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PUBLIC HEARING

before

SENATE INSTITUTIONS, HEALTH AND WELFARE COMMITTEE

on

Division of Youth and Family Services

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Held:
March 19, 1979
Senate Chamber
State House
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Anthony Scardino, Jr., Chairman
Senator Anthony E. Russo
Senator Garrett W. Hagedorn

ALSO:

Eleanor Seel, Research Assistant
Office of Legislative Services
Aide, Senate Institutions, Health and Welfare Committee



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HOUSE COMMITTEE ON HEALTH AND WELFARE

and

Division of Youth and Family Services

1964
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Room 3000
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Trenton, New Jersey

MEMBER OF COMMITTEE
Honorable Arthur H. Hays
Honorable Robert W. Hendon

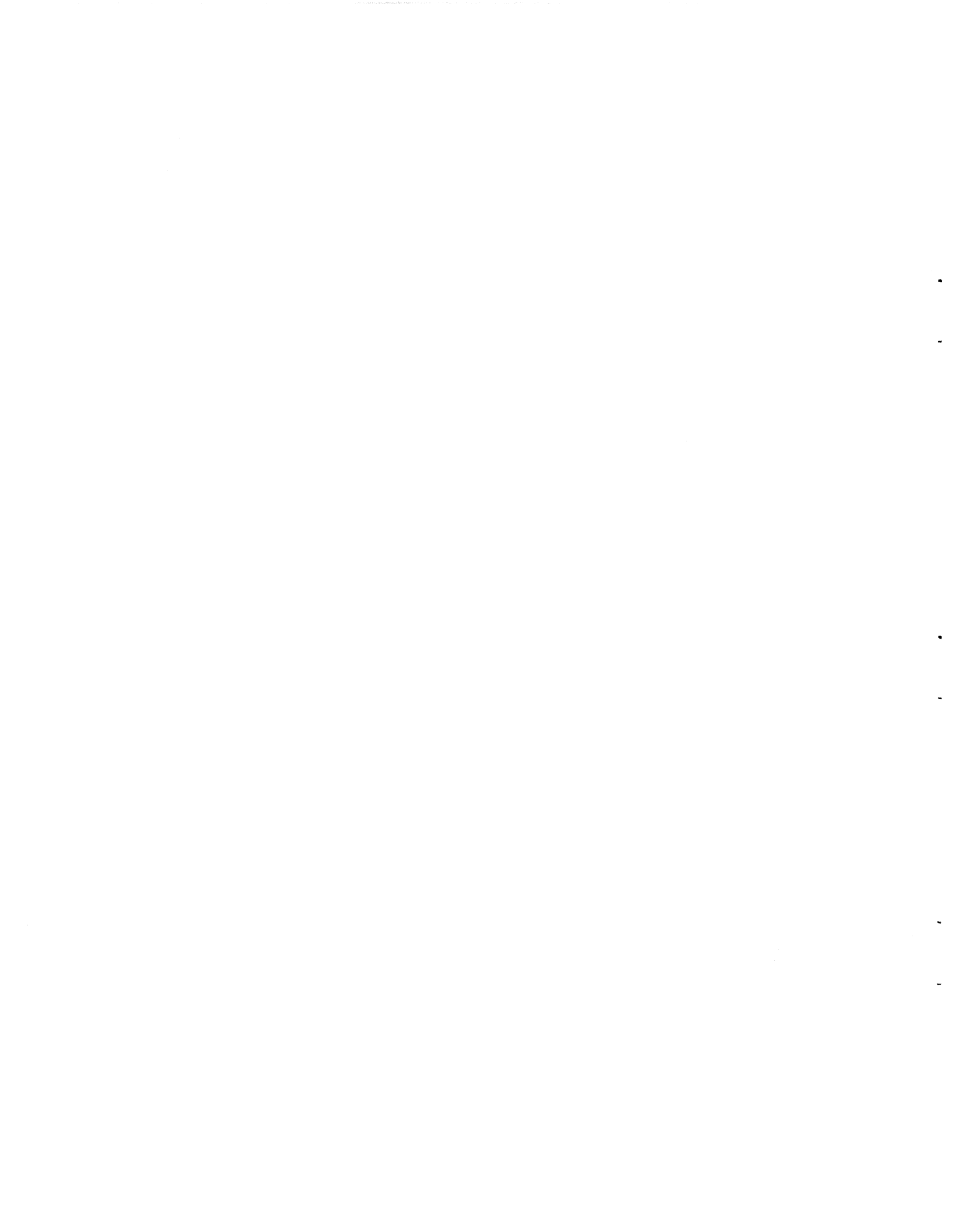
Division of Youth and Family Services
Department of Legislative Services
Honorable Institution, Health and Welfare Committee

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SENATOR ANTHONY SCARDINO (Chairman) : Good morning everyone. We were hopeful that one or two more of our colleagues on the Senate Institutions, Health and Welfare Committee would be able to join us before we got started, but apparently some of our colleagues have been detained and I don't want to prolong getting started any further. I was hopeful that we would have a full compliment of the Committee here because what I'm afraid of is that they will arrive and right in the middle of things we will have to back track and maybe start from the beginning again for their benefit. I really don't like doing that, but I guess that is just one of the hazards of the trade, so to speak.

I understand too that there is also a Judiciary Committee meeting today, which Senator Vreeland and Senator Hamilton both serve on and as you know Senator Vreeland and Senator Hamilton are also members of this Committee.

I join my colleague Senator Anthony Russo in welcoming all of you here this morning and to the Senate Institutions, Health and Welfare Committee hearing on the operations of the Division of Youth and Family Services. The feedback that I've been getting is that the Division, generally, individuals within the Division, directly or indirectly involved, become somewhat apprehensive, concerned about just what the Senate Committee is looking for, what it is that we're going to be witch-hunting about and I can assure and I've given this assurance to Bernice even before I called this hearing and before the decision was made that these hearings were going to be public, that it is our intention, if I can generalize this as much as I can, to do what I think a legislative committee ought to be doing and that is providing some form of oversight within those areas that come under their particular jurisdiction and needless to say, the Department of Human Services comes under our scrutiny and within that Department is the Division of Youth and Family Services. It comes as no surprise to anyone that several years ago, the last few years I should say, there have been some critical comments, attacks if you will, accusations made of the Division, some of them justified, perhaps many of them unjustified, but the fact is that it's been highlighted very significantly in the media and resulting in the establishment of a task force known as the Wechsler Committee, which resulted in a report of that Committee, a rather lengthy report and taking virtually into account every aspect of the Division of Youth and Family Services and making numerous recommendations that it felt, that is the task force felt ought to be accomplished by the Division.

What we're going to do today and Thursday--as you know, this is a two day hearing, which again is unusual for a legislative committee to do. As you know, and I say this whenever I get the opportunity to say it and I hope the transcribers capitalize this statement, we're a part-time legislature and unfortunately, we don't have the time or the resources to do, provide the kind of oversight that I think we ought to be doing and again, as I said earlier, this is the major purpose of this meeting today. We will go back and see what the Division has done in response to the Wechsler Report and what they haven't done in response to the Wechsler Report and why, because there may be good reasons why you haven't. On the other hand, there may be no reasons why you haven't and I think we ought to know what they are, what the reasons are for you not responding positively to the Report. We're going to be talking about the implementation of the Child Placement Review Act of 1977 and we're also going to get into the residential placement policies of the Division for both in-state and out-of-state placements. As you know, the Wechsler Report covers all of these areas to some degree or other and so, we're going to try, in two days of public hearings, to get into as much as we possibly can.

I want to stress, as has been done in the press release, announcing the public hearing, that this is not a response to any specific criticism of the Division. Again, it's merely to perform what I think a legislative committee ought to be doing and that is oversight and review.

I would also like to say this for the record and I'm sure that Mrs. Manshell shares this with me, if I may be bold enough to say this, and that is that many people who have called who are interested in coming before this Committee and testifying, people who work within the Division itself and as is true in any case, in any area, not just the Division of Youth and Family Services, but any public agency, I'm sure, has the same problem and that is that people are fearful of coming forward and expressing a point of view, an observation or a frustration because they fear the impact that this may have on their employment. I know that Mrs. Manshell and I both share the point of view that no one should have any fear of doing that and that we welcome their participation. We may not be able to allow everyone the time, because, again, we only have two days in which to do this, but we will certainly try to pick a representative of their particular concern to address the Committee, either using the public forum here or in writing, through the form of a written statement, which I assure you will be read by the Committee and its staff and incorporated into the record.

Senator Russo, do you have anything that you would like to say at this time?

SENATOR RUSSO: No. I think you have covered the matter very, very well and I think we should open the session.

SENATOR SCARDINO: We will do just that and I understand that the Division of Youth and Family Services, headed by the Director, Bernice Manshell, is going to take us through an overview of the Division of Youth and Family Services itself and it will take a while and I would allow you as much time as you feel is necessary and I think it is the kind of basis that we all need at this time. So, Ms. Manshell, the floor is yours.

B E R N I C E M A N S H E L L: Senators, I am pleased to be here to discuss the progress of the Division of Youth and Family Services with the Senate Institutions, Health and Welfare Committee. I am aware of this Committee's long standing, active interest in the work of the Division and I welcome this opportunity to up-date the Committee on the Division's current status. I am particularly pleased at the timing of this hearing because it gives me an opportunity, along with the Committee, to take a look at the Division, see what progress has been made and assess some of the areas which warrant our concentration, both in the short and long-range.

As you know, I have been the Director of the Division for only six months. It is an extremely complex agency, which had, in the past, been plagued by an inadequate administrative structure to support its efforts to carry out its responsibilities. The scope of our mission is very broad. The provision of services to troubled children and their families, as well as the coordination of a wide range of social services is enormously challenging.

We have, in my estimation, the most awesome responsibility in State government and that is providing services to seriously troubled families. This includes the necessity of our workers to make the most difficult decisions that any public officials are asked to make, that is, life and death decisions about abused children under the most trying circumstances.

During the past year and a half, a great deal has been done to improve the Division's management structure. These improvements have been the results of efforts

undertaken in line with the recommendations made by the Task Force headed by Walter Wechsler. New procedures have been instituted for budgeting, contracting and other support services. A new regional structure has been set in place to bring decision making closer to the field operations. More emphasis has been placed on the field operations. I should like to emphasize, however, that although improvements are well underway, much work remains to be done to continue the progress of upgrading the organizational structure and despite a better support system, it must also be recognized that day to day problems which make up the responsibilities of the Division are not lessening. We have improved our ability to cope with the problems and we will continue these efforts toward better management, but we can not control the severity of the human problems which we deal with on a daily basis.

As you know, the Division of Youth and Family Services is the State's primary child and family social service agency. We provide and purchase a variety of services, including counselling, foster and residential care, adoption investigation and supervision, parole supervision, day care, home-maker services, services to battered women, family planning, protective services and WIN services. These services are provided by staff in 29 district offices, administered through the four regions and the central office. The Division also supervises the social service units of the county welfare agencies and we are responsible for administering both the direct and purchased Title 20 service programs under the overall direction of the Department of Human Services.

As of last June 30, we had 46,000 children under direct supervision by our social work staff in the 29 district offices. Of these, 37,000 or 81% were accepted in the case load for reasons of child abuse, neglect, or parental deprivation. This can be compared to 1973, when the total case load was 25,000 of whom some 3,000 were protective service cases. What these figures mean is that we are not only dealing with many more cases, but even more important in terms of effect on the agency, we are dealing with more difficult, complicated, emergency type cases.

What I would like to present to you this morning is an overview of the current state of the Division. After I provide you with some information about the Division's budget and organizational structure, I have asked several members of our staff to discuss specific areas of Division activity in order to provide you with in-depth information. First, our Deputy Director for Fiscal and Management Operations, John Callahan, will present a briefing on the Division's progress in implementing the recommendations of the Wechsler Task Force Report. He will also discuss our current contract procedures. That will be followed by a presentation on staffing by the Administrator of the Budget Office, Peter Silvia and the Chief of the Bureau of Research, Mark Wickley. In order to provide you with information about the way in which the reorganization is actually being carried out at the various working levels of the agency, I have asked Richard O'Grady to represent the regional administrators' prospective; John Pingatore, the view of a district office supervisor; and Roxanne Johnson, to discuss the work of a case worker in one of our urban district offices. They will share with you some of their perceptions about their responsibilities and the administrative structure in which they work.

But, first, I would like to give you a short briefing on the Division's budget and our current table of organization. In order to carry out our responsibilities, the Division has a budget of \$175,920,000 for this current fiscal year. You have been provided with a handout entitled "Nature of Funding for DYFS", which I will go over with you in order to acquaint you with the sources of funds and the allocation of these funds. The Division has a complicated budget, which is derived from a variety of different general, State and local sources of both public and private funds. If you follow along

with me on the handout, I'll just review quickly some of the major items.

The largest source of funding is the Federal Title 20 funds, which is an allocation under the Social Security Act, provided to each state for social services. Those funds must be matched 75, federal, 25, state, local or private funds or any combination of the three. The total Title 20 funds in this years budget comes to 92.4 million dollars.

The second item in the budget is the state appropriation. This includes 26.9 million dollars for state operations and 25.3 million dollars for state aid for a total of 52.2 million dollars.

The next item is the funds coming from the counties, which make up 25% county share of the state aid expenditures. Those funds go for residential care, foster care, provision of funds for services of children.

Other categories include the WIN funds. This provides 90% funds for the provision of services to potentially employable clients. The WIN funds make up 4.6 million dollars.

SENATOR SCARDINO: What is the counties' contribution?

MS. MANSHELL: The counties come to nine million. The donor funds, which come to 12 million, includes the match money, which comes from private and governmental sources.

The last category marked "other" is made up of collections from legally responsible relatives, other grants, such as Title 4B of the Social Security Act, nutrition funds and a variety of other sources.

Now, to go over the expenditures--

SENATOR SCARDINO: The total, do you have that?

MS. MANSHELL: The total of "other", 5.3 million. Senator, on the chart, the pie chart, you will find these figures.

The expenditures, the largest item of expenditure is the purchase of service, which totals 59.7 million dollars. This includes day care, home maker, health, transportation, community planning, shore services, home delivered meals, protective services, services to aged, Hispanic services and battered women.

The next largest item is the State operations--

SENATOR SCARDINO: Bernice, if I may interrupt you just once more, just for clarification, you gave us a figure of 59.7, but there is a figure of 42.5 million reflected there. Is there any reason for that? Are we reading from the same sheet, nature of funding for DYFS?

MS. MANSHELL: Nature of funding for DYFS, right.

SENATOR SCARDINO: You have purchase of service, for example, day care, home maker, health, etc., 42.5 million and you gave us a figure of 59.7 million. I don't understand.

MS. MANSHELL: Oh, it includes the match, right.

SENATOR RUSSO: This probably includes all three categories.

MS. MANSHELL: Yes. If you look at the last page, which is the financial plan, you have to really look at the whole picture.

SENATOR SCARDINO: Well, as Senator Russo said, it covers all three areas under the purchase of service category, is that correct?

MS. MANSHELL: Right.

SENATOR RUSSO: If I may interrupt, just for one moment, does that also include your efforts in the field of adoptions? Would that be in that area?

MS. MANSHELL: No, that would be under the State aid. Under the State aid, we have the residential services, foster care, day care. You see, on the sheet entitled

"Nature of Funding for DYFS", the State aid is broken down, day care, clothing, adoption subsidies. That's \$877,000.

Under State operation, we have 40.7 million for salaries, 6.1 million for fringe, and the rest of the funds go into other operational needs of other operational costs, for a total 53.9 million.

Under the county welfare agencies, the total is 22.3 million. Approximately 75% of that goes for staff operations, which provide case management information and referral, counselling and in some cases, direct service, and 25% of that goes for purchase of service.

Under the Work Incentive Program, part of the funds show for the WIN purchased day care, 2.4 million and part of it shows as part of a State operation, for the total budget of \$176 million.

The last page shows the allocations broken down.

SENATOR RUSSO: Do you have the budgetary figures for the last couple of years available?

MS. MANSHELL: The budget that I'm giving you now is the current operating budget, the '79 budget.

SENATOR RUSSO: Do you know what it was for last year and the year before?

MS. MANSHELL: For '78? Do we have the figures?

MR. SILVIA: I have the budgets.

SENATOR RUSSO: Well, I would be interested in the total figure for '78 and fiscal '77, if you have it.

MR. SILVIA: We'll get it for you in a few minutes.

MS. MANSHELL: The next area that the Committee was interested in was the Table of Organization, which I provided you with. Just in general, reporting to the Director are the Administrator of Regulatory and Legislative Affairs, the Administrator of Statewide Facilities and Support, the Deputy Director for Management and Fiscal Affairs, the Deputy Director for Program Operations, and the Assistant Director.

Under the Deputy Director for Management and Fiscal Affairs, we have the budget, fiscal operations, management operations, contract compliance, training, and management systems.

Under the Deputy Director for Program Operations, we have the four regional administrators and the Office of Program Support.

Under the Assistant Director for Program Management, we have administrative hearings, research, licensing, and internal communications.

All of the field operations appear under the Deputy Director for Program Operations. That includes the regional offices, the district offices, and the social services of the county welfare agencies, as well as the DYFS day care centers, DYFS operated.

SENATOR RUSSO: What's the total number of people involved in the operation of this?

MS. MANSHELL: Total staff? 3,184. That is the authorized strength. We'll be going into more detail on the staffing.

SENATOR SCARDINO: Well, Senator Russo also raised another question. What percentage of your budget goes to salaries?

MS. MANSHELL: The salary figure is forty million.

SENATOR RUSSO: If I may go back to one of your points, you stated that in the last year and a half you have increased the emphasis with respect to the field operations of the Division.

MS. MANSHELL: Yes.

SENATOR RUSSO: If I may ask you, in what respect have you increased the emphasis?

MS. MANSHELL: Senator, we're going to go into a full presentation, including the field operations, so that perhaps we should do that now and then I'll stay and be very pleased to answer any questions which still remain.

SENATOR SCARDINO: I think tied in with that, too, Bernice, is what I'm going to be looking for, the manner in which you have approached the de-centralization question, which was very apparent in the Wechsler Report and looking at the organizational chart here, for example, and the manner in which the management, Fiscal Affairs Office, set up that type of central level, as I read the chart and then you have your regional offices and whether or not the management and fiscal component and Wechsler made an emphasis in this area, how much of that has been transferred to the regional level, if any?

MS. MANSHELL: We will be getting into that. As you can see on the chart, there is a business office and a contracting office in each of the regions.

SENATOR RUSSO: Does every county comprise a region?

MS. MANSHELL: No. The regions are multi-county. There are four regions.

SENATOR SCARDINO: Do you have some breakdown of the regions themselves?

MS. MANSHELL: The counties that make up the regions?

SENATOR SCARDINO: We don't necessarily need it today, but if you could supply it, it would be a help.

MS. MANSHELL: I might be able to do it off the top of my head, but I don't know if I could.

SENATOR SCARDINO: If you have a chart of some kind--

MS. MANSHELL: It would be on the organization chart. You can see the district offices that make up each region.

SENATOR SCARDINO: Yes, I see that, Bernice, you're right.

MS. MANSHELL: Now, I would like to ask John Callahan to brief you on our implementation of the Wechsler Report and then we will go through the other staff members and then we will all be here to answer questions.

SENATOR SCARDINO: Thank you very much, Bernice.

J O H N C A L L A H A N: Mr. Chairman and members of the Committee, my name is John P. Callahan and I have been Deputy Director for Operational Management and Fiscal Affairs during the past 17 months. I take pleasure in reporting to you today relative to the significant management and fiscal changes which have come about within this Division. I must note that it is rather ironical that this is the second time that I have reported to a Senate Committee on DYFS. The last time was in my previous position as Director of State Auditing for OFA, reporting on our 1975 audit report of the Division.

My primary mission this morning will be to report to you on the implementation of the Governor's Task Force headed by Mr. Walter Wechsler. This report can best be understood if we consider the framework within which it was implemented during the past two years. The Division structure has literally collapsed under the weight of a Division which was changing its focus from the old Bureau of Children's Services to a Division responsible for the effective delivery of a wide spectrum of extensive social services for many different groups of clients. The foundation could support this continuing expanding structure together with the weight of responding to various investigations and reviews. Therefore, beginning in late 1977, a new management structure for this Division was formed, centered around the Task Force's recommendation of moving from a highly centralized multi-bureau arrangement to a decentralized regional structure. The process required us

to dissect the organization and determine the mission of each unit together with the appropriate staffing. For the first time, positions were identified on the basis of the mission objective of each unit within the fiscal constraints and positions not longer needed were abolished. Through this effort, more than 75%, which responds to a previous question, representing about 30.4 million of the authorized positions, were put in the category of direct services, the remainder being support of 11.4 million with about one third of that number required to carry out the fiscal, auditing and accountability recommendations of the Task Force. You see, when the Task Force was instituted, they required not only regionalization, but they required us to carry out certain accountability functions, which were never part of the Division. For example, it was necessary to build up an auditing staff and that auditing staff is primarily regional, however, there is a small group in the central office that coordinates those four regions. So, we were doing both things, regionalizing, as well as performing those tasks, which previously had not been taken care of.

The Division and its staff has undergone a rather traumatic experience in what has been described by some as the most comprehensive reorganization in the history of New Jersey State government. Going from centralization to decentralization, in itself, is a major task, but when you add on top of that the fact that it was necessary to develop policies, procedures, and programs which were not in existence centrally, as well as to implement the Governor's Task Force report, as well as recommendations of OFA and other audits, you then have some appreciation of the magnitude of this effort. While all this was going on, it was obviously necessary to continue to provide services, which is our primary function. In my 19 years of management in both the public and private sector, as well as case studies in the field, this could be considered a classic in governmental reorganization.

SENATOR SCARDINO: Can I interrupt you for a moment? You talk about establishing policies, procedures and programs in this decentralization effort. Are you suggesting that there was either a lack of or no idea of what the policies, procedures and programs were to be prior to this time?

MR. CALLAHAN: Well, what we attempted to do was to coordinate this effort. For example, when we went to the regional effort, it was necessary, in order to move from the bureau structure, to establish policies for day care, for example, that would be carried out by each of the regions. So, we're moving from that centralization, where all the policies were--

SENATOR SCARDINO: Doesn't decentralization suggest that if you are establishing policies in given regions, that the regions themselves should have a direct hand in the establishment of the procedures, or at least some of the programmatic intents that it may have in the delivery of services in that region, because one region may not necessarily have the same problems that another region has?

MR. CALLAHAN: That's correct.

SENATOR SCARDINO: You make it sound as though central decided for each region what is best for them and I don't understand that. This is not decentralization.

MR. CALLAHAN: No. That's correct and if it was stated that way, what I intended to say was the fact that it is necessary to establish broad parameters of policy, and Mr. Rosenthal, who is Deputy Director of the Programs Operations can get into that, to be implemented by each of the regions working with the regions in terms of getting their input. Obviously, you have to be careful in any regionalization that you don't have four separate organizations each going their way. So, it is necessary to have the overall parameters developed and then develop jointly with the region then to be implemented and carried out by the region.

SENATOR SCARDINO: They could expound on these and build on top of whatever minimum standards you give them to follow.

MR. CALLAHAN: That's correct. The hope is the broad parameters, again, of the policies. So that, again, we don't have each of the regions going separately, but, again, implementing them certainly the sound is much different than the urban parts of the North, so they would have to implement that differently, staying within that broad framework.

SENATOR SCARDINO: Okay. Thank you.

MR. CALLAHAN: The Task Force report provided an excellent blueprint in this major task. We are pleased to report that we recently underwent a complete reevaluation of those recommendations. Not using previous reports on implementation as a guide, but rather taking a look at each recommendation separately, we found that of the 140 recommendations, approximately 89% have been implemented or are in the process of implementation with a target date of this summer for completion.

Specifically, 100 of these or 72% of the 140 recommendations were implemented; and eight out of the remaining 16 have not been implemented by DYFS for the reason that the authority required rests outside the Division. The remaining eight were changed from the original Task Force recommendation to a solution more directly suited to the Division's needs and overall philosophy.

Since DYFS has undergone the major reorganization recommended by the Task Force within the framework of the administrative philosophy and policies of two separate Directors, it would seem especially important to recognize that the Division has addressed the primary goals set for it by the Task Force--that of reorganizing its services around one set of standard operational regions and decentralizing its service-oriented bureaus and their functions to the regional office level in an effort to enable DYFS to more effectively carry out its responsibilities with proper, more stringent fiscal and administrative controls. As has been cited before, as part of the Division's philosophy regarding implementation, compliance in spirit rather than compliance to the letter to certain of the Task Force recommendations has been and should be the ultimate goal.

It is difficult, of course, to outline specifically the cost savings realized by the overall implementation of Task Force recommendations; however, cost savings would certainly be the anticipated result of fiscal reorganization aimed at tighter controls, better budgeting procedures, improved and strengthened audit procedures, and the implementation of standardized collection procedures, as well as improved quantity and quality of data processing services and a reduction in State Aid with less institutional placements due to strengthening the service delivery arm.

Greater efficiency achieved as a result of implementation of the recommendations is likewise difficult to assess in strictly tangible figures. Once again, it seems necessary to point out that the whole thrust of the Report--toward regionalization and fiscal reorganization--was toward greater efficiency and fiscal accountability. Implementation of the recommendations accomplishing this reorganization has certainly resulted in overall improved efficiency. The development of new organizational units with well-defined responsibilities and adequate controls has eliminated much of the former overlapping of responsibility and duplication of effort which previously resulted, particularly using the fiscal operations, in inefficiency within the fiscal operations, just using that unit as an example.

Also very important in this regard would be the increased emphasis on improving the quantity and quality of data processing services to DYFS in order to

establish adequate control over automated fiscal activities and to more effectively support the delivery of social services. These efforts have definitely contributed as well to the realization in general of greater cost savings and greater efficiency. Further, we are in the process of implementing one of the most significant management information systems for social services in government today. This system will provide up-to-date information regarding clients and the services delivered to them; and significantly reduce clerical support now required, thereby freeing clerical time for other activities.

