Nursing School to complete the two-year clinical program required for the BSN degree.⁵

Target Population

The program serves New York City residents whose income is less than or equal to 130% of the Federal poverty level. Thirty percent of the seats will also be available to HHC staff without regard to income eligibility.

Expected Outcomes

Short-Term (by the end of 2008):

- 40 graduates of LPN program
- Second LPN cohort of 40 in program
- 60 individuals in RN training

Long-Term:

- Help individuals living at or below the poverty level into LPN and RN jobs in NYC
- Reduce use of overtime and agency staff at HHC hospitals
- Address the significant nursing shortage in the City and at HHC hospitals
- Create a career ladder within the health industry

¹ Students may enter the RN program having completed some of the pre-clinical coursework. As such, it may take less than 4 years to finish.

² The LPN program serves 30 low-income individuals and 10 HHC employees. The RN program serves 40 low-income individuals and 20 HHC employees.

³ Students are currently being recruited for the RN program and are taking pre-clinical college courses.

⁴ The Pre-Nursing Assessment test is administered by the Center for Nursing, Education, and Testing (C-NET). It is generally referred to as the C-NET test.

⁵ The facilities for the clinical portion of the RN program are currently being renovated, and will not be open until 2009.

City Agency Hiring

The City Agency Hiring Initiative helps Cash Assistance (CA) recipients obtain eligible, entry-level City agency and contracted positions.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Human Resources Administration	April 2007	1,918	\$110,000	\$220,000

Problem Statement

Although welfare reform has been successful in moving many CA recipients off of public assistance, an increasing number of working families still cannot earn their way out of poverty.

Research and Evidence

The Human Resources Administration (HRA) provides temporary assistance and employment services through many programs including the Work Experience Program (WEP), wage subsidy, grant diversion, Back to Work contractors, WeCARE programs, and services offered at 31 Job Centers located throughout the City.

HRA's efforts to screen and place welfare recipients into private sector employment have been enhanced through a program called Business Link. This initiative expands the available job opportunities to include open, non-civil service City positions.

Program Description

Through the City Agency Hiring Initiative, Business Link expanded its efforts to screen and refer qualified cash assistance recipients to city agencies. The initiative recognizes that a number of individuals on cash assistance may already have the skills that many City agencies are looking for. Coordinating with more than a dozen City agencies, Business Link receives notices of City job opportunities and then screens and refers appropriate cash assistance recipients for the positions. Business Link also advertises open City positions by sending recruitment flyers to over 1,000 locations where they are shared with clients receiving cash assistance. These locations include vendors that work with clients, job centers, kiosks at Model Centers, and community colleges. Jobseekers on cash assistance can also learn about available City agency job opportunities, as well as other positions available through Business Link, by calling (877) 585-JOBS. Since April 2007, Business Link has screened 1,918 recipients for City Agency positions. Of those, 385 have been referred to City Agencies for interviews.

Other HRA programs also place clients in city jobs. Programs such as WEP, wage subsidy and grant diversion give city agencies the opportunity to work with CA clients. These programs often lead to permanent positions for clients.

In the first three months of FY08 alone, 639 cash assistance recipients have been hired by city agencies.

Target Population

The City Agency Hiring Initiative serves individuals citywide who are receiving cash assistance and who are work ready. Candidates must also have the qualifications required for available City positions. These qualifications may vary from position to position.

Expected Outcomes

Short-Term:

- Increase the number of CA participants hired by City agencies
- Increase earnings
- Increase CA case closings for income

Long-Term:

- Retention of CA participants in City agency positions

Non-Custodial Parents

The Non-Custodial Parents initiative establishes a range of programs for low-income, non-custodial parents (NCPs) in order to support their work participation, increase their compliance with child support payments, and encourage positive involvement in their children's lives.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Human Resources Administration	April 2007	9,148	\$380,000	\$2,250,000

Problem Statement

Although many non-custodial parents want to be actively involved in the lives of their children, some face formidable social and economic barriers, such as lack of education, lack of positive role models, and limited earnings. Lack of information and understanding of the child support system combined with a general distrust of government also contributes to the number of low income non-custodial parents who fail to pay their child support.

Research and Evidence

It is well established that child support plays an important role in assisting low-income custodial parents meet their basic needs and become or remain self-sufficient. It is for many families a valuable and important source of income. Moreover, child support recognizes that every parent has a responsibility to support his or her child.

There are many non-custodial parents who would like to be responsible parents but fall behind in making their child support payments and accumulate large amounts of arrears. The problem with accumulating large arrears for low-income, non-custodial parents in particular is, if large enough, arrears can create disincentives to continue paying child support and to employment in the mainstream economy. There are a variety of reasons why arrears may accumulate. Child support orders, for example, can continue to accumulate while an NCP is incarcerated and has no ability to pay. NCPs may fail to attend a court hearing and may receive a default order when the custodial parent or government can demonstrate to the court that the NCP was properly notified of the court hearing. By failing to appear at the hearing, the NCP misses a critical opportunity to present his or her financial information to the court. Without this information, the court may set the amount of the child support order above the individual's earning capacity. NCPs may lack sufficient knowledge of the child support system to understand that he or she may return to court to modify an order in this case or even in the future, if there is a change in income due to job loss or other factors.

If an NCP fails to pay child support, he or she can be brought back to court to obtain a judgment on their outstanding debt. Interest is charged on judgments, thus further increasing debt. As a result, the order continues to accrue at a level higher than he can afford to pay. Therefore, even though there are

safeguards built into the child support system to set orders at an amount commensurate with the income of non-custodial parents, situations like the ones discussed above can result in the accumulation of arrears. For some NCPs the magnitude of the debt accumulated can create a sense of hopelessness and result in continued nonpayment of child support obligations.

Program Description

This initiative establishes several programs to engage non-custodial parents. The *DSS Default Order* Initiative targets non-custodial parents whose families are receiving Cash Assistance and whose child support orders were obtained by a default court order. By working with the Office of Child Support Enforcement, non-custodial parents may receive a reduction in the amount of their child support order without returning to court.

The *Arrears Adjustment* initiative is a pilot program for up to 1,000 low-income NCPs. In exchange for making full current child support payments for at least ten months during the year, as well as successfully completing a parenting program, job training and/or increasing their earnings, the arrears owed will be reduced by 25% at the end of 12 months. Continued participation in the program further reduces the arrears owed by 25% per 12 month period. State approval for this program is still pending, so the final program design may change depending on feedback from the state.

The *Support Through Employment Progress (STEP)/ Community Service* program provides training and assists NCPs in obtaining employment. The program has been expanded to incorporate community service as a tool to use for those non-custodial parents who fail to comply with an employment vendor to obtain employment. If the NCP fails to cooperate with the STEP program, he or she will be required to perform community service with the Department of Sanitation.

The *Parenting Vouchers* program incorporates parenting classes into an overall job training plan. This program is for NCPs who are unemployed, enrolled in HRA's Back to Work vendors, and have a child support obligation. The NCP is referred to a parenting program when he or she establishes a job training plan.

The *Family Court NCP Outreach* program offers early intervention to NCP's just after they have obtained a new child support order. Outreach workers from the Office of Child Support Enforcement inform NCP's about their child support rights and responsibilities. With this early intervention, NCPs may learn how to avoid the accumulation of arrears that could discourage them from paying child support or subject them to various enforcement actions in the future.

The *NCPs on CA/FS/MA/SS* program engages NCPs who are on Cash Assistance (CA), Food Stamps (FS), Medical Assistance (MA) or Supplemental Security Income (SSI). If an NCP is receiving FS or MA and his or her income is below the 'Self Support Reserve' of \$13,783, then he or she is eligible for a \$50 monthly child support order (meaning that the NCP is not required to pay more than \$50 in monthly child support payments). If an NCP is receiving CA, or SSI, then he or she is eligible for a \$25 monthly child support order.

So far, the Office of Child Support Enforcement has reached out to 14,153 NCPs through mailings, phone, and in-person outreach. The number of NCPs actively engaged in program activities to date is significantly lower.

Target Population

The program serves working poor and non-custodial parents citywide.

Expected Outcomes

• **Short-Term:**

- Enroll unemployed, non-custodial parents in job training/placement programs
- Increase child support compliance and payment
- Increase non-custodial parent contact with children

Long-Term:

- Increase the work participation and earnings of non-custodial parents
- Increase child support payments
- Increase non-custodial parental contact with children
- Enhance the relationship between non-custodial parents and children

Enforce Living Wage and Prevailing Wage Requirements for City Contracts

The Living Wage initiative expands the oversight authority of the Mayor's Office of Contract Services to ensure enforcement of prevailing wage and living wage laws for City contracts.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Mayor's Office of Contract Services	July 2007	70,000	\$0	\$0

Problem Statement

Employers of low-wage workers do not always comply with laws to protect worker rights, ensure payment of legal wages and required taxes, and observe health and safety regulations. Low-income and immigrant workers may often feel they have little recourse against unfair or discriminatory practices.

Program Description

New York City is ensuring that its contractors comply with prevailing and living wage laws. On July 18, 2007, Mayor Bloomberg signed Executive Order no. 102, entitled, "Prevailing Wage and Living Wage Requirements in City Contracts." The new law expands the oversight responsibility of the Mayor's Office of Contract Services (MOCS), to ensure that all businesses which contract work with the city are in compliance with prevailing wage and living wage laws.

Awards for public works (e.g., construction projects) or building services are covered by prevailing wage laws established by the state. Contracts for homecare, daycare, and other services are covered by New York City's living wage law. The new Executive Order gives MOCS the authority to require City agencies to provide documentation that low bidders will pay employees prevailing wages, and, for large contracts, guarantee that workers are paid by check, with specific information printed on the check stubs to alert the employee as to how much he/she is legally entitled to be paid.

Target Population

The Living Wage initiative serves the working poor citywide within the job sectors covered by prevailing wage and living wage laws. These sectors include: homecare services, building services, day care services, Head Start services, services to persons with cerebral palsy, and food services.

Expected Outcomes

- All City contracts and subcontracts for services covered under the City's Living Wage Law will pay workers the living wage as set by the law.
- All City contracts and subcontracts for services covered under the state's prevailing wage laws will pay workers the prevailing wage as set by the law.
- City agencies will eliminate all bids that are out of compliance with prevailing wage and Living Wage laws, before submitting to MOCS.

Language Access Program

The Language Access Program provides City agencies with technical assistance and guidance to more effectively serve New Yorkers who have limited English proficiency.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Mayor's Office of Immigrant Affairs	February 2007	Up to 600,000 Limited English Proficient Individuals (LEPs)	\$80,000	\$80,000

Problem Statement

Research demonstrates that in the United States there is a clear link between limited English proficiency (LEP) and the occurrence of poverty.¹ Of the 1.8 million LEP New Yorkers, one-third lives below the poverty line.²

Research and Evidence

Limited English proficiency creates barriers for low-income New Yorkers in a variety of ways.

Access to Social Services

In 2004, the Center for New York City Affairs at the Milano Graduate School (The New School) reported that language barriers prevent LEP New Yorkers from accessing Food Stamps.³ Another study found that 50% of low-income immigrants erroneously believed that their immigration status would be jeopardized if they or their citizen children were to receive government benefits.⁴

Access to Education

Fifty-three percent of school children in New York City come from homes where languages other than English are spoken.⁵ A survey conducted by Advocates for Children of New York and the New York Immigration Coalition in 2004 found that 51% of survey respondents -- parents whose primary language is not English, and students from immigrant families -- never or rarely received translated materials in their native language. In addition, 41% of survey participants reported that parents have used their children as interpreters to speak to school personnel. Almost half of the population surveyed also felt that families are hurt by lack of language access services.⁶

Lack of Jobs/Job Training for LEP New Yorkers

According to the Mayor's Office of Adult Education, there are few workforce development or training programs created specifically for LEP individuals. Promising practices from across the nation, however, demonstrate that vocational ESOL (English for Speakers of Other Languages) classes and bilingual job training are effective ways to help LEP low-wage workers get on a career ladder.⁷

Access to Affordable Housing/Housing Services

Neighborhoods in NYC with higher rates of linguistic isolation (where all members of a household age 14 and above have difficulty speaking English) have more housing deficiencies.⁸ A 2007 report by CUNY Center for Urban Research and Communities for Housing Equity found that, although poor LEP communities are more likely to have substandard housing, they are less likely to report these conditions to 311.⁹

Access to Food

Immigrants experience hunger and food security issues at a rate of three times that of the general population; moreover, 33% of children living in immigrant-led households are food insecure (meaning they do not always have enough to eat). According to a study by the Urban Institute, lack of English proficiency results in a 50% increase of food insecurity for non-English speaking immigrants when compared with English proficient immigrants.¹⁰

Program Description

Mayor’s Office of Immigrant Affairs Language Access Program (MOIALAP)

The goal of MOIALAP is to provide City agencies with technical assistance and guidance on language access issues. With this type of assistance, the initiative aims to improve LEP access to public services in compliance with Local Law 73, and privacy laws established by Executive Order 41. MOIALAP increases the capacity of participating agency staff by helping them to better serve persons with limited English. Technical assistance includes staff training, translation and interpretation, quality assurance, data collection, outreach and plain language communication strategies. (Plain language is the practice of communicating in simple, clear language and also helps engage persons with low-literacy skills).

Target Population

The Language Access program serves City agencies, as well as the 600,000 Limited English Proficient New Yorkers who live below the poverty line. The initiative operates citywide.

Expected Outcomes

Short-Term:

- Assess the linguistic and cultural capacity of City agencies
- Provide technical assistance on the language access needs of agencies working on issues affecting low-income New Yorkers
- Provide introductory language access workshops
- Provide trainings on plain language

Long-Term:

- Enhance cultural competency of agency programs serving and reaching out to immigrant populations
- Improve access to City services for limited English proficient speakers
- Increase use of 311 by LEP New Yorkers
- Increase uptake of health and human services through 311 by LEP New Yorkers

¹ Colton, Tara. “Lost in Translation.” Center for an Urban Future, November 2006.

² White, Andrew, Sharon Lerner, Mia Lipsit and Coco McPherson. “Hardship in Many Languages: Immigrant Families and Children in NYC.” Center for New York City Affairs, Robert J. Milano Graduate School of Management and Urban Policy, January 2004.

³ Ibid.

⁴ Greenberg, Mark and Hedieh Rahmanou. “Commentary 1” *Children of Immigrant Families*. The Future of Children, Volume 14, Number 2, Summer 2004.

⁵ *Denied at the Door: Language Barriers Block Immigrant Parents from School Involvement*, Advocates for Children of New York and New York Immigration Coalition, February 19, 2004.

⁶ Ibid.

⁷ Wrigley, Heide Spruck, Elise Richer, Karin Martinson, Hitomi Kubo, and Julie Strawn. “The Language of Opportunity.” Center for Law and Social Policy, Workforce Development Series, Brief No. 2, August 2003

⁸ *Living in Isolation: Issues of access of City housing services among Immigrant New Yorkers*. CUNY Center for Urban Research and Communities for Housing Equity, March 5, 2007.

⁹ Ibid.

¹⁰ Referenced in White et al., 2004.

Customized Training Funds

This initiative expands the Business Solutions Training Fund to help businesses train, retain, and promote their employees. The newly expanded and renamed program -- Customized Training Funds -- gives businesses the opportunity to apply for grants to provide a range of training to their employees, including contextualized literacy, English as a Second Language (ESL), job readiness, and occupational training.

<i>Agency</i>	<i>Start Date¹</i>	<i>Number Served per year²</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget³ (City FY 08)</i>
The Department of Small Business Services	February 2007	750	\$3,704,404	\$4,200,000

Problem Statement

Approximately 350,000 individuals in New York are working yet not earning enough to rise above the poverty level. Due to a lack of skills, including limited English proficiency and an inability to access training, many working poor cannot secure permanent well-paid jobs with growth potential.⁴

Research and Evidence

Between 2004 and June 2007, the Department of Small Business Services made 35 grants to provide skills upgrade training for more than 2,200 workers already on the job.⁵ Employers were required to match the training grants they received from SBS and demonstrate retention, wage growth, and/or advancement among employees who received training. The average wage gain for these workers was 22%.⁶

Despite the success of the program, until its CEO funded expansion businesses were limited in the type of training they could provide their employees. Operating under Federal Workforce Investment Act (WIA) guidelines (the sole source of funding for the program), SBS could only offer Training Fund grants to businesses for strict occupational training. With CEO funding, however, SBS has been able to implement major and innovative reforms. These reforms enable businesses to offer a broader range of training to meet the needs of their employees.

To design the new Customized Training Funds program, SBS consulted experts and practitioners and engaged in a rigorous research and planning process.⁷ The topics researched included:

- The most effective methods used to market customized training;
- The best methods to determine business eligibility;
- The most innovative practices in technical assistance, funding, and training; and
- The most meaningful outcome measurement and evaluation techniques.⁸

This research has informed many of the changes that SBS has made to the program, which are described in more detail below.

