New York State Welfare Reform

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Overview

- History of the project
- Group model building process
- Model structure
- Model calibration
- Insights
- Implementations

History of the NYS Effort

- Initial interest within NYS Department of Social Services
- TANF model in Cortland County
- Safety net model in Dutchess County
- Joined TANF/SafetyNet model in Dutchess
- Calibration in Cortland, Dutchess, & Nassau
- Implementations in Cortland & Dutchess

Group Model Building Literature

- Richardson & Andersen, 1995. "Teamwork in Group Model Building." *SDR* 10(2-3).
- Vennix, 1996. *Group Model Building: Facilitating Team Learning.* Wiley & Sons.
- Andersen & Richardson, 1997. "Scripts for Group Model Building." *SDR* 13(2).

What is Group Model Building?

- Management team (10-20) with a Modeling/Facilitation team (2-4)
- Four full days over 3-to-4 months
- Extensive between meeting work
- Rapid prototyping of model with finished simulation product
- Facilitation of implementation plans

Components of the Process

- Problem definition meeting
- **Group modeling meeting**
- Formal model formulation
- Reviewing model with model building team
- **Rolling out model with the community**
- Working with flight simulator
- **Making change happen**

First Group Model Building Meeting

- Introductions: Hopes and Fears
- Stakeholders
- Introduction to simulation: Concept models
- Client flow elicitation
- Policy resources and clusters
- Mapping policy influences
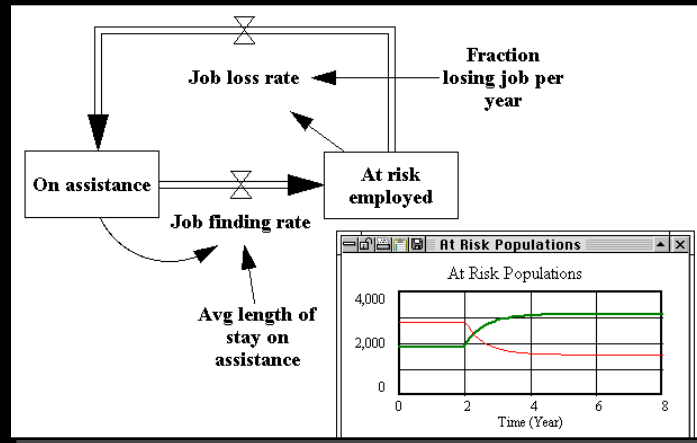- Next steps for client group and modeling team

Who Was in the Room?

- DSS Commissioner
- Deputy commissioner
- DSS director of medical services
- DSS director of administrative services
- DSS director of income maintenance
- NYS DSS representatives

- Health commissioner Mental health administrative manager
- Executive director of Catholic Charities
- Representative from the Department of Labor
- Minority leader of the county legislature
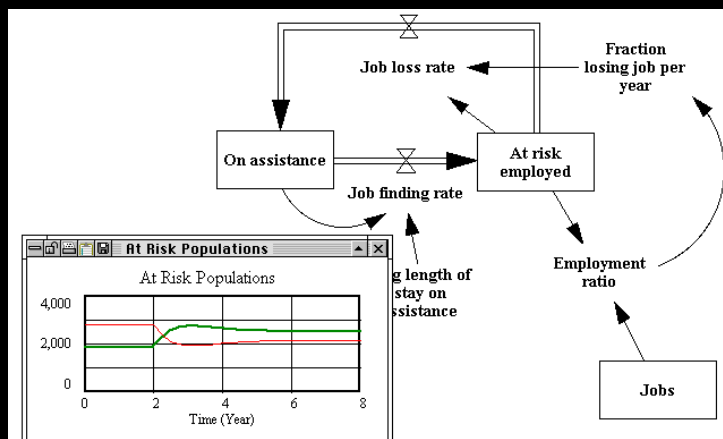- Managed care coordinator