As far as new problems and new costs are concerned, it must be recognized, of course, that the process of implementing any major reorganization with a dynamic structure the size of DYFS necessarily results in expenditures for transitional efforts such as staff time for development of revised policies and procedures, etc. Certain problems were encountered in the process, for example, redefining reporting lines and establishing total new operational units. When such efforts have to be completed so that no functions lapse while being transferred from one unit to another, problems and difficulties will, of course, arise. But, as we said earlier, these are the expected, anticipated, unavoidable side effects of reorganization.

Effects on staff morale during reorganization are also unavoidable. Obviously while an organization like DYFS was being reshaped and remolded there was of necessity a rather lengthy transition period and this period could not always be smooth. During this time, when many staff members were uncertain of the final effect reorganization would have on their job functions, there was a measurable effect on both productivity and morale. However, the Division feels that what has been accomplished through the whole process of the zero-based position allocation has, in its positive benefits, far outweighed the more negative aspects of temporary problems. At this time, the worst of the morale problems created by the reorganization are hopefully behind us.

Although this Task Force report was very comprehensive in its approach, it could not, by the very time constraints, address all the needs. For example, the contracting process for a residential provider agency and we now have completed a manual which is in its final stages of draft and we intend to meet with the providers the latter part of this month to receive their input.

The Division also saw the need to expand upon the basic idea of having a business manager in each regional office. A complete business office operation was designed and implemented, including the separate Contract Cost Unit to review proposals and to provide technical assistance as required. This gets to an earlier point of attempting to get down to the region, the business function, so that they can be closer to the provider.

It was also necessary for certain refinements to be made in the basic organizational patterns being established so that the overall mission of the Division as the largest provider of public social services in the State can continue to effectively be fulfilled.

In conclusion, it can be repeated that the Division has made and is continuing a concerted effort to implement the Task Force recommendations in such a way as to meet the primary goal of reorganizing its services around one set of standardized operational regions and decentralizing its service oriented bureaus and their functions in an effort to enable DYFS to more effectively carry out its responsibilities with proper, more stringent fiscal and administrative controls.

Although the Task Force report concentrated primarily upon recommendations for fiscal and management improvements within the Division, the Division has not lost sight of the need to provide direct service support and case management improvements

which are specifically aimed at helping the social workers in their daily activities. We have constantly tried to enhance the engine of service delivery running on the tracks of sound management principles. Some of the action the Division has taken which are of special importance to other management casework activities are:

1. We sought more emergency assistance funds for the social workers use in preventing unnecessary placements and emergent needs.
2. We improved our staffing analysis to support our requests for additional caseworkers.
3. We boosted our training effort to provide more and better social worker skills training.
4. Increased our dictation capacity through machines and systems to expedite social worker recordkeeping requirements.
5. Considered and tried various case management systems so that social workers could better organize their workloads for better service.
6. Reorganized our procedures manual's development so that social workers may keep in touch with current regulations and policies.
7. Reorganized existing administrative structures to bring the decision-making capacity closer to the client and the social worker.
8. Implemented an automated management reporting system to provide more ready access to necessary information to the social worker.
9. Sought office space, phones and other necessary resources within constraints of not controlling these resources.
10. Provided more cars in critical areas, more staff, to manage car problems and opened up evening refueling capacity to facilitate longer car operation hours.
11. Created a Productivity Management resource within my operation, to improve the utilization of existing resources and to attack the volume of paperwork required at the caseworker level.
12. Consistently sought decision inputs from lower organizational levels, including individual caseworkers.
13. Reiterated to all top management staff that the prime mission of the Division is more effective service delivery through support of field operations, and stressed the importance of Management at all levels of supervision.

These, as I indicated, are in the process of being instituted and some have been completed.

These points will be developed in greater detail by the regional administrator as indicated.

Now, in terms of staffing as identified earlier, we established a pattern, under the reorganization, of 3,184 positions that could be fiscally supported. I am pleased to note that all but approximately 253 of these positions are filled with only 57 of that number being in the area of social workers. Some of the reasons for the positions remaining not filled are the need for space, caseworker turnover, the need for phasing in due to partial funding in this year's allocation of dollars, and the Civil Service procedures for filling vacancies. We have established the task force, which I mentioned, on turnover to assist us to get a better handle on this problem of turnover and this process includes the opportunity for the employee who is thinking of leaving or who has decided to leave to provide to me a confidential memorandum or phone call as to his or her reason for leaving the organization. We have been working with Civil Service and have received their cooperation on processing paperwork, which significantly reduces the timeframe for hiring. Obviously, the entire Civil Service process could be aided by passage of the reform law and its various provisions for streamlining.

I would like to conclude my remarks with a review of our contracting program. If you would note, just behind Senator Hagedorn, there is a chart and we have various float charts underneath of that. What we would like to do is, at a latter part of the hearing, to go into those in detail by the responsible individuals. I'll just kind of give you an overview of that. If you could take one area which really precipitated, was a catalyst for the various investigations, studies, analyses, overviews of the Division, it would be the problems that were highlighted by our contracting process. We have developed and implemented a contracting process which we feel is sound and while developing this system, we continued to provide services with terminations of programs and facilities kept to a minimum.

Basically, we have put greater emphasis on the pre-award review of contracts, both renewals and new programs. We feel that fiscal deficiencies must be addressed and resolved prior to the Division executing a full twelve month unconditional contract. This was an area that was not present in the past, that we would have fiscal staff actually go out there and take a look at the provider to see if they had the management capability and the internal structure to be able to handle a contract of this nature and this is being done programatically as well. Also, comprehensive monitoring is conducted during the contract performance. Our objectives are to minimize the fiscal deficiency up front which will result in reducing the financial risk placed on federal and State funds and serves to maximize the utility of the limited funds available for services. With an effective pre-award review process and monitoring system, the fiscal post-audit findings should be reduced, which will result in a greater reliance and acceptance by the Federal Government of the Department's claims for Federal Financial Participation in our contract service program. The soundness of the Division's fiscal contracts and contract management has been attested to in a recent audit report issued by the Treasury Department's Internal Audit Unit which states, "based upon the audit work performed, it appears that the implementation of the new system of third party contract administration is progressing as outlined earlier by the Division. Generally, the system appears adequate to provide that the monitoring and accountability functions integrity and compliance with all pertinent regulations." Also, I might add that we have had a series of reviews with the Attorney General himself and at the last review we outlined our entire process for contracting.

The contract review process employed by the Division has been successful as measured by the dollars savings realized. Since this review process has been initiated in December, 1977, the Division has recovered or resolved approximately \$1.8 million as outlined in one of the charts, which we will get into.

For those provider agencies which feel that there may be too many "controls" at this stage, that the pendulum has swung too far, we would like to point out that the new system allows those agencies to receive their advance payment and monthly expenditure reimbursements on a timely basis providing the necessary cash flow which creates a much improved relationship with the Division, a greater flexibility in the budget modification policy, which has allowed the agency broader management parameters and timely contract closeouts.

In summary, it is hoped that this overview has provided to all three of you the sense and confidence that although all problems are not solved, as you will hear from Division employees as well as others today, the Division now has a sound management structure, a process and a system to handle, refer and resolve problems. If you put this in rather nautical terms, we feel that now we have a sound ship with dedicated and competent personnel, who have weathered a very heavy storm and we have the ship turned around firmly under control and with our continuation of communication with our employees

and the community. Hard work on the part of our staff and God's help, we'll move to our destination of more effective social services. Thank you.

SENATOR SCARDINO: And that ship under the captainship of Captain Callahan--

MR. CALLAHAN: No, Captain Manshell.

SENATOR SCARDINO: Admiral Manshell.

MR. CALLAHAN: I scrub the decks, Senator.

SENATOR SCARDINO: I am pleased to announce that we have been joined by Senator Garrett Hagedorn from Bergen County. Senator Russo?

SENATOR RUSSO: Mr. Callahan, you have indicated that the implementation of the Wechsler recommendations has resulted in and will continue to result in greater efficiency. If I may ask you, what effect, if you can answer at this point, will the implementation of those recommendations have on the budget?

MR. CALLAHAN: What effect will it have on the budget? Essentially, we are moving to a productivity unit, which I indicated, which is part of the budgetary function and certain of the recommendations, you know, we implement them in concept. To really make sense, you have to have, like any productivity unit, you must have the same resources being delivered with less dollars or more resources being delivered with the same dollars. So that we're hoping that we can translate much of the conceptual things that we have done over the past 17 months into actual hard savings. For example, the auditing process that we mentioned, the ability to collect more dollars so that's available and essentially with lower the amount of dollars that would be required. But, again, we're into the bind where there is a continual need for additional services, so that in terms of requesting less budget, we have the experience of not having, as Peter will describe to you in a few moments, all the social workers that we feel are needed to carry out the task and we certainly would hope to translate some of those efficiencies into areas of dollars to provide additional services out there. So, that will be the role of the productivity unit.

SENATOR RUSSO: And it is your opinion that the overall effect would be favorable in nature.

MR. CALLAHAN: I think so.

SENATOR RUSSO: Is someone today going to take us through some of these recommendations on a broad basis.

MR. CALLAHAN: I can take you through this today, now or whenever you would like. Each recommendation, we can go through, the ones we have implemented, whichever way the Committee wanted to do it. I didn't really want to tie up all of your time this morning, but whatever way you would like to do that, we'll go into each recommendation, the ones that have been implemented, the ones that have not and the reasons.

SENATOR SCARDINO: I see we have Peter Silvia and Mark Wickley following you. Will they really support pretty much what you said with more specifics in their particular domain? Maybe we should listen to them and hold our questions in terms of the specific areas that we want to get into regarding the 140 recommendations. Would you suggest that or should we direct our questions to you at this point?

MR. CALLAHAN: I would say that you may want to go through the process of the individuals that we have this morning and then to get back to the specific recommendations so that you can really see the overview. I think the recommendations would fit in better once you see the total overview.

SENATOR SCARDINO: Okay, then I will follow that advice and take it from there. Are you through with your presentation?

MR. CALLAHAN: I'm through with my presentation.

SENATOR SCARDINO: Then, suppose we allow Peter Silvia, Director of the Budget Office, to pick up from this point.

MR. CALLAHAN: Thank you, Mr. Chairman.

P E T E R S I L V I A: Mr. Chairman, thank you for this opportunity to be here. My name is Peter Silvia and I have been with the State off and on for about 13 years. I've been mostly in budget work and that's how I come to be the budget officer of the Division.

I would like to call your attention to the handout on the nature of funding for the Division and just clarify at least one point and then amplify some of the figures you wanted. The key difference in the purchase of service monies between the 42.5 million and the other money set aside is that we don't supervise that purchase of service directly. We fund other departments who supervise them and put out contracts. So, our level of supervision on those particular purchase of service contracts--

SENATOR SCARDINO: Why don't you take us through an example of that. Give us a specific example of how that works, who you might be dealing with, because I'm not clear precisely what you're telling us at this point.

MR. SILVIA: If you look on page 1 of the handout, under purchase of service, we have 6.8 million identified as inter-departmental. Those funds go to the Department of Corrections, the Department of Health, the Department of Labor and Industry, the Department of Public Advocate and they provide services such as counselling, family planning and other protective services. They fund through those departments, and they aren't directly under the control, then, of the Division.

SENATOR SCARDINO: Who, then, monitors or controls what those agencies are doing in terms of the impact of those dollars?

MR. SILVIA: The Title 20 Coalition.

MS. MANSHELL: Those funds go through the department and with the input of the Title 20 Coalition and then there is a Title 20 plan. They go both into other departments and into other divisions within the department.

SENATOR SCARDINO: What I'm not sure of and I guess what I'm trying to establish here is whether or not this is not another identifiable fragmentation of what's happening. I'm not sure on that.

MR. SILVIA: It's just the opposite. It's part of the comprehensive Title 20 plan that is used to allocate social services money throughout the State.

SENATOR SCARDINO: And you're the administrator, in effect, of those funds. Is that what you're saying?

MR. SILVIA: We are, yes.

SENATOR SCARDINO: Your office is specifically involved in receiving the--

MS. MANSHELL: Peter's office is the Budget Office.

SENATOR SCARDINO: I guess what I'm trying to get straightened out on is precisely then, what is your function in this respect, in terms of the allocation of these funds? Isn't that what you were talking about a minute ago?

MR. SILVIA: Yes. My function is to develop the State budget requests, coordinated with the Federal budget requests, take the funds and staffing we are funded to and allocate it as effectively and efficiently as we can and we are actually involved in first developing a process for implementing the current budget, which we use a zero base budgeting system and then we use that to develop our budget requests for the forthcoming year. We coordinate that budget request through the Department and with the Title 20 plan so those are pulled together into a comprehensive plan for the State. The Title 20 plan is actually handled through the Department of Human Services.

SENATOR SCARDINO: But, are you referencing, now, Peter, the total budget of DYFS or is this just a proportionate amount of that budget?

MR. SILVIA: This document reflects all the monies that, all the social services monies that DYFS is involved either directly or indirectly. Now, missing from here are match monies from county welfare agencies because we have no supervision over those, which is another 7-8 million dollars of effort which they put into the social services.

SENATOR SCARDINO: When you mentioned a document, which document were you referring to?

MR. SILVIA: The "Nature of Funding" for the Division. It is the one the Director submitted to you with the pie charts.

The next thing I wanted to point out to you is David Cohen, who is sitting at my right, and he, during the last year, really developed the first financial plan that the Division ever had. So, when you ask for comparable figures for a previous year, it is extremely difficult because there wasn't the same kind of financial track that was there. We did our best to estimate those figures for 1978 and I will give you, if you will look at the pie chart page, the comparable figures for revenues as best we can estimate them. Under the line, Title 20, if you want to put a column for 1978, it would be 85.6 million. State appropriation would be 47.1 million. Counties would be 9.6 million. Other would be 5.3 million. WIN would be 4.6 million and donors would be 10.5 million and that's purely an estimate as best we can determine. The total would be 162.7 million.

I would like to make a statement to you and try and explain what's happened to the Division. It's really external to the Division and it has had a tremendous impact on how we progress not only in the Wechsler Task Force, but even in the internal operations of the Division as to employees.

There are four types of services that the Division of Youth and Family Services should be providing. They are:

Protective Services--Reports of abuse or serious neglect which are investigated by a social worker. An assessment is made as to whether abuse or serious neglect exists. A determination is made and if it is positive, the action to be taken must be determined.

Treatment Services --If it is feasible to do so, and if resources permit, a social worker will intervene with supportive or corrective services aimed at overcoming the conditions which led to the abuse or serious neglect situation. These services may be Day Care, Homemaker, Therapy, Counselling or simply emergency funding help.

Preventive Services--When borderline circumstances are observed, intervention with corrective action will avoid having a situation become critical. It's far easier to find a solution that keeps a family together if the problem is identified. By borderline, I mean circumstances which we might find shocking or at least disturbing, but to which our social workers, who deal with much more serious problems, are actually, they don't take them seriously. They don't feel the same effects that we might.

Prevention

--Potential problem situations are often recognized by welfare workers, teachers, policemen and others. If proper information or assistance is provided on a timely basis, then even the borderline conditions can be avoided.

What's happened in recent years is that the Division has experienced significant changes in the nature of the services provided and in the size of its caseload. This has burdened our staff of social workers greatly.

1. Since March, 1976, we have been forced by legal mandate and limited resources to maintain service limitations which focus our efforts on situations where abuse or serious neglect actually exists. These protective services cases went from 35% of our caseload in 1975 to over 80% of our caseload today. Part of this increase is due to increased awareness of reporting requirements, but a major part of this increase is due to a shift from preventive activities to protective intervention activities as mandated under the Dodd Law.

2. The change in our social workers activities effected by the Dodd Law and by the JINS law (Juveniles in Need of Supervision) and perhaps greater public awareness have led to a significant increase in the legal detail and technical requirements which our social workers must meet. In many cases this has precipitated use of a group of social workers as court liaisons. In any event, this has greatly increased the worker time requirements and the technical details needed to render service.

3. As a result of the focus of our staff efforts on Protective Services, Treatment and Preventive Services have greatly diminished. More and more, our social workers view their work as "putting on bandaids or splints", rather than preventing abuse or serious neglect situations from evolving. This is frustrating for the social workers and expensive for the State. Once a situation reaches a serious stage, corrective action is very expensive. It either requires extended periods of social worker time or some form of placement or sometimes a combination of both. Placement in Foster Care costs an average of \$2,000 per year and placement in Residential Care costs an average of \$8,000 per year.

4. The social workers' frustration is further amplified by the fact that even though they recognize that post-crisis services could prevent further problems, they are diverted by new protective services problems. Treatment Services such as teaching homemaker, parent education or intensive therapy are severely limited or not available at all because of limited resources. The child may remain in placement longer than is otherwise necessary, resulting in increased placement costs and reduced likelihood that the child will go home. Placement resolves immediate crises but it may have undesirable effects. Social workers must focus on other crisis situations so that the help the worker can provide the parents to improve is very limited. In addition, welfare payments are often lost when the child leaves, so a whole new crisis sometimes is effected.

5. Because of our change from Treatment and Preventive to Protective Services and perhaps because of social trends, the overall need for Protective Services for children continues at a high level. Outreach studies in other states indicate that reports of Protective Service needs increase between 50 and 80% if a concentrated effort is made to provide services for all those people in a particular area who really need the services. Based on our recent reporting experience and this outreach information, we estimate that 11 to 18 thousand children in New Jersey are abused or seriously neglected each year without anyone even making a report of the situation.

6. These radical changes in our caseload have had a very negative impact on our social workers. They are frustrated when they recognize situations in which Treatment or Preventive Services are likely to succeed, but the services can't be rendered because Protective Services are needed elsewhere. They indicate a sense of fighting a fire that continually flares up. Time consuming legal technicalities aggravate them further and periodically when a legal technicality results in a totally irrational decision about a child's life, the frustration is explosive. As a result, many of our social workers leave. No one can blame them. But, when a worker leaves, even if he or she is replaced reasonably soon, it is unlikely that the new worker will be able to handle the entire caseload of the former worker. Because of this situation and the legal mandate to provide Protective Services, the critical cases in the caseload of the worker who leaves will be distributed among the remaining workers. This puts the remaining workers further behind in rendering Treatment and Preventive Services adding to their frustration and the likelihood that they might leave. This is a catch 22 situation for us. It's a spiral we've had to work very hard to counteract.

We recognize that these are hard fiscal times, that resources are limited, but we are also aware that limiting the size of our staff of social workers or adding tasks to their work without adequate funding for them has a direct effect on the extent to which children in this State suffer physically and mentally. We believe that all children have a right to grow to their full potential as adults. Despite our charge in this regard, we do not have sufficient staff to preserve that right.

Recognizing these constraints, we have attempted to maximize use of our existing staff. A key activity in this regard has been an ongoing staffing analysis by our Bureau of Research and our Budget Office. The Chief of the Bureau of Research, Mark Wickley, can provide you with more background on that staff. If I were to identify the most critical budget issue that the Division faces, I would say that this is really it.

SENATOR RUSSO: Mr. Silvia, you related earlier when you were discussing purchase of service under expenditures, that there is a certain amount of money expended with regard to the Health Department and Labor and Industry. What connection is there between your Division and Health and Labor and Industry?

MR. SILVIA: We contract with those departments to provide services, but we don't have further involvement with them.

SENATOR RUSSO: Give me, if you would please, an example of a situation where Labor and Industry would be involved.

MR. SILVIA: Labor and Industry monitors the WIN program, so that is one very obvious one where they are involved. They also provide employment related services which we fund in a contract with them. I can get you more detail on each of the specific services.

SENATOR RUSSO: I have another question. I may have misunderstood you. I think you said that it costs \$2,000 per year on a child that is placed in a foster home and \$8,000 per year if the child comes under residential care. Are they the right numbers?

MR. SILVIA: They are average costs.

SENATOR RUSSO: Why is there such a spread between the two situations?

MR. SILVIA: Primarily because the children that end up in our residential centers are really refused in any other place and running a whole-care situation instead of having someone else do it for us is much more expensive.

SENATOR SCARDINO: Would you identify yourself for the record, please.

MR. ROSENTHAL: Harold Rosenthal. A foster home is a family-like setting and is used for children who do not have extensive treatment needs. When you get into residential programs and you associate costs with them, you have a broad range of treatment services, depending upon the need of a child, that are given to the child in the residential treatment program. So, in some highly structured programs they might have staff psychiatrists, psychologists, specialized care workers. Most have special education components and it is a different setting and one that calls for much more structure and much more staff.

SENATOR RUSSO: That answers my question, thank you.

MS. MANSHELL: I think in the interest of time, it would be helpful if we hear from our regional administrator now. Perhaps, if you want to go back to Mr. Wickley's presentation, which has to do with the need for staff and more caseworkers, we might do that later.

SENATOR SCARDINO: I do want to get back to the budget component too. If anyone that is appearing before the Committee this morning has written testimony, we would appreciate a copy of it, for the record. Do you have a copy for the Committee?

R I C H A R D O ' G R A D Y: I have some draft materials, but it is not a final copy.

My name is Richard O'Grady and I hope, gentlemen, that I can be as concise as my twelve year old daughter who was practicing a speech that she had to give before her classroom. I'll try to confine my remarks to approximately fifteen or twenty minutes.

I suspect that I was selected because in one way I'm tending to become a senior member and in DYFS it is sometimes hard to become a senior member. I started with the agency in 1959 as a social worker and occupied just about every position as supervisor, director of training, personnel, chief of the bureau of family services, and now I'm the Regional Administrator of the Southern Region.

Some twenty years of experience does have a beneficial aspect in the sense of providing a perspective on where we have been in the social welfare field in the State of New Jersey. Back in 1959 and 1960, when we had the State Board of Child Welfare, which later became the Bureau of Children Services, there were approximately 200 employees and we were certainly a much smaller organization and of course, dealing with a lot less complicated life and a lot less programs.

Just for interest purposes and again with a view toward perspective of history, I looked at some of our statistics and back in June of 1969, I noted that we had 8861 children who were in boarding foster homes and in December of 1978, we had some 7371 children who were in boarding homes. I think sometimes we look too critically at ourselves in the sense of not recognizing some of the positive aspects that this Division has attempted to provide with working with children in their homes and I think New Jersey is to be complimented in comparison with other states, for its remarkable record of not having children in out of home placements to the degree that other industrial states have.

I am responsible for the Southern Region. I have seven counties, but my remarks this morning are those of a Regional Administrator and could apply to the other regional administrators. We have the very often difficult job of overseeing, directing and supervising the county welfare agency activities, service activities, the local district office activities, which include the Protective Service programs, children in foster care, the adoption and home finding functions, as well as administering and contracting operations for approximately 100 provider agencies. The one hundred provider agencies is a number that is about average in the four regions.

While I look at the job as being one of maintenance of the DYFS regional

operations, I also look at the role of the Regional Administrator as providing a source of leadership in trying to effect and to initiate program changes, so as we go along, things don't remain static, but we can work toward improvements in the system. I feel strongly that regionalization has provided an impetus to the kinds of service delivery changes that are needed and I would like to talk a few moments on some of what I consider to be the strengths of regionalization.

One of the strengths in an administrative type way is that prior to regionalization, we had five operating bureaus. Each of those bureaus had a central office and their own chiefs. They had, at the regional level, their own regional supervisors and their own regional and field people. Needless to say, there was a great deal of duplication, overlapping and often times, a lack of total Division objective. The numerous bureaus, in their own way, promoted a fragmentation that created a sense of strife and jealousy among the various units, both at the regional and field levels. With regionalization, we now at least have a system in which those particular elements are now under the direction of one person, the regional administrator. In the sense that the regional administrator can bring about a comprehensive, concise operation and a smooth operation, we have lessened that fragmentation and that duplication. As some specific examples of the particular efficiencies at the regional level, I would like to indicate the merging of the individual purchase units and the day care units. Prior to regionalization, they each operated their own activities administering contracts. We now have a single contract unit, which provides both physical and programmatic balance.

Regionalization has also provided the initiative for looking, with the help of the zero base budgeting process, at the various service activities that go on in each of the particular agencies and the zero base budgeting process has allowed us to look at those services in terms of how much would 50% funding buy, how much would 75% funding buy, etc. That process, although very new, has allowed us to initiate a number of steps to try to eliminate fragmentation and duplication. We have found, for example, that district offices and county welfare agencies in respective counties may sometimes have very similar programs and it is possible through the examination of the zero base budget to look at those particular programs and then to try to shift priorities, for example, perhaps to try to help the county welfare agency move more closely into adult activities while confining the district offices to those activities dealing with children.

You are probably aware that social welfare programs, generally, across the nation and other kinds of programs are inundated with many, many separate streams of funding. I believe that there was an estimate from the Department of Welfare that there was some 490 different streams of funding, sources for welfare programs. If we look at this from a regional or county level, we have to be concerned around the need for the coordination of the various funding sources, the streams of funding. We have to be concerned that the various streams, the various funding sources, do not create a situation in which, on the one hand, we have \$14 million going into a particular service and another provider agency is also spending \$14 million in practically the same service area and neither know what is going on in the other's daily work. We are beginning to work, through the initiative of county coordinators and at the regional level in meeting with the different county personnel, to examine what is going on in the particular counties.

SENATOR SCARDINO: Have you been able to identify any areas where this might be going on at this time?

MR. O'GRADY: Yes.

SENATOR SCARDINO: Could you be specific?

MR. O'GRADY: Well, for example, in the Camden County area there has been a study of the social service area, the whole welfare field and there are various recommendations that are coming out of this particular study. We have worked with the county coordinators that are assigned to the regional offices, who have identified the areas of duplication within provider agency contracts, within the general communities, as well as some of the overlap in duplication in the county welfare programs in their own district offices. So, there is a beginning look at some service priorities with some sense of trying to eliminate the duplication. It is an enormous, difficult job.

SENATOR SCARDINO: What I'm interested and I'm sure the Committee is, in a specific area that you have identified, where there is duplication of effort, duplication of service, what can you do; what can you not do; where are the restrictions in terms of your inability to eliminate this problem? Identifying it is one thing, but what obstacles are in your path in terms of eliminating or alleviating the problem?