Program Description

Customized Training Funds give low wage workers greater access to job training in key skilled occupations and aim to reduce poverty within this population. Employers now have the flexibility to use training awards to pay for wages while workers are in training, and the award will cover at least 60% of the cost of most types of training. CEO funding enables businesses to tailor job training around their own

needs and include education in reading and math, English as a Second Language, and job preparedness. In New York City, these types of training have not previously been funded by City, State, or Federal sources. The flexible program design also permits businesses to train incumbents or new-hires for full-time employment upon completion of training.

CEO funds have already contributed to training grant awards for five businesses, including Hendrickson Custom Cabinetry, Inc., a custom cabinetry and architectural millwork manufacturing firm located in the South Bronx and NPower NY, a provider of technology solutions for the nonprofit community.

CEO will evaluate the success of this initiative by tracking program completion, wage gains, and employer satisfaction among other measures.

Target Population

The program serves the working poor citywide. However, only individual companies or training providers representing three or more businesses are able to apply for Customized Training Funds.

Expected Outcomes

- 80% program completion
- Improved retention
- Wage gains
- Skills upgrades
- Career advancement for the working poor
- Better-trained workers for businesses

¹ CEO funding for this initiative began in February 2007. SBS decided to rename the program in October.

² This number refers to outcomes achieved. The actual number served is higher.

³ The total budget includes money from the Federal Workforce Investment Act.

⁴ CEO Report, 16-17.

⁵ Center for an Urban Future. "Work in Progress." 2007, p. 4.

⁶ This number reflects a weighted average increase. It was calculated using the average gain for all trainees who experienced a wage increase after training, and based on data submitted by Training Fund applicants (SBS internal document, August 2007).

⁷ SBS surveyed senior staff at eight programs, academics at four colleges/universities, and executives at six supporting institutions including the Annie E. Casey Foundation, Public/Private Ventures, and the Workforce Investment Board (Customized Training Research Findings DRAFT, Aug. 3, 2007, p. 6).

⁸ Customized Training Research Findings DRAFT, Aug. 3, 2007, p. 8.

Work Advancement and Support Center

The Work Advancement and Support Center (WASC) has two primary goals: 1) to reduce poverty and increase income for low-wage workers through job upgrades, access to work supports and asset-building activities; and 2) to strengthen the competitiveness of local businesses by providing employer-based retention and advancement services to meet workforce skill needs, address shortages of qualified workers, and increase worker productivity.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year¹</i>	<i>CEO Budget² (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Department of Small Business Services	July 2007 May 2008 ³	1st yr: 200 per center 2nd yr+: 500 per center	\$3,463,743	\$3,463,743

Problem Statement

Over 350,000 working New Yorkers are living in poverty, constituting approximately 46% of poor households in New York City.⁴ Due to a lack of skills, including limited English and an inability to access training, many working poor cannot secure permanent well-paid jobs with growth potential.⁵ Employment opportunities for this population are often unstable, lack benefits, and offer few chances for advancement or increased income. Low-wage service workers, for example, are much less likely to receive health insurance through an employer as compared to all workers.⁶

Research and Evidence

The WASC is a model program that grows out of the Department of Small Business Services' (SBS) workforce development experience as well as a rich body of research evaluating similar demonstration projects around the country and in England. SBS collaborated with MDRC, the nonprofit, nonpartisan social policy research organization to develop its WASC models. MDRC is currently evaluating WASC models across the nation and early findings indicate that many programs found increased job retention and wages for participating employees and reduced worker turnover and increased worker turnover for participating employers.

MDRC also studied employer-based retention and advancement programs in the US and United Kingdom. The Employment Retention and Advancement project (ERA) was designed to promote job retention and increases in income among welfare recipients and other low-wage groups. Those evaluations found support for employer based interventions and demonstrated increased retention, leading to increased wages, job stability, and opportunities for advancement for employees. For employers, the program reduced worker turnover, leading to greater workforce stability, decreased training costs, and increased productivity. Other program models worked with public assistance recipients to provide post employment services and work supports and resulted in increased earnings and higher employment rates.⁷

SBS also incorporated best practices from other workforce development programs throughout the country, including The Advancement Project (Seattle, WA), San Francisco Works (SFWorks), Center for Working Families, The Source (Grand Rapids, MI), Boston SkillWorks, and Ohio Bridges to Opportunity Program.

Program Description

In recent years, public policy guiding employment services has focused on placing public assistance recipients and other low-income individuals into jobs quickly. While this approach can help place large volumes of clients, it does not always lead to permanent employment or jobs that offer potential for career advancement.

The WASC uses a business-driven approach to develop the skills of working poor adults to increase their job stability and economic self-sufficiency. The Center provides services that assist low-wage workers to advance in the labor market while helping businesses to strengthen their workforce.

SBS is piloting two WASC models in fiscal year 2008.

Career Center Model

The Career Center model expands the advancement and retention services available for currently employed individuals at the City's career centers. The first program, EarnMore, is administered by Seedco at its Central Harlem career center. EarnMore offers intensive career coaching and skills training to help participants develop and fulfill career aspirations. The program offers individual advancement coaching, access to training and education programs, enrollment in work supports, income and asset building information, peer support groups, financial incentives, and workshops. Coaches are based in CBOs in Manhattan and the Bronx and at the career center. Through partnerships with local community colleges and CBOs, WASC clients also receive job skills training as needed, with access to free vocational training and certificate programs in industries targeted for advancement. The Center develops and maintains a strong employer network of career upgrade positions in industries related to the career advancement needs of program participants. This model will be replicated in 1-2 additional Workforce1 Career Centers in the spring of 2008.

Employer-Focused Model

The Bedford-Stuyvesant WASC, the second WASC model SBS will be piloting, will conduct advancement and support activities by targeting employers who are committed to employee retention and advancement. This WASC program will not be based in a Career Center and will serve businesses and employees citywide. The WASC's location in Bedford-Stuyvesant is expected to generate benefits for local businesses and employees as well. Retention and advancement services will be located at the employer site when possible. Providing services at the job site can lessen the burden placed on workers to balance work and family and minimize transportation and child care costs. In addition, the Bedford Stuyvesant WASC will connect eligible employers with SBS' *Customized Training Funds* to help support employee training needs.

Target Population

The program serves adults age 18 years or older, who are earning \$14 an hour or less, or who have an income at or below 200% of the federal poverty level. Participants must have been employed continuously for the last six months and currently working a minimum of 14 hours a week. In addition, participants may not be in receipt of cash public assistance (e.g., TANF).

Expected Outcomes

For the *Individual*:

Short-Term:

- Increased earnings through accessing one or more of the following work supports: Earned Income Tax Credit and other related tax credits, subsidized Health Insurance, Food Stamps, subsidized childcare

Long-Term:

Increased individual gross weekly earnings from employment as a result of a job upgrade defined as:

- Earnings gain at current employer or new employer through an increase in wages and/or hours
- Receipt of new employer sponsored fringe benefits (specifically subsidized health insurance, subsidized childcare or paid sick or vacation time) at current employer or new employer
- Movement from a temporary into a permanent position

For the *Employer*:

- Improved retention and productivity
- Increased employee engagement
- Skills upgrades

¹ These numbers refer to outcomes achieved. The number served is higher.

² New York City Department of Small Business Services, projected CEO funding FY07-FY11.

³ The Upper Manhattan WASC started in July 07; a Bedford–Stuyvesant WASC will start in May 2008.

⁴ US Census Bureau, 2006 American Community Survey.

⁵ CEO Report, 16-17.

⁶ CEO Report, 14.

⁷ Results from five out of the fifteen sites are available on MDRC's website: http://www.mdrc.org/project_publications_14_9.html.

Community Based Organization Outreach

The Community Based Organization Outreach initiative promotes career skills building and job placement for low-income individuals through community outreach.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year¹</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Department of Small Business Services	July 2007	Year 1: 1,800 Year 2: 2,880	\$1,299,800	\$1,299,800

Problem Statement

Community based organizations and stakeholders have access to a large cohort of jobseekers, but lack strong employer connections, and a clear linkage to the public workforce system.

Research and Evidence

In 2006, the Workforce1 Career Centers began to actively reach out to community organizations for job seeker referrals, as well as referrals of non-job ready individuals for additional training and preparation services. This pilot project established a new position at the Bronx, Brooklyn, and Queens Career Centers and together 189 placements were made through engagement with community based organizations.

In developing this CEO initiative, the New York City Department of Small Business Services (SBS) researched the number of potential job seekers in the CEO target neighborhoods (Bedford-Stuyvesant in Brooklyn, Jamaica in Queens, and Melrose, Mott Haven and Morrisania in the Bronx). SBS examined the 2000 Census data to understand the pool of individuals who would meet the requirements of the target population and area. Within the 22 zip codes (representing the CEO target neighborhoods), there are 327,858 individuals living below the poverty line, comprising 30% of the total population living in these areas.

Program Description

The Community Based Organization Outreach initiative creates “Community Outreach Teams” to coordinate appropriate referrals to the public workforce system for job placement. The central components of the initiative include the creation of three-member outreach teams for each target career center (Bronx, Brooklyn, and Queens). Each team is responsible for outreach to local organizations (physically spending time in the community), and developing a cadre of partners with whom job placement and training referral partnerships can be created. The teams are mobile and able to conduct registration and screening within the community.

Target Population

The initiative targets the working poor who live in one of the following target areas: Mott Haven, Melrose and Morrisania, Jamaica, or Bedford-Stuyvesant.

Expected Outcomes

- 600 job placements in year 1, per center
- 960 job placements in year 2, per center

¹ These numbers refer to job placements. The actual number served is higher.

Food Stamp Employment and Training

The Food Stamp Employment and Training initiative increases the funding for workforce development in New York City by accessing Federal Food Stamp Employment and Training (FSET) funds.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Department of Small Business Services	January 2008	TBD	\$80,000*	\$80,000*

*The OMB approved budget for this initiative for FY 08 is \$80,000. Because the program is still in development (see the note in the program description) SBS is only using \$7,800 for FY 08.

Problem Statement

The FSET funding stream is not fully utilized by New York City as it requires state and local matches and agency coordination. Last year, an estimated \$6 million available to the City was left unclaimed. Because these federal funds require a 50% match from non-federal workforce funding, the City has not been able to match and claim all of the available FSET funds.¹ With limited federal support for workforce development, there is a need to make use of all available funding streams.

Research and Evidence

Many states have not used all available FSET funds because they are unable to provide matching funds or find the administrative requirements too cumbersome. Over the past five years, however, public/private partnerships throughout the country have become more interested in accessing the funds as traditional sources of funds for employment and training have become more limited.

FSET pilots that focus on using private or local government funding for the 50/50 match have appeared around the country. A successful initiative in Seattle, for example, combines resources from local community colleges, employers, and community based organizations. The program accessed almost \$800,000 in FSET funds in 18 months of operation and serves 100-125 participants per quarter.²

Other research from programs implemented in Texas, Milwaukee, and San Francisco suggests that accessing additional FSET funds is possible and that the administrative requirements to do so are not prohibitively difficult.³

Program Description

The FSET strategy will use selected CEO employment programs to pilot the process for claiming additional FSET funds for New York City. Individuals who are receiving Food Stamps and enrolled in one or two of the Department of Small Business Services' (SBS) new City Tax Levy-funded programs will have employment service claims submitted to the NYS entity that operates the FSET program (the Office of Temporary and Disability Assistance). SBS should then receive a reimbursement for half of the cost of eligible employment services that were provided to those individuals.

Note: Operational processes and the flow of funds for this pilot are still to be determined. Several administrative steps must occur in order to ensure that the SBS program services are included in the NYS FSET plan. These steps include ensuring that, (a) administrative structures for capturing information about services used by Food Stamp recipients are in place; and, (b) financial and accounting implications of using this strategy are considered.

Target Population

The Food Stamp Employment and Training initiative has the potential to serve Food Stamp recipients citywide who are working less than 120 hours a month.⁴

Expected Outcomes

Outcomes of the pilot include:

- The creation of a mechanism for NYC organizations and/or agencies (other than HRA) who have eligible matching funds to access 50/50 match FSET funding
- An increase in the funding available to NYC for workforce development

¹ <http://www.workforcealliance.org/site/c.cjNK1PJJtH/b.2627349/k.C25B/FSET.htm>

² Fischer, David. "Food Stamp Employment and Training: Lessons Learned from Massachusetts, Texas, Wisconsin and San Francisco." Seattle Jobs Initiative, April 2007.

³ Center for Law and Social Policy (CLASP). "Where the Funds Are: The Use of FSET Funds for Workforce Training Programs." March 2007.

⁴ As of July 2007 there were 1,088,333 individuals (593,899 households) who were receiving Food Stamps in NYC. It is unknown how many of these individuals are working less than 120 hours a month.

Training Provider Directory

The Training Provider Directory is a new internet-based service that will match job seekers with appropriate training programs to promote skills building and career advancement. This directory, which is the first comprehensive listing of NYC training programs, will also include participant ratings and completion rates so that consumers can assess program quality.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year¹</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget² (City FY 08)</i>
The Department of Small Business Services	January 2008	3500	\$810,040	\$10,807,523

Problem Statement

Wide variation exists in the ability of training providers to: (1) place customers in employment and (2) place customers in employment related to the training. Due to a lack of an accountability system, providers charge non-market prices to City agencies and are not subject to monitoring for quality or effective practices. As a result, customers do not have reliable data on which to make informed training decisions.³

Research and Evidence

A study of the funds spent on training in four occupations showed evidence that NYC may not be paying the market price for job training. In 2005, the NYC Workforce Investment Act (WIA) system provided \$2.5 million worth of Individual Training Accounts (ITAs) for home health aides, security guards, and bus and truck drivers. Although many training providers charged NYC \$2,500 for these courses, secret shopper calls, interviews with employers and training providers about their training costs, and research on curriculum requirements established that the market price of training in these occupations is often much less. Using this research, the NYC Department of Small Business Services (SBS) is working to align the value of ITAs with market prices for job training within a specific occupation.⁴

By restructuring and coordinating the workforce development services of training providers, SBS will be able to standardize training grants as well as the curricula of training providers. As a result, jobseekers will be able to make more informed choices about job training.

Program Description

The core components of the ITA Provider Coordination initiative include the creation of an internet based training provider directory. This directory will include jobseeker feedback, curricula surveys and research. There will also be interagency coordination in an effort to streamline the services provided by this initiative.

The vision of this project is to create an accountable and transparent training provider system for the provision of local occupational skills training. The system would prevent training provider abuses, improve the quality and focus of training related placements, and set and maintain standards of quality beyond State policies. Customers would be empowered with information about training providers through information similar to other consumer resource guides, such as the popular Zagat guides. The

directory will be populated with customer feedback, and enhanced search options. The guide will detail the quality and outcomes associated with any provider receiving funding through a city agency, and it will include occupation-specific information regarding requirements, licensing, and training curricula.

Target Population

The initiative targets the unemployed and working poor city-wide ages 18 and over who are WIA-registered participants in Workforce career centers. In addition, those receiving TANF are also eligible to participate.⁵

Expected Outcomes

Short-Term:

Correct & Complete Data Collection

- Providers access the website to effectively market training programs to appropriate jobseeker clients
- Customers make informed provider choices through accurate comparison shopping

Enhanced User Experience

- Increased ease of engagement with system for training providers
- Ease of interface/use for jobseeker customers
- Customers make informed provider choices through accurate comparison shopping
- Professionalization of user interface for agencies
- Agencies share data

Long-Term:

Correct & Complete Data Collection

- Increased completion and placement rates for all users
- Providers use and are monitored for industry-approved curricula

Enhanced User Experience

- Transparency with respect to accountability measures

Accountability and Transparency

- City-wide standards for training providers that receive government funding
- Training-relevant employment placements
- Ensure that training providers are paid market-rate and non-variable prices for equivalent trainings
- Customer feedback as a mechanism for monitoring training experience and curriculum relevance
- Training curricula informed by industry/business feedback and matched to employer demand

Leverage City Investment to Move NYC Provider Field Through Policy

- Provide technical assistance to small businesses and CBOs that run training programs
- Provide a comprehensive assessment of all courses in NY relevant to employment with government funding or without
- Agencies cooperate on administration, evaluation and monitoring of training providers and hold providers to one standard

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- Agencies cooperate on administration, evaluation and monitoring of training providers and hold providers to one standard

¹ This number is an estimate, based on prior usage of training grants.

² The total budget includes federal Workforce Investment Act (WIA) funds.

³ New York City Department of Small Business Services. "ITA Pricing Project: Final Memo." August 6, 2006.

⁴ Ibid.

⁵ Depending on TANF-related work requirements, participation may be varied.

Sector-Focused Career Center

The Sector-Focused Career Center creates a new type of job placement and training center that focuses its services on a single economic sector. The center will meet the needs specific to businesses within the sector as well as provide low-income workers with access to good jobs with career advancement opportunities.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year¹</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Department of Small Business Services	May 2008	Year 1: 500-600 Year 2+: 1,000-1,200	\$2,300,000	\$2,300,000

Problem Statement

Over 350,000 working New Yorkers are living in poverty,² constituting approximately 46% of poor households in New York City. Due to a lack of skills, including limited English proficiency and an inability to access training, many working poor cannot secure permanent well-paid jobs with growth potential.