Introduction to Simulation

- Concept models:
....Introduce the stock, flow, and causal link icons used throughout the workshop
....Demonstrate there are links between feedback structure and dynamic behavior
....Initiate discussion about the structure and behavior of the real system
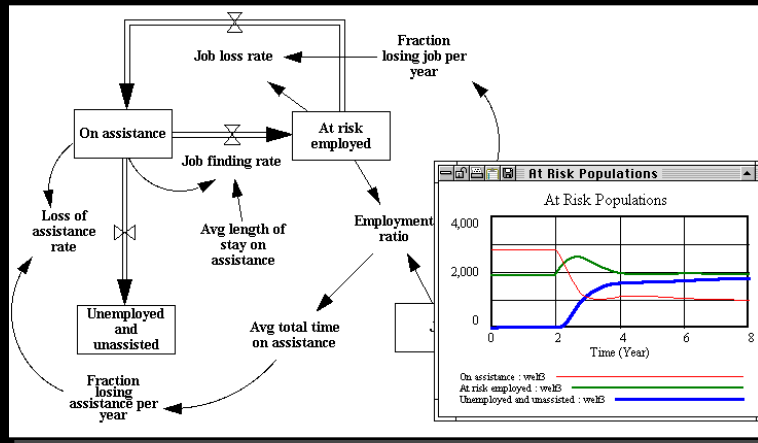- Less than 30 minutes
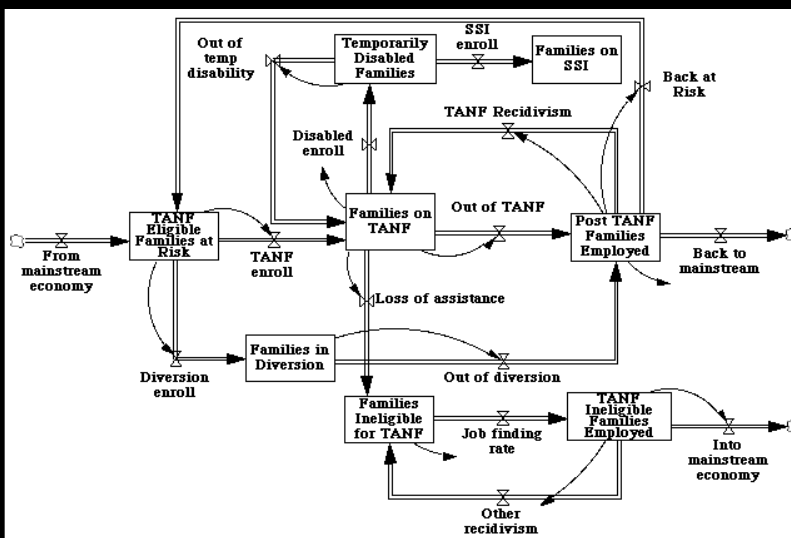
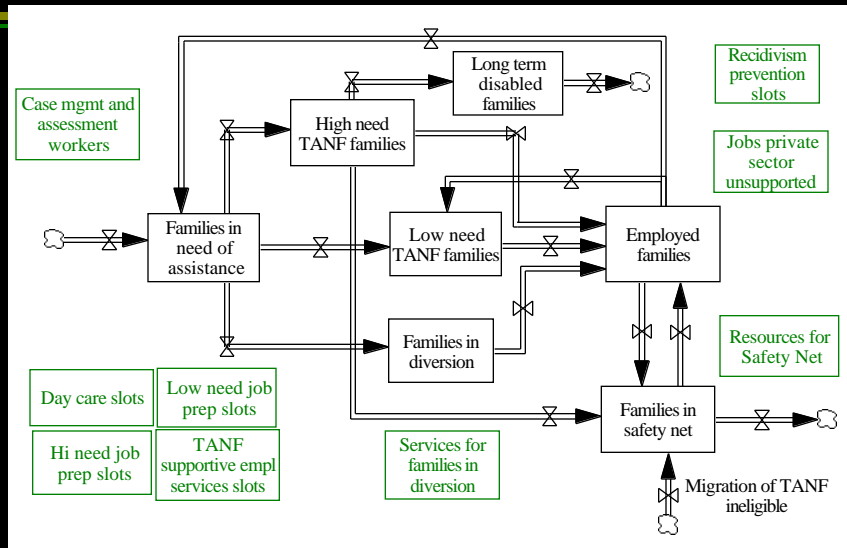# First Welfare Concept Model