MR. O'GRADY: That's a good question Senator and one which, at this particular point in time, begs a full answer in the sense that I can identify where it is working completely. I can say and cite specific examples of where it is beginning to work. In Camden, for example, we will be having an intake, that is a joint intake system, between the county welfare agency and the local district office, so that we can administratively begin to take some steps to limit the fragmentation. This is also going to occur in Atlantic County. We can begin to develop information and referral systems. We do have computer technology that is beginning to become available to us and if we can develop that at the county level, we can hook in providers of services and clients of services and that is just some of the initial steps.

SENATOR SCARDINO: But, again, I think your response is leaning very heavily on the identification component. My concern is, after you've made identification, what obstacles are in your path to rectify the situation? One question that I intended to raise later, but I guess it is appropriate at this point, is that are instances, for example, where there might be some political ramifications involved with either the criticism of or the suggestion of elimination of or the suggestion of merging efforts, whatever it takes to do the job right? Are you willing and ready to address yourself to that at this time? Because unless we are, I don't think we're really addressing ourselves to the problem 100% as we should be doing this morning.

MR. O'GRADY: Well, there are a number of issues. First there is the political issue. Many of the different provider agencies, service agencies operate under a different framework. They report through their own chain of command. Some may report to the board of freeholders; some may report, in a sense, to the State; and others may report through other different channels. So that, whenever you have the separate administrative mechanisms, you have to work out a agreements and they become very large, difficult kinds of arrangements to make. I don't mean to simplify the process at all. It is extremely difficult. There is also the Federal Regulation piece. There are many programs that are tied into federal regulations, which sometimes makes it very difficult for local counties and States to effect needed coordination because of the need for tracking the funds all the way down to the local level. when it's tracked all the way down to the local level, to the direct service client, it means that you usually have a a series of administrative mechanisms, forms to fill out, separate supervisory tracks and that type of administrative regulatory excess, in a sense, creates difficulties in working out some of the combination coordination pieces. I can, for example, think of a specific instance in Camden, where we're trying to provide funding for homemakers through Title 19. Now, this is a difficult piece to do. It requires working

through and making sure that administratively we can meet Title 19 requirements, whereas Title 20 has other kinds of requirements. We need, in the sense of working out things at the local and regional levels, that we're usually coming on up the line asking for our own support from within our own Division central office, our own Department and then trying to work out things through the various departments, nevermind the local government levels. But, there are pieces that can be worked out. But, you are correct, Senator, in the sense that I don't believe, in terms of a social service perspective, in a welfare perspective, that we have an overall scheme of how maybe the different funding sources could be merged at maybe a higher level to provide some greater degree of coordination.

SENATOR SCARDINO: Maybe I don't understand it as thoroughly as I should or would like to and maybe I read the purposes for the establishment of DYFS in the first place and those purposes are just as valued today as they were several years ago and that is social services being provided through what has been defined as three general mechanisms: Direct services through casework, counselling, crisis intervention, adoption, foster care, institutional placement, purchased day care services, purchased services for homemaker services, adult day care, family planning, legal services, residential, etc., etc. and when I read that, I assume that what we created, when we created DYFS, was an agency that would, in fact, carry out those purposes and would, in so doing, identify, eliminate, and when I say eliminate, I don't mean for the sake of just getting things or people out of their way, but eliminating the duplication and the overlapping and the competitiveness that may exist out there and sometimes that competitiveness can be more harmful than the program itself and I just had the understanding that this is what it was all about in that respect and I'm getting the impression from you and this is where I need the clarification, that you know that this is happening, you know that there may be duplication of effort and yet I get the impression that you somewhat seem handicapped in terms of what you're able to do about this.

MR. O'GRADY: Well, I think it's important to clarify two pieces. First, you have an overall welfare system, social service system and that does not totally, that is not totally in DYFS purview.

SENATOR SCARDINO: Let me clarify this. In other words, are you saying that there are funds coming into the State which would provide the same services that DYFS has defined for itself, without going through the DYFS office?

MR. O'GRADY: Correct, or not just DYFS, but say for funding for servicing the agent population. Many of our county welfare agencies provide services to the agency, but there are other funding sources, for example, Title 3, which go through the Office on Aging, and it is important to coordinate those particular pieces so that it is not just an examination of what is in DYFS's purview, but also a closer examination of what is outside DYFS's purview, so that we can better maximize the dollars available. So, there are two pieces. I think we have a much better handle on what we are able to control within DYFS, because administratively, we have a better mechanism for doing it. We can sit down at the regional level and say, for example, order our priorities within what we want in the district offices and the county welfare agency and the provider programs, but where we get outside that, where we talk to a county welfare agency about expanding their aging services, we need to touch on other areas that are outside DYFS's strict purview.

I want to, again, indicate that regionalization, for me, has offered a number of advantages in the sense that sometimes there are initiatives that could be taken on a regional level that are sometimes too complex or cumbersome to be jumped into

on a State-wide basis. Some examples of these initiatives are: for example, we have had in the Southern region permanency planning activities for children so that we can expedite a child's removal from foster care into a permanent plan. We have had in the metropolitan region the utilization of new contract review and execution procedures and in the Central Region, they have experimented with a number of specialized group projects with unwed mothers and parents of abused children. Now, some of these are areas in which, if you wanted to move quickly into permanency planning, for instance on a State-wide basis, there are a lot of details that would probably have to be worked out. We can far better work out some of the details, test out some of the particular procedures and examine what we're doing on a local and regional level, and then if it has merit, then it can be offered as a system that could perhaps spread on a State-wide basis.

Regionalization has promoted a closer look at the individual service needs and problems and there, I think, in terms of regionalization, the one real big plus that we have had is working more closely with county governments. We have, for example, in Atlantic been able to examine the particular service needs and in Atlantic been able to establish a runaway shelter. As you can imagine, related to casino gambling, the need for that type of particular facility would exist. We have been able to, in Mercer County, establish a shelter for adolescent girls. It is this type of localized needs that come a little bit more to the forefront of attention with regionalization. That is a benefit.

We have, also, with regionalization begun to take a look at some of the old historical patterns of allocation. We have dollars that are flowing into counties and dollars flowing into counties both in terms of a fixed number of dollars and also dollars for particular services. Hopefully, as we work with the counties and establish needs, we can provide some feedback to attempt to bring about a better equity in the allocation of the dollars. No one has a perfect formula for it, but at least we are beginning to force the issue.

The regionalization has helped to focus the need for additional monitoring and evaluation data. In the field of social services, we have long had difficulty in deciding just how do we evaluate programs. For example, just what does good care mean? The state of the art in the social welfare field is not far advanced in evaluation. What we are able to do primarily, at this point in the Division, is to begin reviewing a number of monitoring data information pieces. For example, the number of children, the number of kids in adoption, the number of subsidized adoptions, the number of children in JINS, data that would give us some management information to be able to relate to, to examine, hopefully to improve the particular service area. But, evaluation of services, if one is looking for evaluation, that's a tough nut to crack. The amounts of money that would have to be put into some of the evaluation pieces almost mitigate against the development of some of the evaluation pieces. They would be, for example, much too expensive. We are now beginning to look at the regional level at some of the particular evaluation pieces that could have benefit to the provider agencies. Maybe these will be self-assessment evaluation pieces. This is not so say that the Division isn't looking at the programs. We do monitor them. We send people out to look, to interview clients, to examine records, to look at the levels of services, to look at the expenditure levels of programs, but in the sense of a program, really at the bottom line, the client getting the benefit from it, those are rather difficult pieces to get at. I heard from one person, not too long ago, in the particular service area, that the only way you evaluate social service programs is that if the person uses it, it's a good

program. I don't know whether we accept that on the face of it or we spend a lot of money trying to develop sophisticated evaluation pieces. The regionalization has not been without a number of gnawing pains. I believe that we are in, again, a kind of evolutionary process. The Division is an extremely large one and with the scope and the responsibility of this Division, that we have had some problems around implementation which required continuing attention. Those usually have evolved around the specific roles of staff, where the controls are most appropriately placed, and some of the housekeeping details around the number and location of units operating at the regional level. When the Wechsler Task Force Report came out, it did not deal with every specific nitty gritty issue. That was going to be left to the management of the agency, to try to work out some sense of order and priority. This is, I think, gradually falling into place.

As the former Chief of the Bureau of Family Services, I have been one of the ones to first advocate for regionalization. Although in a sense I occupy the top spot in the largest bureau, I recognized that we needed to evolve the system that could get closer to the people that were working in the field and the people we were supposed to be servicing. I want to stress as an original advocate of regionalization, I have been pleased by the fact that we have gotten this far and I certainly hope that we will make the continuing progress towards regionalization in the future so that we can enhance the service delivery pieces. Thank you.

SENATOR SCARDINO: Thank you very much, Mr. O'Grady. I appreciate your testimony and your being with us this morning. In terms of the regional structure, would you say that the regional administrators have been given full decision making authority and resources to manage your region?

MR. O'GRADY: Full decision making authority? Not in every single area, no.

SENATOR SCARDINO: Do you find any restrictions here or handicaps at this point in time, or do you feel that the system is adequate?

MR. O'GRADY: Again, if we look at it as a system of evolution, in a sense-- for example, fiscal control area, that's one of the issues in which there needed to be a large sense of the Division feeling comfortable, that at Central Office, they did have in place adequate controls and that once a number of controls had been developed at Central Office, then they would feel free to drop some of those fiscal control pieces to the regional level and I think that is beginning to occur. There are some pieces, for example, in the contract area. We did not have fiscal signoff on contracts. They came up for Central Office review and signoff. Some of the contracts now are being delegated to the regions for signoff. Again, I think it is a question of the Division's staff, particularly in the fiscal accountability area, and that's really the one in which the Wechsler Task Force all came about in the sense of the provider agencies, and I think that's the most sensitive area in which the Division has to feel comfortable that they in place fiscal controls and I think we want to totally avoid a situation in which we can again be criticized, particularly in the press and through the Senate or Judiciary or legislative bodies that DYFS has played loose with the dollar and when those particular administrative pieces are in place in Central Office, then I think that there will be, from an executive level, much more comfortableness in dropping those fiscal controls to the regional level.

SENATOR SCARDINO: The ratio of caseworker per client question, how does that fare in all of the regions? Is there parity? There was not, obviously, during the Task Force hearings, but what is being done at this point in time?

MR. O'GRADY: I will offer my particular perspectives. Maybe Pete Silvia will want to add something to it. When you are dealing with caseload ratio, the sense of just what is the right kind of ratio--we have in place a number of staff at the district office, who are called caseworkers, and I assume that's what you're talking about, the local level, the caseworkers, how high are their caseloads. At any particular point in time, given intake, given the community situation, the lack of resources in the community, some offices can have higher caseloads than in other offices. It is also true that some will say, "Hey, look. We work in Newark and therefore, we need a lower caseload because of the complexities of the situation and this highly urban area." Well, we find similar pleas from those who work in rural areas that because of the greater travel demands and because of the lack of resources in those rural areas and suburban areas, their caseloads are too high. We have in our budgets, at the regional level, a zero base budget process which we use for the assignment of staff. The Central Office assigns to the region X number of staff and from there we have allocated them. Now, I will be frank with you and say that in the Southern region we have in place a system that allocates it by two mechanisms. When Central Office says to us, "We have X number of staff", we take that and divide it, in the Southern Region, by two factors: one, the population of the counties; and two, the child population. So, in terms of the local district offices, staff are assigned to the Southern Region counties on the basis of those two demographic informational statistics.

SENATOR SCARDINO: Let's refer specifically to the Wechsler Report. Do you agree with the Task Force ratios, the guidelines that they have offered, the ratio of one caseworker for every 35 protective service cases, the ratio of one caseworker for every 45 cases, other than PRS, the ratio of one caseworker for every 420 intake studies per year, one caseworker per district office located for foster home facility? Just let me go further, so that I can establish the point I want to make here, these ratios are not being used in each district, according to our information, but the first question is, do you agree with the ratios?

MR. O'GRADY: No, I don't agree with the ratio on the intake.

SENATOR SCARDINO: Is this your own personal opinion or that of the Division?

MR. O'GRADY: Well, I don't know how extensive that particular recommendation has been discussed, but certainly the intake ratio would have to be examined. There was a ratio that had assigned, in the past, 1.57 man-days to do an intake study. Now, that was one particular formula. I am not sure how that 400 would work out in that particular system and it seems to me that in examining a Protective Service situation or a Protective Service referral, where we're involved with looking not just at the family but contacting the school, contacting relatives, contacting collateral resources. They have to come up with some kind of judgement as to what we should do in that kind of situation and I think in that particular sense, the intake recommendation was a little bit off base. The others I feel relatively comfortable with.

SENATOR SCARDINO: Okay. We're going to take a five minute recess, and we will reconvene in five minutes.

(at which time a five minute recess was taken)

SENATOR SCARDINO: Okay, we're all set now to continue this hearing and the discussion on the Division of Youth and Family Services. We're going to continue with Jack Pingitore, District Office Supervisor, Ocean County Division of Youth and Family Services. Mr. Pingitore?

JACK PINGITORE: My name is Jack Pingitore and I'm the District Office Supervisor in Ocean County. The district offices are the social service delivery arm of the Division. The district office has the responsibility of carrying out the mandates, either by federal regulation, state legislation, and/or agency policy. My job as District Supervisor is to ensure the smooth running of the district office as well as to see that the mandates are carried out at the local level. Now, when I say the local level, I specifically mean the county level.

In terms of the regionalization, I think some of the areas that Mr. O'Grady pointed out in terms of stresses that have been created as a result of it basically are the same for the district offices and differ, I think, insignificantly in terms of the impact. I feel also that when you reorganize an agency as large as the Division that these kinds of things are unavoidable. I do however feel that we have made some strides in the resolution of them and I also see some progress being made.

In terms of the actual regionalization and its impact or effect on the district office, I feel, as a District Supervisor under this reorganization, that I am more or less the master of my own destiny in terms of the running of my district office. We have become more autonomous in that we can do local needs assessments, we can do local resource development, and we can respond to local problems better now as a result of the regionalization. An example of this is the system of foster home evaluations now being done on a local level, which means, if we have a staff member whose responsibility it is to find foster homes and this particular person is trying to find foster homes for infants when we need foster homes for teenagers, it doesn't do us a whole lot of good. So, I now have the ability to say, "Wait a minute, we need foster homes for this particular type of child or we need a different type of a program for our children because the age span is different," and some of these kinds of things and I think that is a result of the regionalization and has helped in terms of us locally providing services and resources to our children better or at least more appropriately.

In addition to that, I have, within certain guidelines, been able to structure my particular district office to respond to the unique characteristics of my particular county. Ocean County has a scarcity of resources, which means that in most cases our caseworkers are the direct service provider. As a result of that, I have been able to structure the office so that we do more of the direct provision. We don't have a lot of referral agencies or a lot of purchase of service agencies to refer to. So, in a lot of cases, we are the social service delivery agency in the County and as such, we have begun to look at things more creatively to try to see where, as a district office, we can respond in areas where there has been no response or to plug up some gaps or fill some holes.

One of the things that I have also done is the creation of a small Hispanic unit. We have, in our particular County, a large Spanish speaking population and one of the things we are doing now is trying to respond to that population by having bi-lingual caseworkers who can speak to the Hispanics in our particular County. That, I think, is because we're more localized now and able to set up the structure of our offices based on our particular needs and I think that's been valuable.

One aspect of the regionalization, which I think is a direct result of it, was mentioned by a couple people before and that was the creation of the County Coordinator position. This has really helped the district office in a couple of ways, one of which is, prior to the creation of this position, the district office supervisor had the responsibility for the smooth flowing of the office, the internal concerns of the office as well as some of the external pieces of it, community organization, going out and meeting with other public and private agencies in the community and some of these kinds

of things. The responsibility of the outside activities or the external activities now rests with the County Coordinator and this person looks at the county as a total social service delivery system and looks for gaps and tries to fill them or makes recommendations to fill some of the social service gaps. He looks for duplication, tries to avoid it and also looks for fragmentation and tries to coordinate that.

I think, Senator, that you mentioned to Mr. O'Grady that you wanted some concrete examples of these kinds of things and I think I have some examples that I feel are concrete. In the area of identification of gaps, one of the problems in our county and I think its similar in other large rural counties such as Ocean and that is a large transportation problem. It is difficult for people to get from one end of the County to the other and it is also difficult to set up public transportation because of the length of distances and some of these kinds of things. In addition to that, a lot, some of the agencies have their own transportation networks and they pick up specific clients, but can't pick up other clients and are precluded from doing certain kinds of things. One of the things that we're doing now is working on a county-wide transportation, which will talk toward the compilation of some of these different agencies and their transportation systems into a larger system so that they can pick up from various points throughout the county and one agency doesn't have to go all over the county. They can go to a certain location.

In the area of duplication, we have seen, for example, between the Division and the county welfare agency, the Ocean County Board of Social Services, they were servicing families and children in terms of the purchase of homemaker services and so were we. We decided to get together and come up with an understanding that they would be servicing mainly the adult population, because we can't. But, we would then be servicing the adult population where there were children involved because it would mean that we would be then utilizing the available resource dollars better than we had in the past. So, that is one area where I felt some--

SENATOR RUSSO: Is that practiced now in your area only or is that now prevalent throughout the State?

MR. PINGITORE: I don't know, Senator.

SENATOR SCARDINO: What about other services that the county welfare boards may be doing that would also fall into your realm of responsibility?

MR. PINGITORE: That, basically, was the largest.

SENATOR SCARDINO: I know that that may be the largest--you see, I appreciate what you're telling us and I think that that's great that you were able to bring about that kind of cooperation with the Ocean County Board of Freeholders or the County Welfare Board, but suppose you couldn't do it. What would you have done at that point? Would you have just continued providing the services that your office has been set up to do and left it at that or do you have some recourse?

MR. PINGITORE: Well, I would have gone to my regional office and I would have explained the situation and the problem from my perspective. I would have gone to them because they are involved in--

SENATOR SCARDINO: What would the regional office have done?

MR. PINGITORE: I imagine they would meet with our local people and intervene on our behalf.

SENATOR SCARDINO: What I'm trying to get at and I hope that somebody might be able to supply us with specifics one way or the other and that is whether or not there might not be some instances where there is lack of or not cooperation from either agency whether it is the county or DYFS, in this case, because it is just difficult to believe

that in every case they cooperate 100% because your example alone, in terms of directing the ones concerned in particular areas gives you greater utilization of funds, but you're obviously servicing a larger number of clients and servicing them better and that is the objective, I think, and if we can pin that down further, I think it would be worthwhile.

MR. PINGITORE: The final example has to do with fragmentation and coordination of some of the fragmented pieces. Every agency, practically, does information and referral to one degree or another. A person calls up looking for a service and the person at the other end of the phone either says, "Yes, it's appropriate for us" or "No, why don't you go here and refers them on." One of the things that we are right now experimenting with is trying to coordinate the information and referral services into one large information and referral system, using the existing manpower that is currently in the County to do this. When we first started to do it, we got all the agencies together and we said, you know, everyone is talking about an information referral system, everyone wants to do their own kind of thing and we kind of identified the monster that was going to be created if we didn't coordinate this. The first meeting the biggest problem was getting over the turf issues. People felt, by joining this larger system, they were giving up a piece of something. So, what we had to do was sit down and try to negotiate where it would best placed within the County and the interesting thing was, it was placed outside of any of the existing agencies that were represented in a kind of neutral territory. therefore no one gave up anything to anyone else and we are the process now of trying to put this thing together, which, hopefully, will end some of the fragmentation, so when a client calls, they call one number and they get referred to the appropriate agency rather than calling four or five different numbers and kind of getting bounced all over the place. So, those are just some examples in terms of the impact of those positions, the County Coordinator and our coordinating in the County.

We are also meeting with all of the large social service agencies around any kind of area where someone seems to have some difficulty. It is a council of agencies and these are--a number of counties have these particular councils and the purpose is to talk about what we're doing, what we're not doing, what activities we should be getting into, these kinds of things. So, it is kind of a conglomerate of the social service agencies to see that we're not competing for the same client and to see that two agencies are trying to provide the same service to one client and the client is not getting served. So, some of that kind of dialogue to see if we can intervene and maybe kind of use all of our resources, not just the information and referral service, but all of our resources to their fullest.

SENATOR SCARDINO: You raise an interesting thought in a comment you made previously and that is that the question of, in coming together, a cooperative on the part of the service area components that exist at the regional district level, wherever they might be, but I'm wondering whether or not you also are leaning toward some kind of orientation or in-service program, if you will, enlightening people in a specific service area as to what's going on in other service areas and what those groups provide and the kinds of services they provide and where they're located so that if someone does call for help, they just don't get an answer of, "No, we don't provide that service, thank you, goodbye", and I've been rather sensitive to that personally because I know of a number of instances where this happens and it just never ceases to amaze me that people that fall under the same umbrella, so to speak, do not know other than perhaps what they're supposed to be doing and this is, this becomes a great burden on the part of the citizen who is looking for that. Have you taken any steps in that regard?

MR. PINGITORE: Yes. We meet six times a year and during those times we share information with one another in terms of the agencies themselves, feedback. We also have a newsletter that is circulated to each of the member agencies to let them know of the things that have changed, updates, the kinds of things that are going on that maybe the other agencies haven't found out about. Another thing we're building in is a feedback mechanism. If an agency refers a case to us and it's not appropriate for us to do it, not only do we try to send the client to an appropriate agency, but we try to get back to the agency and say, "Don't refer us any of those anymore," and that's a result of this council, this conglomerate of agencies.

Another aspect, I think, that the regionalization enabled the district office to go a little farther than it has in the past is the zero base budget concept, which has been mentioned before. It allowed us at a local level to look at the fiscal picture, which is something we hadn't always done in the past, and to justify in writing our expenditures and to document our needs, and as a DO supervisor, it gave me a chance to look at the services I was providing, what it would cost to run certain services and to really kind of assess, within my limitations at least, assess the district and the budget. This was then transmitted to the regional office and it was included in the regional budget. So, we had some input in the regional budget process and some chance to make our feelings, as well as our desires known. In addition to that, the county welfare agencies were involved last year in the zero base budget, which meant both agencies or both large public social service agencies were doing their budgets in the same fashion, which was another coordinated attempt to move toward, you know, maybe service priorities being more coordinated, these kinds of things.

Another area that we're doing locally now that has been mentioned before is the area of contracting. We are getting involved in local contracting and that means that we can look at a provider agency, a potential provider agency, a purchase of service agency in light of the needs of the office so that if we have a provider agency that has a proposal or contract to provide a service that we don't need, then there is no sense in us contracting for it and wasting time and energy and everything else. A good example of that is in the area of summer camps. We're doing the summer camps at a local level now, which means that if you contract with the summer camp, we're only going to contract with the camp that we're going to use. There's no sense in us contracting with a camp that we're not going to be using or a camp that hasn't, in the past, met the needs of the district office or hasn't responded to the types of children that we're trying to place in a particular facility. So, it means that the contract agencies are becoming more integrated into the social service delivery system, thus becoming more responsive to the needs of the total social service delivery system, which I think is a positive point.

My final point on regionalization is that whereas I don't think regionalization is necessarily the answer, nor do I think it is necessarily the problem. I think it is an organizational structure and any organizational structure is as sound as the practical implementation of that structure and not necessarily the design and I think, in terms of the reorganization and the regionalization, that we are moving in some positive directions. I can feel, from a local level, the impact of regionalization on my particular office and I think we're at a point where the system could fine-tuned, it could be tinkered with, it could be modified so that it continues to be a viable structure to provide social services within and it meets the goals that were once professed and still are professed by regionalization and that is to bring the services and the resources closer to the families and children that we are mandated and dedicated to serve.

SENATOR RUSSO: What kind of area does the district office serve? Is it in terms of square mileage and/or population?

MR. PINGITORE: My particular office serves all of Ocean County. Most district offices serve the entire county unless there is a situation where the county is very highly populated or there is some reason that they have outpost offices or more than one office.

SENATOR RUSSO: How many district offices are we funding on a state-wide basis now?

MR. PINGITORE: 29.

SENATOR RUSSO: How many people are within your purview, within your operation?

MR. PINGITORE: 70.

SENATOR RUSSO: This includes caseworkers?

MR. PINGITORE: Yes, caseworkers, staff, clerical support staff and supervisory staff.

SENATOR SCARDINO: How many caseworkers?

MR. PINGITORE: 33.

SENATOR SCARDINO: Any other questions? Thank you very much. We're now going to hear from Roxanne Johnson, caseworker, Newark, DYFS.

R O X A N N E J O H N S O N: Good morning. My name is Roxanne Johnson and I've been employed in one of the Newark District offices as a caseworker since December of 1975.

I'm essentially a Protective Service worker and I supervise children in homes where neglect or abuse is evident. The objective of Protective Services is to keep the family together by providing a variety of services such as counselling, homemaker, day care and enrichment programs to enhance the functioning of the family. I presently supervise 48 cases out of which 34 children are in their own home receiving protective services and 14 children are in foster care. All of the children in my caseload receive some type of public financial assistance.

My adult client population mainly consists of uneducated, isolated and deprived people. At one point in time, my caseload had reached a maximum of 69 children but this number does not reflect an accurate picture of the amount of people being serviced in the family. In addition to the children, parents, older siblings and relatives have to be included in the service delivery. It is a policy in our district office that we submit a weekly work plan to our supervisor. However, every day is subject to situations that drastically affect these plans. I can arrive at work at nine A.M. and I usually take care of written assignments first. An example would be an outside referral to a psychological service agency, correspondence and agency forms. There has not been a significant drop in the clerical tasks performed by the caseworkers because regulations require the recording of a great deal of information. Some caseworkers in my district office have gotten training on the use of new dictation equipment. This new system has not yet been installed in my office, but the machines are there. These new machines will help with the recording of material and correspondence. However, they won't help the deluge of time consuming forms that are required to be filled out on each individual.

The Newark District offices are restructuring their bases of operation--

SENATOR SCARDINO: Roxanne, can I interrupt you for a moment. Before you get off the point, the time it takes for you to get involved with the paperwork as opposed to the time that you spend with the client, how much time would you say you spend in a day on paperwork, as opposed to your personal contact with your client?