Research and Evidence

Research suggests that sector-based interventions can help prepare low wage workers for jobs in high demand occupations that pay higher wages and have career paths, thereby helping workers to move out of poverty.

Sector strategies share common elements that distinguish them from conventional workforce programs. First, they target a specific industry and a set of occupations within that industry. Second, they involve an organization acting as a strategic partner with deep knowledge of the targeted industry and its companies. Third, they provide or coordinate training, supportive services, and other types of assistance to improve career opportunities for low-wage, low-income or unemployed workers in a specific industry. Fourth and finally, they promote systemic change within an industry by working collaboratively with other parties to achieve changes in employment practices that benefit employers, low-wage workers, and low-income job seekers.³

According to a three-year study conducted by The Aspen Institute, sector strategies are a highly promising workforce development approach because they are of value to both workers and employers. The study found, for example, that workers who were employed at least once during the year before enrolling in a sectoral program more than doubled their median personal earnings two years after completing occupational training (\$8,580 at baseline to \$17,732; note: occupational training was a mandatory part of program enrollment). Forty-eight percent of these participants moved out of poverty based on earnings alone. Sector strategies also benefit businesses, with employers valuing new sources of talent for hard-to-fill positions.

Program Description

The purpose of the Sector-Focused Career Center is to assist unemployed and low-income individuals advance out of poverty and low-wage work. In pursuit of this objective, the Sector Center will develop a service delivery model that is industry-focused, demand-driven and business-oriented, providing workforce preparation that is grounded in both the employment needs of business, as well as the developmental needs of jobseekers and employees.

The core components of the program include preparing low-wage workers for a career within an identified growth industry in the New York City economy. In addition, the initiative seeks to create clearly accessible career ladders that are supported by preparatory training to enable participants to plan career steps and goals accordingly. The initiative also seeks to increase the income of new and incumbent workers through increased wages, work hours, and benefits, as well as increase the promotions and job upgrades through targeted training and development skills. In order for a job to qualify as a placement, it must pay at least \$10.00 per hour and provide benefits.

Job seeker services will include retention and advancement services, skills training for existing workers, job placement and skills training for new workers, contextualized ESL and job readiness preparation, and individualized worker supports. Sector specific business services will include ongoing business needs assessment, employee recruitment and placement for entry- and mid-level jobs, training or education for new or existing workers, and retention strategies to reduce employee turnover. In addition, businesses will also be provided with non-workforce services such as marketing and strategic planning to facilitate business growth.⁴

The Department of Small Business Services (SBS) released a Request for Proposals in November 2007, inviting proposals for a sector-based center focused on one of the following industries: construction, healthcare, manufacturing, retail/hospitality, or transportation/warehousing. SBS selected these potential sectors because they offered a range of job opportunities and are expected to have high labor demands in the coming years. One sector will be selected, and the new center is expected to open in the spring.

Target Population

The program serves the working poor citywide whose income is below 200% of the federal poverty level.

Expected Outcomes

- Job placement for 500 to 600 individuals during the first year, with 1,000 to 1200 individuals placed each year for year 2 and beyond
- Job advancement for low-income workers through higher wages, more hours working and/or benefits
- Assist workers and businesses in improving job retention

¹ These numbers refer to job placements; the actual number served is higher.

² U.S. Census Bureau, 2006 American Community Survey; includes all persons aged 16 and over in the work force.

³ The Aspen Institute: <http://www.aspenwsi.org/fastfacts-FAQ.asp>.

⁴ SBS Sector Focused Career Center Concept Report Information Session Presentation material, available at: http://www.nyc.gov/html/sbs/html/about/concept_reports.shtml (accessed 9/27/07).

Employment Works

The Employment Works initiative is intended to help individuals who are on probation to obtain and retain jobs, build skills, and receive educational training.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year¹</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Department of Small Business Services	May 2008	500-600	\$1,764,800	\$1,764,800

Problem Statement

In New York City individuals with criminal records are often unemployed or work in entry level jobs with minimum wages. Without an intervention, less than half are employed after only six months on the job, and only 10-20% are employed after a year.² When leaving the work force, these individuals either get rearrested and return to jail or suffer long periods of unemployment.

Research and Evidence

The majority of ex-offenders returning to New York City come back to poverty stricken neighborhoods with few job opportunities and little social capital. The prognosis for their future is poor: without intervention, two-thirds are likely to be arrested again. Studies show that finding and maintaining employment can reduce recidivism for these individuals. Employment can also impact other barriers such as relapse for individuals in addiction recovery. In addition, research has indicated that there is a correlation between increases in money earned through legitimate means and decreases in illegal earnings.³

According to New York City Department of Probation figures, nearly 29,000 individuals are sentenced to probation each year in New York City. Approximately half of these individuals are unemployed. In examining the ex-offender population at large, the Independent Committee on Re-entry and Employment estimates that 89% of individuals who violate parole or probation are unemployed. Research on the federal probation population, however, suggests that when comprehensive employment programming is offered, there is a 67% decrease in the number of parole violations.⁴

Program Description

The Employment Works initiative will coordinate programming among the public workforce system, the New York City Department of Probation, and workforce development providers to increase the number of probationers connected to jobs that lead to economic self-sufficiency.

Necessary educational, training, and support services will be provided to probationers to prepare them for long-term employment. The initiative seeks to place 500-600 unemployed and underemployed probationers in jobs with wages of at least \$9.00 per hour (the New York State minimum wage is \$7.15), and to achieve job retention rates of at least a year.

Target Population

The program serves New York City probationers who are age 18 or older, and also unemployed or underemployed. Probationers must reside either in Brooklyn, Queens, or the Bronx.

Expected Outcomes

- Job placement for 500 to 600 probationers per year in jobs paying a minimum of \$9.00 an hour
- Job retention for a minimum of one year
- Occupational skills development and educational attainment for a significant percentage of participants
- Recidivism reduction for program participants

¹ This number refers to outcomes achieved. The number served is higher.

² Data received from the Department of Small Business Services, 2007.

³ Solomon, Amy L., K. Johnson, J. Travis and E. McBride. "From Prison to Work: The Employment Dimensions of Prisoner Reentry." The Urban Institute, 2004.

⁴ United States District Court Eastern Missouri Probation Office. "The Impact of Employment on Violations file on Federal Offenders in Eastern Missouri 1999-2004."

Youth Financial Empowerment

The Youth Financial Empowerment initiative creates individual development accounts (matched savings accounts) for youth who are aging out of the New York City foster care system.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year¹</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Administration for Children's Services	January 2008	100	\$300,000	\$1,438,900

Problem Statement

Most young people leaving foster care have no permanent connection to a family, depriving them of the financial assistance and support that a family might ordinarily provide to a young person transitioning to adulthood. Historically, more than one in four New York City youth aging out of the foster care system becomes homeless.² Studies indicate that more than half of all youth leaving foster care have not graduated from high school. Twelve to eighteen months after leaving the foster care system, only about 38% are employed. The median salary of those youth who manage to find employment is lower than that of a full-time worker receiving minimum wage.³

Research and Evidence

Individual Development Accounts (IDAs) have shown great promise as asset building tools. A rigorous systematic study, analyzing the contributions and outcomes of 2,364 IDA participants over a 6 year period (1997-2003), concluded that program characteristics (i.e., monthly savings targets, financial education, withdrawal restrictions) rather than income levels were most strongly linked with saving performance.⁴

Research has also shown that accumulating material assets has positive social and psychological outcomes for young adults; however, little research has been conducted on the specific effects of asset building for foster care youth. As noted in a recent report by the Youth Transition Funders Group of the Foster Care Work Group, "because children and youth are among those most deeply affected by poverty, they in particular, need opportunities to learn how and why it is important to build assets. Foster youth and young adults leaving foster care are a subset of disadvantaged young people for whom the need to encourage savings and asset development is even more urgent."⁵

The Youth Financial Empowerment (YFE) program will provide important resources for young people aging out of the foster care. In addition, the evaluation of the YFE program, which will focus on specific outcomes for foster care youth, will fill an existing gap in research on the effects of asset accumulation for this population.

Program Description

The YFE initiative supplements existing support services for youth who are aging out of the foster care system. By matching deposits at a 2:1 ratio and requiring participants to work with a financial counselor and attend financial literacy workshops, the YFE program will help young adults save for housing, education, and career investments.

State regulation entitles youth aging out of foster care to a monthly stipend funded by the federal government with state and local contributions. Using these stipends, earnings from work and other income, participants may contribute up to \$1,000 to their IDAs. Deposits will be matched at a 2:1 ratio with funds from private foundations, and the federal government.⁶ City funds are for program expenses and do not cover participant savings matches. Participants may apply their IDA savings to investments towards their futures, such as tuition fees, business startup costs, and housing expenses, including down payments for purchases or the first and last months rent and security fees for rentals.

Target Population

The YFE program serves foster care youth ages 16-21 that are aging out of the foster care system.

Expected Outcomes

Short-Term:

- Participants will establish savings and transaction accounts from federally insured financial institutions
- Participants will increase their financial management skills and knowledge

Long-Term:

- Enable participants to make purchases towards housing, education, or business ownership
- Improve housing, education, and employment outcomes for participants
- Increase participants' savings and use of bank accounts

¹ This number represents the number of youth served during the first year of program operation. A total of 450 youth will be served by the program over the next five years.

² CEO Report, 33.

³ "Connected by 25: A plan for investing in successful futures for foster youth 10." The Youth Transition Funders Group Foster Care Work Group with the Finance Project, 2005.

⁴ Schreiner, Mark, Margaret Clancy, and Michael Sherraden, "Saving Performance in the American Dream Demonstration: Final Report." Center for Social Development, Washington University in St. Louis, 2002.

⁵ See note 3.

⁶ The total amount of the match is \$2,000.00 for the length of the program.

CUNY Preparatory Transitional High School

CUNY Prep is a model program that offers out-of-school youth between the ages of 16 and 18 with an opportunity for full-time study in order to qualify for admission to college by obtaining a General Equivalency Diploma (GED). A new, part-time evening program serves older students and working adults.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The City University of New York	January 2007	200 seats (day program); 175 seats (evening program)	\$3,500,000	\$3,500,000

Problem Statement

There are approximately 165,000 New Yorkers between 16 and 24 years of age who are neither in school, working nor looking for work. Half of these disconnected youth have less than a high school diploma.¹

Research and Evidence

CUNY Prep is now in its fourth year of operation. The program started early in 2003 as a pilot demonstration project by the City University of New York. It offers a new educational model for out-of-school youth and young adults. The program focuses on college readiness, and passing the GED with a high score. Hallmarks of the model include high expectations, quality instruction, and support services. Between fall 2003 and spring 2006, 978 students attended CUNY Prep. Forty-one percent of these students took the General Equivalency exam. Of the students who took the exam, 71.9% passed.² More than 140 of its graduates have gone on to college, while others have enrolled in trade schools.³ All students who graduate the program receive follow-up services, such as support from the staff, alumni meetings, and assistance with college life.

Although CUNY Prep has achieved considerable successes in preparing students for the GED, graduates confront hurdles upon reaching college. Attrition rates for CUNY Prep students who enter college vary, but over 50% leave college within the first year.⁴ Even though this pattern is consistent with the general persistence problems of GED recipients who attend community college, CUNY Prep is assessing the causes and hopes to improve its graduates' successes at the post-secondary level.⁵

CUNY Prep has served as a model for the Department of Education's new full-time GED programs.

Program Description

CUNY Prep is a full-time academic program. The day program serves 200 students at any given time and accepts new students four times per year. Most students attend the program for six months to one year. Instruction emphasizes college preparation in humanities, math and science. In addition to the three subject-area classes students also take a literacy enhancement course to build the skills they will need for college and work.

The program also teaches college survival skills and provides social supports such as counseling, career advising, and referrals to health care centers and part-time job opportunities. Trained guidance counselors provide case management to address students' personal challenges and needs. After successfully completing their GEDs, students attend college courses at Hostos Community College taught by CUNY Prep and college faculty.

The program sets high expectations. Students are permitted no more than six absences from CUNY Prep per cycle. Students are dropped from the program at the seventh absence and encouraged to return at the beginning of the next cycle.

The new evening program extends the CUNY Prep model to older students. In January of 2007 CEO funding enabled CUNY Prep to double the number of slots available to older and working adults in the evening program. The program is part-time but still maintains its focus on college preparation, in addition to the GED. The evening program serves 175 students at any given time and admits new students four times per year.

Target Population

The CUNY Prep day program serves young adults citywide who meet the minimum age requirements, and who also have the reading skills necessary to prepare for the GED Tests within one year. The evening program serves adults of all ages.

Expected Outcomes

- Students achieve 90% attendance
- 85% of students will pass the GED
- At least 50% of students will enroll in college
- At least 50% of students will remain in college for at least two semesters

¹ Levitan, Mark. *Out of School, Out of Work...Out of Luck? New York City's Disconnected Youth*. New York: Community Service Society, 2005.

² CUNY Preparatory Transitional High School, 2004 – 2006: A Comprehensive School Report & History of the Project: 24.

³ Information listed on the CUNY Prep website. <http://cunyprep.org/subsections/AboutUs/visionandvalues.htm>

⁴ Ibid.

⁵ Ibid.

CUNY ASAP

The CUNY ASAP (Accelerated Study in Associate Programs) program provides extensive support to help students and working adults complete Associate's Degrees.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The City University of New York	September 2007	1,132	\$6,500,000	\$6,500,000

Problem Statement

Approximately 350,000 individuals in New York are working yet not earning enough to rise above the poverty level.¹ A lack of skills and an inability to access education prevents many working poor from securing permanent well-paid jobs with growth potential.² Low-income students are less likely to complete a post-secondary education, placing them at greater risk of continued poverty.³

Research and Evidence

Community college students confront a variety of obligations that conflict with their educational goals. Nationally, only 17% of students who enroll in a community college end up receiving an Associate's degree within six years. In New York City, this number is higher, but still only 21%.⁴ For many students, competing work and family responsibilities can prolong or interrupt college attendance. More than 60% of the City's community college students balance their studies with full-time or part-time work. Family responsibilities, such as the care of small children, can also impede the completion of a college degree.⁵

The value of an Associate's Degree when compared to a high school diploma is considerable: in 2005 those with an Associate's Degree earned on average \$37,990 a year, whereas those with a high school diploma earned on average \$29,448 a year.⁶

MDRC's 'Opening Doors' program is a rigorously evaluated national demonstration project involving six community colleges (including the Kingsborough Community College in Brooklyn). The program examines the impact of learning communities (where students take blocks of classes with the same group of peers), customized instructional support, incentives, career counseling, and other supports designed to help students complete their degree. At the Kingsborough site, MDRC is using a randomized control experiment to measure the impact of learning communities on persistence and academic success.⁷ Although it is "too early to draw any firm conclusions about the effects of Kingsborough's Opening Doors program,"⁸ preliminary data give grounds for cautious optimism. When engaged in the learning communities, Kingsborough's Opening Doors students were more likely than the control group students to pass their courses.⁹ Opening Doors students were also 10% more likely than control group students to pass reading and writing skills tests, although both groups passed the tests at the same rate prior to the program.¹⁰ The preliminary data do not indicate that involvement in learning communities positively

affects subsequent credit accumulation or pass rates after students leave the program.¹¹ In the first post-program semester, the persistence rate was unusually high both for the Kingsborough Opening Doors students and the control group.¹² Whereas the learning communities studied in the Kingsborough Opening Doors program lasted one semester only, CUNY ASAP interventions are designed to last until the student receives an Associate's Degree.

The CUNY ASAP program creates a holistic response to the difficulties confronting community college students. Individual elements of CUNY ASAP have previously been shown to be successful. For example, CUNY's University Skills Immersion Program has helped tens of thousands of students to finish their remedial work in the summer before entering college.¹³

The CUNY ASAP model of block scheduled cohorts is well-recognized as one of the primary approaches to structuring learning communities.¹⁴ With structured learning communities, curricular structures link courses "so that students have opportunities for deeper understanding and integration of the material they are learning, and more interaction with one another and their teachers as fellow participants in the learning enterprise."¹⁵ Peer cohort groups of 25 students attend classes on the same schedule and receive dedicated tutorial support as well as case management.¹⁶

Although the components the CUNY ASAP program are known to be necessary conditions of community college success, continued research is required to determine the optimal arrangement of these features. As a recent report by the Lumina Foundation for Education notes, "[r]esearch conclusions point out that counseling, advising and developmental education are all crucial for community college students, but research has been less helpful in identifying the most effective design and organization for these services."¹⁷ MDRC researchers have observed that "[m]any studies have discussed the implementation of learning communities and described students' and instructors' experiences in these programs, but relatively few have attempted to measure how learning communities affect key outcomes such as student persistence, course completion, and degree attainment."¹⁸

CEO will evaluate whether the ASAP model improves credit accumulation and persistence.