Second Welfare Concept Model

Final Welfare Concept Model

Developed Client Flow
(noon, day 1)

Case mgmt and assessment workers

Long term disabled families

High need TANF families

Recidivism prevention slots

Jobs private sector unsupported

Families in need of assistance

Low need TANF families

Employed families

Families in diversion

Resources for Safety Net

Day care slots

Low need job prep slots

Hi need job prep slots

TANF supportive empl services slots

Services for families in diversion

Families in safety net

Migration of TANF ineligible

Policy Resources

- Prevention
- Child support enforcement
- Case management & assessment
- TANF services
  - » Employment services, child care, drug treatment, $
- Diversion services
- Self-sufficiency promotion
- Safety net services
- *...all aggregated up from detailed resources...*

An Example of a Resource Cluster:
Employment Services to Families on TANF

- Education & training slots and referrals for jobs
- Substance abuse & mental health treatment
- VESID
- Workfare and emergency services
- Job readiness programs
- DOL & JTPA & private

- Transportation
- Federal dollars for training (JTPA)
- Moneys for grant diversion
- Transitional Medicaid
- Licensed day-care and other child care
- Establish paternity & child support
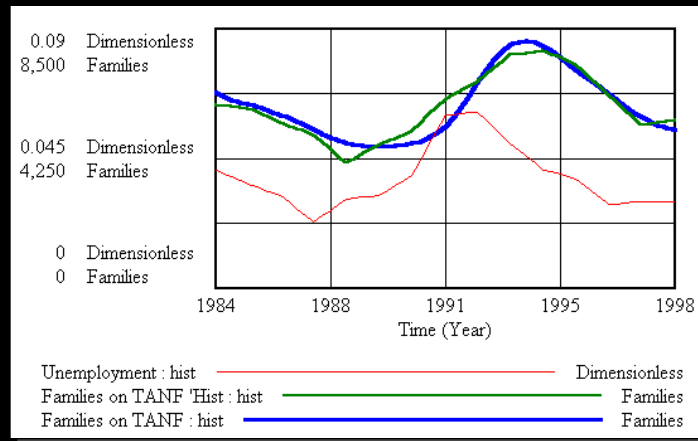
TANF
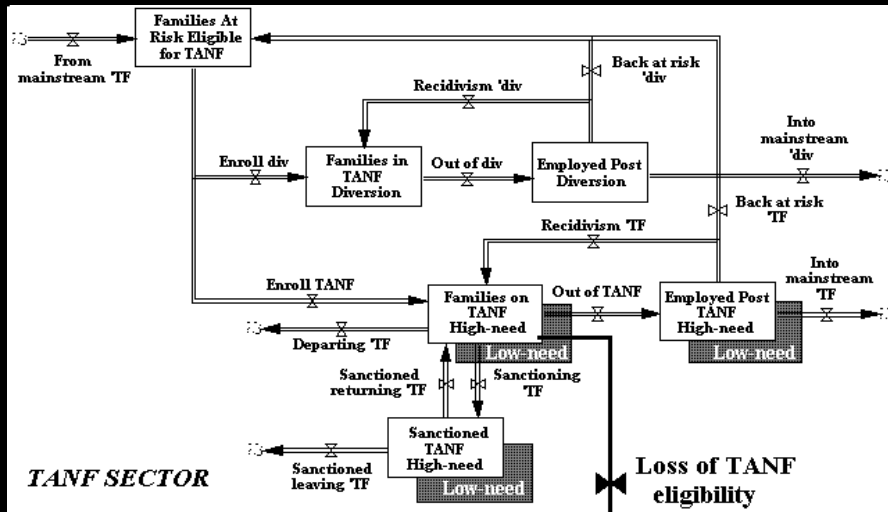
The "Safety Net"
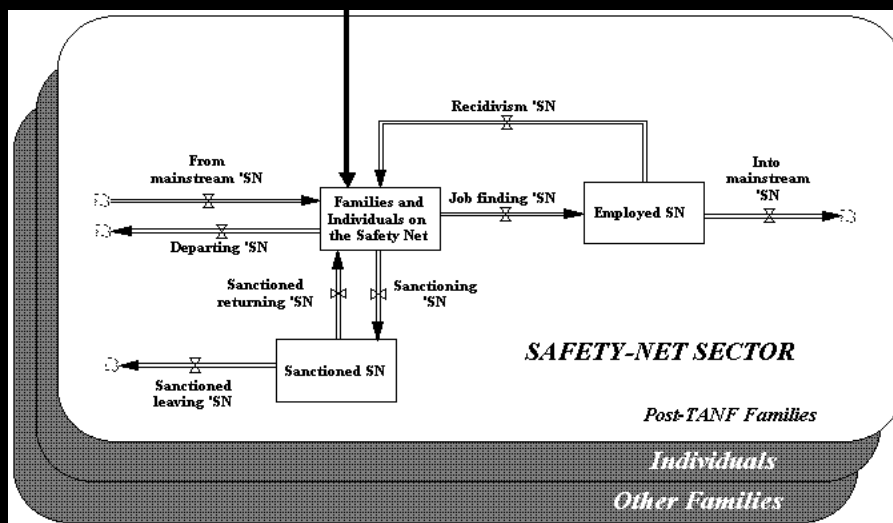
Confidence building processes