MS. JOHNSON: I would say, a little over half of the time.

SENATOR SCARDINO: 50% of your time, you would say, is spent answering reports, writing reports, etc.?

MS. JOHNSON: On a week, I would say, yes, 50% is spent on paperwork.

SENATOR SCARDINO: Out of that 50% how much of that do you feel is unnecessary?

MS. JOHNSON: Well, I think some of the forms duplicate the information and it might be some way where we could complete one form and not have to go and do other ones.

SENATOR SCARDINO: Have you or anyone else in your office ever made specific recommendations as to how this could be corrected?

MS. JOHNSON: Well, I know my supervisor has asked in unit meeting which forms we felt we could give to the clerical staff to perform and there was a committee or such that was looking into trying to decrease the paperwork that we do.

SENATOR SCARDINO: Okay, thank you.

MS. JOHNSON: I was trying to point out that the Newark District offices are restructuring their base of operations. There are four Newark District offices now. In the future, there will be three and the purpose is to create a change and move the offices so that they can be functional and autonomous units within the community. Presently, our building is located in the North Downtown business area.

The geographical divisions will correspond with the mental health catchment areas in Newark. As it is now, my cases are scattered throughout the entire city.

Another recent innovation in our region has been the creation of the regional--

SENATOR SCARDINO: Excuse me. Your cases are scattered throughout the City of Newark?

MS. JOHNSON: Right.

SENATOR SCARDINO: So, obviously, the City of Newark is not broken up into districts.

MS. JOHNSON: There are four district offices, but we cover the entire city. In the change, a specific district office will be in charge of a specific area.

SENATOR SCARDINO: So, in other words, what's happening in your life and through your experience it is going to be adjusted. You will be functioning in a district ultimately?

MS. JOHNSON: Right.

SENATOR SCARDINO: There is a move to evolve toward that--

MS. JOHNSON: Yes. My particular office has made the move to where we will be located and we will be in charge of the North and East Wards.

SENATOR RUSSO: Do the four district offices also cover the balance of Essex County?

MS. JOHNSON: No, there's a suburban Essex District office, which deals with the rest of Essex County.

SENATOR RUSSO: Where is that particular office located?

MS. JOHNSON: In Orange.

Like I said, another recent innovation has been the creation of the Regional Advisory Council. The communication gap between the caseworker and the administration has been lessened, to a degree, by the formation of this Committee. The metropolitan regional office supervisors, both Essex and Union Counties, the chairperson for these

meetings are the regional and assistant regional administrators. I'm an elected member of this Committee and along with representatives from 13 other service units within our region, which includes people from day care, contract services, the business office, adoptions, foster care, and intake units, we assemble once a month to address issues which concern the workers. The administrators provide the Committee with information that directly affects the entire region. There is an exchange of ideas and a more unified approach to the problem-solving.

When I leave the office for the field, I try to arrange my time so that I can ride in the shuttle to the central motor pool, because it is a long two and a half block walk. Plans are being instituted to move 60 cars used by the DYFS caseworkers to a lot that is in closer proximity to the offices. We've been advised that the lease has been signed and that they are waiting for a dispatcher to be hired before the lot will go into operation. When I arrive at the motor pool, there is usually a wait before the dispatcher can assign me my car and then I will have to search through two large parking lots to locate which car is mine. 75% of the time the cars need gas and recently we've had to travel to East Orange, to their motor pool to get unleaded gas because of the shortage in Newark. So, taken into consideration the time spent at the motor pool and the early morning traffic, field duties may begin around eleven o'clock.

With regard to direct service delivery, the following illustrates a typical day in my casework.

SENATOR SCARDINO: You just anticipated my next question. Go ahead.

MS. JOHNSON: In the morning, I will have to take a father and his four children to a pediatric clinic because the school has called to report to me that they suspect ringworm infection. The father might be accompanying me with the children because the mother has deserted the home. The clinic is very crowded and the children soon become restless and active and it is part of my responsibility to control and amuse the children until it is their turn, because the father is either preoccupied or ineffective. When the physician finally examines the four children, he expects me to provide background on the developmental information on each child. When they leave the clinic at around one o'clock and the father becomes anxious and tells me that he has to go back to work and asks me, would I please take the three children to their respective schools and then drop the baby off at the day care center. Since the children have not eaten lunch, I usually take them to eat first and policy now requires that we submit a store receipt before being reimbursed for food through petty cash funds in our office. By 2:25, I'll arrive back at the office and try to locate a parking space. Since the office is located in a heavily congested area, the parking spaces are difficult to find. Sometimes, the workers are forced to park in restricted areas and the State cars are frequently ticketed. The caseworker is responsible for the \$10.00 fine. Once back in the office, I'll begin a written report to the Child Review Board in behalf of a foster child. The 45 day required report to the court entails giving information about each child, the nuclear and extended family, and the specific information concerning the present and past history of the child's placement. The report includes the caseworker's assessment of the family strength and it is coordinated to include permanency planning for the child. At 3:45 I'll ride back in the field, I'll go back into the field to keep a scheduled appointment in the home of a family receiving protective services. This mother is not interested in talking about her children's problems because of her own pressing concerns. It is difficult, but necessary for me to focus the discussion on the needs of the children. Empathy and emotional support are needed to establish a working relationship with this type of parent. At 5:15 I'll arrive back at the motor pool, take the car back and try to find a parking space and return the keys to the dispatcher. My work day has come to an end.

One night a week I attend classes at Rutgers University in their professional credit program, which is sponsored by the Graduate School of Social Work in conjunction with DYFS and Title 20 funds. I'm allowed to take courses to enhance my knowledge needed for this difficult performance of my job.

SENATOR SCARDINO: What classification are you in?

MS. JOHNSON: I'm a Social Worker II.

SENATOR SCARDINO: What is the salary?

MS. MANSHELL: Roxanne is at a higher level because she's been in the job for two years.

SENATOR SCARDINO: It starts at \$11,900 but of course, Roxanne, having been in it for a while, would be a higher level. Okay.

SENATOR RUSSO: How many caseworkers, Roxanne, are there that function in your office?

MS. JOHNSON: I think it is around thirty. We are getting a lot of new staff now. I would say in the last month there have been a lot of new faces.

SENATOR RUSSO: Your office is about the same in size as compared with the other three offices in the City?

MS. JOHNSON: In the City of Newark, right. One of the Newark offices is intake.

SENATOR RUSSO: Well then, what you related to us a moment ago, I guess, would be a typical day.

MS. JOHNSON: Without any emergencies, yeah.

SENATOR RUSSO: It was very enlightening. Thank you.

MS. JOHNSON: How do you deal with crisis situations? You outlined a nine to five day. I would assume that you have some cases that are categorized, I guess, as crises.

MS. JOHNSON: That need emergency attention.

SENATOR SCARDINO: I mean, wouldn't it necessitate your putting in hours other than those that you're putting in?

MS. JOHNSON: After five o'clock, we have a special response unit, which is called SPRU workers, that answer the calls that the Division would get in until the next working day.

SENATOR SCARDINO: I'm talking specifically in terms of those people who have been assigned to you. There might be other people after five who will deal with them?

MS. JOHNSON: If the call comes during working hours and I'm in the field, my supervisor will handle the call and if necessary, assign another worker in my unit to go out and intervene. If it comes in after five, the special response unit would answer it.

SENATOR SCARDINO: I'm asking the question Roxanne, just to be fair with you, because I can recall talking with other caseworkers and I got the picture that a caseworker has individuals who are assigned to him or her and that they're responsible to these people almost on a 24 hour a day basis, particularly those who fall in a crisis category.

MS. JOHNSON: Well, I have received calls at ten o'clock at night from the SPRU worker asking information on one of my families that they're servicing. So, you could get a call at any time.

SENATOR RUSSO: Roxanne, what do you do in those particular situations where the father who has abused and many times beaten the children gives you a tough and rough type reception? How do you handle that?

MS. JOHNSON: Well, I have a lot of clients that try to be tough, but most of them respect the worker or are scared of court involvement that might come about and so they might scream and holler, but that's usually the extent of it and it blows off after a while. But, the worker would have to stand there and wait until it blew over enough for us to try to institute another program or to try to get them to come around to our way of thinking.

SENATOR SCARDINO: Okay, thank you very much. Mark Wickley?

MS. MANSHELL: Mark will speak in a minute and Mr. Callahan is going to give him an introduction.

SENATOR SCARDINO: Okay, fine. Jack Callahan will introduce Mark Wickley.

MR. CALLAHAN: The question came up before and it related to the Task Force Report, relative to that recommendation on staff ratios. Essentially, staff ratios have gone back a long time and the Division, however, saw that to measure staff, to do it in the manner of staff ratios is really not the most sophisticated method today. I would be almost like saying, going back to my legislative background of bills, saying that legislators can handle so many bills a day, not recognizing that certain bills are very informal and other bills are very involved. Well, that's the way cases are. The level and the severity of each case varies, so that one case is very different from another. So, what we did was to abandon that approach of set ratios and the consideration is given to the services being provided and the kinds and amounts of caseworker activity necessary to provide various services and we use the statistical information, such as a random moment study, and determinations are made concerning current levels of staffing and preferred levels, eventually leading to budget requests, using this service oriented approach, which Mark will now take over and explain.

M A R K W I C K L E Y: My name is Mark Wickley and I've been employed by the Division of Youth and Family Services for approximately six years and currently serving as the Chief of the Bureau of Research in the Division.

My purpose in being here today is to provide an overview of the Division's efforts at building manpower staffing analysis or manpower planning model, which had the principal focus of looking at line social service staff needs.

My testimony will proceed in four segments. I would like to provide a brief overview of the traditional practice in staff planning in the State of New Jersey. I would like to discuss the new methodology that was developed this past year and how it differs from the past practice. Third, I would like to discuss some of the findings of the staff analysis and lastly, point to some of the developments that we're planning for the coming fiscal year.

Staff planning or planning for line social service staff needs in New Jersey over the past several years has employed a rigid ratio approach in which one worker has traditionally been budgeted at the rate of one staff person for each 45 families under supervision. Using this straightforward and very rigid ratio, the projection of staff needs becomes a straight mathematical computation. The agency can project the caseload of children it expects to service in a coming fiscal period. This child count would be reduced to a family count on the basis of the average number of children supervised in each family and that resulting family count is divided by 45. That would be the basis of staffing projections in each fiscal period. The basic limitations of this approach are fairly obvious. It treats all cases as if they were all the same. It doesn't recognize that different types of cases require different types of services and different levels of service. Any straight, rigid approach, ratio approach also does

not recognize that the mix of cases we are servicing changes over time. The Director, earlier in the day, pointed out that the proportion of protective service cases that the agency has supervised has grown markedly with the past five year period, from something like 10% of all cases supervised to something over 80% today. A straight-forward 1-45 or any other ratio approach doesn't recognize that the kinds of cases that we service this year versus next year versus three years ago are not comparable. A third limitation of a rigid ratio approach is that it doesn't allow for changes in casework practice. It assumes that the status quo is acceptable, that the caseworker should be treating cases the same way, working with cases the same way now as they were five years ago and should continue to use the same techniques. Lastly, by ignoring the last two points that I made, the fact that the rigid ratio ignores the change in caseload mix and the need to consider changes in caseworker, social worker practice, a rigid ratio doesn't provide for adequate accountability.

As a result of these concerns, and these were concerns that were jointly shared by budget analysts within the Division, analysts at the Department level, analysts within the bureau of the budget and the Treasury, the decision was made to move toward the new staffing analytical approach in which staffing needs were to be determined on the basis of workload, as opposed to a straight ratio. In other words, we wanted to consider the kinds of cases the agency was servicing each year and what we plan to do with the cases that we're dealing with. This concept was introduced for the first time in the fiscal year '79 budget request and this past year, my bureau, as well as other units within the Division, were called in as part of a team effort to try to build the model into a defensible strategy, a budgeting strategy. Essentially, we employed a two phase approach. The first phase was to describe what caseworkers are currently doing with the cases we are now servicing. The second phase would be to determine what aspects of our current casework practice needed to be changed and what it would cost to make those changes.

I would now like to talk about the first phase at this point. In order to determine what we're currently doing with the cases under supervision, we have to answer three basic kinds of questions or build an analytical model that can answer three basic kinds of questions. The first is how to work or spend your time on the job. This requires some information regarding the activities that our line social staff are conducting, what activities are being conducted and how much time is spent on those activities. The second major question is, how these activities vary by the type of service provided. In other words, I just discussed the feeling on our part that different kinds of cases require different kinds of activities. We needed to quantify exactly how the services invested in different sorts of family situations vary as the problems of the family vary. Lastly, we wanted to be able to answer the total amount of effort that goes into working with the case, the full case, the full family, from the case opening to the case closing. In other words, over the life cycle of that case and its supervision and its experience with the Division.

We employed a model which built upon several different data sources. The primary data source was a quarterly random moment survey, which the agency normally employs for federal reporting purposes and what we did was build in supplementary data elements we asked over the course of one quarter which should allow us to answer the kinds of questions which I just outlined.

I would like to go over, at this point, some of the basic findings of that analysis of caseworker activity. We collected, as I said, over the course of the last quarter fiscal year, 1978, and asked questions of the following types. How much

time is spent on direct or case related service activity, home finding activities and administrative activities? We found that of all worker time available, approximately 69% of casework time is spent on direct service activity, that is activities related to a specific family or child.

SENATOR SCARDINO: How much was that?

MR. WICKLEY: 3.1% of all worker time is spent on home finding activities, in other words, the development of foster family resources, adoptive homes, family day care placements.

SENATOR SCARDINO: Give me those percentages again.

MR. WICKLEY: 69% of worker time is spent on direct service activity.

SENATOR SCARDINO: Home finding?

MR. WICKLEY: 3.1% and approximately 1.3% is spent on adoption complaint investigation. These are situations where the adoption of the child is arranged privately and the agency is appointed by the court to investigate the propriety of the adoptive placement.

SENATOR RUSSO: I would assume that's a declining percentage, isn't it?

MR. WICKLEY: Which percentage?

SENATOR RUSSO: The amount of time being spent on the adoptions.

MR. CALLAHAN: On A.C.I., yes it is.

MR. WICKLEY: Lastly, approximately 26.2% of all worker time is spent on administrative activities, including activities such as training, staff meetings, other non-case specific activities. Now, I would like to point out that these--

SENATOR SCARDINO: What is the average working week or day of a case-worker?

MR. ROSENTHAL: The minimum is usually 37½ to 40 hours.

SENATOR SCARDINO: These statistics are based on the 37½ hours?

MR. WICKLEY: That's correct. I might point out how the random moment survey proceeded. Random moments in the course of that quarter were selected, workers were asked what they were doing at that moment in time and they reported the type of activity that they were engaged in. Essentially, it amounts to taking a snapshot of what are doing at a point in time. So, in terms of the question that Senator Russo asked about the trend, this kind of analysis only tells what happened during that quarter. It's not a trend analysis. You would require at least two observations to generate that kind of information.

The second question we want them to answer was what workers do when they provide direct services and the bulk of worker activity, 69% of their time work, is spent on providing direct services. So, they wanted to see exactly what they were doing when they were providing direct services.

SENATOR SCARDINO: Mark, going back to your percentages again, under which category would the paperwork, form filling, etc., fall under?

MR. WICKLEY: Paperwork would fall into two categories. If it is non-case specific, in other words, if it was an agency form that is not related to a client in any way, it would fall into the administrative activity. However, I will be discussing some aspects of paperwork that are case specific. So, in looking at what workers do, when they are providing services, we found that the largest single activity or 36% of that total of 69% is spent on direct face-to-face contact with the client in the field. 15.7% of their direct service time is spent telephoning clients or collaterals. 12.7% of their time is spent in case specific dictation or case specific log preparation. 8.5% of their time is spent on correspondence specific to cases under their supervision. 6.8% of their time is spent traveling to see clients or collaterals that work with the supervisor.

In terms of paperwork related activities that are specific clients, if we--

SENATOR SCARDINO: You don't have an outline available for the Committee, in terms of what you're talking about right now, in written form, a written outline?

MR. WICKLEY: A report has been prepared summarizing the findings. I can provide it.

SENATOR SCARDINO: Do we have it or are we getting it? All I want is an outline as simply put as you can possibly do it in terms of what you're going over right now with the Committee.

MR. WICKLEY: Yes. I'll be happy to provide you with a copy of the report that summarizes all of this information. We found that in terms of direct service activity, some categories, such as case specific dictation and log preparation of reviewing case records and other sorts of paperwork related cases, something like 29% of all direct service time is spent on paperwork type activities related to clients.

Next, we wanted to ask, who was seen during a face-to-face field contact, keeping in mind again that 36% of all direct service time is spent seeing clients. We found that the child under supervision was seen slightly over one third of the time. The parent or guardian was seen slightly over 20% of the time and the foster parents were seen about 8.5% of the time. The remainder of the field contacts were spent seeing relatives, police, court personnel, school officials, medical personnel, etc.

Two additional questions that we wanted to ask regarding current activity related to how long the service activities that are being provided at present take. We found that direct field contact, face-to-face contacts with clients or collaterals, lasted an average of 51 minutes. Travel time to make these field contacts took on the average of 46 minutes. Transporting persons to services out in the community took an average of 69 minutes. Dictation and log preparation averaged 39 minutes per episode.

The last major question that we wanted to ask was, how many caseworker hours, caseworker direct service hours go into working with each case, from the case opening to the case closing. Now, this required some statistical manipulation, merging several different data sets. The basic findings broken out by children supervised in their homes, children supervised in foster situations and children supervised in residential care indicates that for the average case supervised in the home, a total of 42 worker hours was spent working with that client to spread over a period, on the average, of 1.7 years. For a child in foster placement, a total of 31 direct service hours was spent, spread over 3.3 years. For a child in residential care, a total of 56 hours, direct service time, was spent, spread out over 2.7 years.

What we have now is a fairly comprehensive, descriptive picture of what our workers are doing and what we then attempted to do, and this is the second phase of the project and at this point is somewhat preliminary, we attempted to identify those aspects of casework practice that should be changed or should be considered for change. As we identify areas to be changed, since we know how much time is being spent on various activities, we will be able to project how many staff hours will be needed to implement various changes. In other words, we will be able to document how many physicians will be needed to implement a change, as opposed to specifying a change in the ratio and hoping it will provide sufficient time to achieve that change of practice. Based upon the research conducted by other professionals in the field, we would urge interviews with our own field staff and supervisory staff and the results of the random moment survey, which I just described, two areas appear promising for increasing productivity of the staff, increasing the effectiveness of staff in working with clients. One would be an increase in the frequency of face-to-face contacts, which our cases are given.

We found that, on the average, for protecting children, supervised for reasons of protection in their own home, workers are given a current work load only able to see these children once every seven weeks. Interviews with our own staff indicate that they would like to see children in their homes, given these kinds of problem situations, once every seven to ten days. So, we've got a large gap between what the current reality is and what workers say is essential. We'll be spending more time trying to document exactly where we think the number should be.

Another area that requires investigation as a result of this research is the need for case follow-up, once a family is terminated from Division supervision. What we would be looking to do is prevent the family from turning over and coming back under agency supervision a few months after the case closes.

In wrapping up, I would like to indicate the kinds of refinement that we're looking to make in the coming fiscal year.

SENATOR SCARDINO: I'll tell you what. I'm going to ask you to hold that and resume with that when we come back and I would like, if it's available, immediately, this outline that you've just given us, so that we can have something to look at and review in terms of what you've just discussed with us. So, I'm going to ask you to continue your testimony approximately one hour from now. Thank you very much.

(at which time a luncheon recess was taken)

AFTERNOON SESSION

SENATOR SCARDINO: Good afternoon. I want to welcome everyone back to this hearing conducted by the Senate Institutions, Health and Welfare Committee and dealing with the Division of Youth and Family Services and before we broke for lunch, we were listening to Mark Wickley, Chief of the Bureau of Research in DYFS and Mark, if you would at this time, would you be good enough to pick up at the point you left off and we will take it from there.

MR. WICKLEY: Yes, sir. Just before we broke for lunch, I was proceeding to talk about our plans for continuing to develop the staffing analysis model for the coming fiscal period and the specific things we would like to do for fiscal year 1981 for budgetary planning purposes will be, there are five or six things I would like to name.

First, we would like to look at the expenditure of field staff time on the inter-region and possibly an inter-office basis. The current report that we submitted just prior to breaking for lunch is a State-wide report. The sample size was not sufficiently large to allow for analysis of inter-office differences in the expenditure of time.

Second, we would like to begin to view direct service activity as only one part of the whole range of family and child welfare supportive services. For example, as increasing investment is made in purchase of service contracts, support services in a county, that changes the effect of the workload or burden on the line social work staff in that office. Ultimately, we would want to include all of these factors into any staffing model.

Third, over the next fiscal year, we will be looking at some of the descriptive data to identify areas requiring administrative change. For example, one of the findings that I noted was that approximately equal amounts of time were spent seeing clients face-to-face and driving to see the clients face-to-face. Now, earlier in the day, we had heard statements from field staff indicating difficulties with cars, with logistics. This is one area that we certainly have got some objective documentation that a problem may exist and we'll be looking to see what kind of improvements can be made in that area.

Additionally, as you all know, this past year, the Child Placement Review Act was enacted. We will be conducting a random moment survey in a slightly modified form to allow us to identify how much worker time is spent on activities related to the implementation of the Act. In this way, we will be able to get a benchmark of the staff time needed to comply with the provisions of the Act and we'll be able to project the cost of this compliance.

Earlier this morning, I believe that Senator Russo asked about trends by collecting data over another--at another point in time, we will be able to get some sense of changes over the last twelve months, in terms of distribution of worker activity.

Lastly, the Division managers will be looking at the basic model and determining the different ways in which to use the results. Most of the discussion so far has focused on the use of the staffing model to justify aggregate budgetary requests for staff. We'll be investigating the ways in which the model can be used to allocate resources among regions and among district offices. That concludes my presentation.

SENATOR SCARDINO: Thank you very much. Any questions? (no response) Okay Mark, and thank you very much for your presence here today. You know, it is difficult. I would sometimes prefer to have gone right through, because when you have that break you lose that train of thought that you were on all morning and a number of

questions certainly have come to mind throughout the testimony that we have heard up to this point and I guess one simple question is, with all that the Division has told us about today in terms of the response to the Wechsler Report, generally, and other areas that you felt important to touch on, whether or not you really feel that this is going to impact favorably on the client population or is this just something that is being done now to streamline the administrative means of running your Division? Do you honestly and truly believe that this is going to impact on the client and can you be specific in that respect?

MS. MANSHELL: Senator, I hope that what came through this morning was a sense of optimism on the part of the people who spoke at the various levels of the agency as to the fact that the implementation of the recommendations of the Report have given us an improved structure, which is closer to the field and will allow the managers at the local level to improve the performance. We are very optimistic and I hope that that did come through in the different talks that you heard at the case-work level, at the district office supervisor level and at the regional level, as well as the central office. We're very concerned about the field operation and we feel that our role is to support the field rather than vice versa.

SENATOR SCARDINO: I guess, Bernice, it is difficult for us sitting here, who are not directly involved in the delivery of service in this case, to try to really understand or try to get as great an understanding or feeling for what is happening out there. All we can do is just react and try to imagine in our own minds what we might face if we were involved in the process directly. In that respect, for example, it is difficult for me to understand how you can really and honestly define in any way the role and responsibilities of a caseworker as specifically as Mr. Wickley tried to tell us the study that he outlined for us is trying to take. I feel as though in a relationship as from caseworker to client, in this case, is one that has to be more personal than the image that I got in our discussion and I realize that what I'm saying here is something that leads into what I'm sure the response would be that you need more money to even consider getting into that direction. I haven't heard enough, for example, in terms of the preventative component that is so vital here. We've talked mostly about reacting to crises and to situations that in too many instances have probably gotten so far out of hand that it is almost impossible to turn them around and I would like to ask you or any one of your staff to maybe be a little more specific in that respect, in the preventative component.

MS. MANSHELL: Senator, I think it's true that our activities are crisis oriented and the major portion of the work we do has to do with reacting to very difficult situations and to a large extent, that is a budgetary problem because when you have limited resources you have to react to the crisis and handle it where a major part of our activity is taken up with the child abuse, neglect deprivation cases. It would certainly be very helpful if we could do more preventive activity. As a matter of fact, one of the things that I hope to do, looking towards not this fiscal year, because our budget process is quite far along, is to develop a preventive program and justify it, using some of the kinds of techniques that Mark talked about, so that we could go to the Legislature with a with a program for more preventive activity. It would have to be a year after. We would start working on it now, but one of the things that we're going to be working on towards the next budget will be the development of a prevention program.

SENATOR SCARDINO: Bernice, let me deal with some of the questions that have been outlined for us by our staff and see if that can lead us into some more specific areas of concern for the Committee. I'm sure that a lot of this has been touched on

throughout the testimony that we've heard thus far. If it has, perhaps it will serve as a reminder to the Committee and maybe a refresher, if you will, if that is necessary. We talked about the new, de-centralized organization structure, which was highlighted, of course, by the Wechsler Report and I think we've gotten considerable input from the Division thus far in terms of what you've done in that respect. We talked about the fact that each region would be managed by a regional administrator to supervise and provide all direct and purchase services within that region and that this regionalization would, in fact, eliminate overlapping responsibility. Now, we did talk about the overlapping aspect and from what I was able to gather there is really not enough of a concentration in that respect and it is obvious, but there are certain obstacles that may be difficult to overcome. Now, I would like clarification on that.

MS. MANSHELL: I would say a great deal of activity is going into coordination of services at the local and regional level. A great deal of time on the part of the regional administrators is being spent trying to coordinate, get cooperation. We do now have the county coordinators. The regional administrators, through the zero base budget project both in the district offices and with the county welfare agencies' social service programs, have been able to take a look at both of those aspects of the services.