Program Description

The CUNY ASAP program increases the availability of support services for young adults and the working poor to continue with post-secondary education. The program assists students in earning an Associate's Degree within three years. Students attend all of their classes at the same time of day or on weekends to accommodate their work schedules. Students are grouped in cohorts based on their academic interests. Peer cohort groups of 25 students attend classes on the same schedule and receive dedicated tutorial support. Participants complete all necessary remedial work before beginning fall classes. In a pre-college summer program, cohorts of participants get a head start on their college coursework (remediation) and become familiar with the intellectual and behavioral demands of college.

Participants take 12 credits each semester, rendering them eligible for financial aid as full-time students, and positioning them for graduation within three years. Graduates of the program will be qualified for positions in health, hospitality, early childhood education, and retail professionals, as well as legal assistants. These areas have been identified by New York State's Department of Labor as having very

favorable or favorable employment prospects in the New York City region because they require no more than an Associate's Degree that is already offered by CUNY, and have median salaries of at least \$40,000. Liberal Arts and Business are also popular majors and students will also be encouraged to transfer to 4-year colleges where they can obtain a Bachelor of Arts (or Science) Degree.

Academic advisors meet with students bi-weekly to address student needs, providing the support necessary to eliminate obstacles to student success. Faculty also communicate with academic advisors at regular intervals to provide immediate feedback on student performance and activity in the classroom. Job developers help students find employment that accommodates their school schedules and supports career interests.

The CUNY ASAP program provides students with free MetroCards thereby eliminating the cost of transportation as a barrier to class attendance. Barnes and Noble is providing underwriting support that in combination with CEO funds will enable students to receive free books.

Target Population

The CUNY ASAP program serves low- and moderate-income community college students. Participants include recent high school graduates and working adults. Students were required to complete all remedial work prior to the beginning of fall classes. In addition, they must maintain good academic standing and earn at least 24 credits per year.

Expected Outcomes

- 50% of the participants graduate within three years of beginning college
- 75% of the participants graduate within four years of beginning college

¹ U.S. Census Bureau, 2006 American Community Survey.

² CEO Report, 16.

³ Ibid., 31.

⁴ U.S. Department of Education. "Beginning Postsecondary Students Longitudinal Study of 1996-2001." 2003; CUNY Office of Institutional Research and Assessment. "System Retention and Graduation Rates of Full-time First-time Freshmen in Associate Programs by Year of Entry: Total University." New York: CUNY, March 7, 2007.

⁵ New York City Mayor's Office. "Mayor Bloomberg and Chancellor Goldstein Unveil Tailor-Made Programs for Working New Yorkers at Six CUNY Community Colleges." Apr. 16, 2007. available at nyc.gov

⁶ MDRC. "Fast Fact: How Much Is a College Degree Worth?" New York: MDRC, April 24, 2007.

⁷ Bloom, Dan and Colleen Sommo. "Building Learning Communities: Early Results from the Opening Doors Demonstration at Kingsborough Community College." New York: MDRC, 2005.

⁸ Ibid., 45.

⁹ Ibid., 46-49.

¹⁰ Ibid., 50.

¹¹ Ibid., 49.

¹² Ibid., 49.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ *A New Model for Community College Education: A Path to Success* (CEO internal document, CUNY ASAP Project proposal).

¹⁷ Bailey, Thomas R. and Mariana Alfonso. "Paths to Persistence: An Analysis of Research on Program Effectiveness at Community Colleges." Lumina Foundation, February 2005.

¹⁸ Bloom and Sommo, 2005: 15.

NYC Justice Corps

The NYC Justice Corps initiative places court-involved youth in a six-month work readiness program that includes skill building and assessment as well as community service. These activities are followed by a subsidized internship with job coaching and support.

<i>Agencies</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The City University of New York (CUNY)/The Department of Correction	Spring 2008	250	\$4,800,000	\$4,800,000

Problem Statement

Among young adults aged 18 to 24 who are in poverty, youth exiting detention and young people returning from incarceration are at particularly high risk of becoming disconnected from school and work. The majority of individuals with criminal records returning to NYC come back to poverty-stricken neighborhoods with few job opportunities and little social capital. Without intervention, two-thirds are likely to be re-arrested.¹

Research and Evidence

The Civic Justice Corps (CJC) concept was piloted several years ago in Oregon. The Community Justice Department for Deschutes County, Oregon, organized probationers and parolees into a workforce team available for public, community based projects. The goals of this program were two-fold: to teach court-involved individuals new skills and to host a highly visible illustration of these individuals' contributions to the local community.² This intervention was quickly recognized as promising for court involved youth, and, in 2006, the U.S. Department of Labor funded the expansion of the project to 11 sites. Researchers Gordon Bazemore and David Karp describe CJC programs as having the following core attributes:

- Community service acts as a restorative practice that repairs harm caused by persons under criminal justice supervision to victims and communities and provides a tangible public benefit;
- Persons under criminal justice supervision benefit from participating in community service, enhancing their ability to be law-abiding and productive citizens; and
- Service is a mechanism to rebuild severed relationships between lawbreakers and community members, and re-establish trust and positive status of offenders in the community.³

In an evaluation of a Canadian juvenile offender community service program, researchers found that participants often maintained relationships with supervising agencies and a few were hired after completing required service hours.⁴ Studies that compare community service participation with alternative sentences document some reduction in recidivism, or at the very least, no increase in recidivism.⁵ Other studies reported that court involved individuals in service programs had relatively high rates of absenteeism and problems with interpersonal conflicts.

Although the CJC model has yet to be rigorously evaluated, extensive research has been conducted on similar youth-focused programs, including Job Corps and JOBSTART.⁶ Job Corps is the longest federally run job-training program for young adults. The program serves disadvantaged youth, ages 16 to 24, and provides comprehensive education, training, health care, and counseling services in a residential setting.

In addition, a small annual stipend is provided. Research demonstrates that 47% of the participants who entered the program without a high school degree succeeded in obtaining a GED during a follow-up

period, compared to 29% in a control group. Furthermore, 37% of participants reported receiving a vocational certificate, compared to 15% of control group members. By the fourth year of follow-up study there was also a 12% earnings gain for program group members versus control group members. The estimated average reduction of welfare receipts per participant was \$640, a statistically significant amount.^{7,8}

JOBSTART, in contrast, is a nonresidential version of Job Corps. The program is targeted to economically disadvantaged school dropouts ages 17 to 21 who have a below 8th-grade reading level. Participants received 200 hours of basic education and 500 hours of occupational training, but no stipend or extensive support services.⁹ Research suggests that by the end of 48 months, 42% of the experimental group compared to 29% of the control group had received their GED or diploma. In addition, occupational training yielded a 16-point rise in the receipt of trade certificates (from 17% to 33%). However, the program showed no statistically significant impact on earnings or employment.¹⁰

Several transitional jobs programs targeted to adult populations with multiple barriers to employment, such as low educational attainment, lack of work experience, and substance abuse problems, have also been evaluated.¹¹ For example, an evaluation of the Community Jobs program in Washington State, which provides high needs welfare recipients with temporary paid employment along with mentoring and training, found that the employment rates of participants increased by 33 percentage points over the rate they would have achieved without completing the program. This increase was better than that of participants in other state programs [i.e., workfare, job search, pre-employment training]. Moreover, a worker's successful completion of the program added nearly \$800 in quarterly earnings compared to anticipated income before participation. The results for all participants after two years show that average income increased 60% and was close to 150% more than the TANF grant. Almost three-quarters of all welfare recipients who entered the Community Jobs program worked after leaving the program. Only 13% did not engage in work after finishing the program.

A Mathematica Policy Research study of six major transitional job programs across the country, including the Transitional Work Corporation program in Philadelphia and the Community Jobs Program in San Francisco found that between 81% and 94% of participants who successfully completed one of these programs were placed in unsubsidized employment after their transitional jobs ended.¹² However, program retention was a problem and on average, only half of participants completed the program.

The sole exception to this poor retention problem was the GoodWorks! Program in Augusta, GA. It had a completion rate of 82%.¹³ Several key factors seem to contribute to this program's success. First, the program arranged for job developers from the State Department of Labor and the county job training authority to co-locate with the primary employment service provider (Goodwill Industries). Staff from these agencies collaborated with the service provider to conduct job search and readiness workshops, create individual employment plans for clients, and develop job opportunities with employers. The program also implemented a "phasing" process, where after four months in transitional job placement, the number of hours a participant is required to work decreases and the number of hours required for job search activities increases. Participants thereby had more of a chance to benefit from staff support while practicing job search skills.

Program Description

The NYC Justice Corps helps court-involved youth to become work ready through skill building and assessment, community benefit projects, and subsidized internship placements with job coaching and support. The initiative employs a sequenced model: the first month, includes participant orientation and individual assessments, skill building, team building, community project scoping, selection, and/or matching. In months 2-4 participants will engage as a team in a community-based service project identified by the local community. This service will build individual soft skills and teamwork ability, provide an opportunity to “give back” to the community, and prepare participants for their internships and the labor market. In months 5 and 6 participants will be placed in a subsidized internship with job coaching and support. At the end of the internship, participants will be supported in pursuing employment and educational goals.

Participants will receive \$8-\$9 per hour for their participation in the program. A central intermediary agency will manage and coordinate the initiative and provide technical assistance to three community based organizations in each target area (the South Bronx, Jamaica, and Bedford-Stuyvesant). These three community based organizations will serve as conveners, or service providers, for the neighborhood Justice Corps. After the community service and internship components are completed, participants will receive up to six months of follow-up placement and retention services to find and maintain unsubsidized, permanent employment (total participant engagement is up to one year).

Evaluation framework

There will be a random assignment evaluation to determine program impacts over four years.

Target Population

The program serves young adults ages 18 to 24 who are on probation, parole, recently discharged from the NYC jail system, or currently or recently enrolled in an alternative-to-incarceration program. A majority of the participants (80%) must reside in one of the following three target areas: Mott Haven, Melrose and Morrisania (CD 1 and CD 3), Jamaica (CD 12), Bedford-Stuyvesant (CD 3).

Expected Outcomes

Short-Term:

- Provide tangible job skills and increase employability of participants
- Increase positive social networks for participants
- Provide tangible benefit to the community

Long-Term:

- Retain participants in permanent, unsubsidized employment or educational activities
- Reduce recidivism rate among participants

¹ CEO Report, 33-34.

² Travis, Jeremy. *But They All Come Back: Facing the Challenges of Prisoner Reentry*. Washington D.C.: The Urban Institute Press, 2005: 181-182.

³ Bazemore, Gordon and David Karp. “A Civic Justice Corps: Community Service as a Means of Reintegration.” *Justice Policy Journal*, Volume 1, No. 3, Fall 2004:1.

⁴ Doob, A. N. and D.P MacFarlane. “The Community Service Order for Youthful Offenders: Perceptions and Effects.” Toronto: Centre for Criminology, University of Toronto. Quoted in Bazemore and Karp, “A Civic Justice Corps: Community Service as a Means of Reintegration.”

⁵ Bazemore and Karp, 2004: 11.

⁶ Mitchell, Maxine V., Davis Jenkins, Dao Nguyen, Alona Lerman and Marian DeBerry. "Evaluation of the Youthbuild Program." Washington, D.C.: U.S. Department of Housing and Urban Development, August 2003. For further background research see: Ivry, Robert and Fred Doolittle, "Improving the Economic and Life Outcomes of At-Risk Youth." MDRC, spring 2003.

⁵ Bazemore and Karp, 2004: 11.

⁶ Mitchell, Maxine V., Davis Jenkins, Dao Nguyen, Alona Lerman and Marian DeBerry. "Evaluation of the Youthbuild Program." Washington, D.C.: U.S. Department of Housing and Urban Development, August 2003. For further background research see: Ivry, Robert and Fred Doolittle, "Improving the Economic and Life Outcomes of At-Risk Youth." MDRC, spring 2003.

⁷ Schochet, Peter, J. Burghardt, and S. Glazerman. "National Job Corps Study: The Impacts of Job Corps on Participants' Employment and Related Outcomes." Princeton, NJ: Mathematica Policy Research, Inc. June 2001.

⁸ McConnell, Sheena, Glazerman, S. "National Job Corps Study: The Benefits and Costs of Job Corps." Princeton, NJ: Mathematica Policy Research, Inc., June 2001

⁹ Mitchell, Maxine, et al., 2003: Appendix B, page 22. See also, Waller, Maggy. "Transitional Jobs: A Next Step in Welfare to Work Policy." The Brookings Institution Research Brief, May 2002: 4.

¹⁰ Cave, George, H. Bos, F. Doolittle, and C. Touissant. "Jobstart: Final Report on a Program for School Dropouts." New York: Manpower Development Research Corporation (MDRC), October 1993.

¹¹ Hill, Heather, Gretchen Kirby and LaDonna Pavetti. "Transitional Jobs Programs: Stepping Stones to Unsubsidized Employment." Mathematica Policy Research, Inc. April 2002.

¹² Ibid.

¹³ Ibid.

Life/Work Skills for Youth in Detention and in the Community

The Life/Work Skills for Youth in Detention and in the Community initiative focuses on reattachment to school and life/work skills for youth in secure detention and upon their return to the community.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year¹</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)²</i>
The Department of Juvenile Justice	January 2008	Detention: 100-240 per week; Community: 50 minimum per year	\$145,933	TBD

Problem Statement

Each year in New York City more than 3,500 youth return to their communities from youth detention and face extreme difficulty in transitioning back to school and attaching to pro-social environments and activities.³

Research and Evidence

There are numerous initiatives nationwide targeted to disconnected youth that focus on skill building, work and educational engagement, and paths to productive futures. Model programs include employment skill training in classroom settings, internships, and educational awareness and guidance activities.

Generally, programs that specifically target youth involved in the juvenile and criminal justice system are implemented at the post-adjudication phase, and become a component of alternative disposition or re-entry initiatives. Examples include Florida Department of Juvenile Justice programs funded by the US Department of Labor, CASES and CUNY Catch in New York City, Ferris School in Delaware, Fresh Start in Maryland, and YouthBuild's Criminal Justice Re-entry Initiatives.⁴

To adapt the strengths of these programs to a younger population, best practices had to be drawn from these programs as well as other youth development programs. A review of existing programs reveals several useful or adaptable characteristics for a detention-based intervention model:

- Class/workshop sessions should be limited in size, with student-to-staff ratios no greater than 10:1.
- Many curricula include a combination of classroom employment-skill training (practice interviewing, resume writing, job search skills, communication skills, public speaking, etc.), career awareness activities (presentations by guest speakers, mentoring, focus on particular industries or work experiences, etc.), and college/educational guidance/awareness (partnerships with local academic institutions whose representatives provide guidance regarding admissions, academic programs, financial aid, etc).
- Community based youth development programs where youth can make lasting connections with a caring adult such as Big Brothers Big Sisters or the Boys and Girls Clubs of America have been found to be effective at supporting court involved youth in the community and reducing the rate of re-offense.

- Performance measurements for youth programs include short-term achievements (program attendance, participation and completion rates, heightened enthusiasm for educational attainment/careers, attainment of degrees/certificates, etc.) and long-term achievements (increased educational functioning levels, increased enrollment in employment/post-secondary education/advanced training/occupational skill training after exiting the program, etc.).
- In many jurisdictions programs are supported by community based organizations and multi-agency consortiums (government partnerships) including the prosecutor's office, public defender, departments of education including community colleges and universities, county/city probation departments, youth services agencies, as well as detention facilities.

However, there are several key challenges to implementing these models for youth in New York City's detention setting:

- The Department of Juvenile Justice (DJJ) has a significantly younger cohort than most other juvenile justice systems, with an average age of 15. Services offered should be age-appropriate to youth in secure custody, who range from ages 11 to 17. Therefore, the program's primary goal should be Middle and High School completion rather than career exploration.
- Youth in detention have high levels of Special Education classification and many have low-literacy levels.
- Girls in detention, while often outperforming boys in terms of educational achievement, often have histories of trauma and/or abuse and present different emotional needs that must be specifically addressed when developing program services.
- A youth's length of stay at DJJ can be anywhere from 24 hours to over 365 days.
- Youth can move from facility to facility and from secure to non-secure detention, depending upon a number of variables, some of which are unpredictable. Youth may also return to the community, be placed with the Office of Children and Family Services, or with other residential programs.
- Traditional curriculum design may not consider security and safety constraints particular to a detention setting, which may preclude activities that take place outside of a classroom setting such as internships.
- Services for youth in the community are often overlapping and lack the coordination to comprehensively address youth's needs. Absence of 'single point of contact' and lack of systems-level case management often result in disjointed service delivery.

DJJ conducted several focus groups with young people in detention and former detainees. They also hosted a forum of juvenile justice stakeholders including family court judges, probation officials, educators, and community based service providers. Feedback from these groups contributed to program design and underscored the importance of developing programs to meet the differing service needs and interests of girls and boys.

Program Description

The Life/Work Skills for Youth in Detention and in the Community initiative introduces youth in detention to opportunities, skills and resources that will allow them to reconnect to the educational and workforce mainstream upon their exit. This program is designed to improve detained youth's attitudes towards and capacities for school achievement and future work goals, and to provide youth exiting detention with a connection to resources in their communities.