- Structure of the model emerging from group process
- Parameters based on administrative data everywhere possible
- Parameter and table function group elicitations
  - » Group consistency measures
  - » Convergence between two separate measures of strength (direct and grid)

Confidence (continued)

- Behavioral tests
  - » Replication of historical time series
  - » Story telling from those historical & model graphs
  - » Detailed cross-sectional comparisons for particular years
  - » Running policies and scenarios and having the group tell stories about those runs

Simulated vs Actual Caseload

Three Policy Mixes

- Base run (for comparison)
  - » Flat unemployment rate
  - » Historical client behaviors
- Investments in the "Middle"
  - » Additional services to TANF families
  - » Increased TANF assessment & monitoring
  - » Safety net assessment & job services
- Investments on the "Edges"
  - » Prevention
  - » Child support enforcement
  - » Self-sufficiency promotion
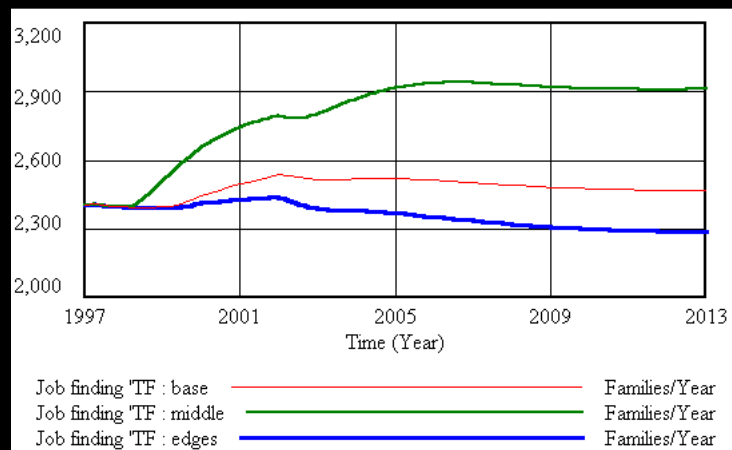
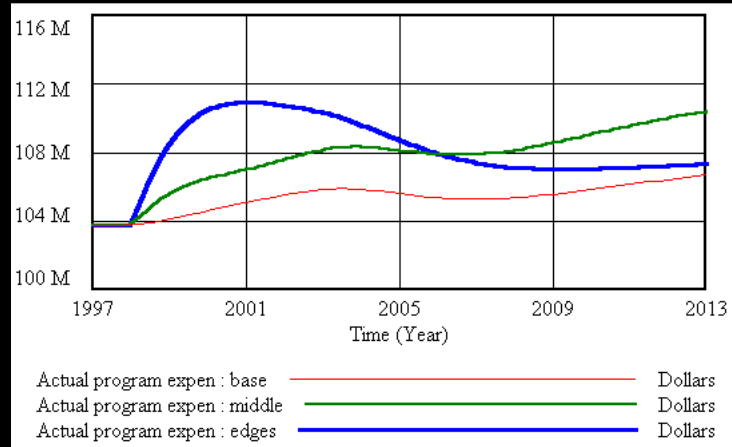# Investing in the "Middle"
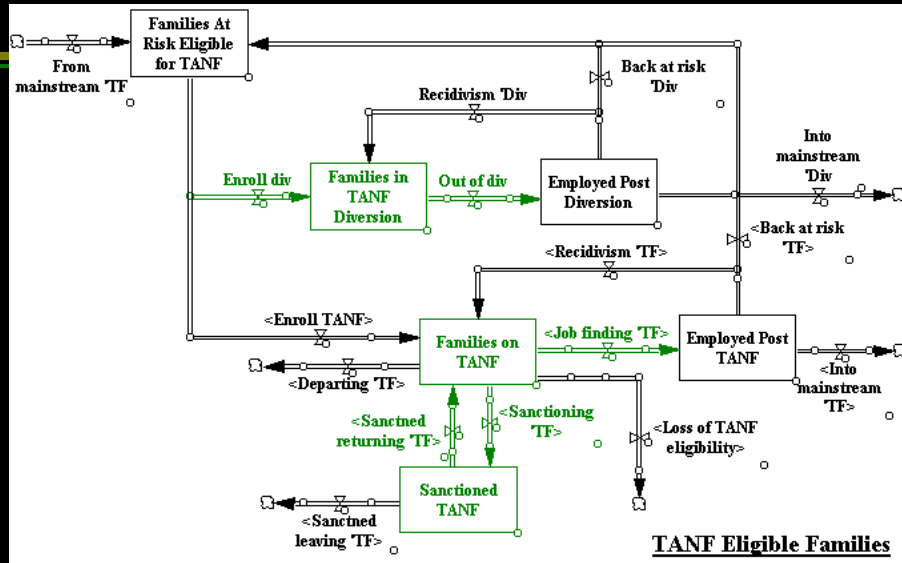
Investing on the "Edges"
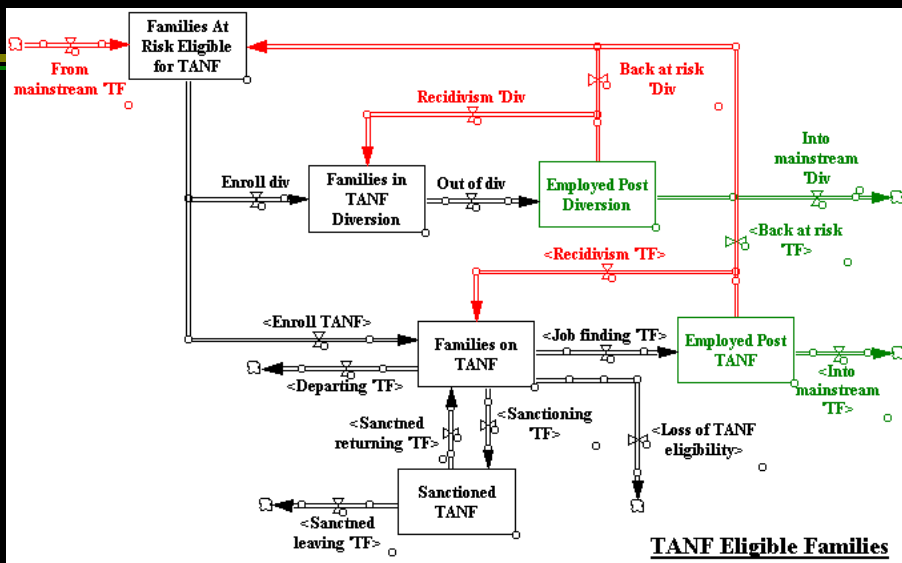
Base, "Edges," and "Middle" Compared: Populations on the Welfare Rolls