SENATOR SCARDINO: What I'm trying to say is, we understand that. We appreciate that, but what this Committee, I think, would like to have is an identification, specifically, by virtue of examples, of where it is you have identified these areas of overlapping and duplicate activities, and just give us an inkling of what you've done to correct it. Now, this gentleman here, Mr. Pingitore, pointed to something he experienced in his district and these are the kinds of things that we are looking for. Senator Hagedorn raised this question earlier, privately, in terms of trying to identify where this duplication and overlapping is going on so that we can understand it more fully, so that perhaps the Legislature can address it more adequately, if it came to that, if it was necessary to do that legislatively. It is awkward to you, with a sense of cooperation and willingness to help you in terms of overcoming whatever obstacles you have out there. If you sit there and you say to us, "Well, we are trying and we are working toward doing this", that's fine, I appreciate that. But, just the word "trying" alone implies to me that you may have identified something but you are still trying to overcome certain problems that exist out there that prevent you from doing the things you feel ought to be done in order to give that person that we're trying to provide a service for the best we possibly can.

MS. MANSHELL: Senator, perhaps we can develop a position paper for the Committee, working with the regional administrators.

SENATOR SCARDINO: Okay. We talked about coordination and dissemination of policies and procedures. I think you've touched on that to some extent and the establishment of accountability and control at the regional level and as you know, the Wechsler Report, I think, in that respect, got very specific regarding the funds that were allocated for each region and the administration of those dollars. We touched on that, I think, to some extent, and perhaps, if the Committee wants to, either today or at another time, we can get more specific, if we have other questions. Providing for closer supervision and review of caseworker activity, I also feel you have addressed to a considerable extent. Have the regional administrators been given full decision making authority and resources to manage their regions? That is the question that is being posed and it is about as clear as I can make it. Have they been given full decision making authority and resources to manage their regions? This is as per the Wechsler Report and I want to, also, make it clear to you and members of your staff that this Committee is not taking a position that we agree or disagree with the Wechsler Report, but we would like to know if you have

complied. Okay, you can just say, "yes, we've complied and this is how." But, if you haven't complied I think you owe it to the Committee and to the Legislature and to the State to let us know why and what difficulties you have in complying.

MS. MANSHELL: I'm going to ask Mr. Callahan to reply to that.

MR. CALLAHAN: Mr. Chairman, it would be beneficial for you, at this stage, to indicate which areas we have not complied with and why. Mr. Chairman, I have with me Judy Stiver, who is my staff person in reviewing, over the past month, the implementation of the Task Force recommendations with each of our unit managers and administrators and we will go to the various people sitting around the room who are involved in the process to give a detailed response as required. As I indicated to you, there were 8 recommendations that could not be implemented by DYFS authority alone and I think that goes to your question, Senator, about where assistance may be needed.

The first recommendation is related to the Department of Human Services. As you know, the Task Force made recommendations that related not only to the Division, but to the Department as well. The first was that the Task Force recommended that there be legislation enabling Commissioners and deputy commissioners to recruit and discharge top executives much more freely. I feel that this is one that is tied in with the Career Executive Service. It is part of the Reform law and there is that particular aspect of the Task Force which was not implemented.

The second point is that the Task Force recommended that DYFS take measures to develop within the State the capability to serve the client population currently being placed outside the State. Even though children have been returned, particularly those who have been beyond fifty miles of the State line and we do have an updated report which is part of Thursday's presentation, there is still a problem curtailing the development of increased residential services within the State and we have in this year's budget presentation a proposal for youth facility aid funds and again, Thursday, we will be commenting on that, but this is in the form of legislation that is being compared at the current moment and obviously that legislation, together with the funding that is in the 1980 budget, would assist us in that regard.

The third is a recommendation to discontinue paying the educational expenses of children for which the county of residence can not be clearly established. Steps should be taken to ensure the prompt and specific identification of a child's county of residence. These costs properly belong in either the budget of the Department of Education or the county of charge. This issue involves judicial decisions, Department of Education jurisdiction, as well as local school district resources. I may add that there are two bills currently in the Legislature, I believe, A-1770 and also A-86, that address this problem and last week we met with the Deputy Director of the Division of Budget and Accounting and our Department Comptroller, as well as members of the Division staff, Dr. Winkler, who will be testifying Thursday, from the Department of Education and members of his staff, related to that particular problem. It has not been solved to date, but we feel that through these meetings, with the potential legislation, that this will be handled.

The fourth is a recommendation to modify the administrative code of the Division of Motor Vehicles, to allow the Central Motor Pool to operate under the self-inspection provision of the Code and thereby conduct its own State inspection. This recommendation must be implemented by the Department of Treasury. There have been discussions, but it has not been implemented.

SENATOR SCARDINO: Do you have copies of your statement for the Committee?

MR. CALLAHAN: It's a series of notes here and I can make copies of this for you, yes.

SENATOR SCARDINO: You're going through the 8 items.

MR. CALLAHAN: Yes, I am.

SENATOR SCARDINO: So, we would like to see it in that form.

MR. CALLAHAN: I sure will. The fifth one is that centralized payroll in the Department of Treasury develop a computer program that would furnish agencies with monthly overtime information. This recommendation, of course, must be implemented by the Department of Treasury. Again, discussions have been held, but, to date, there is not a program developed.

The sixth, it was recommended that a physician be appointed as a personnel physician to be responsible for employee health services. All employees should be required to undergo a pre-employment physical, chest X-ray, and laboratory tests to ensure that the employees are in acceptable physical condition to perform the duties of the position as well as to provide a medical history in the event of future injuries on the job. Again, this is an area that must be approved by the Department of Treasury. There has to be additional resources and it has not been implemented to date, to be very candid.

The seventh, it was recommended that annual physicals be given to bureau chiefs, assistant bureau chiefs and employees in higher titles. Again, this is similar to Recommendation 6. It would require funding and Department of Treasury approval.

Lastly, it was recommended that whoever is a hearing officer in a disciplinary action should be the individual who signs official action against the employee. Thus, the practice of the personnel offices signing disciplinary action should be stopped. The authority to implement this change rests with the Department of Civil Service. According to Civil Service 31A-B, the appointing authority is the disciplinary signer.

They are the recommendations, which we indicate are out of our control, if not completely, partly. The remaining categories would be in this area and I would go into that if you so desire.

SENATOR SCARDINO: What I desire is to try now to stay specifically with the question that's been raised. I appreciate you going through the eight items that you have not fully addressed at this point. But, the question, and again in response to the Wechsler Report, have the regional administrators been given full decision making authority and resources to manage their regions?

MR. CALLAHAN: I would say that the regional administrator has not been given full authority, as you would define full authority, and again, I'm not sure whether it was ever the intent of the Task Force to give full authority, because obviously, in certain areas, it does require a centralized approach. I think the thrust or the spirit of it was to provide the regional administrators with greater authority and as we develop--

SENATOR SCARDINO: The way it reads is, "the key to reorganization is regionalization. A strong decentralized structure that places decision making authority and responsibility at the regional level will be more effective for service delivery and management control." So, you're right about the word "full". I would agree that perhaps that was a little bit too generous.

MR. CALLAHAN: As Mr. O'Grady commented this morning, it is an evolutionary process that we have here and the contracting is a good example of that, where it was necessary to get that under control centrally. It was completely out of control. To just delegate that to the regions would have been, I think, the height of irresponsibility on the part of central management, because what would we be delegating to them, a non-system.

SENATOR SCARDINO: What does the region have to do now on its own? What latitude, leeway does it have to perform, within that region, without the restrictions

that were obviously placed upon a jurisdiction when we had full centralization?

MR. CALLAHAN: Mr. Rosenthal requests to answer that.

MR. ROSENTHAL: Harold Rosenthal. Senator, in the current state of regionalization, the regional administrators participate in the budget process that is coming directly from their district offices, the units under their jurisdiction. That's all fed into the regional office and then in turn to the central office. So, for the first time, we have participation in the budget process in terms of priorities, zero base budget, which we did not have before. So, they are actively involved in helping us to identify the resources that we need. When they get the resources to the extent that the Division receives them and they are reallocated down to the regions, they have the basic responsibility in terms of their priorities, their local needs, to deploy those resources. That was not evident before regionalization. They have the opportunity to deploy staff. They basically make decisions on contract programs, based upon what services are needed in what county, to the extent of their resources and they are making everyday service delivery decisions at the regional level, in accordance with the regional plan and the regional priorities, but certainly, under the direction of the Director in terms of overall State-wide priorities.

SENATOR SCARDINO: I have another question. The Task Force recommended various changes in positions and titles in order to implement the reorganized structure of DYFS. Also, the Task Force noted that certain DYFS staff may be improperly classified. Can I have a response to that please?

MR. CALLAHAN: I believe you're referring, Senator, to the recommendation on the elimination of the PDS title series, as an example.

SENATOR SCARDINO: Jack, let me follow through for just one minute and get to the specific questions that we have in this area rather than going all over the lot. The implementation of staff changes requires the cooperation of both DYFS management and personnel staff and Civil Service staff. Have the recommended position and title changes been made? Are there still DYFS staff who are not properly classified, and if so, why the delay and which agency is responsible for the delay?

MR. CALLAHAN: Mr. Chairman, I would like to have the Administrator of Personnel and Management Support come down here with me on that particular question. I think he can get into greater detail. His name is Mr. Richard Reichle.

MR. REICHLER: As to the question, are there people within the Division of Youth and Family Services, titled within the Division of Youth and Family Services still not properly classified, the answer to that question is, yes. This is, again, an evolutionary process and dealing with one of the major issues that the Task Force pointed out. We had a proliferation of approximately 100 and some titles in what we call the PDS series, program development specialist, in all different levels. One of the major thrusts of the Task Force was to recommend that that title be eliminated and only be allocated to the Bureau of Research. We have approximately 13 people who are outside of the Bureau of Research, who are still maintaining those titles. We are, in every case, working with the Department of Civil Service now in order to come with an appropriate title, be it a new title or be it something different.

SENATOR SCARDINO: Richard, let me get more specific with the question. How many situations like this were identified? Can you give me a number as to how many people fell into this particular realm of having been unclassified or still unclassified?

MR. REICHLER: In the PDS category there are 146 positions that were--

SENATOR SCARDINO: Is this how many were open at the time of the Wechsler Report?

MR. REICHLER: Yes.

SENATOR SCARDINO: What has been done between the Wechsler Report and now, in terms of numbers?

MR. REICHLER: All but 13 are properly classified. We're down to 13 in those particular areas.

SENATOR SCARDINO: Okay, and you've just identified the reasons, you've explained the reasons why you are having difficulty with those 13, but you are on the road to some resolution.

MR. REICHLER: Yes Senator, we are.

MS. SEEL: Are there currently staff working within the Division classified in one title, but maybe working in a higher level because of all the changes that have occurred? Have the titles caught up with the people in terms of what they are doing now?

MR. REICHLER: No, they haven't, not in all cases. Two specific areas that I can identify where they have not caught up is in the program support area and also in the training area. Both of these areas, we have been in constant negotiation with the Department and the Department of Civil Service to establish appropriate titles. It must be understood that it is not the desire of the Department of Civil Service to have a proliferation of odd titles and in cases where we can assimilate people into appropriate titles within the compensation plan as it exists now, that is the first priority that they give.

MR. CALLAHAN: Senator, I would like to comment on that, the reasons why this existed. Essentially, when we began the reorganization, it was necessary to take, for example, our program support operation, of which there was none before, so in order that there would not be a gap with the changeover from the bureau structure to the regional structure, it was necessary to put that into place and it was necessary to put people in there immediately so that they could begin to function and naturally, what happened was that there were no set series of titles. So, they have been negotiating and working with the Department of Human Services and the Department of Civil Service to establish a set of titles. This happened in several areas, where it necessary for us to substantively attack the problem to insure that we're delivering the services at the same time that structurally it would have to catch up with it.

SENATOR SCARDINO: Any other questions in that area? (no response) Okay, let me get on to another one. We may come back to some of these, if not today, possibly at the Thursday meeting. This is on the staffing ratios now. As the formula that is being applied presently, in terms of, at least, what Wechsler suggested as a fair staff-to-client ratio, while I know you've talked about that earlier today, I assume that that's basically the kind of format, what was suggested in the Wechsler Report is what you have right now to contend with. Is that right? There are so many clients per staff person or caseworker? Would that be justified at this point?

MR. CALLAHAN: Yes, if you define it that there are so many cases.

SENATOR SCARDINO: In each region, I'm taking each region individually and saying that in each region you have so many caseworkers and you have so many clients and therefore each caseworker has X number of clients. That seems to be the--okay, you're saying no, Bernice. I would like to have someone clear that up for me.

MR. CALLAHAN: Okay. I think it is the way you define a case. I think that's very important.

SENATOR SCARDINO: What I'm getting at--let me see if I can just get to the point. What I'm getting at is that Wechsler suggested that there are some areas, some regions, if you will, that are, that have more caseworkers and less clients, obviously,

to deal with in other regions and the question that was raised was, why can't you then reallocate the distribution of caseworkers here so that you could lessen the load in some places where it was obviously necessary?

MR. CALLAHAN: Right. I see your question, Senator. In terms of last year's zero base process, each of the regional administrators identified what their needs were. Obviously, there were not enough caseworkers to meet those needs. The previous Director made management decisions in terms of allocation based upon the inputs that were given as part of the zero base process and how he saw the needs at that particular time, so that there were certain re-allocations provided. Obviously, with a limited number to deal with as a base, the allocation would never meet the equity desired by all parties, but an allocation was made based upon these resources.

SENATOR SCARDINO: Is there a literal exchange between regions, if there is an overload in one region as opposed to another? Is that possible? Does that happen? Can you re-assign staff? I think this is what Wechsler was trying to get at in his recommendations.

MS. MANSHELL: There is an underlying assumption there that there are more caseworkers than needed in some offices.

SENATOR SCARDINO: Well, I guess the question has to come from the standpoint that one would have to suggest that they agree with Wechsler's ratio, staff-client ratio and I know that you disagree with that and we really don't know, coming from a non-professional base here, which answer is, in fact, just and I'm not sure that necessarily agree or understand completely what Mr. Wickley conveyed to us in terms of the direction that you are now taking in that respect. But, you're suggesting that there's no such thing as an oversupply in any one region or such a demand in another region that you could literally take people from region and put them somewhere else.

MS. MANSHELL: There is need in some of the regions, but there is not an oversupply in any place where we could take someone away. What we hope to do is allocate new resources. Now, we don't expect any new resources in this current budget. There were new caseworkers in the '79 budget. We hope to work toward the '81 budget, hopefully, to get some new resources then, and then we will allocate based on the kind of planning that Mark Wickley was describing this morning, rather than strictly per caseworker.

SENATOR SCARDINO: The next series of questions go into the child care centers and the purchase of service component contract, etc. I'm going to hold any questions I have on that right now, because we do have people here who will testify and address that issue in some specific area and we may not have time to get into that today but if not today, we will discuss it on Thursday. I want to thank you Bernice and Jack and everyone else that appeared today on behalf of the Division in helping this Committee to try to do its job and hopefully come through with some very sound and very positive recommendations so that together we can bring about the best possible program we can. So, I want to thank you and I know you're going to stay with us today and Thursday as well and again I appreciate that.

SENATOR RUSSO: Before you let them go, I have one question. Mr. Callahan, I am specifically interested in composition of the regional office. Besides the caseworker, would you tell me the number of people that comprise that particular office and the titles that they hold?

MS. MANSHELL: If you refer to the organization chart, you will get some idea.

MR. CALLAHAN: To add to that, Senator, essentially we're saying, for example, the Southern Region, which Mr. O'Grady testified about, that total region has 16, which we classify in accountability type positions and 42 in support type positions out of the

regional offices. Essentially, it involves the contracting process, the support services and the business office.

MS. MANSHELL: Senator, those people are in the regional office, but the regional office also supervises the district offices.

SENATOR RUSSO: All of the people included in those boxes then are within the regional office itself?

MS. MANSHELL: Within the regional office would be the administrative office, the business office, the contracting office, adoption and foster care, direct services, the support services for the region. The district offices are separate.

SENATOR RUSSO: Those are the four top boxes?

MS. MANSHELL: And the administrator and that's about 70 people. There are approximately 75 people in the regional office, but the region is also made up of the district offices.

SENATOR RUSSO: I understand.

MR. O'GRADY: The regional elements are made up of district office supervisors, the county coordinators, a relatively large adoption and foster home finding unit in three regions that runs from about 25-30 staff. They do direct service work. It is then comprised of other staff who go out with the contract agencies, develop proposals, analyze proposals, as well as a unit of fiscal cost specialists to analyze the contracts. There are also in the regional offices, although not attached to the regional administrator, a small training unit of four people and a contract compliance unit. Those contract compliance units, staffed by about six people, go out to monitor contract agencies and they examine the levels of service and the expenditure reports of those particular agencies. They report on a separate line and that was done to have a little distinction there between those--

SENATOR RUSSO: Your answer clears the ambiguity in my mind, but tell me about the training unit. What's the purpose of it, to train personnel?

MR. O'GRADY: That's correct.

SENATOR RUSSO: Why is it necessary to keep four people in the unit?

MR. O'GRADY: I would like to have our Administrator of Training give you some information on that.

MR. HOLLANDER: My name is Henry Hollander, Administrator of Training. As I understand the question--

SENATOR SCARDINO: I'm sorry, I didn't catch your name.

MR. HOLLANDER: My name is Henry Hollander.

SENATOR SCARDINO: Henry, do you represent a region?

MR. HOLLANDER: No. I'm the administrator of the training office, which is one of the units that reports to Mr. Callahan.

SENATOR SCARDINO: You're in the management and fiscal affairs field.

MR. HOLLANDER: That's correct and responsible for overall training of the Division of Youth and Family Services staff, the county welfare agency staff, provider agency staff within the tour responsible to the Division. In your specific question is, as I understand it, why are there four training positions in the regional office and the four training positions in the regional office are to provide the variety of training that's needed and training type activities that are needed to the Division staff, case-workers, supervisors, administrators to the day care staff that are under the administration of the Division, of the regional office to provide the various kinds of training that are needed by the staff of the Division, reporting to the Division.

SENATOR RUSSO: Let me pose this question. Is this a constant thing, the training or does it only occur when a new person comes aboard and before you release that

person to go out into the field, he must undergo a training program?

MR. HOLLANDER: No. There is an orientation program for all new staff who come to the agency. There is, in addition to that, skill development programs for the various kinds of activities that the Division is responsible for, for example, the protective services worker, there are a variety of skills that they need to have developed. There is in place in each of the regions what is called a "basic skills course" that is available to all of the staff. In addition to that, the training office contracts with universities to provide training in specialized areas that are needed by staff. Additionally they engage in a process of selecting staff who apply to go on an educational leave program that will develop them in the areas of skill that are identified by the program managers as needed to carry out the job.

SENATOR RUSSO: Well, then, I guess you have, on a state-wide basis, if we have four regions, then we must have fourteen people engaged in, sixteen people, engaged in the training.

MR. HOLLANDER: For the regional offices, that's correct.

SENATOR RUSSO: Wouldn't it be economically advisable, maybe, to have a central base of training, perhaps in Trenton, and staff the unit with four or five people and everybody who needs training comes in.

MS. MANSHELL: We have both.

MR. HOLLANDER: The organization of the training office really was changed to coincide with the organization, the regional organization of the whole agency and in the same way that the service needs of the area are different from region to region, the training needs of the staff in those regions are different from region to region. There are a lot of similarities.

SENATOR RUSSO: In what way would they be different?

MR. HOLLANDER: In what way would they be different?

SENATOR RUSSO: The training.

MR. HOLLANDER: I can give you one small example. In the Southern Region, for example, they're focusing on a permanent safe planning approach and they're developing staff to provide what is called permanency planning. Now, in some other regions, they are not giving the same kind of a focus and so, the training the staff gets isn't in the same area.

SENATOR RUSSO: Those are, I would assume, the unusual situations. The usual situation, it would seem to me, would be where the training is the same up and down.

MR. HOLLANDER: Well, you're correct that the orientation of the workers is very similar, that the basic skills training is very similar, but beyond that, a lot of regional differences do occur.

MS. MANSHELL: Senator, the training takes place within the region so the staff doesn't have to come to Trenton for whatever training is necessary. It is a support service for the entire regionalization.

SENATOR HAGEDORN: Wouldn't it be better to have four top people in training than have a whole state effort and have the people travel to a centrally located place, rather than have personnel in each region perform the same operation. This money might be better spent for social work.

MS. MANSHELL: Senator, it is a trade-off between centralization and regionalization. One might say that about a number of functions that have been moved out into the region.

SENATOR HAGEDORN: I know, but I think the emphasis of regionalization is on delivery of service, but when we get into the training aspect of it, it seems to me

that that could be a separate operation. We can save money there and put it into the other thing you were complaining about this morning, that is, insufficient social workers.

SENATOR SCARDINO: Anything further on this? Okay, thank you very much. Okay, we will now have comments from those that remain on the list that is before us today and I'm going to ask those of you who are going to testify from this point on to try to confine your comments to ten minutes, if that's possible, but that doesn't imply that we're placing a restriction on you, but we would like to see if we can get through the remaining seven people that would like to speak to us today. I notice, for example, that there are three representatives of the 4-C programs, of course, representing three different counties, and I just hope that the testimony is not going to be redundant, so that we don't have to listen to the same thing three times. With that, I would like to call, and taking the list in order, Robert Bocci, Department of Civil Service.

R O B E R T B O C C I: Good afternoon. I'm Bob Bocci and I'm on the technical staff of the Division of Classification and Compensation in the Department of Civil Service. I and my associate are responsible for studying and analyzing new title requests, reclassification requests, appeals, etc. for the Department of Human Services, Department of Health, Department of Corrections and the Department of Defense. We have prepared through the Department a rather brief statement on our function in this reorganization within the Division of Youth and Family Services. I presented copies of this to the Committee earlier this morning, and if you like, I could read it. It is quite short and I would be happy to answer any questions that you have.

Since the submission of the Wechsler Report in December of 1976, the Division of Youth and Family Services, through the Department of Human Services, has submitted various new title requests to implement certain recommendations made in this report regarding reorganization of the Division. The majority of early requests involved the establishment of new titles to provide classifications for administrative positions located at the regional level. Such titles included Administrator Regional Operation, Youth and Family Services; Regional Supervisor, District Office Operation; and Regional Supervisor, Day Care Operations. These and other requests were studied by the Division of Classification and Compensation in the Department of Civil Service and were recommended for approval to the Civil Service Commission, which approved establishment.

Several other lower level technical levels were submitted. Some were approved as requested and in some instances, the Division was directed to use existing titles to classify functions performed in the region.

Classifications were established for the data systems analysis and fiscal and management analysis function located in the regions.

In keeping with the specific recommendation of the report to reduce the number of program development specialist classifications within the Division, several more specific classifications were developed and approved. The best example of this type was the Residential Services Specialist Series.

Problems did develop, however, in arriving at suitable classifications and compensation for central office administrative posts. Several new title requests were made and a few of these implemented. However, because of various reasons, the total, final organizational plan was not submitted and the Division of Classification and Compensation was unable to complete evaluations of several requests made through late 1977.

In 1978, the Division of Classification and Compensation did receive a rather detailed organizational plan for the entire Division on a position by position

basis. This package was further modified in late 1978 and the technical staffs of the Division, Department of Human Services and the Department of Civil Service have been working jointly to implement such changes and affect the entire package. In the past 6 to 8 months, final implementation of the district office and regional staffing plans have been accomplished mainly in the contract cost, social service and clerical areas.

As an overview, attempts have been and are being made to implement the general concept of regionalization put forth in the Wechsler Report. Due to evolutionary changes within the Division, the final mechanical implementation has been delayed somewhat. However, much work has been accomplished toward this end.

In conclusion, the Department of Civil Service will continue to monitor this process to provide classifications which are appropriate to functions performed and which provide adequate compensation for services rendered.

SENATOR SCARDINO: Thank you very much, Mr. Bocci. Are there any questions from the Committee?

SENATOR RUSSO: There's not much work left to be done at this point, is there?

MR. BOCCI: Well, there are certain areas, Senator, for instance, in the training area and in program support where we do have some problems involving actual classifications of positions. The positions do exist and people do function in these positions. However, there is some question as to the type of classification and the level of compensation for this position.

SENATOR HAGEDORN: Are the training specifications the same within each region?

MR. BOCCI: Senator, I have not seen a total or final organizational plan for the training area. We do have a general organization chart which does show it position by position as the Division is requesting it. However, these positions have not been finally approved by Civil Service at this time.

SENATOR SCARDINO: Any additional questions? (no response) Thank you. Representing the New Jersey State Employees Association--caseworkers, George Rennie?

G E O R G E R E N N I E: Senator, my name is George Rennie and I'm a caseworker in Newark and I'm here representing the New Jersey State Employees Association, which represents all of the social workers in DYFS as well as the assistant supervisors. I would like it to be clear, there are six of us here, and we're here from the union perspective, which is going to be somewhat different from the testimony that you've heard up to now. There are four other caseworkers here, Mr. Gabe Lupo to my left, and he's been a social worker in the Hudson County office for eight years; Mr. Jim Gallagher has been six years as a Mercer County WIN worker; Francine Christopher is from Newark and she's been there three years; Sue Matthews is currently an assistant social work supervisor, but before that she was a caseworker for five years in Mercer County; and Nancy Kulp is working in the Central Region. She's been with the State for 12 years and she was an assistant supervisor for 11 of those.

Also, I would like to apologize if my testimony is going to be haphazard, but we didn't know about the agenda for today's hearing until Friday and we had to get some material together.

Basically, I guess we would like to comment on what we heard before. From our point of view, and that's the union representing the social workers, we have a lot of problems with things as they are right now and these seem to be the same problems that were always there. Somebody this morning spoke about morale being on the upswing. I think you could take a poll of social workers throughout the State and you would find

that morale is either the same or deteriorating, that there has been no upswing in morale. We're looking at it from a different point of view. I suppose when management looks at the structure, they see it as a pyramid and you have it in front of you as a pyramid. The caseworker looks at it as a pyramid also, but it's a reversed pyramid and the weight is on us. Every caseworker in the State is accountable to management, to his clients and to a host of other agencies, and from our perspective, several layers of accountability have been added. We're not criticizing the regionalization as such, because we don't really see any effect at all, quite frankly. All I know is, personally, I have to add several names on a memo when I'm requesting something. Outside of that, it has not filtered down to the direct service level and when we talk about direct services, we're talking about caseworkers who go into the field and see the clients.