The program has two phases -- the first phase occurs in secure detention facilities and the second occurs in the community once a youth is released.

Phase 1: Facility-Based Program

While in detention youth will attend weekly workshops that address educational aspirations, life skills, and future work trajectories. DJJ has contracted for the development of a 12-module curriculum that is tailored to the specific needs of girls and another for boys. The curriculum is designed to accommodate the transitory nature and differential lengths of stay of youth in detention. All young people in DJJ's long-term secure detention facilities will be expected to participate in the workshops.

Phase 2: Community-Based Program

The community-based phase begins when youth are released from detention back to the community. Upon their release, youth will continue to attend workshops once a week at a local community site, where they will receive additional curriculum instruction and be engaged in community based youth development programs. In addition, youth will receive case management and support services to ensure both re-enrollment in an appropriate school or education facility, as well as appearances for any court-related appointments.

Target population

The Life/Work Skills for Youth in Detention and in the Community initiative will serve young adults age 11 to 17 detained in either Horizon Juvenile Center in the Bronx, or Crossroads Juvenile Center in Brooklyn.⁵

Expected Outcomes

Short-Term:

- Change in attitudes or expectations of participating youth and improved ability to assess personal strengths
- Improved attitudes toward educational attainment
- Improved understanding of vocational opportunities and the concomitant skills/education needed to obtain them
- Re-enrollment in school
- Enrollment in community based youth development program

Long-Term:

- Reduction in readmission rate for program participants
- Increased school enrollment and attendance/participation
- Connection/participation in age-appropriate work-related programs in the community

¹ The program will be conducted at two facilities, Horizon Juvenile Center in the Bronx and Crossroads Juvenile Center in Brooklyn. All youth at these facilities will participate in the program. Each facility has 10 dorms, which house between 8 and 16 residents at any given time; each dorm is provided instruction once a week. Since the length of stay for each individual resident varies, the total amount of unique individuals to be served each year while in detention is unknown.

² State matching funds still to be determined.

³ CEO Report, 33.

⁴ Citizen's Committee for Children of NYC, Inc. "Keeping Track of New York City Children." 2005.

⁵ Youth in detention range in age from 7 to 18.

Expansion of Educational Programs on Rikers Island

The expansion of education programs on Rikers Island initiative focuses on literacy, GED preparation and testing, English as a Second Language (ESL), vocational training, and counseling services for inmates ages 19-24.¹

<i>Agencies</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Department of Correction/The Department of Education	October 2007	380	\$2,800,000	\$2,800,000

Problems Statement

On a typical day in FY07, 96% of eligible inmates aged 19-24 did not attend school while in custody on Rikers Island.²

The majority of 19-21 year old inmates on Rikers Island are junior high or high school dropouts with poor reading and writing skills. Data from Rikers Horizon Academy, the school for 19-21 year olds, indicate that 63% of English speaking students read below an eighth-grade level, and 80% of Limited English Proficient (LEP) students read below an eighth-grade level.³

Research and Evidence

Rikers educational programs are geared towards developing literacy, occupational and social skills in order to boost participants' self-confidence, earn a GED, increase employability, and ease transition to the community upon discharge.⁴

Several studies have demonstrated that inmates who participate in educational programs when in custody are less likely to recidivate than inmates who do not participate in these types of programs. For example, a three-state study on education and recidivism conducted by the Correctional Education Association in 2001 found that re-arrest rates were reduced by 9% and re-incarceration rates were reduced by 10% for inmates who received educational services when incarcerated.⁵ Another study, conducted by the NYS Department of Correctional Services in 1989, found that recidivism rates for inmates who received a GED when incarcerated were 5% lower than inmates who entered custody without a high school degree and who did not earn a GED while incarcerated.⁶ A third study, conducted by the New York State Department of Correctional Services and published in 2003, tracked inmates who were released from the Department of Corrections in 1996 for a 36 month period after discharge.⁷ The findings suggest that, similar to previous studies, recidivism rates were reduced for all inmates who earned their GED when in custody. Unlike other studies, however, recidivism rates differed by age group. For inmates who were under the age of 21 at the time of their release, there was a 14% reduction in recidivism, compared with those youth who entered or exited the prison system without a degree. In contrast, for those inmates age 21 or older at the time of their release, there was a 5% reduction in recidivism, compared to those who did not enter or exit the prison system without a GED.

One possible explanation for these different findings is that the New York State study was longitudinal, and age differences in recidivism may emerge over time. Nevertheless, the research effectively establishes that participation in educational programs during incarceration reduces recidivism rates.

Program Description

The Expansion of Educational Programs on Rikers Island initiative expands basic literacy, numeracy, GED preparation and testing, and vocational training for inmates ages 19-24, who are not required to participate in such programs (inmates age 18 and younger are required to attend school).

The initiative adds classroom space, correctional staff, and officers for an education unit. When combined with expansions funded by WIA and Employment Preparation Education (EPE), the daily attendance number of inmates will increase by 495, for a total of approximately 1,400, or 50% of the eligible 19-24 year old population.

The initiative also implements a monetary incentive equivalent to the pay received for participating in a Department of Correction work program (27 cents an hour), to offset any disincentive to attending class.

In addition, the Department of Correction/Department of Education (DOC/DOE) has launched an outreach campaign on Rikers Island to ensure that non-readers and those with low literacy skills are identified and recruited for services. The campaign consists of posters, an "education hotline" for inmate telephone inquiries about services, and retraining intake/admission officers.

The level of literacy instruction will be targeted to the reading and arithmetic needs of the population.

Evaluation Framework

Educational progress will be measured via post-testing academic gains as outlined by the State Education Department's System of Accountability for Student Success (SASS). Recidivism rates will be updated regularly by DOC. The readmission rate of students will be compared to the rate for the overall inmate population. Select criteria, such as age, will be used to make appropriate within group comparisons. Student attendance and increased enrollment rates will be measured by both DOE and DOC. Other outcome measures include GED test results and discharge planning reports.

Target Population

The Expansion of Education Programs on Rikers Island initiative serves young adults ages 19-24 who are in custody on Rikers Island.

Expected Outcomes

Short-Term (While in Detention):

- Increase in the enrollment of 19-24 year olds in educational programs
- Increase in the literacy levels of participants
- Increase in the average daily educational attendance of 19-24 year olds

Long-Term (Upon Return to Community):

- Reduction in the recidivism rate
- Increase in the elapsed time between discharge and readmission
- Increase in the enrollment in post-discharge education programs
- Increase in the achievement of HS Diploma/GED
- Increase in employment for program participants

¹ Education attendance for 16-17 year olds is compulsory, so that entire population is already being served. Because 18 year old inmates are housed with 16-17 year olds in adolescent housing areas, that age group also goes to school with the rest of the housing area and is served in its entirety.

² On a typical day in FY07, 116 inmates aged 19-24 attended class at one of two schools on Riker's Island (Island Academy and Horizon Academy). An additional 2,624 eligible inmates in this age cohort (in custody over 10 days) did not attend.

³ Data are from Tim Lisante, NYC Department of Education, e-mail communication to CEO, August 16, 2007.

⁴ Educational outcomes for inmates at Rikers Island, based on uniform pre- and post-training testing, are similar to adult literacy programs for the general population.

⁵ Steurer, Stephen, Linda Smith, and Alice Tracy, "Three State Recidivism Study." Correctional Education Association, 2001. Submitted to the Office of Correctional Education, U.S. Department of Education.

⁶ New York State Department of Correctional Services, "Follow-up study of a sample of offenders who earned high school equivalency diplomas while incarcerated." 1989.

⁷ Nuttal, John, Linda Hollmen, and E. Michele Staley, "The Effect of Earning a GED on Recidivism Rates." *Journal of Correctional Education*, Volume 54, Issue 3. September 2003.

Model Education Programs for Rikers Dischargees

The Model Education Programs for Rikers Dischargees places individuals leaving the custody of the NYC Department of Correction into post-discharge educational programs. There are three model programs: GED/college preparation, basic literacy instruction, and mentoring services.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Department of Correction	fall 2007	660	\$875,000	\$875,000

Problem Statement

Among young adults, aged 16 to 24, who are in poverty, youth exiting detention and young people returning from incarceration are at particularly high risk of becoming disconnected from school and work.¹ About 70% of offenders and ex-offenders are high school dropouts² and, according to at least one study, about half are "functionally illiterate."³ This lack of literacy skills contributes to the chronic unemployment experienced by young adults discharged back to the community. Without intervention, two-thirds of ex-offenders are likely to be re-arrested.

Research and Evidence

The issue of low-level reading skills has been identified as a systemic problem for youth involved in the criminal justice system. A 2002 report by the Casey Foundation identified New York’s CUNY Catch and Friends of Island Academy as successful national models in establishing a pathway for GED completion and college admission.⁴ These two programs have high GED completion rates (70-80%) and are successful in finding employment for participants. The CUNY Catch program is also noted for helping participants enroll in college.

Research suggests that an individual with a job is less likely to commit another crime following incarceration. For example, an evaluation of the Windham School District, a prison educational system in Texas, found that 70% of individuals in the program were employed during their first year of release. And, of this 70%, the recidivism rate was 15%, which is significantly lower than the rate for the general prison population.⁵

Program Description

The Model Education Programs for Rikers Dischargees expands educational opportunities available to youth upon their release from DOC custody. The initiative also expands work readiness and literacy during incarceration and post-discharge.⁶

Participants will be offered education and mentoring services through one of three providers, each utilizing a different service delivery model, and meeting different participant needs.

- **GED/College – CUNY Catch** provides inmates, ages 16-24, with post-incarceration educational services, including pre-GED classes, GED preparation classes, and college preparation classes at three CUNY campuses: Bronx Community College, Medgar Evers College, and LaGuardia Community College. Assessment of participant educational needs may take place either on Rikers Island (prior to discharge) or at one of the participating CUNY campuses after discharge. (500 students)

- **Basic Literacy – Friends of Island Academy** offers basic literacy instruction for low level readers using the Wilson Reading System. The Wilson System has been in use for the past two decades, and has been found to be effective for a wide range of reading problems, including those at risk for reading failure.⁷ It uses direct, explicit and multi-sensory instruction to facilitate reading. (25 students)
- **Mentoring – Getting Out/Staying Out** provides inmates who are enrolled in schools on Rikers Island with one-on-one mentoring, including representation by mentors at court appearances to provide testimony on student achievements, as well as post-discharge transitional services leading to educational and/or job training opportunities. (135-150 students)

Evaluation Framework

Recruitment, retention, educational, and employment outcomes will be measured, as well as recidivism rates. In addition, the readmission rate of program enrollees will be compared on an annual basis to the rate for a similar inmate population.

Target Population

The initiative serves young adults, ages 16-24, who are being discharged from the Department of Correction.

Expected Outcomes

Short-Term:

- Increase the number of young adults enrolling in educational programs after incarceration
- Increase the literacy levels, educational skills, and occupational skills of participants

Long-Term:

- Reduce the recidivism rate among participants in educational programs
- Increase the number of discharges achieving a HS Diploma/GED
- Increase the number of discharges enrolling in college
- Increase the ability of participants to obtain employment

¹ CEO Report, 33-34.

² Travis, Jeremy, Amy Solomon, and Michelle Waul. "From Prison to Home: The Dimensions and Consequences of Prisoner Reentry." Washington D.C.: The Urban Institute, 2001. See also, Freeman, Richard. "Crime and the Employment of Disadvantaged Youths." In George Peterson and Wayne Vroman (eds.) *Urban Labor Markets and Job Opportunities*. Washington, D.C.: The Urban Institute Press, 1992.

³ Hirsch, Amy, Sharon Dietrich, Rue Landau, Peter Schneider, Irv Ackelsberg, Judith Bernstein-Baker, and Joseph Hohenstein. "Every Door Closed: Barriers Facing Parents with Criminal Records." Washington, D.C.: Center for Law and Social Policy and Community Legal Services, 2002.

⁴ Brown, David, Sarah Maxwell, Edward DeJesus, and Vincent Schiraldi. "Barriers and Promising Approaches to Workforce Development for Young Offenders Toolkit." Baltimore, MD: Annie E. Casey Foundation, 2002.

⁵ Martinez, Alma I. and Michael Eisenberg. "Impact of Educational Achievement of Inmates in the Windham School District on Recidivism." Texas: Criminal Justice Policy Council, 2000.

⁶ Other CEO initiatives targeting the court-involved population include the Civic Justice Corps, Educational Expansion on Rikers Island, and Employment Works.

⁷ Bursuck, William D. and Shirley V. Dickson. "Implementing a Model for Preventing Reading Failure: A Report From the Field." *Learning Disabilities Research & Practice*, 14(4):191-202, Fall 1999.

Office of Multiple Pathways to Graduation

This initiative expands the Office of Multiple Pathways to Graduation, a portfolio of schools and programs that focus on increasing the graduation rates and college readiness of overage and under-credited high school students.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Department of Education	September 2007	TBD ¹	\$11,403,766	\$11,403,766

Problem Statement

There are nearly 138,000 young adults between the ages of 16 and 21 in New York City who have dropped out of school or are significantly off-track for graduation. Without graduating or obtaining a GED, these youth face a difficult future. ²

Research and Evidence

An over-age, under-credited student is at least two years off-track relative to expected age and credit accumulation toward earning a diploma. Nearly all high school dropouts in New York City have a history of being overage and under-credited (44 credits are needed to graduate in New York State). Of the 138,000 youth that are over-age and under-credited, 70,000 of them are in school, and 68,000 have already dropped out. ³

Profiling the Target Population

Approximately half (48%) of all incoming freshmen become overage and under-credited during high school. Even well-prepared students graduate at lower rates once becoming over-age and under-credited. Those with at least a high Level 2 ELA score graduate at a 37% rate once becoming overage and under-credited compared with 82% for the general student population of NYC. ⁴

Overage and under-credited students fall behind early, and once they become off-track, they leave the system rapidly. Eighty-four percent of students who are 16 years old with fewer than 8 credits end up leaving the system. Only 19% of over-age and under-credited students ultimately receive a high school diploma or GED if they stay in high school; 6% of these graduates receive a Regents diploma, while 20% receive a GED. ⁵

The majority of overage, under-credited students have completed less than one-quarter of credits required for graduation.

Identifying Effective Options

Transfer schools are small, academically rigorous, diploma-granting schools for students who have been enrolled in a NYC public high school for at least one year and are under-credited.

According to the Department of Education, these schools have significantly improved the graduation rates of overage under-credited students. Students graduate from Transfer High Schools at an average rate of 56% — compared with 19% if they remain in comprehensive high schools. The graduation rate for overage, under-credited students at the highest performing Transfer School is 69%. These schools effectively re-engage students, nearly doubling attendance rates and credit accumulation. The attendance rate for students enrolled in Transfer Schools as of June 2005 was 78%, compared with a rate of 40% prior to Transfer School enrollment. Credits earned per year increased from 4.9 before Transfer School enrollment to 8.9 at Transfer Schools. Transfer Schools produce positive outcomes for students at all reading levels, with the greatest improvement in performance for the most challenged students. For students with a Level 1 ELA score in 8th grade, the graduation rate increased from 10% to 36% in Transfer Schools; for high Level 2 readers, from 25% to 51%.⁶

Recent outcomes for Learning to Work (LTW) programs are also encouraging. The DOE reports that 3,438 students have completed credentials at LTW programs since September 2005.⁷

Program Description

The Office to Multiple Pathways to Graduation (OMPG) initiative expands the availability of educational resources for youth at risk of dropping out of high school. There are four main components to the OMPG project: Learning to Work, Transfer High Schools, Access GED Programs, and Young Adults Borough Centers.⁸

Learning to Work is a workforce preparation component for transfer schools, Young Adult Borough Centers and select GED programs. Partner community based organizations have staff onsite at participating programs and schools. Students engage in intensive employability skills development workshops, subsidized internships, college and career counseling, and job placement. The program also includes attendance outreach, individual and group counseling, academic tutoring, and youth development supports. Learning to Work is integrated with the other components of the OMPG project, and is located at 39 sites.⁹

Transfer High Schools are small schools for overage and under-credited 16 and 17 year-olds working toward a high-school diploma. Transfer high schools are characterized by a personalized learning environment, rigorous academic standards, student-centered pedagogy, support for students to meet instructional and developmental goals, and a focus on connections to college. There are currently 30 transfer schools in New York City, serving approximately 9,550 students. Fifteen of these schools offer Learning to Work services.

Access GED Programs are new full-time GED programs that are based on current research on best practices for young adults. The programs include age and culturally appropriate curriculum, contextualized learning experiences, and Learning to Work supports such as partnerships, student support services, and pathways to post-secondary training and employment. OMPG also offers part-time Learning to Work GED programs that also include research-based curriculum, support services, and connections to further education or employment.