Total Job-Finding Flows from TANF

Program Expenditures

Actual program expen : base	Dollars
Actual program expen : middle	Dollars
Actual program expen : edges	Dollars

Local DSS Expenditures

Local DSS expen : base	Dollars
Local DSS expen : middle	Dollars
Local DSS expen : edges	Dollars
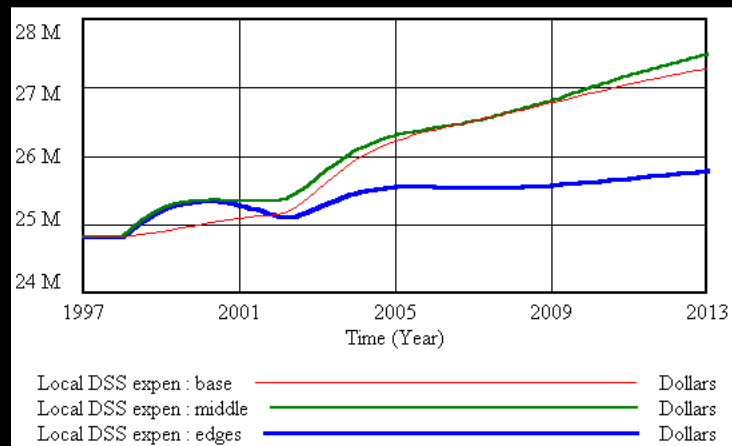
Populations in the Welfare System
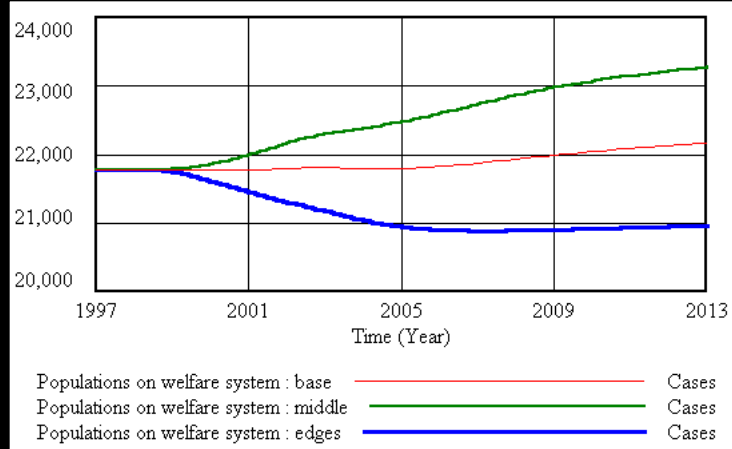
Total Recidivism Flows
(back to TANF)
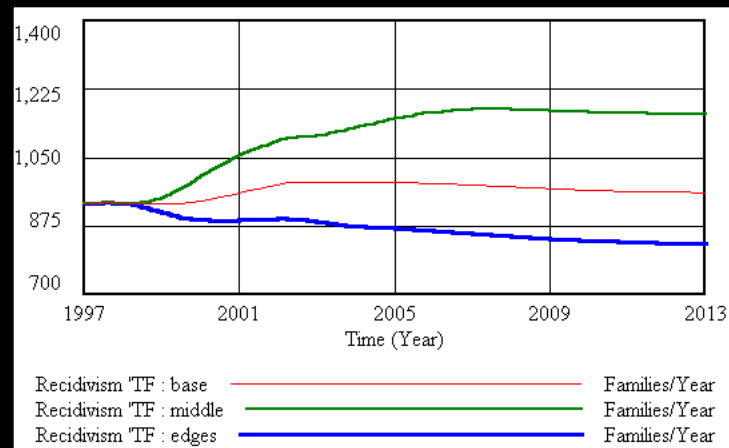
A Stock-and-Flow Archetype at Work Here