SENATOR SCARDINO: You are representing the caseworkers now. This is not your opinion? You're saying this is a general feeling or rule that there has, in fact, been no change experienced on the part of the caseworkers in terms of the impact that this decentralization has had?

MR. RENNIE: Right.

SENATOR SCARDINO: That differs somewhat from a caseworker who testified earlier today. You know, what I'm afraid of here is that we can probably get a myriad of different opinions in terms of how one feels about this decentralization and I would appreciate George, and I don't mean to put you on the spot, but I think you'll agree with me that what we want to do here is be as specific and concrete as we possibly can and I would appreciate it, whatever you throw at us, at least for the most part, that you can substantiate it and support it with documentation, if necessary, so that we'll have something to go on.

MR. RENNIE: The first thing I would like to submit then--

SENATOR HAGEDORN: You mentioned a question of morale. What are the problems with morale? What is affecting morale?

MR. RENNIE: Well, what's affecting morale is what's always affected it, I think, and that is that it is not a very nice job to begin with. It obviously has its difficult points.

SENATOR HAGEDORN: Yeah, but you knew what the problems were before you went into the job, right? So, is that a question of morale? What I want to find out is something in the organizational structure that is affecting morale, supervision or problems you can't get answers to or what?

MR. RENNIE: Well, I think the problems of not being able to deal with our problems are the same. That's what I'm trying to say.

SENATOR HAGEDORN: What kind of problems?

MR. RENNIE: Alright. Each individual caseworker has to deal with his clients on a day-to-day basis. Now, without giving you a million examples, I can only make an analogy. I think the analogy would be to a kind of well-oiled machine, like what I see of the police, let's say, who are dealing with a lot of similar type problems, who, when they deal with the problems, know that there is an organization behind them. I don't know whether caseworkers always feel that. I don't know if they feel that there is always an organization behind them or that you have to, well there's an expression we use--

SENATOR HAGEDORN: I don't understand what you're talking about. I think you have to be more specific. I think when you make a statement like that, you ought to be able to support it, otherwise you're wasting our time here.

MR. RENNIE: Alright, let me just get to a point and then it might clarify it for you. We had a series of ten hearings with our management, which was conducted

with the Office of Employee Relations through a contractual agreement. There was a hearing officer from the American Arbitration Association. These are the transcripts from those hearings. Obviously, I can't duplicate that in ten minutes, but there are ten volumes of transcripts there and basically we presented all of the evidence of the difficulty of the job and one of those things was morale. One of the caseworkers had done a study, which was pretty extensive, considering he had to do it on his own time, and he solicited information from all of the Social Workers II's throughout the State. 46% of them responded and of that amount only 73% said that they would stay with the Agency for five years. Only 4% said that they would make it a career.

SENATOR SCARDINO: What is the basis of their complaints? Why is it that your social workers generally feel uncomfortable in their positions? I think no one denies the fact that the task at hand for the social worker is really not an enviable position and someone really has to be dedicated and mentally oriented to dealing in that realm, so to speak. No one is going to deny that and I'm sure that no one disagrees that there may be a question dealing with the monetary aspect of the position itself and that's not really the general purpose of this Committee. We want to hear about all the problems, naturally, but what we want to know is, specifically, why is there a morale problem right now. I would have to assume that if you are going to start off in defining that problem, that a person who is in the position that a caseworker is in and comes from the state of mind that I just described, that he or she would have to have to work in that capacity, their first concern and consideration is the client, the need of the person that they are performing that very vital service for and I would assume that their first basis for frustration is because they feel that there is a tremendous underutilization of funds, that there is something wrong with the administration, that the administrators aren't doing their job properly. I'm not saying that I believe this myself, but I'm just sort of asking you to be specific.

MR. RENNIE: Okay, I'll try to be specific, but when you mention something like morale, morale is a pretty hard thing to define and I'm time limited. But, if you want specifics, I'll give them to you. I disagree with one statement that you made and that is that a person's primary concern is the welfare of his clients. A person's primary concern is their own welfare and that's what--we are concerned about the welfare of our clients, but a person reaches a certain limit after a point, where you have to be concerned about yourself, also. We heard people speak this morning about the impossibility of us doing the job right now and one of the things that we've asked for through the hearings and consistently through union negotiations is for a limited amount of cases that we are responsible for. In other words, right now we are evaluated for a job which management says itself that we can't do with the amount of people that we have. So, in effect, we are bearing the burden of everybody else's problem. We are told to do an impossible job and are evaluated on the impossibility of that job. We are not evaluated on the specifics of what we can perform. This places a tremendous strain on the worker. Was that specific enough?

SENATOR SCARDINO: Not really. You asked a question and I answered it. I have no intention of suggesting whether it was or not.

MR. RENNIE: Well, we've asked for a limit on caseload size.

SENATOR HAGEDORN: How many do you have now?

MR. RENNIE: Personally?

SENATOR HAGEDORN: The average.

MR. RENNIE: It varies from office to office. I couldn't say. The figure of 48 before was low.

SENATOR SCARDINO: You heard the testimony earlier, following up Senator Hagedorn's question, by Mark Wickley, in terms of the Division's addressing itself to that question, the staff ratio. Do you have any feelings, specifically, in that respect?

MR. RENNIE: Well, which part of Mr. Wickley's testimony were you talking about?

SENATOR SCARDINO: I think Mr. Lupo knows where I'm coming from on this. Perhaps he might want to answer it.

MR. RENNIE: Can you rephrase that one more time?

SENATOR SCARDINO: I said that earlier Mr. Wickley, Chief of the Bureau of Research, went through an outline in his testimony to us in which he gave us a glimpse of what the Department is trying to do in terms of restructuring this whole approach to the staff-client ratio. What do you know about that and how do you feel about it and are you cooperating with the Division in terms of coming up with a suitable solution?

MR. RENNIE: Well, we dealt with that in the hearings before and we heard Mr. Wickley at that point too and we disagreed also on the approach at that point. We said that there should be a limit to the amount of cases.

SENATOR SCARDINO: Mr. Wickley, am I to suspect from that response that your Division or your Bureau is doing this strictly from Mount Olympus and that you aren't taking into consideration the social workers themselves and their needs and perhaps some of the input and some of the experiences that they have in developing this plan of yours?

MR. WICKLEY: No, I would not say that is true. Part of the staffing model was discussed at the series of union hearings. The second phase of the analysis of how we get from what we have now to what should be is based upon an analysis of the survey of social work staff and social work supervisors. Basically, we want the line staff to tell us where the improvement is needed.

SENATOR SCARDINO: Will they have an opportunity to respond to any interim reports that you may be issuing?

MR. WICKLEY: Yes sir.

SENATOR SCARDINO: So, it is an open process?

MR. WICKLEY: Yes, sir.

SENATOR SCARDINO: You may continue your testimony.

MR. LUPO: I think part of the problem that we have is that although management does try to get input from the field, they don't seem to try and elicit much information from the union itself, which is comprised of caseworkers as different structures, but does have a large professional component and we are very willing to share and to give information and to share our views and there has been some sharing, but we don't feel that it has been to the extent that we would like it to be done.

SENATOR SCARDINO: Well, you should reserve those kinds of comments for your labor-management negotiations. This is not the forum for that, at this point.

SENATOR RUSSO: Mr. Chairman, a statement was made earlier by Mr. Rennie that the effect of regionalization has created more layers of accountability and perhaps less efficiency, I would assume, and I would like to hear your testimony along those lines, whether, in the opinion of your group, your association, this has led to more efficiency or less efficiency.

MR. RENNIE: It's really hard to say. From our perspective, it hasn't changed at all.

SENATOR RUSSO: Well, then, let's go back to your point on accountability. You didn't finish. You started to open that topic and you stopped.

MR. RENNIE: Well, I just said that it seemed that there were more people that one has to account to. Perhaps in the fact that it's in a transitional stage right now and there didn't seem to be any clear answer this morning as to where the lines of authority stopped and started, maybe when that is settled, it wouldn't be so bad. We're not necessarily speaking against the regionalization. Once it is firmed up, it may be okay. There are just some other problems that were never addressed or there were things in the Wechsler Report itself that were kind of off-handed and, in fact, from our point of view, can't be implemented from the perspective of the union contract.

SENATOR RUSSO: Of course, it's in its embryonic stage and a lot of quirks, I guess, in the system have to be worked out, but your reference to the additional paperwork, has it been mounds of additional paperwork or just a few extra minutes a day?

MR. RENNIE: Well, for one thing, we're now responsible for the review of children in placement, which was passed by the Legislature. We weren't given any additional funds for that. It's just something else we have to do and that is a lot of paperwork, yes. There's 2500 children in placement in Essex County and we have to submit a review for every one of those children. So, that's additional work.

SENATOR HAGEDORN: My question is, do you have one individual to report to? You said that you reported to a host of agencies.

MR. RENNIE: Well, I was making that as a general statement. I, myself, have one individual to report to, who has an individual to report to, who has an individual to report to.

SENATOR HAGEDORN: Then, your statement that you are accountable to a host of agencies is inaccurate, is that right?

MR. RENNIE: No.

SENATOR HAGEDORN: If you report to one person, how can you be responsible to report to a host of agencies?

MR. RENNIE: I don't know if I said report. I think I said we were accountable.

SENATOR HAGEDORN: You're accountable to a host of other agencies?

MR. RENNIE: Yes, we are accountable to other agencies.

SENATOR HAGEDORN: If you're accountable to one person, I don't understand how you're accountable to a host of agencies.

MR. RENNIE: Well, we're accountable to the courts. We're accountable to the Review Board, which is a separate function of the courts. We're accountable to any agency that we refer a case to, to an extent. In the purchase of service contracts that they were talking about before, there's a certain accountability that we have to other people.

SENATOR HAGEDORN: Except that that hasn't changed in the reorganization, has it?

MR. RENNIE: That part, no.

SENATOR HAGEDORN: The same thing applied before.

SENATOR SCARDINO: Okay, would you kindly summarize and complete your testimony at this time, so that we can continue with the hearing? Are you through?

MR. RENNIE: Well, if I can make one generalized statement, I would just like to say that, again, the history of trade unionism is such that it can be a working relationship between the union and management for a more effective job and more efficiency and I think we've made attempts in the past to help to form a relationship with management and I don't know whether right now we're being viewed in that respect. I think

right now it is an adversary relationship and I don't think it should be that way and I think it could be better. Thank you.

SENATOR SCARDINO: Okay, thank you very much.

Mary Landau, 4-C Agency Director, Passaic County?

M A R Y L A N D A U: With your permission, Mr. Chairman, this is Kay Gellert, from Bergen County, who will speak for my statement.

SENATOR SCARDINO: Kay Gellert, from the beautiful County of Bergen?

K A Y G E L L E R T: Thank you very much. First of all, I would like to make it clear that there is an error in your agenda listing me as a director of 4-C. I am not. I am the President of the Executive Board of the 4-C Council of Bergen County, elected by the community and not a professional member of the staff. I think it is awfully important that you hear from the community. We heard this morning some very interesting, and I wish it were so, descriptions of how the needs of communities are being met through regionalization. Unfortunately, the folks in my region haven't been around to find out what we need. I don't know how they possibly can. I'm here to speak on behalf of the Child Care Coordinating Councils and the concept of that kind of community input to the Division of Youth and Family Service to the State of New Jersey any body up here who will listen to what we have discovered that our communities need. I've prepared a statement and it's about Bergen, but I hope you'll understand that it really refers to any local community.

SENATOR SCARDINO: Do you have a prepared statement?

MS. GELLERT: Yes, I do. It's a one page thing and it is not terribly important, so you may read it at your leisure. It says about how we feel about 4-C of where we are.

SENATOR SCARDINO: Fine, and I appreciate that and certainly if it is not going to take that much time, we don't mind listening to it now. If it will take a considerable amount of time, I certainly suggest that you leave it so that it can be included in the record and we will, of course, look at it and read it for our information. But, I want to just sort of steer you and I'm sure you're there even before I raise the question and that is the recommendation of the Task Force itself regarding the 4-C's. They recommended that DYFS stop contracting with 4-C agencies because the work of 4-C's duplicates DYFS activities. A decision about discontinuing funding for 4-C agencies, pursuant to the Task Force recommendation, has not been made at this point and obviously the 4-C agencies oppose the Task Force recommendations and feel that the work of the 4-C's do not duplicate the work of DYFS. I would suppose that that is what the Committee is really interested in, in terms of your responding and reacting directly to the Task Force recommendations and the reasons for that reaction.

MS. GELLERT: Yes sir. I have sitting next to me the spokesperson for the 4-C directors of the State of New Jersey and I'm here as a spokesperson for the community organization, which is doing the job which DYFS is not able to do and that job is the identification of the needs in the community. I heard a lot about people making decisions about what we need and I'm very distressed by that. It seems to me that that speaks to a very old-fashioned attitude toward community service. I speak for the client. I'm a director of a local day care center in Westwood, far, far from here and we've got 70 kids and maybe 100 parents who are being served and some DYFS money is finding its way to Westwood. There is no way that a regional organization has ever looked at my neighborhood to find out what we need, but the parents there know and the community members know and I'm very concerned that Mr. Wechsler made a very large error in understanding

what the nature of the Child Care Coordinating Council is and Ms. Landau has facts and figures and I just really came here to express a feeling that we have up there.

SENATOR SCARDINO: Thank you, Kay and I appreciate your being with us today and staying with us and offering your comments as well. I assume that you want to turn it now over to Mary Landau. Thank you. Mary Landau, State Coordinator for 4-C agencies and Director of the Passaic County 4-C? Welcome Mary.

MARY LANDAU: Thank you. Thank you also for the opportunity to be here today, to speak on behalf of the concept of community coordinated child care and the New Jersey 4-C agencies, which embody that concept.

You have, already, with your staff person, the materials that I will refer to in the course of this statement. I will be brief.

The Wechsler Report recognized the need for coordination of social service delivery and you have certainly heard that concern emphasized here today. However, it rejected the community controlled 4-C agencies as the coordinating mechanism because of the appearance of duplication of State provided services. No investigation of that appearance was made prior to the recommendation to defund the ten existing 4-C programs in New Jersey. The implication was that the State could, should and would provide the services at no additional cost and a further saving of approximately \$600,000. Commissioner Klein observed immediately that additional personnel would be needed and that $\frac{1}{4}$ of the total funding was local matching funds which would be lost to the child care community. Subsequently, 4-C programs issued a report to Governor Byrne and the Department detailing their services over a five year period and demonstrating a generative factor of \$3.00 in services added to the resources of child care for each dollar of funding. These services included health, nutrition, training, CETA funded child care programs, information and referral to both individuals and agencies, technical assistance to funded and non-funded centers, monitoring and evaluation, and coordination of local matching funds. A year later, the Department prepared an in-house analysis of the 4-C agencies, which determined that DYFS very likely couldn't and wouldn't deliver many of the services, particularly in the area of mobilization of additional community resources for child care such as CETA funds, community development funds, donation of private, industry and individual dollars. In short, no significant duplication was documented and the concept of local coordination was endorsed by the DYFS staff as more effective and efficient. The question of whether that function should be State-controlled remained to be answered. Support for community control of the coordinating function surged through the child care community. The Title XX State Advisory Committee repeatedly endorsed the continuation, the strengthening and the expanding of 4-C operations. So did the advisory group on child care policy, the DYFS Policy Development Board. So did the United Way, the city and county government, which depend on 4-C agencies for day care information and coordination. So did the day care centers, which depend on 4-C for training, information and shared resources. So did the parents, who turn to 4-C for referral, training and placement. So did the public and private agencies, which depend on 4-C for information and coordination. So did, also, those individual and groups in the community, which are seeking to expand and create child care programs and look for help with licensing, funding, and organizing. In spite of the expressed need, the existing 4-C programs face defunding as of June 30, 1979. Operations are now maintained on partial contracts, four months, six months, ten months, etc.

What are the alternative mechanisms for local coordination? Those things that are mentioned most frequently are increasing DYFS staff and/or county welfare board coordination. The question remains, could they, should they and would they. The Wechsler Task Force recognized that major philosophical questions had been raised, but not answered in its report. It called for a state-wide study of the issues involved in social service delivery and the role of government and private agencies. That is another recommendation that has not been implemented.

The 4-C agencies have played a unique role in the development of the child care networks in their individual communities. That role could not be duplicated by a government agency and it is essential to the development of a child care system that will meet the needs of the greatest number, in the most effective way.

We urge the continuation of the existing 4-C programs, the establishment of new programs in those counties which do not have them and support of the concept of community coordinated child care by legislative mandate. I thank you.

SENATOR RUSSO: Mary, you alluded to the point a moment ago that 4-C's are able to accomplish a little more at the local level through the agencies of local government, county government, United Way and so forth. Could you expound on that a little bit, please.

MS. LANDAU: Certainly. The 4-C agencies have, in their history and development, always been responsive to the kinds of gaps in services that frequently occur in child care. In the early days, it was the 4-C agencies that primarily provided the supportive services by going to the local boards of health, the local clinics for mental health, the colleges for training. It was the 4-C agencies that primarily approached both the city and county governments for the matching funds. It was also true in relation to the United Way in many counties. It is these kinds of things that 4-C agencies have been able to do over the course of the years. Mr. Hollander will excuse me if I mention the example of training. In my own region right now, we certainly support the idea of regionalization. For us, it has meant no training since June of last year, except that which could be generated and/or provided by the 4-C agencies to the day care centers. I realize that the staff is new and working hard at trying to solve this problem, but in the interim, it has meant that we have picked up the slack. It is those kinds of things.

SENATOR RUSSO: Assume for the moment that de-funding does occur or should occur or will occur. What, in your professional opinion, will happen to 4-C operation in the State?

MS. LANDAU: If funding does occur, what will happen to the 4-C agencies?

SENATOR RUSSO: De-funding.

MS. LANDAU: Oh, de-funding. I misunderstood your question. The 4-C agencies have considerable support on the local level and some of them would be able to survive in a limited and handicapped way with some funds from United Way, some funds from their city and county governments, certainly in your county, in Union County, we talked last week about the possibility of some of the child care coordinating functions being picked up by welfare reform money. There is not, however, an overall surety of what will happen in individual counties.

SENATOR RUSSO: Well, how many agencies are there, ten or twelve?

MS. LANDAU: There are ten in the entire State.

SENATOR RUSSO: Assume that half of the ten fall by the boards and they fail to exist. Now, the State of New Jersey, through DYFS, will have to step into the picture and absorb that additional load, will they not?

MS. LANDAU: That is the theory. I believe it will not happen. The services will simply cease to exist, in my opinion.

SENATOR RUSSO: Something would have to happen. The service would have to be provided by some group somewhere along the line.

MS. LANDAU: We would like to think so.

SENATOR HAGEDORN: How much of your effort is voluntary.

MS. GELLERT: We have DYFS funding for one director and one assistant, administrative assistant and those two people are the only paid people out of the DYFS contract. We have generated an incredible number of other services through CETA and LEEP. My board is entirely volunteer. I'm a volunteer in this capacity.

SENATOR HAGEDORN: You would lose all of that?

MS. GELLERT: We would lose it because there would be no way to administer it. It would be a tragedy in my county.

MS. LANDAU: May I ask Ms. Ayres from Bergen County to also comment on that?

MS. AYRES: I am an employee of 4-C. One of the losses that would occur would be in the very necessary and innovative services that 4-C's have been able to bring to the different counties. I will refer to Bergen County, but that's certainly true of other counties too. For instance, Bergen County has an extensive family day care program. A family day care program is one where one person provides child care in her own home. There may not be more than five children under the age of 5 in the home. There is no licensing for such homes in the State of New Jersey and DYFS has a limited number of people, we call them providers, that they can use. Bergen County has developed a list of voluntary registration of such providers that now serve 325 children. If this family day care network collapses because the 4-C agencies no longer exist, we will go back to a vast number of unsupervised family day care homes that receive no support from an agency such as 4-C. We have been able to arrange for liability insurance on a group basis for these people, who never had liability insurance. We have been able to tie in accident insurance for children. We have a vast support network with vision screenings, hearing screenings, follow-up on inoculations, that would simply no longer exist because under the present DYFS structure, that could not be provided by DYFS staff. That is one example. We have others. We have a program that will take care of moderately ill children or recuperating children who are enrolled in day care centers, where parents would lose their jobs if they stay out again from their job and for a few days we have staff generated through CETA that will take care of these children while their parents are in work. Yet, the child can not attend a day care center. These are new and innovative programs that 4-C has developed. Other areas have different needs and different programs. I'm speaking strictly from the point of view of Bergen County. But, family day care exists in many other 4-C's and other programs, training programs have taken place there. That simply would no longer exist.

SENATOR SCARDINO: May I interrupt you at this point? According to a communication I received from you a while back, you state that 4-C's provide the following services: family day care, screening and monitoring, vision screening and referral, in some cases transportation, dental screening and referral and transportation, inoculation record keeping for follow-ups, technical assistance at day care centers, help with bookkeeping, cooperative buying, insurance plans, legal assistance, staff training when and where needed, long-term arrangements with different experts, care of sick children in their own homes when senders or providers confirm that parent can not afford to pay for such care and/or parents job is threatened, dissemination of information child care, mental health services, job bank, help for single parents, etc. How many 4-C centers do we have?

MS. AYRES: There are ten 4-C's in the State of New Jersey.

SENATOR SCARDINO: And are they all in counties or are some of them on a regional basis? Bergen County has its own.

MS. AYRES: Most of them are in a County. Some of them take in some surrounding areas.

SENATOR SCARDINO: And these services are all provided for the total sum of \$600,000 less 25% contributed at the local level?

MS. AYRES: That's right.

SENATOR SCARDINO: It makes a very interesting argument here in terms of outlining your responsibilities. Did you have something you want to add to that, Mary?

MS. LANDAU: A quarter of the local match does go back into the operating budget. It is not deducted.

SENATOR SCARDINO: In other words, it is \$600,000 plus or it is included as part of?

MS. LANDAU: Included.

SENATOR SCARDINO: Yeah, that's the way I understood it. Well, I think it was clear earlier and I hope that the Department of Human Services got this message from the Committee and that is that, and I speak for my colleagues now and stand corrected otherwise, but we do not, are not conducting this meeting with the frame of mind that the Wechsler Report is the answer and that it is necessarily expected by this Committee that you are to comply with that Report verbatim, as long as you have reasons and good reasons and substantial reasons as to why you feel that certain aspects of that Report ought to be refuted and changed, in essence. I would hope that the Division would be able to supply this Committee with a response in terms of its position dealing with the 4-C's and the points that have been raised here by the representatives of the 4-C's particularly in terms of dealing with the question of duplication and if in fact the 4-C's are allowed to disband, whether the Department of Division is ready to supply and support the services that are now being performed by the 4-C's. I would hope that you would do this for us, perhaps on Thursday, Director Manshell, if you would be good enough to do that. I want to thank you very much for being with us today and presenting your testimony.

SENATOR HAGEDORN: I have one question. How soon do we have to make a decision with respect to that funding? June is going to on us in no time flat and I would hope that the Committee would give that priority because I have great reservations about removing that funding.

MS. LANDAU: Thank you, I appreciate that Senator.

SENATOR SCARDINO: Thank you very much for being with us today.

Marion Phillips?

M A R I O N P H I L L I P S: Thank you, Mr. Chairman. My name is Marion Phillips and I'm the Chairperson of the Child Care Policy Development Board and am the Director of the Orange Day Care 100 Center in Orange, New Jersey.

Most of my comments seem superfluous now, so I won't say most of them. My main purpose in coming before you today was to bring to your attention the existence of the Child Care Policy Development Board, which did come into existence as a result of the Wechsler Report and the discrepancies and problems that were pointed out as related to child care, day care privileges in the State. The Child Care Policy Development Board works in conjunction with the DYFS staff, addressing the problems of the day care centers. Most of those were pointed out in the Wechsler

Report and are working specifically now in the development of a day care policy to be used on a state-wide basis for the operation of day care centers. So, there are positive things happening within the child care community in conjunction with the Division and their employees, but there also remain a lot of other areas, problem areas that are not addressed solely through the child care services. There are other services that get Title XX monies and DYFS services that are not here today and it is a concern of the Child Care Development Board that those services and their problems should be heard and we would like to request maybe a third day of hearings on the part of your Committee for the community to bring their concerns to your attention, as to how the reorganization is affecting the day to day operation of these programs and the delivery of services down in the street level.

SENATOR SCARDINO: Okay, I appreciate that recommendation. The Committee will take it under advisement and we certainly would like to take the opportunity and we hope some of that would also come out of the testimony that we're having for two days. As I indicated earlier, it is unusual for a Committee to take two days out of one week and conduct hearings of this nature. But, again, if we can't get too deeply involved with your concerns, your specific concerns, we will entertain the possibility of doing that.

MS. PHILLIPS: We appreciate that.

SENATOR SCARDINO: Thank you very much. Senator Hagedorn, I had the question researched in terms of where the funding stands now with 4-C's and it is not, as I understand it, a line item for appropriation in the budget and that it is part of the general appropriation for DYFS and it is just a question of whether or not the Division intends to apply those funds to the 4-C category. So, it is an internal decision. It is not a question of it being deleted from the budget this year. Am I correct on that Bernice?

MS. MANSHELL: It is Title XX money.

SENATOR SCARDINO: Okay, thank you very much. We have with us now Ray Storch, Title XX Coalition of Burlington County. Ray, thank you for coming.

R A Y S T O R C H: Thank you for having me. I was asked by the Burlington County Title XX Coalition to appear here. I am Chairman of the Legislative Oversight Committee of the Burlington County Title XX Coalition and beside me is the Vice-Chairperson of the Title XX Coalition, Fran Sattes.

I was asked by the Coalition to take a survey of the various Title XX provider agencies in Burlington County and come up with some of the general discontent among the agencies regarding the implementation of Wechsler and some of the problems the agencies are experiencing with the Title XX process.