Young Adult Borough Centers (YABCs) are full-time evening academic programs that operate in existing schools. YABCs offer personalized course offerings and programming so that students can concentrate on the credit portfolio they need for graduation. YABCs are open to students seventeen-and-a-half and older who have been in high school for at least four years, are currently enrolled, and have attained a minimum of 17 credits. Each YABC site is operated through a collaborative partnership between the Department of Education and a community based organization, which provides services to students, including youth development support, career and college counseling, and assistance with job placement.

Students attend YABCs through a shared instructional model and receive a diploma from their high school of origin upon completion of their credits and Regents exams. Twenty-two YABCs are open for the 2007-08 school year.¹⁰ Fourteen of these programs offer a Learning to Work component.

Target Population

Office of Multiple Pathways to Graduation serves overage and under-credited youth between the ages of 16 and 21 citywide. Transfer High Schools require students to have been enrolled in high school for at least one year before transferring. Young Adult Borough Centers require students to be between the ages of 17.5 and 21.

Expected Outcomes

- Improve high-school graduation rates and GED attainment among over-age, under-credited youth.

¹ As of September 2007, the Office of Multiple Pathways to Graduation (OMPG) expansion has opened or enhanced 15 transfer schools (representing 3,130 seats), 20 Young Adult Borough Centers (5,000 seats), 3 new Access GED programs (600 seats). Note: the number of seats represents capacity, not enrollment. The expansion of OMPG portfolio of schools and programs is expected to continue in 2008.

² NYC Department of Education, Office of Multiple Pathways to Graduation. "Multiple Pathways Research and Development: Summary Findings and Strategic Solutions for Overage Under-Credited Youth." No Date. See Office of Multiple Pathways website, available at: <http://schools.nyc.gov/Offices/DYD/OMP/default.htm>.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ New York City Department of Education. *Learning to Work Initiatives: Engaging Overage and Under-Credited Students in Earning Academic Credentials Leading to Post-Secondary and Vocational Opportunities, Annual Report, Year Two: 2006-2007*. July 31, 2007.

⁸ Information for each of these programs comes from the Department of Education's website, <http://schools.nyc.gov/Offices/DYD/OMP/default.htm>

⁹ See note 2.

¹⁰ See the Office of Multiple Pathways Website for a list of Young Adult Borough Centers, available at: <http://schools.nyc.gov/Offices/DYD/OMP/YouthAdultBoroughCenters/default.htm>.

School Based Health Clinics

Five School-Based Health Clinics (SBHCs) are being placed in NYC high schools that are located in high poverty and high teen pregnancy neighborhoods. The clinics will provide comprehensive health and reproductive services.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Department of Health and Mental Hygiene	2007-2008 School Year ¹	TBD by enrollment at each SBHC	\$827,000	\$1.3 million (program expenses); \$1 million (capital expenses)

Problem Statement

Teen pregnancy continues to be a serious health and poverty issue in New York City. In 2004, there were 8,415 births and 13,859 teen abortions to 15-19 year old females citywide. Teen pregnancy rates are highest among black and Hispanic teenagers.^{2,3} Teen mothers are also less likely to complete high school and earn an adequate living. As a result, young mothers are more likely to require public assistance to support themselves and their children.⁴

Research and Evidence

Studies have shown an increase in the use of contraception and a decrease in the rate of teen pregnancy when school-based or school-linked clinics include reproductive health services. These services include one-on-one counseling, the provision of contraceptives and condoms, and the dissemination of educational materials.^{5,6} One evaluation of a school-based reproductive health services program used pre and post-test data to compare program schools and comparison schools that had no pregnancy prevention program. The results showed that after 28 months program schools experienced a 30.1% decline in pregnancy rates, whereas comparison schools showed a 57.6% increase in pregnancy rates.⁷ It is also worth noting that research has established that the provision of contraception at school-based clinics does not increase or hasten the onset of sexual activity of students.⁸

Evidence of Cost Savings

Teen pregnancy is associated with significant costs to the health care system and to society. It is estimated that in 2004, the 22,977 teen pregnancies (ages 15-19) in New York City cost nearly \$112 million in health care expenditures alone. In addition, studies estimate that 79% of teen mothers are likely to use public assistance after delivery.⁹ In New York City, this translates into a cost of over \$21.8 million per year in public assistance alone.¹⁰

The return on investment will be seen in the form of reduced health care and public assistance expenditures. Reducing the teen pregnancy rate by 25% could result in a savings of nearly \$28 million in health sector costs and over \$5.4 million in annual public assistance costs. In addition to monetary savings that are associated with a reduction in teen pregnancy, delaying pregnancy will increase young girls' chances of completing their education (and thereby raising their earning potential), supporting themselves, and having healthier babies.

Program Description

Reproductive health services in school have the potential to reduce teen pregnancy and other health risks associated with sexual activity. Because School-based Health Clinics (SBHCs) provide comprehensive primary care services, they also offer a non-stigmatized environment for reproductive health services. SBHCs are being established in five selected "high-need" high school sites. The onsite reproductive health services are confidential, and include dispensing of contraceptives, testing for pregnancy and sexually transmitted infections, education, counseling, referrals for additional services, and the reinforcement of activities aimed at reducing teen pregnancy and sexually transmitted infections.

The Department of Health and Mental Hygiene contracts with major health providers, such as Columbia Presbyterian or the Health and Hospitals Corporation, to provide comprehensive primary care services that are delivered by a nurse practitioner or physician assistant with physician oversight. Staff will also support the Department of Education's health education curriculum that stresses abstinence and provides information on reducing risky behaviors.

Target Population

SBHCs are being opened in high schools in areas with high-poverty rates. In order to use SBHCs services, a student must be enrolled in a high school where an SBHC is located.

Expected Outcomes

Short-Term:

- Enroll 70% or more HS students in the SBHC
- Distribute information at SBHC on pregnancy, STI prevention and general health
- Test for and treat STIs
- Prescribe and dispense hormonal contraception to sexually active enrollees

Long-Term:

- Reduce number of teen births
- Increase utilization of health care services (visits to provider) by enrollees
- Increase utilization of reproductive health care services
- Increase rates of hormonal contraceptive use
- Decrease prevalence of STIs

¹ One site opened September 2007. The remaining sites will open in 2008.

² Data from DOHMH Bureau of Vital Statistics. 2006.

³ Data from DOHMH Bureau of Vital Statistics. Analyses conducted by Bureau of Maternal, Infant & Reproductive Health, 2006.

⁴ As-Sanie, Sawzan, M.D., M.P.H., Angela Gantt, M.D., M.P.H., and Marjorie S. Rosenthal, M.D. "Pregnancy Prevention in Adolescents." *American Family Physician*. October 15, 2004.

⁵ Zabin Laurie S., Marilyn B. Hirsch, Edward A. Smith, Rosalie Streett, Janet B. Hardy. "Evaluation of a Pregnancy Prevention Program for Urban Teenagers." *Family Planning Perspectives*. Vol. 18, No. 3 (May - Jun., 1986), pp. 119-126.

⁶ Koo Helen P., H. Dunteman, Cindee George, Yvonne Green, Murray Vincent. "Reducing Adolescent Pregnancy Through a School- and Community-Based Intervention: Denmark, South Carolina, Revisited." *Family Planning Perspectives*, Vol. 26, No. 5 (Sep. - Oct., 1994), pp. 206-211,217.

⁷ Zabin et. Al., 1986.

⁸ Ibid.

⁹ Acs, Gregory, and Heather L. Koball. "TANF and the Status of Teen Mothers under Age 18." The Urban Institute. No. A-62 in Series, *New Federalism: Issues and Options for States*. June 2, 2003.

¹⁰ District Resource Statement FY04-05; HRA Facts Quarterly Supplement - October 2004; New York State Temporary & Disability Assistance Statistics - October 2004.

Teen ACTION

The Teen ACTION (Achieving Change Together In Our Neighborhood) initiative establishes after-school service learning programs serving middle- and high-school students in high poverty and high teen pregnancy neighborhoods.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Department of Youth and Community Development	November 2007	4,000	\$5,700,000	\$5,700,000

Problem Statement

Although the rate of teen births in NYC has been declining over the past decade, the correlation between teen pregnancy and poverty persists. In 2004, there were 8,415 live births to teenagers in NYC, and, in an overwhelming majority of these cases, the mother was unmarried and poor. Mott Haven, NYC's poorest community district, also has the highest rate of teen pregnancy (16%).¹

Teen pregnancy is one of several risks that young people living in poverty face during their transition into adulthood. Other risks include school suspension, sexually transmitted infections, substance abuse, and other unhealthy behaviors. Although out-of-school time programs have been shown to reduce some of these risks, older youth are less likely than younger children to participate in these programs.² An enhanced intervention model that is more attractive to this population is therefore justified.

Research and Evidence

For many middle- and high-school students, low participation in out-of-school programs is the norm,³ and providers often struggle to engage older youth in their programs.⁴ Additionally, experts have found that many youth programs “provide only limited opportunities for youth to participate in community service types of activities. Where these opportunities do exist, they usually occur only periodically and for small numbers of the most engaged youth. Even fewer youth appear to have opportunities in these programs to explore the communities around them and understand how they can play an active role in their communities.”⁵

Service Learning (SL) programs offer youth an opportunity to participate in community service combined with a structured curriculum that seeks to develop leadership skills, civic engagement, and social responsibility.⁶ SL engages youth in relevant, real-life issues that may have greater appeal for teenagers. This focus has the potential to draw in youth who would not otherwise participate in any after-school activities.⁷ SL may also be a useful strategy to foster the social, emotional, behavioral and intellectual competencies that can reduce risk behaviors.⁸ The potential benefits of SL programs appear to be greater for adolescents than for younger children, since adolescents can address more complex issues and take on

more adult roles and responsibilities. Challenging activities and supportive programming can help promote problem-solving and critical thinking skills that help youth enrolled in these programs stay on track.⁹ Youth driven programs like Teen ACTION allow adolescents to make decisions and provide time for reflection, and in doing so foster engagement and promote responsible behaviors.

Research also suggests that SL programs can have a positive impact in the short term. For example, a study of the Teen Outreach Program (TOP), a nationally implemented model, found that, during the academic year that students were enrolled in the program, there was a substantial reduction in the rate of teen pregnancy, course failure, and school suspension for participants, when compared to a control group.¹⁰ These findings are substantiated by other research. A study of another nationally implemented model, Learn and Serve, found that participants in the program had lower pregnancy rates during the school year in which they participated. Other studies have shown that service learning participants in grades 7-12 were more cognitively engaged in English language arts compared to non-participants; and that, service learning has the potential to engage “at risk” seventh and eighth graders.¹¹

Studies of various types of after-school programs have consistently shown that the longer participants remain in the program, the greater its impact.¹² These results have been demonstrated in the context of SL programs. For example, the evaluation of the Quantum Opportunities Program (QOP) showed greater program effects (as measured at the end of each high school year) for youth who attended the program for 2 or more years than for youth who attended for fewer years.¹³ Similarly, an evaluation of the Reach for Health Community Youth Service Program targeting African-American 7th and 8th graders also found stronger positive effects for teens who stayed involved for at least two years than for those who participated for only one year.¹⁴

Program Description

Teen ACTION employs an asset-based approach that is aimed at expanding the scope of things young people can do. It promotes positive life skills, a sense of efficacy and self-worth, and responsible citizenship among participants. This focus in turn helps to prevent negative outcomes such as teen pregnancy and school suspension. Teen ACTION incorporates successful service learning components, such as: meaningful community service, structured classroom-based activities, reflection on the service experience, positive adult role models, and opportunities for participants to partake in decision-making. Allowing participants to help shape service assignments and giving them the opportunity to exercise leadership are emphasized in the program.

Teen ACTION programs, operating under contract with the Department of Youth and Community Service (DYCD), will be located in up to 60 after-school sites in high need neighborhoods.¹⁵ These programs build upon the provider and agency capacity developed in recent years through Out-of-School-Time contracts. Service Learning also increases the after-school options for youth and is expected to draw in students not currently participating in after-school activities.

In Year 1, the program offers a minimum of 120 hours of service learning, with at least 40 hours devoted to service activities and at least 40 hours devoted to structured learning, over a minimum of three months. Hours will increase in Years 2 and 3, subject to contract renewal. Providers are offering the program either in weekly meetings for a few hours at a time or in longer blocks of time over weekends or during the summer when school is not in session. Participants are eligible to participate in the program for multiple years. DYCD contracted with The After-School Corporation (TASC) and its subcontractor,

Global Kids, to develop a curriculum and to offer technical assistance and capacity building services to providers. TASC will train providers on how to implement the curriculum, help providers meet recruitment and retention goals, troubleshoot challenges, and help providers forge relationships with community partners. Providers are responsible for developing and maintaining appropriate service placements and supports for program participants. Each provider has also established linkages with on- or off-site healthcare providers.

Target Population

The program serves young adults who are between the ages of 13 and 21 and in the 6th to 11th grade.

Expected Outcomes

Short-Term:

- Increase youth attendance in school and connection to community
- Reduce risky behavior
- Encourage use of health, reproductive health, and mental health services
- Encourage supportive relationships with caring adults
- Develop personal responsibility among participants

Long-Term:

- Reduce rates of teen pregnancy
- Reduce risky behavior leading to sexually transmitted infections and substance abuse
- Increase academic achievement and graduation rates

¹ CEO Report, 27.

² Lauver, Sherri; Priscilla M.D. Little, and Heather Weiss. "Moving Beyond the Barriers: Attracting and Sustaining Youth Participation in After School Programs." *The Evaluation Exchange*, Volume X, No. 1, Spring 2004. See also, Little, Priscilla and Sherri Lauver. "Engaging Adolescents in Out-of-School Time Programs: Learning What Works." *The Prevention Researcher*, Vol. 12, No. 2, 2005, pages 7-10.

³ Lauver et al., 2004; Little and Lauver, 2005.

⁴ See, for example, Hall, Georgia, Laura Israel, and Joyce Shortt. "It's About time – a look at OST for Urban Teens." *NIOST* Feb 2004. Anecdotal evidence and DYCD participation data and contractor feedback also suggest that it is much harder for providers of youth services to attract and engage teenagers compared to younger children.

⁵ Gambone, Michell Alberti, Hanh Cao Yu, Heather Lewis-Charp, Cynthia L. Sipe, and Johanna Laco. "A Comparative Analysis of Community Youth Development Strategies." Circle Working Paper 23. The Center for Information & Research on Civic Learning & Engagement, October 2004. <http://www.civicyouth.org/PopUps/WorkingPapers/WP23Cao.pdf>.

⁶ Allen, Joseph P., Susan Philliber, Scott Herrling, and Gabriel P. Kuperminc. "Preventing Teen Pregnancy and Academic Failure: Experimental Evaluation of a Developmentally Based Approach" *Child Developments*, Vol. 68, No. 4. (Aug. 1997), pp.729-742.

⁷ For an indication of the popularity of service learning, see, "Afterschool and Service Learning." Issue Brief, No. 9. The Afterschool Alliance, June 2004.

⁸ See for example, National Youth Leadership Council November 2, 2006 and July 6, 2006 http://www.nylc.org/happening_newsarticle.cfm?oid=5453; Impacts of Service-Learning on Participating Students. RMC Research. March 2005. http://www.service-learningpartnership.org/site/DocServer/S-L_Impacts_Fact_Sheet_-_Mar_05.doc?docID=801.

⁹ Balfanz, Robert and Liza Herzog. "Keeping Middle Grade Students on Track to Graduation," presentation for the Philadelphia Education Fund, February 2006. See also: "New York City's Middle-Grade Schools – Platforms for Success or Pathways to Failure?" NYC Coalition for Educational Justice Report January 2007.

¹⁰ Allen et al., 1997.

¹¹ Billig, Shelley H. "Heads, Hearts and Hands: The Research on K-12 Service Learning." RMC Research Corporation, no date. Available at: http://www.civicyouth.org/PopUps/Billig_Article2.pdf. Retrieved from the world-wide web on January 17, 2007.

¹² Chaput, Sandra Simpkins, Priscilla M. D. Little, and Heather Weiss. "Understanding and Measuring Attendance in Out-of-School Time Programs." Harvard Family Research Project. Number 7, August 2004. <http://www.gse.harvard.edu/hfrp/projects/afterschool/resources/issuebrief7.html>.

¹³ While there were no significant differences between QOP participants and the control group at the end of the first year, after two years, scores for participants were higher in all eleven academic and functional skill areas measured, and the difference was statistically significant in five areas. By the time youth in the study were leaving high school, participant scores in all areas were much higher than those of the control group and all differences were statistically significant. See, Maxfield, Myles et al., "The Quantum Opportunity Program Demonstration: Implementation Findings." Mathematica Policy Research, Inc. MPR Reference No.: 8279-080, August 2003.

¹⁴ O'Donnell et al., 1999.

¹⁵ SL programs will be located in DYCD Out-of-School Time or Beacon Community Center program sites.