Probability of recidivism

Recidivism

Families on TANF

Job finding rate

Post TANF employed

To mainstream employment

Load on TANF support capacity

Time to find first job

Load on employment support capacity

TANF support capacity

Post TANF employment support capacity
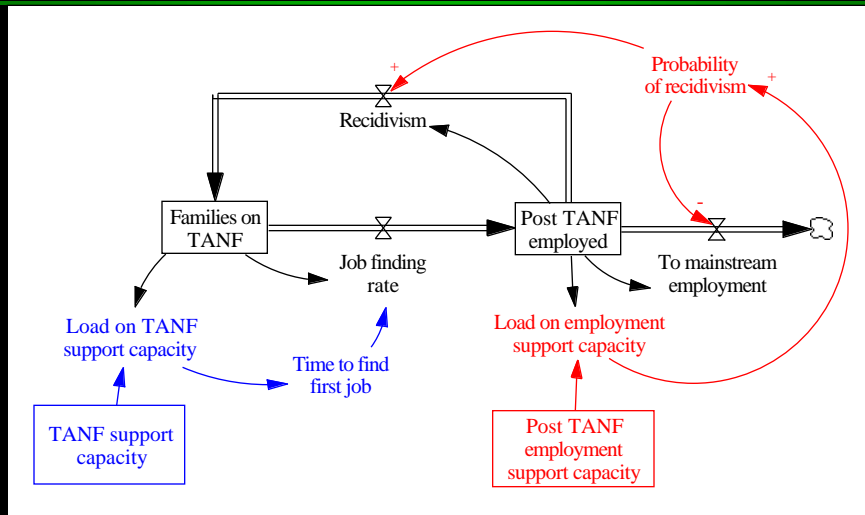
Emerging Lessons

- Unemployment dominates system performance (+/- 20 to 40 %)
  - » Current decline in caseload is driven by low unemployment
  - » Caseload will rise with Unemployment in the future
- Loss of eligibility will shift the next economic cycle's costs and caseloads

Lessons (continued)

- Endogenous management makes a smaller difference (+/- 5 to 10 %)
  - » Administrative impact on the welfare roles can be about 600 families out of a base of 8500.
  - » Net dollar impact on local DSS expenditures is about $1m out of a base of $25m (Nassau data and simulations)
- Employment programs at the middle of the system are low leverage points
  - » Downstream swamping effects (the archetype)
  - » Recidivism keeps clients at risk

Lessons (continued)

- Policies at the edges of the system do have high leverage
  - » Self-sufficiency programs pump to mainstream employment and cut back on recidivism
  - » Prevention and child support enforcement have long term system shrinking effects
- Community-wide partnerships are needed to implement "Edge" policies

Lessons (continued)

- Performance measures continue to be problematic
  - » Federal and state mandated reporting requirements focus on the middle and ignore the edges of the system
- System-wide effects and interactions are not yet fully analyzed

Resource allocation: Unpacking the Policy Resources for Implementation

- 43 participants about 30 agencies and organizations in the county
- Three stage process
  - » 9 groups
  - » 6 larger groups
  - » 3 final groups
- Ending with five initiatives, costing about $675,000

Resource allocation process

- **9 groups**
  - » generating specific policy options in Prevention, Case management, and Diversion
- **6 groups**
  - » generating specific proposals to serve TANF high & low need populations & promote self-sufficiency
- **3 groups**
  - » moving toward agreement on implementable proposals from the previous stages

Final proposals, now in the implementation process in Cortland

- Job center ($150K)
  - » Centralized location for all referrals
- Resource center ($150K)
  - » Coordination of community effort toward diversion
- Program to support employed self-sufficiency ($200K)
  - » Job counselors, case managers, private sector
- Computer-based comprehensive assistance ($150K)
  - » Link all providers and case managers, shared database
- Expansion of child-care services ($75K)

The End