First, the agencies that I surveyed mentioned the fact that there is a fiscal overkill. Prior to the Wechsler Report, there was little or no program for fiscal control. Since then, the fiscal controls have grown and grown. Many Titles and Departments seem to do the same thing and it is very difficult to get timely answers. One center had three audits within two months. The program director and the auditors didn't know why all these audits were required. Some auditors, when questioned about why they came, said they didn't know. Programs now have three basic audits from DYFS. One is a pre-award audit visit. The second is a pre-audit survey visit and the third is a regular audit. When those persons doing these audits were asked which one they had come to carry out, most of them said they didn't know. It has been most confusing in trying for a program, and this adds a lot of work to the program administrator and takes an extreme amount of time to manage all these extra people.

Essentially, this amounts to poor coordination. Prior to the Wechsler Report, each program had an audit paid through its program budget at usually a reasonable rate. The policy for the past two years has been that DYFS furnishes the audit. It has hired large, well-known auditing firms at great expense to do these audits.

SENATOR SCARDINO: Are all of these audits done by private firms?

MR. STORCH: Just the regular audit.

SENATOR SCARDINO: That's the final step, the third step in this process?

MR. STORCH: Yes.

SENATOR SCARDINO: Who does the pre-award and--

MR. STORCH: This is just conducted by the DYFS organization.

SENATOR SCARDINO: Okay. I would like a response from the Division regarding this point that is being made and the need and substantiate the need for what appears to be at least one or two unnecessary audits here. I understand your point and I think it does require some clarification and understanding as to why so many audits are necessary, and of course, I also would like a response to the question as to why personnel, the allegation that the personnel doing the auditing do not know which audit they are performing. I think that requires some understanding.

MR. STORCH: In addition to these audits, according to DYFS, these audits do not meet the requirements of the Charitable Registration Act. Therefore, these programs have to have a second audit at the programs' expense. This seems to be quite a waste of money. Some programs have compared costs and have found that they can provide their own audits at less expense.

SENATOR SCARDINO: This is the way it was done before, though, is it not, Ray?

MR. STORCH: I believe so, yes.

SENATOR SCARDINO: And the Wechsler Report suggested that this be changed and I guess the rationale for it was that, you know, it didn't make sense for the funded agency to be inspecting itself, auditing itself. Doesn't that make sense to you?

MR. STORCH: Yes. What I think should be done, at least the DYFS audit can act as the same audit required under the Charitable Registration Act. I think that would do away with at least one of the audits.

SENATOR SCARDINO: I'm not sure I understand that.

MR. STORCH: Well, under the Charitable Registrations Act, each non-profit agency has to have an audit done in order for it to comply with the Charitable Registrations Act and this entails the agency doing an additional audit.

SENATOR SCARDINO: We want to hold your recommendations until we give the Division an opportunity to respond to your basic point and criticism of the present system. Right now, you talked about the auditing being done at the funded level and paid for out of the monies at that level, at the--how did you put this? You said, before the agency itself was performing its own auditing and paying for it, is that correct?

MR. STORCH: Yes.

SENATOR SCARDINO: Right now, obviously, that's a fiscal component that you are enjoying, in terms of having more money than you did before, is that correct, or is that money transferred somewhere else? I don't understand that. How does that work?

MS. SATTES: Well, previously, audits were paid for by the program as part of its budget. Now that DYFS is providing that--

SENATOR SCARDINO: They withhold that proportionate amount that they would have ordinarily included as part of the self-auditing procedure.

MS. SATTES: Most programs still have the same budget bottom line that they had for four years, except for the 5% increase that was given.

SENATOR SCARDINO: Alright, that clears that up. Thank you.

MR. STORCH: One other problem that the agencies expressed was that prior to the Wechsler Report, a program had one field coordinator to relate to. Now, each program has two DYFS staff persons, a field coordinator and a fiscal control person. The field coordinator seems unnecessary and since program questions usually relate to budgeting and fiscal matters, usually the need only arises to have a fiscal control person.

In regards to policy, there has been a request for many years that DYFS develop an overall policy for its programs. Still, there is no overall, well thought through policy. Since the Wechsler Report, DYFS has begun putting out written policies. To date, almost all that have come out were policies that were not well thought out as far as specifics and the results after implementation. Consequently, programs would respond to DYFS about their concerns and some of the results if the policies were implemented.

SENATOR SCARDINO: Are you suggesting an over-reaction to the Wechsler Report? Is that what you're saying, that there was a lot of hurrying, scurrying in an attempt on the part of the Division to react and perhaps overreact into the whole Wechsler recommendation?

MR. STORCH: Basically, that's the feeling that I got from the agencies that I talked to. I'm not from a provider agency myself.

SENATOR SCARDINO: Well, when you're saying that the plans, that the programs, or that the modification of the whole approach here, administrative, fiscal, etc., was not well thought out, I'm certain that you're not suggesting that the people who were making those plans were not capable or educated enough to do the job that Wechsler hoped that they would do as a result of the Report. I'm sure that's not what you're saying.

MR. STORCH: The feeling that I got from the agencies was that policies would come down and they have not been well thought out and then DYFS turns around--

SENATOR SCARDINO: Well thought out because of the incompetence of the people making the plans or well thought out because it was a rush to react and respond to the Wechsler Report? Now, it has got to be one or the other or perhaps a combination of the two. What is the feeling of the Title XX Coalition?

MR. STORCH: It would be, basically, a combination of the two.

MS. SATTES: Would you like me to talk a little further about that?

SENATOR SCARDINO: I see someone in the back is anxious to speak and I'm going to give you a chance before you pop out of your chair.

MS. SATTES: The experience that many of the programs had was that policies were sent out to the agencies and then because it seemed there was no understanding of what might happen if those were implemented. Then when programs, before they implemented the policies, would ask certain questions, the policies then became retracted, which was evident that it really wasn't checked through as far as what might happen if those were fully implemented. So, consequently, a majority of the policies that were sent out were retracted. Now, since then, as far as the day care center community goes, the policy development board was established which has seemed to be a stopgap that will help that process, that those policies will be checked out before they really become full-fledged policies. However, there is no way for other programs

to have that kind of check and balance and it could be that the Coalition, both the State and county coalitions may be able to furnish that kind of help in providing policy.

SENATOR SCARDINO: If I may, I think I understand what you are saying, but it would clear to me if I knew a little more about the Title XX Coalition. Am I to assume the Coalitions were established, are established at each county level and there is a State-wide Coalition as well and that cooperatively in their respective jurisdictions and the State, representing all of the counties, would in fact act as sort of an overseer and also help in the development of policies in the administration of those funds?

MS. SATTES: I think they can provide an element of--

SENATOR SCARDINO: No, you're saying what they can provide, but I'm wondering what it was that they were established for in the first place. I would assume that there is a very significant reason and purpose for the Coalition and this is why I can't understand your point. I would assume that what you're suggesting should already be done unless someone can explain to me in more detail what the Coalition is supposed to be doing.

MS. SATTES: The Coalition is representing the communities' views and is discussing priorities. They are supposed to be setting priorities for funding in counties. That hasn't totally come about at this point and they have had very little input--

SENATOR SCARDINO: Well, aren't you supposed to be some kind of a partnership in the decision as to where those funds are to be directed and to offer advice to the Division as to where you might feel there might be shortfalls or where you may feel there might be even overemphasis and you know, dealing again specifically with the policy and the direction of the Title XX funding?

MS. SATTES: Yes, that's what we would see ourselves as being. However, community input that is listened to is one thing, I guess, and community input that is not listened to is another.

SENATOR SCARDINO: Alright. For the benefit of clarification, if I may, again, direct my question to the Division, specifically, would someone explain to the Committee what involvement the Title XX Coalitions have in this whole delivery of service system, the components here and just what their role is, in essence, and a response to the point that is being made here by representatives of the Coalition in Burlington County? I wanted to ask the question, whether or not you represent the interests of the State Coalition and is there anyone here representing the Title XX State Coalition?

MR. STORCH: No. I just represent the interests of the Burlington County Title XX Coalition.

SENATOR SCARDINO: From your own opinion, is the problem prevalent elsewhere?

MR. STORCH: It probably is prevalent elsewhere.

SENATOR SCARDINO: Okay, it is probably conjecture, you don't know, but you know of your problem in Burlington County.

MR. STORCH: Yes.

SENATOR SCARDINO: Are you involved with the State Coalition?

MR. STORCH: We have two delegates that attend the State Coalition, yes.

SENATOR SCARDINO: I would also appreciate the opportunity to speak to someone who might represent the State Coalition for their input, so I make that a public announcement at this point. So, if someone would kindly come forward, I would

appreciate it, if not today, perhaps Thursday.

MR. STORCH: I will let your desires be known to them.

MS. MANSHELL: The State Advisory Committee will be requesting a third public hearing to give you that input that you that input that you are requesting.

SENATOR SCARDINO: Why do we need a third public hearing? We're having one on Thursday.

MS. MANSHELL: They didn't know about this meeting until last Thursday and it certainly appeared as if the agenda was filled up.

SENATOR SCARDINO: The agenda is not complete and we are still taking names for Thursday's hearing and you are welcome, I know you understand the question that's been raised here and the point that the Committee wants to address itself to and I think that's primarily what we want to hear, whether or not the Title XX Coalition, state-wide, is in fact working cooperatively with DYFS and vice versa, obviously, and just how effectively is it all coming together and I guess to support and substantiate the points of view that are being made here from Burlington County, because I'm sure that this lady and gentleman wouldn't be here unless they sincerely felt that there was a problem and that they weren't as much a part of the process that they feel that they ought to be and I need to have, from my standpoint, a clarification as to whether or not their point is justified and I'm sure that if it is, we can work out some solution to the problem.

MR. STORCH: May I say one additional thing? Regarding the inequities with the Title XX program, several agencies have approached me to testify to the fact that over the past five years they were expected to provide the same level of service without a cost of living increase and there is a lot of discontent among the provider agencies, the private, non-profit agencies that provide Title XX service as opposed to the State ones that do provide service. It seems that the State employees do get pay increases, cost of living increases and this isn't possible with the private, non-profits because they receive the same level of funding as five years ago. One additional thing about the inequity of the distribution of funds among the counties. There always has to be someone that is first and someone who is last. Burlington County in this case is last. We receive \$1.08 per capita, Title XX contract funds. Mercer County receives approximately 1000% more. Their per capita is \$11.94 and the Burlington County Coalition would like to see more equalization of distribution of the Title XX contract funds.

SENATOR SCARDINO: Okay, thank you very much.

MR. STORCH: Thank you.

SENATOR SCARDINO: Is there a response to the points that were made?

MR. CALLAHAN: Mr. Chairman, the Division would like to have the opportunity to respond to certain perceptions, what we see as misunderstandings and this is tied in with our contracting process, which we would like to have the opportunity to go through and I'm sure that these questions would be answered as we go through it. We would leave it to you, Mr. Chairman, whether we would go through that process or whether we would respond to the individual questions.

SENATOR SCARDINO: Well, I think the gentleman made several points, but three or four specific allegations, if you will, in terms of how they feel about what's happening to Burlington County from the perspective of the Title XX Coalition and you heard those and I think I outlined them. The audits was one question that was highlighted. There was a question about the audits. The last question that he asked and I think this would be interesting for us to know as to why there is a disparity in terms of the amount of money that is directed in a county, I guess, is what he is referencing and

the other question is whether or not DYFS is reacting to the Wechsler Report and not really thinking out what it is doing because certainly, I think fair or unfair is not the case, but I think since someone who is obviously working or should be working closely with the Division in this case has these kinds of feelings that, on the one hand, they should have an opportunity to air them and they are doing that today and on the other hand, there should be a response of some kind so that they could at least feel satisfied, hopefully, with the direction that the Division is taking.

MR. CALLAHAN: Right, Mr. Chairman and we appreciate those feelings because they give us some indications of those concerns out there that we need to address. I have Mr. Cyphers, Lane Cyphers, who is the Administrator of contract compliance and auditing, to responding to the auditing questions. I think it would be best served if he just went through one chart pertaining to auditing that would best describe and answer those specific questions.

MR. CYPHERS: Alright. I think we can clarify some of the concerns and perceptions surrounding the auditing issue if we view the audit process as part of the overall contracting process. Prior to signing any new contracts, one of the functions of the audit staff is to perform an on-site, pre-award survey of a prospective provider agency. The purpose of the on-site, pre-award survey is to determine whether the prospective provider agency has the necessary accounting controls and management controls that we're looking for in our provider agencies. I think that the problem that was stated earlier in terms of apparent duplication of audit effort--in 1977, there was a comprehensive audit program that the Department embarked on, which required comprehensive audits of approximately 350 provider agencies. I believe that that program got underway sometime in July of 1977. In the Fall of 1978, we developed our new contracting process, which you see here. Unfortunately, what took place, at the time we were doing the fiscal post-audits for the contracts expiring in 1977, we were also performing our pre-award surveys for the contracts that became effective starting January 1. So, what appeared to be a duplication of audit effort, granted that we had auditors visiting provider agencies within a relatively short period of time, however, their purpose was entirely different. The auditing of the contracts ending in fiscal year '77 was a post-fiscal audit that was performed by public accounting firms under contract with the Department. The pre-audit surveys were being performed by the DYFS regional contracting client staff and they were serving two different purposes. Generally, that won't happen again, because what we're now doing, we are utilizing the audit reports that were supplied to us by the public accounting firms as our pre-award survey. However, at the time, because of the dynamics of the situation, we were put into a position where we had to come up with some type of pre-award contract controls. Therefore, we decided to include in that process this pre-award function. But, they were two separate purposes for which we had audit staff at the provider agencies. One was to perform the post-audit in the prior contract year and the DYFS audit people were there performing pre-award surveys for the upcoming contract period.

There is an issue that I would like to address and that is regarding the apparent duplication of post-audit--

SENATOR SCARDINO: These are two different teams that move in to do this?

MR. CYPHERS: Yes. It was a one-shot situation. It happened one time.

SENATOR SCARDINO: It won't happen anymore?

MR. CYPHERS: If we can continue with the charts, if you don't mind, after the contracts are signed, after the pre-award survey is done and a review of the contract is performed by the regional contract specialist and the contracts are signed by the

Director, our fiscal staff performs fiscal and eligibility monitoring during the duration of the contract. Those kinds of audit activities are geared at identifying problems in terms of agency eligibility determination and also agency financial reporting problems and we make recommendations and forward those recommendations to the regional business office so that they can have that information and use that information as a basis for supplying technical assistance to the provider agencies.

SENATOR SCARDINO: Technical assistance, in what respect?

MR. CYPHERS: In terms of maintaining financial records, in terms of reporting expenditures in accordance with our Title XX contracts and also technical assistance in terms of eligibility determinations.

SENATOR SCARDINO: Are you, in effect, doing their accounting for them?

MR. CYPHERS: No, we do not.

SENATOR SCARDINO: Then, if you're going in once a year and doing a pre-award audit and then simultaneously you're telling us that someone is there doing a post-award audit and they are two different groups doing this almost at the same time and then during the course of the year there are other groups that go in and you said periodically. When do the people at the contracted level do their work?

MR. CYPHERS: The pre-award survey, at the time we implemented our new contracting process, we had no means of determining whether the agencies were fiscally and managerially capable of handling the administration of the Title XX funds. So, at the time we developed our contracting process, we implemented our pre-award process and it was a one-shot effort. We are now utilizing the fiscal post-audits as a basis for making that determination.

SENATOR SCARDINO: I'm still a little cloudy on the issue of the periodic audits done throughout the year.

MR. CYPHERS: That came about as a result of the Wechsler Task Force. They recognized that there were some problems with the provider agencies and--

SENATOR SCARDINO: Let me just simplify it. If there is a problem with a provider agency and you are providing a pre and post-audit and that's twice a year, it seems to me that that's periodic enough and you should be able to pick up whether or not there are any problems with that particular agency.

MR. CYPHERS: Keep in mind that the pre-award process is not a detailed audit. It's merely a one day survey. It is not a detailed examination of the financial records. It's a very cursory kind of review.

SENATOR SCARDINO: Then, I can understand that logically maybe the first year of working with that agency, you might have to go in and work with them.

MR. CYPHERS: And that's all it was.

SENATOR SCARDINO: And the second year, it is simply one annual audit after that?

MR. CYPHERS: No, we still have an on-going monitoring process during the contract period.

SENATOR SCARDINO: That's what bothers me a little bit. I'm just wondering if it is all necessary.

MR. CYPHERS: Well, on the basis of the results of our monitoring program, we have found that the majority of our provider agencies still have difficulties in terms of maintaining records that provide for proper accountability. A number of them still have difficulty in terms of--

SENATOR SCARDINO: There are certain sets of standards and forms and requirements that you would have and I'm sure that they don't change from day to day and it would seem to me, for the most part, after the first or second year at the most,

that these agencies ought to know what you expect of them and if they don't comply, you shouldn't award the grant.

MR. CYPHERS: I concur, but the problem is that we're still in the first year of that process. We've only been in existence for about nine months, in terms of the monitoring program. So, it is not something that we foresee as a need two or three years from now.

MR. CALLAHAN: Senator, I think we have to see this in the dynamic that we were faced with. In September of '77, we were in the position where there were a number of outstanding audits reports and audit findings, where dollars were due. There were a number of agencies where there were no current audit reports and we had no pre-award surveys. So, in order to continue services and continue the programs, we decided we would do the pre-award so we could go in there very rapidly and get a feel for it. Because of the problem with the on-going contracts, we stayed there with the monitoring and obviously we needed the fiscal post-audit. So, I think if we examine this in the dynamic that we were faced with of severe problems with providers in all forms of contracting, it was necessary for us to move in there in these three fronts. Now, as Lane indicated, we're obviously moving to the position where we can go to the post-audit and just the internal monitoring. But, at this time--

SENATOR SCARDINO: On a periodic basis, annually?

MR. CALLAHAN: That's right, on a periodic basis.

SENATOR SCARDINO: That's what bothers me. I'm not so sure that that's completely necessary. I'm not convinced and I want to be convinced that that's essential. How many contracting agencies are there?

MR. CYPHERS: About 350.

SENATOR SCARDINO: And how many people do you have in your office to do this?

MR. CYPHERS: We have 29 professional auditors.

SENATOR SCARDINO: And was this a bureau?

MR. CYPHERS: It's a unit.

SENATOR SCARDINO: Has your unit been in existence for a long time?

MR. CYPHERS: Well, organizationally we've been in existence for about a year, a little over a year, but for most of that period we've been in the process of hiring and developing audit staff.

SENATOR SCARDINO: Are all these 29 professionals, for the most part, new employees?

MR. CYPHERS: Yes.

SENATOR SCARDINO: How long have you been with the Division?

MR. CYPHERS: I've been with the Division about fifteen months.

SENATOR SCARDINO: In the area of accounting, auditing?

MR. CYPHERS: Yes.

SENATOR SCARDINO: Any other questions?

MR. CYPHERS: I would like to clarify one issue. In fact, I'm hopeful of gaining some type of legislative support, but the gentleman who testified before me mentioned a problem that we've been trying to wrestle with now for almost a year and that is that a number of different audit requirements are imposed, not only on DYFS but also on some of our provider agencies. We are governed by HEW regulations and HEW requires that annual audits be conducted at a minimum of every two years. At the same time, there is existing legislation which is the 1971 charitable fundraising legislation. Now, the legislation, the problem is that the requirements are different. They're different in terms of the frequency of the audit. They are different in terms of the period the audit is required to cover. There are a few other problems, one of them

being that the legislation requires provider agencies receiving in excess of \$10,000 per year to undergo an annual audit. We have a problem in the administration, both at the Division level and the Department level, have a problem in terms of reasonability. We don't feel that it makes good sense to spend \$2000 to audit \$10,000 worth of revenues. We recognize that that is a requirement that is imposed on our provider agencies and we have--

SENATOR SCARDINO: That is imposed by federal legislation?

MR. CYPHERS: No, State legislation. It comes under the auspices of the Department of Consumer Affairs.

SENATOR SCARDINO: Okay, let me offer you something and that is to have your staff draft, submit draft legislation, submit it to me and to the Committee and let us have an opportunity to look at it and, of course, have it accompanied by a basis.

MR. CYPHERS: We have that documentation prepared. The Department administration plans to meet very shortly with representatives of the Attorney General's office.

SENATOR SCARDINO: You're suggesting that there is an unnecessary duplication of activity and there could be some significant cost saving there as well as lessening the burden on the part of these contractual agencies that are out there, is that correct?

MR. CYPHERS: Absolutely.

SENATOR SCARDINO: Well, I think that is what we referred to earlier when we talked about streamlining the system a little bit, especially in the area of paperwork and unnecessary inspections and so forth and so on.

MR. CYPHERS: I might add that we have developed a position and we do plan, in the very near future, to meet with representatives of the Attorney General's office in an attempt to seek relief on behalf of our provider agencies from some of the specific requirements. We have difficulty in terms of the practicability and the reasonableness of some of those statutory requirements.

SENATOR SCARDINO: Is there anything further on the subject, because what I'm going to do is this. We're going to review much of what we've heard here today and the notes that were taken by ourselves and by the staff and if we need to get back again to some of the questions that we've discussed today for more specific clarity, I'm sure you'll be here to respond on Thursday. I do appreciate you offering the testimony at this time. Thank you.

MR. CALLAHAN: Thank you, Mr. Chairman.

SENATOR SCARDINO: Is Pam Christopher here?

P A M C H R I S T O P H E R: Thank you, Mr. Chairman. I'm Pam Christopher and I have been active over the past ten years as a volunteer advocate for children and families in New Jersey and I'm speaking somewhat from notes but in view of some of the other comments, I'm going to paraphrase and change things around a little. I was not aware, fully, of how this hearing was going to take place and I'm not used to this kind of medium at all, but we'll see.

As a volunteer for the last ten years, I have served on the staff of agencies, board member, fundraiser, and a member of advisory committees concerned with human service delivery. I'm currently a member of Senator Errichetti's Human Services Task Force, which is looking at human service delivery in Camden County. I'm also on the Camden County United Way Board and as their representative, serve on the Advisory Board for the Camden County Office for Children, a Title XX office, which provides coordination for sizeable day care funding consortium for the county, Camden City and United Way. It is a 4-C type organization, but is a County office for children. The

Office coordinates such things as health screening and in-service training for child care programs, services which can be provided more efficiently and economically by centralized, local agencies which are aware of the local needs and local resources and could coordinate them.

My own educational background is in business administration and employment experience is in industrial and labor relations. When the Wechsler Report was released, I read the main volume with great interest. I had been unable to understand why DYFS could not operate in a more businesslike manner. I think Wechsler explained that rather well. I think it is unfortunate that Mr. Wechsler did not have the opportunity to interview community providers. I think it would have provided additional insight into the problems of DYFS and would have had the added benefit of giving the service community a better understanding of Mr. Wechsler's efforts, rather than having his work interpreted to them through an intermediary. Mr. Wechsler's recommendations were intended to improve administration of fiscal management as tools to meet the primary DYFS responsibility of service delivery. Regionalization is another of those tools.

Because service is the real issue, I would first like to address developments in this area and then move into the other considerations. The inter-departmental committee--this was an outgrowth of the cooperative effort between community, Department of Human Services and the Department of Education, to get a more comprehensive child care licensing law passed in New Jersey. Four members were selected from each group, with the community representation coming from the then active Legislative Committee on Child Care, under Assemblyman Schuck's sponsorship. It has become increasingly apparent that cooperation between the community and the two departments would maximize the use of existing resources without increasing costs. Together we sought it and received the HEW Region 2 Capacity Building Grant, which is designed to help develop cooperative strategies between departments and the community. I have no doubts that one of the reasons New Jersey was selected over the other states in Region 2 was that we had already voluntarily begun the process. Now in its second year of funding, the HEW seems pleased with the progress. There are indications that the funding will be continued. While the project is small, we have made progress by creating links to use existing mechanisms and resources to greater benefit and we have developed some new tools, such as self-evaluation of programs. At the same time, there has been an increased mutual respect for each other's expertise. The Department of Health has recently joined this effort because they are excited about its potential. It is important for us to remember that this project of cooperation has developed during a time of reorganization turmoil in DYFS. Despite this, DYFS has consistently maintained and strengthened its staff commitment to the project. Their participation indicates their increased interest in developing more effective ways of providing quality programs and to do this with the community service agencies involved.

The Policy Development Board for Child Care, you've already received information on the Policy Board. I think this is another indication of DYFS's interest in developing more effective programs by working closely with the community.

Regionalization, this is the only way a state with such divergent, social economic patterns can be expected to meet the unique needs of individual communities. Only the community itself can articulate its needs and design and implement effective programs. Private funding, as well as all government funding channels are part of this type of coordination. Regionalization can foster community growth and acceptance of their responsibilities, but not replace community responsibility. In my opinion, southern regional leadership has already demonstrated a willingness to work with the community to improve service delivery. Day care directors meet monthly in the regional

offices. They provide input for the Policy Development Board and regional leadership is available to meet with providers on current issues. Also, in my opinion, the staff of the regional business administrator is well qualified in fiscal matters. It is a pleasure to have personnel who are sensitive to provider problems, capable of offering technical assistance, especially in fiscal matters, and at the same time, able to carry out their responsibilities to protect State and federal interests. As far as I've been able to determine, ours is the only region to have developed such a positive working relationship.

Another area of cooperation in the southern region is, leadership staff of the southern region is cooperating with the effort of Senator Errichetti to explore more creative ways to develop a human service delivery system in Camden County. But, the regions still have very little authority despite the fact that we have spent State and federal dollars to staff regions, decisions on contracting, auditing and all fiscal matters are made by the expanded central staff. Almost 80% of DYFS job positions are paid for with federal Title XX dollars. It would be interesting to know what proportion of this can be charged to provision of direct services rather than that of administrative overhead and I think, in doing that, we need to get very clearly the definition of what qualifies as direct service.

Community service agencies must show allocation of their funds in terms of direct services and administrative overhead and I feel that it would be appropriate for DYFS to be doing the same thing.