Young Adult Internship Program

The Young Adult Internship Program (YAIP) provides short-term paid internships, placements into jobs, education or advanced training, and follow-up services to young adults who are out of school and not working.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year¹</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Department of Youth and Community Development	November 2007	906-1350	\$9,406,000	\$9,406,000

Problem Statement

There are approximately 165,000 young people ages 16-24 in NYC who are not in school, not working, and not looking for work.² These disconnected young adults are increasingly at risk for long-term economic hardship as they lose out on opportunities to become members of a workforce that is increasingly educated and skilled. In New York City, African Americans and Latinos have much higher disconnection rates than Non-Hispanic Whites and Asians. This difference is most pronounced among males, where African American (16.6%) and Hispanic males (16%) have a substantially higher disconnection rates than white males (7.6%).

Research and Evidence

National research shows that early work experience during the teenage years leads to positive labor market outcomes for youth, especially for those who do not enroll in four-year colleges and universities immediately after leaving high school. Young adults who obtain more work experience during these years have smoother transitions to the labor market and higher beginning wages as well as higher earnings 10 to 15 years after leaving high school.³

The models for YAIP are the Department of Youth and Community Development’s Summer Youth Employment Program (SYEP) and Out-of-School Youth (OSY) Workforce Investment Act (WIA) programs. These programs offer employment preparation, educational services, and support services while teaching life skills and work readiness skills. YAIP, like SYEP, offers participants time-limited, publicly subsidized internships and educational services to support participants in the workplace. This new program will also mirror the target population, the individual service strategy, and the intensive follow-up services of the OSY programs.

Program Description

Many disengaged young people already possess the basic skills needed to enter the labor market and may need only a short-term intervention to connect to sustainable employment, educational, or training opportunities. Recent research suggests that about half of the disconnected 16-24 year-olds in NYC have

either a high school or GED diploma, though a good number also struggle with weak literacy and numeracy skills.⁴ YAIP providers will be expected to serve young people with a range of educational abilities, but, given the duration of the intervention, will likely work with more job ready young people.

YAIP offers a 10-12 week paid internship and an additional nine months of placement and support services to young people in 13 low-income neighborhoods. Participants will be paid \$7.15 per hour for time spent in orientation, workshops, and internships and can earn up to approximately \$2,500 per participant.

PHASE I: Orientation period [25 hrs/week], including assessment of employability skills and social support needs, development of an Individual Service Strategy (ISS), pre-internship work-readiness training, and supportive counseling. (2-4 weeks)

PHASE II: Paid internship [20 hrs/week] plus paid educational workshops [5 hrs/wk]. Providers are expected to develop internship opportunities across a broad spectrum of industries and interest areas, and an anticipated 40% of placements will be in the private sector. Workshops will address topics like financial literacy, the world of work, career exploration, educational opportunities, and healthy living. (10-12 weeks)

PHASE III: Placement in education, advanced training, or employment.⁵ Follow-up support to sustain engagement and retention. (9 months)

Target Population

The program serves young adults between the ages of 16 and 24 who are not in school and not working. Participants must be reading at a minimum of a sixth grade level. At least 80% of participants must reside in one of the following community districts:

Bronx: Mott Haven and Morrisania (B1 and B3), Hunts Point/Longwood (B2), Highbridge/Concourse (B4), University Heights/Fordham (B5), East Tremont/Belmont (B6)

Brooklyn: Williamsburg/Greenpoint (K1), Bedford-Stuyvesant (K3), Bushwick (K4), East New York (K5), Brownsville (K16)

Manhattan: Lower East Side/Chinatown (M3), Central Harlem (M10), East Harlem (M11), Washington Heights/Inwood (M12)

Queens: Astoria/Long Island City (Q1), Jackson Heights (Q3), Elmhurst/Corona (Q4), Flushing (Q7), Jamaica (Q12)

Staten Island: St. George (S1)

At full-scale, each program cycle will serve approximately 1,350 participants (30 participants x 3 cycles x 15 sites = 1,350 served)

Expected Outcomes

- Internship placement for all participants who complete orientation
- Completion of internship by 75% of enrollees
Placement of at least 70% of enrollees in post-internship employment or enrollment in education, skills training, or GED program
- Retention of at least 60% of enrollees in an approved placement during the 3rd quarter after program completion

¹ 15 contractors will serve two cohorts of approximately 30 youth each in FY08. In subsequent years, three cohorts will be served annually, serving approximately 1,350 youth.

² Levitan, Mark. "Out of School, Out of Work . . . Out of Luck? New York City's Disconnected Youth." New York: Community Service Society, January 2005.

³ Sum, Andrew, Neeta Fogg, and Garth Mangum. "Confronting the Youth Demographic Challenge: The Labor Market Prospects of Out of School Young Adults." Johns Hopkins University, Sar Levitan Center for Social Policy Studies, 2000.

[Http://eric.ed.gov/ERICDocs/data/ericdocs2/content_storage_01/0000000b/80/0d/9b/96.pdf](http://eric.ed.gov/ERICDocs/data/ericdocs2/content_storage_01/0000000b/80/0d/9b/96.pdf).

⁴ Ibid.

⁵ Note that placement outcomes may occur at any time following initial assessment.

Nurse-Family Partnership

The Nurse-Family Partnership (NFP) initiative expands the capacity of the existing NFP program, a national home visitation model that seeks to improve the health, well-being, and self-sufficiency of low-income, first-time parents and their children through regular home visits.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Department of Health and Mental Hygiene	July 2003	901 (as of October 2007) 3,420 (2009)	\$0	\$9,283,213

Problem Statement

Children born into poverty are more likely to have had late or inadequate prenatal care, and face a higher risk of low birth-weight and infant mortality. Such risk factors, strongly correlated with poverty, make children susceptible to a host of problems that if not addressed early on will have negative consequences for cognitive, social, and adaptive functioning in later years.¹

Research and Evidence

The Nurse-Family Partnership is a national model that began in the early 1970s. Since its inception, it has undergone three separate clinical trials (randomized, controlled experiment studies) that have established the program's efficacy in terms of improving pregnancy outcomes, improving the health and development of children, and reducing incidences of child abuse. It currently serves clients in 23 states.²

The Nurse-Family Partnership National Service Office imposes stringent requirements on all NFP providers.³ Registered nurses (RNs) follow visit guidelines that focus on the mother's personal health, quality of care-giving, and life-course development of the child. Women voluntarily enroll as early in their pregnancy as possible, with nurse home visits beginning no later than the twenty-eighth week of pregnancy, and continuing through the first two years of the child's life.⁴ Implementing agencies are encouraged to strive toward the NFP objective of having 60% of clients enrolled by the sixteenth week of pregnancy and the remainder enrolled by the twenty-eighth week of pregnancy. Nurse home visitors involve the mother's support system including family members and friends, and they assist in assessing the need for other health and human services.

The effectiveness of the Nurse-Family Partnership model has been demonstrated in three clinical trials.⁵ The trials were conducted with populations in Elmira, New York (1978), Memphis, Tennessee (1990), and Denver, Colorado (1994). All three trials targeted first-time, low-income mothers. Follow-up research continues today, studying the long-term outcomes for mothers and children in the three trials.⁶ In an

independent evaluation, the RAND Corporation estimated the return on each dollar invested in NFP to be \$5.70 for the higher-risk population and \$2.88 for the entire population.⁷ These savings result from reductions in medical costs, education costs (related to developmental delays and learning disorders), social service spending (for public assistance, child abuse and neglect, and foster care), and criminal justice costs. Savings are also attributable to an increase in tax revenues due to increased employment and earnings of program participants.⁸ The total savings are likely significantly higher, as this estimate does not include savings attributable to reductions in subsequent pregnancies or preterm births.⁹

Program Description

In 2003, the Nurse-Family Partnership program began to serve 100 first-time mothers in New York City. As of October 2007, the program is serving 901 families. Registered nurses make an average of two visits per month during the pregnancy, and following the birth until the infant's second birthday. Each nurse carries a caseload of no more than 25 women at a time, and nurses working with higher risk populations, such as teens in foster care, women in homeless shelters, or jails, handle approximately 15 cases each.¹⁰ Nurse home visitors follow visit guidelines established by the NFP National Service Office, focusing on the mother's personal health, quality of care-giving, and life-course development of the child.

NFP also uses a data collection system designed specifically to record and report family characteristics, needs, services provided, and progress toward accomplishing program goals.

Target Population

The NFP program serves low-income first time mothers anytime up until their twenty-eighth week of pregnancy. The program is currently located in 5 sites throughout New York City; 9 additional sites are in the process of being established.

Expected Outcomes

Short-Term:

- Improve incidence of pregnancy-induced hypertension and pre-term delivery
- Decrease maternal smoking
- Reduce number of emergency department visits for children
- Decrease child neurological impairments and language delays
- Decrease subsequent pregnancies and increase time between births of first and second child
- Increase labor force participation among mothers and reduce welfare use

Long-Term:

- Reduce cases of child abuse and neglect
- Improve school-readiness for children
- Reduce the court-involvement of children and mothers

¹ CEO Report, 37.

² See the Nurse-Family Partnership, History and Recent growth, available at <http://www.nursefamilypartnership.org/content/index.cfm?fuseaction=showContent&contentID=8&navID=8>.

³ See Nurse-Family Partnership, Overview, available at http://www.nursefamilypartnership.org/resources/files/PDF/Fact_Sheets/NFPOverview.pdf

⁴ See Nurse-Family Partnership, FAQ, available at <http://www.nursefamilypartnership.org/content/index.cfm?fuseaction=showContent&contentID=124&navID=105>.

⁵ See Coalition for Evidence-Based Policy, "Nurse-Family Partnership," available at <http://www.evidencebasedprograms.org/Default.aspx?tabid=35> (last visited July 31, 2007).

⁶ See Nurse-Family Partnership, Research Evidence, available at: <http://www.nursefamilypartnership.org/content/index.cfm?fuseaction=showContent&contentID=4&navID=4>.

⁷ Karoly, Lynn A., M. Rebecca Kilburn, Jill S. Cannon. *Early Childhood Interventions: Proven Results, Future Promise*. Washington, D.C.: Rand Corporation, 2005.

⁸ *Ibid.*, Table. 4.3.

⁹ Nurse-Family Partnership, Overview, see note 4.

Opportunity NYC: Spark

Opportunity NYC: Spark is a privately-funded pilot initiative that tests the impact of small monetary incentive payments on academic achievement. *Spark* is one of CEO's three conditional cash transfer experiments.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served</i>	<i>CEO Budget (Private Donations)</i>	<i>Total Budget (Private Donations)</i>
The Department of Education	September 2007	8,583	\$6,100,000	\$6,100,000

Problem Statement

Research shows that the racial academic achievement gap is a national crisis and one that contributes greatly to economic inequality. On average, African-American children enter kindergarten lagging behind their white peers.¹ And, these differences continue to grow as minority and/or low-income students' progress through school.

Unfortunately, strategies such as Head Start, class size reduction, busing, and residential relocation have failed to substantially reduce the achievement gap. Few education reforms actually focus on acknowledging student achievement and motivating performance. Frequent small-scale incentives aim to change behavior over the longer run, and to reinforce the long-term rewards to education.

Research and Evidence

State-sponsored programs that provide incentives directly to students are rare, although in recent years, there has been an increased interest in this type of model.² Incentive based programs encourage a range of outcomes including homework completion, test performance, attendance, pleasure reading, and graduation. Incentives range from credits that students can use to purchase tangible items of interest (pens, small toys, assorted trinkets) to actual cash.

A pilot study conducted by Harvard Economics Professor Roland Fryer examined whether social incentives could help narrow racial and income achievement gaps. Fryer's program offered movie passes and pizza parties to third grade students of a Bronx school during the 2004-2005 school year. The elementary school was located in a low-income neighborhood comprised mainly of African-American, Puerto Rican, and Hispanic students. The third grade contained three hundred and sixty students in twelve classrooms. Students were administered eight exams over the course of the school year, and incentives were tied to the exams. Classrooms were randomized into either individual or group incentive programs. Students received a reward if they scored 70 or better on an exam (which was equivalent to earning a passing score on the state exam) or if they gained 5 points over their previous exam. Group incentives worked in a similar way, but performance was measured by the group average, rather than individual performance. Rewards were social in nature: pizza parties, ice cream socials, movies in the gymnasium, movie tickets, and tickets to the Bronx Zoo.

While the pilot did not meet the standard of a rigorous experimental design on several dimensions, the results were encouraging. Incentives appeared to have a positive impact on student performance and the group incentive condition outperformed the individual condition.

Other research, conducted outside of the United States, supports these findings. For example, a study conducted by Angrist and Lavy (2002) finds some positive effects of monetary incentives on Israeli students' graduation rates.³ Cash awards were given to students in low-achieving schools, and the results show that post-treatment matriculation rates in treated schools are about 8.5 percentage points higher on average than those in control schools (conditional on baseline matriculation rates). A study conducted by Kremer, Miguel, and Thornton (2004) also found that Kenyan girls improve exam performance when provided with monetary incentives.⁴

Program Description

Spark enrolled 8,583 New York City public school students from the fourth grade in 34 schools and the seventh grade in 31 schools. Students have the opportunity to earn up to \$250 in the fourth grade and up to \$500 in the seventh grade based on their achievement on standardized assessments throughout the school year.

In the first year, the program measures the impact of individual incentives which are cash awards of up to \$25 per test for fourth graders and up to \$50 for seventh graders depending on performance. Students receive their incentive payments after each of ten standardized tests.

In the second year of the program, group incentives will be evaluated. The group incentive model closely mirrors individual incentives, except that performance is determined by the average of one's group. So, if the five-person group achieves, all students are rewarded equally regardless of the achievement of any single student. Group rewards may provide the impetus for collaborative learning and tutoring across different ability levels.

Target Population

Opportunity NYC: Spark serves 8,583 4th and 7th graders throughout the New York City public school system.

Expected Outcomes

Short-Term:

- Increase participants' academic achievement

Long-Term:

- Close the academic achievement gap

¹ This disparity was first established by Coleman et al. *Equality of Education Opportunity*. Washington, D.C.: U.S. Government Printing Office, 1966. For more recent analysis, see Campbell, Hombro, and Mazzeo, *NAEP 1999 Trends in Academic Progress: Three Decades of Student Performance*. NCES 2000469, 2000.

² School based programs in Kansas City, Buffalo, Birmingham, Michigan have recently been written about in the popular press. Also see Earning by Learning of Dallas which rewards students for reading books (<http://www.eblofdallas.org/index.html>).

³ Angrist, J. and V. Lavy. "The Effect of High School Matriculation Awards: Evidence from Randomized Trials." CEPR Discussion Papers 3862, 2002. See also, Angrist, J. and V. Lavy, "The Effect of High Stakes High School Achievement Awards: Evidence from a School-Centered Randomized Trial." IZA Discussion Papers 1146, 2004.

⁴ Kremer, M. Miguel, E., Thornton, R. and Owen Ozier. "Incentives to Learn." World Bank Policy Research Working Paper No. 3546, 2004.

Child Care Tax Credit

The Child Care Tax Credit helps offset the cost of child care for low- to moderate-income families with children under the age of 4.

<i>Agency</i>	<i>Start Date</i>	<i>Number Served per year</i>	<i>CEO Budget (City FY 08)</i>	<i>Total Budget (City FY 08)</i>
The Office of Management and Budget	August 1, 2007 (2007 tax year)	49,000	\$42,000,000	\$42,000,000

Problem Statement

A significant barrier faced by low-income parents trying to enter the workforce is the prohibitive cost of child care. The inability to pay for reliable, quality child care prevents some parents from maintaining stable employment. Children also miss out on enriching experiences that help develop school readiness skills.¹

Research and Evidence

Child care expenses can represent a household's second or third greatest expense, and for low-income workers can cost more than their hourly salary. This problem is compounded by the fact that fewer options for childcare are available for the 0-3 age group, and the cost of care is often more expensive than for older children.²

Tax credits targeted to help the working poor have been shown to lead to an increase in employment. For example, it is estimated that 60% of the 8.7 percentage point increase in annual employment of single mothers between 1984 and 1996 is attributable to the Earned Income Tax Credit expansion.³

The federal government offers a *non-refundable* child care tax credit equal to 35% of child care costs up to \$3,000. Since the credit is non-refundable, families only receive up to the amount they've paid in taxes. New York State, in contrast, offers a *refundable* tax credit, equal to 110% of the amount a family is eligible for from the federal tax credit (whether or not they received it from the federal government). Because the New York State child care tax credit is refundable a very low-income individual who does not have an income tax liability can still receive money.

Program Description

Over the past year, New York City worked with the City Council and State Senate and Assembly to draft and pass a local child care tax credit, as recommended by the Mayor's Commission for Economic Opportunity. On August 1, 2007, Mayor Bloomberg and Governor Spitzer announced that the city's child care tax credit was signed into law. New York City is one of the first cities in the nation behind Washington, D.C. to create a local child care tax credit. CCTC offers a City tax credit of up to \$1,733 for qualifying families which is added to the already existing refundable New York State and non-refundable Federal Child and Dependent Care credits. The combination of all three credits will better provide low income households with the support they need to work while also providing learning opportunities for young children.

The initiative creates a refundable credit against the New York City personal income tax for child care expenses paid by families with gross household incomes up to \$30,000 per year.⁴ For families with income under \$25,000, the credit is equal to 75% of the New York State Credit. For families with an income between \$25,000 and \$30,000, the credit declines by 3% of NYS credit for every \$200 in additional income. There is no credit for families with an income over \$30,000. Because the city tax credit is refundable, families that qualify but have no income tax liability will still receive a refund check. Qualified families can apply for the credit starting in 2008 for expenses incurred during calendar year 2007.

Education and outreach for the new tax credit is being led by the Department of Consumer Affairs and its Office of Financial Empowerment as part of its EITC campaign that works with a network of free and low cost tax filing services. The Department of Consumer Affairs is also working in partnership with the City's Department of Finance, Office of Management and Budget, the State Department of Taxation and Finance and the IRS to reach as many qualified individuals as possible. Additionally, the credit has been added to the ACCESS NYC benefits screening tool.

Target Population

The Child Care Tax Credit serves low- to moderate-income families who have a child under four years of age, and who also earn less than an a gross annual income of \$30,000.

Expected Outcomes

-
- Increased resources for low- to moderate-income working parents to increase the quality and stability of their childcare
 - More consistent participation and connection to the workforce within this population

¹ CEO Report , 38-39.

² Testimony presented by Jennifer Jones Austin, Family Services Coordinator, Office of the Deputy Mayor for Health and Human Services, to the New York City Council State and Federal Legislation Committee, June 5, 2007.

³ Duncan, Greg and P. Lindsay Chase-Lansdale, eds. *For Better and For Worse: Welfare Reform and the Well-Being of Children*. New York: Russell Sage, 2001.

⁴ For families with children who turn four in a calendar year, the credit will be prorated for the fraction of the year that the children were under four years of age.

APPENDIX C:

LIST OF
SPONSORING AGENCIES
AND PROGRAM

LIST OF SPONSORING AGENCIES AND PROGRAMS

Agency	Initiative	Start Date
<u>Working Poor Initiatives</u>		
CEO	Opportunity NYC: Family Rewards	July 2007
CEO	Opportunity NYC: Work Rewards	November 2007
CEO	Poverty Research and Measurement	December 2006
DCA	Office of Financial Empowerment	December 2006
DMHHS/DoITT	ACCESS NYC	Fall 2006
DOF	Increase EITC Receipt	January 2007
EDC	Microlending study	2007
DoITT/MOIA	311 Health and Human Services Language Access Outreach and Marketing Campaign	January 2008
HHC/DOE	Nursing Career Ladders: Licensed Practical Nurse program	September 2007
HHC/DOE	Nursing Career Ladders: Registered Nurse program	September 2007
HRA	City Agency Hiring Initiative	December 2006
HRA	Non-Custodial Parents	April 2007
MOCS	Living Wage	July 2007
MOCS	Security Contracts	2008
MOIA	Language Access	February 2007
SBS	Customized Training Funds	February 2007
SBS	WASC Upper Manhattan	July 2007
SBS	Community Based Organization Outreach	July 2007
SBS	WASC Bedford-Stuyvesant	May 2008
SBS	Food Stamp & Employment Training	January 2008
SBS	Training Provider Directory	January 2008
SBS	Sector-Focused Career Center	May 2008
SBS	Employment Works	May 2008
<u>Young Adult Initiatives</u>		
ACS	Youth Financial Empowerment	January 2008
CUNY	Expansion of CUNY Prep program	January 2007
CUNY	CUNY ASAP	September 2007
CUNY/DOC	Civic Justice Corp	Spring 2008
DJJ	Life/Work Skills for Youth in Detention and in the Community	January 2008
DOE/DOC	Expansion of Educational Opportunities on Rikers Island	October 2007
DOC	Model Education for Rikers Dischargees: Literacy	October 2007
DOC	Model Education for Rikers Dischargees: Mentoring	September 2007
DOC	Model Education for Rikers Dischargees: GED/College	November 2007
DOE	Expansion of the Office of Multiple Pathways to Graduation program	September 2007
DOHMH	New School-Based Health Clinics	2006-2007 school year
DYCD	Teen ACTION	November 2007
DYCD	Young Adult Internship Program	November 2007
<u>Young Children Initiatives</u>		
DMHHS	Early Childhood Policy and Planning	December 2006
DMHHS	Food Policy	December 2006
DOHMH	Expansion of the Nurse-Family Partnership	ongoing
DOE	Opportunity NYC: Spark	September 2007
OMB	Child Care Tax Credit	August 2007

APPENDIX D: PARTNERS

CEO would like to thank the following organizations and individuals for participating in a dialogue on poverty in New York City and for the support they have lent to our initiatives:

Members of the Commission for Economic Opportunity

Larry Aber	Michael Fishman	Carter McClelland	Alan Siskind
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Geoffrey Canada	William Goodloe	Judith Rodin	Maria Torres
David Chen	Colvin Grannum	William Rudin	Jeremy Travis
Florence Davis	Paloma Hernandez	David Saltzman	Terry Troia
Jamie Dimon	David Jones	John Sanchez	Nancy Wackstein

Colleges and Universities

Baruch College (CUNY)	Lehman College (CUNY)
Benjamin Cardozo School of Law, Yeshiva University	Leonard N. Stern School of Business (NYU)
Borough of Manhattan Community College (CUNY)	Long Island University
Bronx Community College (CUNY)	Medgar Evers College (CUNY)
City University of New York (CUNY)	Milano School of Management & Urban Policy (New School University)
Columbia University	New School University
Fordham University School of Law	New York City Technical College (CUNY)
Harvard University	New York Law School
Hostos Community College (CUNY)	New York University (NYU)
John Jay College of Criminal Justice (CUNY)	Queensborough Community College (CUNY)
Kingsborough Community College (CUNY)	Robert F. Wagner Graduate School of Public Service (NYU)
LaGuardia College (CUNY)	

Businesses and Organizations

AAFE (Asian Americans for Equity)	Arthur Ashe Health Science Academy
AARP (American Association for Retired Persons)	Aspen Institute
Accenture	Aspira of New York
ACCIÓN International	Association for a Better New York
ACORN (Association of Community Organizations for Reform Now)	Association of Latino Professionals in Finance and Accounting (ALPFA)
Actors' Equity	Astoria Federal Savings Bank
AIG (American International Group, Inc.)	Atlantic District of the Lutheran Church Missouri Synod, The
Alianza Dominicana, Inc.	Bailey House, Inc.
Amalgamated Bank	Bank of America
American Federation of State, County, and Municipal Employees, DC 1707	Bank of East Asia
American Inequality Lab	Barnes and Noble, Inc.
Annie E. Casey Foundation	Bedford Stuyvesant Community Legal Services Corporation
Arbor Education and Training	Bedford Stuyvesant Restoration Corporation
	Beginning with Children Foundation

Businesses and Organizations (continued)

Benevolent Tax Professional Services
 Bethex Federal Credit Union
 Bloomberg Philanthropies
 Broad Foundation, The
 Bronx Shepherds Restoration Corporation
 Brookings Institution
 Brooklyn Center for Urban Environment
 Brooklyn Cooperative Federal Credit Union
 Brooklyn Housing and Family Services
 Brooklyn Public Library
 Brooklyn View
 Brown Brothers Harriman & Co.
 Brownsville Multi-Service Family Health Center
 Bushwick Observer, The
 C.W.A. Local 1182
 Cablevision Systems Corporation
 CAMBA
 Canarsie Courier
 Carver Federal Savings Bank
 Cathay Bank
 Catholic Charities Community Services
 Catholic Charities of the Diocese of Brooklyn and Queens
 Catholic Home Bureau
 CBS Outdoor
 CD 101.9 FM
 Center for American Progress
 Center for Employment Opportunities
 Charles B. Wang Community Health Center
 Child Center of NY, The
 Children's Aid Society, The
 Children's Defense Fund
 Chinatrust Bank (U.S.A.)
 Chinese-American Planning Council, Inc.
 Church Avenue Merchants Block Association, Inc. (CAMBA)
 Citigroup
 Citizens Advice Bureau
 Citizens Committee for Children
 Citizens for NYC
 Clara Barton High School (Brooklyn)
 Claremont Neighborhood Centers
 Clear Channel Communications, Inc.
 Coalition for Hispanic Family Services
 Coalition of Jamaican Organizations
 Commerce Bank
 Community Service Society
 Community Tax Aid, Inc.
 Community Voices Heard
 Con Edison
 Continuum Health Partners
 Corporate Staffing Services, Inc.
 Corps Network, The
 Council of Churches of the City of New York, The
 Country Bank
 C-Town Supermarket
 CUNY Catch
 CUNY College Now
 CUNY Prep
 D.B. Grant Associates Workforce1 Center (Queens)
 Daily News (New York)
 DC 37, AFSCME, AFL-CIO
 Deloitte & Touche LLP
 Dime Savings Bank of Williamsburg
 Directions for Youth, Inc.
 East Harlem Chamber of Commerce
 East Side House, Inc.
 Economic Policy Institute
 Educational Alliance
 El Diario La Prensa
 El Puente Academy De Williamsburg, Inc.
 Elmhurst Dairy
 Erasmus Neighborhood Federation
 F.B. Heron
 Federation Employment and Guidance Service, Inc.
 Federation of Protestant Welfare Agencies
 Fiscal Policy Institute
 FoodChange
 Fresh Concentrate, Inc.
 FreshDirect
 Friends of Island Academy
 Fund for the City of New York
 Getting Out & Staying Out
 Girls, Inc.
 Go Direct
 Good Shepherd Services
 Goodwill Industries of New York and Northern New Jersey
 Goodwill Industries-Queens
 Greater Allen African Methodist Episcopal Cathedral
 Groundwork, Inc.
 Group Health Incorporated
 H&R Block
 Harlem Children's Zone
 Harlem Congregations for Community Improvement
 Harlem Hospital (HHC)
 Heckscher Foundation for Children / The Academy
 Hendrickson Custom Cabinetry, Inc.
 Henkels & McCoy, Inc.
 Henry Street Settlement
 Hill Crest High School (Queens)
 Hispanics Across America
 Hot 97 FM

Businesses and Organizations (continued)

Hotel/Motel Trades Council
 HSBC Bank USA, N.A.
 Human Services Council
 Hunter College VITA
 Insurance Industry Charitable Foundation
 Internal Revenue Service
 Inwood House
 Isabella Geriatric Center, Inc.
 Jackson Hewitt
 Jim Casey Youth Opportunities Initiative
 JP Morgan Chase
 Kiss FM
 Krasdale Foods
 La Kalle/Radio Wado
 League of Mutual Taxi Owners Federal Credit Union
 Legal Aid Society, The
 Legal Information for Families Today
 Legal Services for New York City
 Lehman Brothers
 Liberty Tax Service
 Lite 106 FM
 Local 32BJ, SEIU
 Low Income Taxpayer Clinic
 Lower East Side Peoples Federal Credit Union
 Lower East Side Voice
 M&T Bank
 Manhattan Legal Services-Earned Income Tax Unit
 Manhattan Neighborhood Network
 McDonald's
 McKinsey & Co.
 MDRC
 Mentoring USA
 Metis Associates
 Metropolitan Council on Jewish Poverty
 Mid-Bronx Senior Citizens Council
 Mizona
 Mo Vaughn (Omni Corporation)
 Montefiore Medical Center
 Morris Heights Health Center
 Mosholu Montefiore Community Center, Inc.
 Municipal Credit Union
 Muslim Women's Institute for Research & Development
 NPower NY
 National Academy of Sciences
 National Council for Negro Women of Greater New York
 National Council of State Legislatures
 National Federation of Community Development Credit Unions
 National Governors Association
 National League of Cities
 National Poverty Center, University of Michigan

National Urban League
 NEDAP (Neighborhood Economic Development and Advocacy Project)
 Neighborhood Housing Services of Jamaica
 Neighborhood Trust Federal Credit Union
 New York Christian Times
 New York City Bar Association
 New York City Central Labor Council
 New York City Coalition Against Hunger
 New York City Financial Network Action Consortium (NYCfNAC)
 New York City Local Initiatives Support Corporation (LISC)
 New York Community Bank
 New York Community Trust
 New York Language Center
 New York Public Library
 New York Women's Foundation
 New York Yankees
 New Yorkers for Children
 North Fork Bank
 Northern Manhattan Improvement Corporation (NMIC)
 Nurse-Family Partnership
 NYC EITC Coalition
 NYSARC, Inc. NYC Chapter
 Ocean Bay Community Development Corp.
 Open Society Institute
 Oportunidades (Mexico)
 Opportunities for a Better Tomorrow
 Partnership for After School Education (PASE)
 Passport to Success
 Phipps Community Development Corporation
 Phipps Houses Group
 Polish & Slavic Federal Credit Union
 Power 105.1
 Professional Staff Congress
 Project Hospitality
 Queens Legal Services
 Queens Public Library
 Retired & Senior Volunteer Program (RSVP)
 Ridgewood Bushwick Senior Citizens Council, Inc.
 Robin Hood Foundation
 Rochdale Village Bulletin
 Rock Corps
 Rockefeller Foundation, The
 ROYAL (Brooklyn)
 Safe Space
 School Settlement Association
 SCO Family of Services
 Seedco
 SEIU 1199

Businesses and Organizations (continued)

South Bronx Overall Economic Development Corporation
 South Brooklyn Legal Services
 Southern Queens Park Association
 Sponsors for Educational Opportunity (SEO)
 Sports and Arts Foundations, Inc.
 St. John's University VITA
 St. Nicholas Neighborhood Preservation Corporation
 Starr Foundation, The
 Strycker's Bay Neighborhood Council, Inc.
 Sullivan & Cromwell, LLP
 Supportive Childrens Advocacy Network (SCAN)
 T.W. Wang, Inc.
 TATC Consulting
 Teamsters Local 237
 The After School Corporation (TASC)
 Tiffany & Company
 Time Warner, Inc.
 Union Settlement Association
 Union Settlement Federal Credit Union
 UNITE HERE!
 United Activities Unlimited, Inc.
 United Bronx Parents, Inc.
 United Federation of Teachers
 United Jewish Organizations of Williamsburg
 United Neighborhood Houses

United Way of New York City
 Urban Health Plan
 Urban Institute
 Urban Settlement Association
 USWU Local 74
 Vanguard Direct
 Vanguard Urban Improvement Association,
 Victory State Bank
 Visiting Nurse Services
 Wachovia Bank
 Washington Mutual
 WATCH High School (World Academy for Total Community
 Health)
 Wells Fargo & Company
 West Bronx Housing and Neighborhood Resource Center
 Westat, Inc.
 Wildcat Service Corporation
 William J. Clinton Foundation
 W.K. Kellogg Foundation
 WKTU 103.5 FM
 Women's Center for Education and Career Advancement
 Women's Housing and Economic Development Corp.
 Woodycrest Center for Human Development
 World Bank
 World Hunger Year
 YMCA of Greater New York

New York City Government Partners

ACCESS NYC
 Mayor's Fund to Advance New York City
 Mayor's Office of Adult Education
 Mayor's Office of Comprehensive Neighborhood Economic
 Development (CNED)
 Mayor's Office of Contract Services
 Mayor's Office of Immigrant Affairs
 Mayor's Office of Legislative Affairs
 Mayor's Volunteer Center of NYC
 New York City Board of Elections
 New York City Council
 NYC Administration for Children's Services
 NYC Department for the Aging
 NYC Department of City Planning
 NYC Department of Consumer Affairs
 NYC Department of Correction
 NYC Department of Design and Construction
 NYC Department of Education
 NYC Department of Environmental Protection
 NYC Department of Finance
 NYC Department of Health and Mental Hygiene
 NYC Department of Homeless Services

NYC Department of Housing Preservation and Development
 NYC Department of Information Technology and
 Telecommunications
 NYC Department of Juvenile Justice
 NYC Department of Parks and Recreation
 NYC Department of Probation
 NYC Department of Small Business Services
 NYC Department of Transportation
 NYC Department of Youth and Community Development
 NYC Economic Development Corporation
 NYC Health and Hospitals Corporation
 NYC Housing Authority (NYCHA)
 NYC Housing Development Corporation
 NYC Human Resources Administration
 NYC Law Department
 NYC Office of Emergency Management
 NYC Office of Financial Empowerment,
 NYC Department of Consumer Affairs
 NYC Office of Management and Budget
 NYC Office of Payroll Administration
 NYC Office of the Mayor
 NYC Police Department

New York State Government Partners

New York State Banking Department
New York State Department of Correctional Services
New York State Department of Health
New York State Department of Taxation and Finance
New York State Division of Parole
New York State Education Department
New York State Legislature

Federal Government Partners

Federal Reserve Bank of New York
United States Census Bureau
United States Department of Agriculture
United States Department of Health & Human Services
United States Department of Housing & Urban Development

New York State Metropolitan Transit Authority
New York State Office of Children and Family Services
New York State Office of Temporary and Disability Assistance
New York State Office of the Governor
New York State Unified Court System, Office of Court Administration

United States Department of Labor, Bureau of Labor Statistics
United States Department of the Treasury
United States House Committee on Ways and Means
United States Postal Service
United States Social Security Administration