Our regional office processes service contracts promptly. The holdup is apparently central. It is not the Treasury who generally processes payments in no more than five days. Contract delays mean service programs do not receive funds on time, resulting in the need for them to borrow money. Interest on these loans will not be reimbursed by the State, but must be found by the non-profit service program. Why is regional staff not allowed to enter into contracts with service agencies and carry out other recommended responsibilities? Then, DYFS central could concentrate on monitoring regional performance. I would like to say parenthetically here that we have heard a great deal about a gradual turnover to the regions. I understand that, but I think we are two years now from the Wechsler Report and it is time, if the regional staff are in place, for more of the responsibility to be turned over to them. If they are unable to function properly, central staff is there to monitor them and to make corrections.

Fiscal and administrative management. Steps have certainly been taken to improve this function. It is important to remember, however, that this is a tool to enhance program delivery and not an end in itself. Too much time has been spent wiping up the spilt milk of three years ago and it is a little bit sour by now. Mistakes of a disgressionary nature have been made. Community programs were trying to learn management skills as well as deliver services. Certainly, Mr. Wechsler has pointed up similar DYFS growing pains. People who don't make any mistakes don't do anything. The important thing is to learn from them so it doesn't happen today. Recently, I sat in on a review of an agency with a mental health contract. Representatives of mental health pointed out that, yes, the agency has had some management, fiscal problems of a disgressionary nature, but that mental health had not been able to provide proper written policies and technical assistance. Mental health therefore accepted mutual responsibility for past mistakes, now corrected. I find this a very refreshing attitude. I think we need to get on with the work of today.

Today, it still appears that DYFS needs to sharpen its ability to handle current fiscal matters so as to promote smooth service delivery. I would like to cite

one or two examples. In New Jersey, a large portion of State funds used to match federal Title XX dollars are donated by local communities from public government sources or private resources. In return for this donation, after the State takes off a service charge for processing community money, the State agrees to provide federal match for services in the communities. Donor contracts assure the community that if the money is not used for community service, it will be rolled over in a subsequent contract or returned. Despite questions for at least the last two years, DYFS is still unable to account for unused donor dollars. There is a wide range of estimates as to how much money may be involved. If the State did not use \$10,000 of your community's money, what became of it or the interest on it? Also, what became of the \$30,000 federal dollars your community would have gained, resulting in \$40,000 worth of services?

Two, the Department refers to the fact that it is overmatched for Title XX dollars. Is this a way of saying DYFS has more expenditures which can be claimed for Title XX reimbursement, that it had Title XX dollars appropriated for its use? On the other hand, if the State has more match than is needed, why do they need more community dollars?

Three, Commissioner Klein, in January, through the State Title XX Advisory Committee, which has been called the State Coalition today, stated that of the additional dollars made available to New Jersey money would be provided to permit a five percent increase in non-profit community service agency budgets. This is the first increase to these agencies in three or four years. The new money was not to require community donations to draw down the federal dollars. As of this month, DYFS has no clear policy about how an agency must justify the need for these new funds. They are stating, the federal dollars will require match. This announcement is too late for agencies to get donations from local government donors and too late for most private donors. If the community can not find the additional match, what becomes of the additional Title XX dollars? Does it go into State operations? I can not help but wonder why these types of problems can not be answered more quickly, what with the expensive and rather extensive reorganization of the central staff.

The question of audits has been discussed at some length today and I still feel that it needs a little further discussion. In a letter to Assemblyman Schuck last fall, OFA reported that in '77-'78 audit costs were up to \$654,000, an average of \$3300 per audit. The average day care contract is about \$156,000. Despite the cost of these audits, they still do not meet the requirements of the Charitable Registration Act. Now, the Charitable Registration Act was passed by the Legislature on the basis that there was a need to account for money that was going into agencies. The requirement for reporting is very similar to the AICPI audit guide. This is the professional guide written by certified public accountants and the guide is specifically addressed to non-profit corporation accounting. It seems to me that this is the process, frankly, that needs to be followed. I realize that the federal auditors only require audits every two years, but the provider agencies need a certified audit for their own protection. Their boards are made up of volunteers. Those boards are held legally responsible if anything goes wrong and a CPA audit is the standard tool of industry and business today. It would make more sense to me to put the money in the agency budget and let the agencies get their own audits that meet all of these standards. I believe that they could get a cheaper, the system would put more money into circulation in your communities and it would help build a sense of community responsibility other than a "let Big Brother do it" attitude.

Five, in the same letter to Assemblyman Schuck, OFA reported that the average cost of care in the community child care center was about \$33.00 per week, while State operated programs average \$107.00 per week. OFA states that part of this higher cost is due to the fact that State operated programs are not fully enrolled. Contrast this with the fact that community programs have waiting lists and if their attendance falls below an 80% aggregate, they are penalized financially. State operated programs do have a priority for serving abused children. With the State reported increase in child abuse, I find it a little hard to understand that these programs can not be fully enrolled. All of these factors give me the uncomfortable feeling that fiscal management, while improved, still does not act as a tool to promote efficient and cost effective service delivery at the community level. You may have been advised that HEW has just finished an audit of the program implementation and management of DYFS in relation to child care. It might be interesting for you people to review the result of this in terms of your consideration here. Certainly, the child care community is anxious to see the report, as we believe it will help in the performance at the community level.

We've talked a lot about protective services and the needs of caseworkers in DYFS. There is no question that there is an increased need in child abuse. However, I don't believe there will ever be enough public funds or private funds to provide the number of caseworkers needed to really do the job that is involved in protective services. Other states are beginning to explore and implement systems of volunteer family advocates. These people are trained by state staff as intervenors in child abuse and that person is assigned to a particular family. One of the things they are finding is very successful in this is that that person is available on a 24 hour basis without having to get paid. If the mother in the situation of child abuse is in trouble at eleven o'clock at night, she can pick up the phone and call a volunteer. It is very difficult for her to get through to a state employee. I'm not suggesting that we replace the DYFS staff. I think they are essential and they should be used for the supervision in these cases. We need to explore, more carefully, ways of using volunteers and community resources to meet the needs of these families.

You've heard a great deal about 4-C today. I believe it is an integral part of a community attempt to link up resources and to develop service capacity. When communities have total human service delivery systems, of which the child care system will be an element, or until they have this, I believe it is important to allow 4-C groups to continue to operate as long as they are meeting the needs of their community. To deny community initiative in child care areas is, in essence, a statement against community leadership and the development of all human service programs. I think we must remember, despite the efforts of the state organization and with regionalization and the district offices, still it is up to those of us living in communities to be more aware of our own needs and to help find solutions to them.

While I've spoken mainly about the issues around child care, all of these issues in terms of contracting, the increase in money, etc. are applicable to other purchase of services for human services throughout the State and I think it is important to remember this in terms of our total deliberations. I'm not just talking about child care.

In terms of the audit, I would like to go back to a few comments that were made. We've had an explanation of what has been in a year of transition. I'd like to talk a little bit about what is right now. Programs who are now recontracting, beginning May 1, had audits for their previous year, which took place during summer months, generally, last summer. Most of them have just received the result of those

audits, which were purchased from outside firms. It is a little late for those audits to be any use to them in planning for the next year. I think, also, in business sense it is normal for business corporations to hire their own auditors and to have them do certified reports for them, on which they make recommendations to the organization. I see no reason why service agencies should not be treated in the same way. In addition to the audit that is done, there is something called contract compliance audit. This means that in addition to the audit for the past year, every three months, the contract compliance unit of DYFS is coming into an agency and doing a three month audit, essentially. They're doing the same paperwork, drawing out the same receipts, expenses and everything else that was done in an annual audit. Now, if this is an agency in which the annual audit purchased from the outside firm showed some judgement loss or incapacity in the agency, then I think it is justified to have someone in there every three months from the Contract Compliance Unit. But, I do feel that that is not essential if an audit is good.

The other thing that should be remembered is that DYFS receives a monthly expense report from every single agency. Certainly, if they are looking at those reports, they should be quickly able to determine that something is wrong. They know what the total contract is, what the average monthly expenses should be and by looking at that monthly report they should be able to determine that they need to send someone in. Thank you for the opportunity to speak today.

SENATOR DODD: Well, for someone who wasn't used to the procedures here, you didn't do badly at all. I do appreciate your staying with us as long as you did and making your presentation today. I would ask that you supply the Committee with a copy. Is that something that can be reproduced or do you want--

MS. CHRISTOPHER: No, I will do that.

SENATOR DODD: I'm particularly interested that you do this as soon as possible and that is to highlight the six or seven points that you made so that we can react to it and perhaps get a response from the Division regarding some if not all of those points. I think you've raised some good questions and I think they will be worthwhile answering.

MS. CHRISTOPHER: And I will attach to that the letter addressed to Assemblyman Schuck from OFA because that does raise some other issues that I have not raised today.

SENATOR SCARDINO: I have a copy of that letter, but it might be wise if you did that too because I think it would be helpful for the other members of the Committee. Thank you very much Pam.

MS. CHRISTOPHER: Thank you.

SENATOR SCARDINO: I understand there is one more person who would like to testify here today. Phillip Somogyi?

PHILLIP SOMOGYI: My name is Phillip Somogyi and I'm a social worker from the Middlesex District Office in New Brunswick. I came here today because I felt that because of this meeting here today that there would be a lot of people speaking from an administrative level and I thought that perhaps your Committee would be concerned about what was happening in the field and I basically came here if you had any questions regarding the impact of the changes of the Agency on the workers in the field. But, before there are any questions, if there are, I would just bring up a few things that I was concerned about that I heard earlier today.

The first is concerning the caseloads. I can't speak for every district office, but I know for a fact that in our district office caseloads have been climbing

over the last year or so and in fact, mine is now approaching 60 cases and that is not rare for my office. There are a number of people with large caseloads.

The other thing I was quite concerned about was the question of morale. Someone said that there was an upswing in morale and I see in our office a downswing. I think part of that has to do with the fact we see our caseloads growing and as someone pointed out before, we're sort of in a "Catch 22". They continue to grow and we can't get out of it. We seem to be overwhelmed, at least I seem to be overwhelmed at times because of that. More than just the size of the caseload, I think it is the question of paperwork, the fact that when one is out in the field, when one is doing the work he is supposed to be doing in terms of caring for children, and then you come in to be faced with mountains of paperwork that again seem to be growing and not diminishing. I think because of those two things, the overwhelming caseload and the paperwork, there is a demoralizing situation with the caseworkers at least. That is all I have to say.

SENATOR SCARDINO: Phillip, I appreciate your taking the time to come here today and express your point of view. You do know that we're going to be continuing these hearings on Thursday and I expect at that time there will be other people, some of your colleagues, if you will, who will be here and will probably address themselves pretty much to the same issues that you just have. I think it is good that you took the time to tell us that you don't see any real significant changes and of course you qualified that by saying that there obviously have been some changes in terms of the caseload component. You are up to 60 now, you say?

MR. SOMOGYI: Yes.

SENATOR SCARDINO: I think and I hope that we can get more involved in that on Thursday so that this Committee can get a better feeling for what's happening at the local level and what the life of the caseworker and social worker is in this case in their dealings with the clients. For example, one question that comes to my mind after all of this is, is this whole business of child welfare, for example, just to pull that out, is it just a nine to five emphasis, and yet that's what I felt here today. Do you have crisis periods? I really would like to get a better feel for that and understand that a little bit more and know what this relationship is between the client and the caseworker, and what's your sense of accomplishment. You know, you've really got to feel satisfied with yourself and the job that you're doing and I guess there's no better way to get satisfaction than to feel that you're doing something worthwhile and that you are really helping the person that you are dealing with and what you are up against when you are out there and what are your obstacles and your frustrations, besides the fact that you have too many clients to deal with in the first place. We know that, but I know we really can't get involved in that as much as I would like, but even if we could just touch on it and highlight it, because it becomes part of the transcript and I can assure you that in the future the staff of the Committee will go through that transcript and pull out many of the highlights and points that are being made as a result of these hearings and follow up on those, to find out how the Division or the Department has addressed itself to it, to those problems. Again, I do appreciate your coming here today and I hope to hear from more people in a similar capacity on Thursday.

I have a motion here to adjourn and I'm not going to argue with it. I do appreciate everyone's presence here today and I will see you on Thursday. My thanks to these great stenographers, as usual. Thank you.

(hearing adjourned)

11/1/77

STATEMENT TO INSTITUTIONS, HEALTH AND WELFARE COMMITTEE

My name is Kay Gellert. I am Executive Director of the Dr. David Goldberg Child Care Center in Westwood. Last year I was elected President of the 4C Council of Bergen County.

I want to express to you the distress of my community at the thought that our 4C might not be funded after June 30th. Without Bergen 4C, the parents and children of the County who need day care, health care, or advice on where to turn for other kinds of help, will be without such services.

I remember a few years ago that the Wechsler report suggested that DYFS could do the work of 4Cs. But how can that be, when the main job of each community's 4Cs is to ascertain and meet local needs as expressed by children and families? When, where and how could folks in Trenton know what folks in Hackensack need?

As a Center Director, long before I became 4Cs president, I blessed the day we founded 4C. Before we had a 4C in Bergen County, all we could say was "I'm sorry; no room" to the calls we got from parents needing service. Now we can say "Call 489 0990 - That's 4C" --- and parents will find 4C ready with names of Family Day Care Homes or any Centers with vacancies.

We in Bergen would be devastated to lose our 4C; I cant imagine the County without it. As for the rest of the State, Mrs. Mary Landau, Chair of the State 4C Directors Committee, can tell you more.

Mrs. Hal Gellert, 246 Woodfield Road, Washington Township
1X Westwood P.O. - New Jersey

MARCH 15, 1975

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BURLINGTON COUNTY TITLE XX (SOCIAL SERVICES) COALITION

C/O BURLINGTON COUNTY HEALTH DEPARTMENT
WOODLANE ROAD
MOUNT HOLLY, NEW JERSEY 08060
267-4999

Testimony before the New Jersey Senate Institutions, Health and Welfare Committee on Monday, March 19, 1979.

Presented by: Ray Storck

POOR COORDINATION

Prior to the Wexler Report, there was little or no program or fiscal control. Since then, the fiscal controls have grown and grown. Many titles and departments seem to do the same thing and it is very difficult to get timely answers. One Center had three audits within two months. The program director and the auditors didn't know why all these audits were required. Some auditors, when questioned about why they were there, said they didn't know. Programs now have - from DYFS - 1) pre-award audit visit; 2) pre-audit survey visit; and 3) regular audit. When those persons doing these audits were asked which they had come to carry out, they usually answered "an audit", not knowing which one they were there to do. All of this is in addition to HEW audits and DYFS client audits, annually. It has been most confusing and trying for a program. This adds a lot of work to a program administrator and takes an extreme amount of time to manage all these extra people.

AUDITS

Prior to the Wexler Report, each program had an audit, paid through its program budget at, usually, a reasonable fee. The policy for the past two years is that DYFS furnishes the audit. It has hired large, well-known auditing firms at great expense to do these audits. These firms often sent young, inexperienced auditors who did not know much about what they were to do.

In addition, these audits according to DYFS audit guide, did not meet the requirements of the Charitable Registrations Act - therefore, the programs have had to have a second audit at the program's expense. This seems a waste of money. Some programs have compared costs and found that they could provide their own audit at less expense.

TOO MANY DYFS PERSONNEL RELATING TO PROGRAM

Prior to the Wexler Report, a program had one field coordinator to relate to. Now each program has two DYFS staff persons - a field coordinator and a fiscal control person. The field coordinator seems unnecessary since program questions usually relate to budgeting and fiscal matters. There are also a lot of incompetent field coordinators. This needs tightening.

POLICY

There have been requests for many years that DYFS develop an overall policy for its programs. Still there is no overall, well thought through policy. Since the Wexler Report, DYFS has begun putting out written policies. To date, almost all that have come out were policies that were not well thought out as far as specifics and the results after implementation, consequently programs would respond to DYFS about their concerns and some of the results if the policies were implemented. In most cases there were retractions of these policies. This seems fruitless. There needs to be a mechanism for program response to help in policy formation to identify trouble spots and problems before becoming firm policy. There is one exception - the Policy Development Board for the Day Care Community. All programs need this type of response and helping system for policy development. Possibly the Title XX Coalitions - both state and county - could serve in this capacity.

Another source of discontent for Burlington County Title XX agencies is the fact that the state takes 12% of the local match in cash for administrative cost and most agencies feel that they are not receiving competent services in return for this money.

Also, some agencies complained that DYFS has changed its policies in the past without informing the agencies that must abide by these policies.

Agencies are also demoralized by the fact that DYFS demands the same level of service as five years ago at the same cost. To be sure, agencies are not given a cost of living increase and these agencies can not afford to give its employees raises (DYFS employees, however, funded under Title XX are given their automatic salary and benefit increases under the civil service blanket).

Finally, the Burlington County Title XX Coalition strongly objects to the extreme disproportionate distribution of Title XX funds to the 21 counties. The state average per capita expenditure is \$5.45, and ranges from a low of \$1.08 (Burlington County) to a high of \$11.94 (Mercer County). This amounts to over a 1,000% difference between counties! (See attached.)

C/O BURLINGTON COUNTY HEALTH DEPARTMENT
 WOODLANE ROAD
 MOUNT HOLLY, NEW JERSEY 08060
 267-4999

NEW JERSEY TITLE XX CONTRACTS

<u>County</u>	<u>Population*</u>	<u>Dollars/ Capita</u>	<u>Total Amount Federal Share</u>
Atlantic	179,705	\$ 6.60	\$1,185,521.00
Bergen	911,795	2.86	2,604,382.00
Burlington	326,770	1.08	354,710.00
Camden	487,310	8.46	4,121,987.00
Cape May	64,295	3.06	196,905.00
Cumberland	129,070	7.96	1,027,795.00
Essex	931,525	9.75	9,081,735.00
Gloucester	183,810	3.58	657,219.00
Hudson	611,105	5.45	3,333,142.00
Hunterdon	74,475	5.34	397,607.00
Mercer	320,900	11.94	3,832,131.00
Middlesex	610,255	2.56	1,562,483.00
Monmouth	480,600	1.48	710,991.00
Morris	405,345	3.36	1,360,801.00
Ocean	259,120	2.88	747,565.00
Passaic	472,760	7.48	3,536,203.00
Salem	63,730	3.51	223,550.00
Somerset	206,495	5.28	1,090,110.00
Sussex	86,425	5.12	442,605.00

Union	551,120	6.66	3,673,115.00
Warren	<u>77,310</u>	<u>5.29</u>	<u>408,979.00</u>
State Total	7,433,920	Avg. \$5.45	\$40,549,536.00

*Statistics Released by Dept. of Labor & Industry in 1975

Jh

February 9, 1979

March 22, 1979

TO: Senator A. Scardino, Jr., Chairman

FROM: Mrs. Pamela C. Christopher
10 E. Riding Drive, Cherry Hill, N.J. 08003 (Camden County)

SUBJECT: ADDITIONAL COMMENTS FOR THE SENATE INSTITUTIONS, HEALTH,
AND WELFARE COMMITTEE HEARINGS ON DYFS REORGANIZATION

In view of some of the points discussed by DYFS in the Tuesday hearing and some of the subsequent discussion, I would like to submit some additional comments on issues I addressed previously, as well as to provide input on other issues raised in the hearings.

1. Audits and Accountability -- One of the reasons for service agency return of funds from previous years is that the State has strict guidelines for how money can be spent. Service agencies must provide a detailed budget and cannot deviate from it except in very narrow patterns. There is no flexibility to meet emergencies--if a door is broken in during the winter, a request to spend Title XX money to replace it must follow the normal paperwork process for budget modification. Discussion on this problem was initiated at least as early as the first half of 1978. Central fiscal has indicated that they recognize this problem¹ and intend to deal with it -- but there is still no policy in the hands of providers nor has the Policy Board seen a written draft of such a policy. Why does it take so long to respond to these types of problems which deserve a quick response and should be relatively simple to correct?

From my experience with the community, they have no problem with accountability; they endorse it; but the same standards which apply to community service should apply to DYFS.

DYFS would like to conduct bi-annual audits according to their own standards (they are doing this now, annually). The Charitable

¹Mr. Callahan and staff at Policy Development Board meeting, Jan.11,1979

2. Policy Over-kill -- There may be a problem on this, but, to me, the real problem is that the system for initiating and coordinating policy issuance and distribution is not in place. Policies can be distributed from Fiscal or Program Support. This system promotes inconsistency.

Policies can be initiated by any unit; but one unit should be given responsibility to review all content for consistency over different areas, assure maximum service delivery, and distribute such policy to all who are involved in the policy area. We have had instances where policy was distributed out of Fiscal to service agencies who then had to give it to Regional staff, the ones responsible for implementation.

Part of the confusion over responsibility to issue policy may be in an interpretation of the Wechsler report which permits the Fiscal Director to report directly to the Department of Human Services without going through the DYFS Director. I understood this recommendation was intended to protect fiscal integrity; I do not believe that it implied a direct downward thrust without coordination with program units.

I repeat, fiscal policy is to provide adequate controls but is also to be designed to promote quality service delivery; not impede it. You have heard a good deal about the administrative overload which impedes casework. Are we going to do the same thing with service agencies?

3. Training -- Funds for this purpose come out of a different Title XX pocket. Title XX training funds do not have a Federal ceiling, although one is under consideration. Title XX direct service funds do have a ceiling and require distribution according to population. A good portion of funding for 4-C groups could and should be switched over to Training, thereby freeing up service funds. If this is done, freed up

Registrations requirement for an annual audit is a law of New Jersey. The issue then becomes one of equal compliance -- why should departments of government be permitted different standards than any other organizations.

United Ways recognize the AICPA (American Institute of Certified Public Accountants) Guide to Auditing Non-Profit Corporations as the professional guide for this purpose. This guide also addresses accountability for a unit cost of a particular service, and its requirements are very similar to those of the Charitable Registrations Law. In view of this nationally recognized standard and our State law, why does DYFS need to re-invent the wheel?

In addition to annual audits, DYFS currently has a Contract Compliance Unit which, while located in Regions, I believe reports directly to central staff. This unit was to check to be sure that service agencies are determining eligibility properly and to determine if level of service (LOS) is up to the right aggregate (different LOS applies to different service categories). In addition to this, they are following almost the same audit procedure for three month periods as for the 12 month post audit. This seems to me to be a duplicate effort unless an agency has been cited in the last 12-month post audit for poor management practices. If indiscretions found in such an annual audit do not warrant cancellation of a contract, then it would seem appropriate for Contract Compliance to maintain close supervision for the next contract year. Reports from Contract Compliance should be submitted in writing to the agency as well as DYFS. Such extended review should not be allowed to drag on for two or three years.

service money should be used in a way which will buy the most direct service for the dollars.

Current drafts of HEW revised regulation place a greater emphasis on in-service training which meets specific provider needs rather than college related training. If these proposed regulations go into effect, 4-Cs are a natural channel for such training.

I believe the existing Regional Training units report directly to central. If we are serious about regionalization, why this? Regions should be expected to address their own unique training needs and be flexible to meet needs as they arise, to emphasize training at the community service level, and should be expected to contract with recognized authorities for training in specific service component areas. There is no way a small State and regional training staff should be permitted to serve as training experts in all program components -- no one can have all these skills; that's why we have different departments in education!

It would be interesting to review training costs based on four categories -- training money spent for:

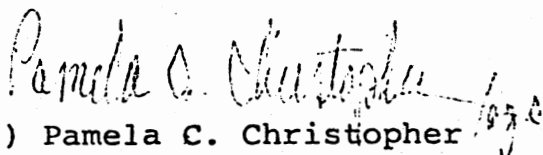
1. DYFS staff in basic operational procedures of DYFS.
2. Career advancement of DYFS workers.
3. Staff of State operated service programs.
4. In-service or college training of community service agency staff (community agencies are expected to hire staff with "entry level skills", a term for which I have no clear definition).

4. Title XX Planning Process -- This system is under direct control of the Commissioner's staff, but has direct effect on DYFS operation. A review of this process provides a better understanding of the system within which DYFS must operate.

Under Federal Title XX Regulation, the plan which must be developed for use of this money requires opportunity for input from consumers and providers of service. The regulations are vague on whether such input must be an integral part of the decision-making process.

To provide for this input, there is a State Title XX Advisory Board which operates out of a sub-committee system structured around substantive areas. Title XX Coalitions at the Regional and County level are linked in to this Advisory Board.

The effectiveness of this system needs to be reviewed from various levels which are involved in this system. There seems to be some unrest with the process.


(Mrs.) Pamela C. Christopher

Senator Scardino and Members of the Committee, thank you for this opportunity to share in a review of DYFS' progress since the Wechsler Report.

I am speaking to you today as an individual not representing any organization. My involvement in child care over the last 10 years is as an advocate for services to children and families. I am a volunteer, and as such have served as staff, board member, fund raiser, and member of advisory committees at the community and State level. I am currently a member of Camden County's United Way Board and serve as their representative on the Advisory Board of the Camden County Office for Children, a Title XX funded office which provides coordination for our County's day care funding consortium of the County, Camden City and United Way. This office coordinates services such as health screening and in-service training ⁽¹⁾ for child care programs, services which can be provided more efficiently and economically by a centralized local agency which is familiar with local resources and has a sense of how to coordinate these resources.

My own educational background is a degree in business administration, and my employment experience in corporate industrial and labor relations.

When the Wechsler Report was released, I read the main volume with great interest. I had, for some time, been unable to understand why DYFS was unable to operate in a more business-like manner. The Wechsler Report explained all that! It is unfortunate that Mr. Wechsler did not have the opportunity to interview community service agencies. I think it would have

(1) The proposed revision for Federal Title XX regulations includes an emphasis on in-service training rather than college related courses.

Page Two

provided some additional insight into the problems of DYFS, and would have had the added benefit of giving the private, non-profit service community a better understanding of Mr. Wechsler's efforts, rather than to have his work interpreted to community through an intermediary.

Mr. Wechsler's recommendations were intended to improve administration and fiscal management as tools to meet the primary DYFS responsibility of service delivery in communities. Reorganization is another tool.

Now, the question is, have these changes taken place and have they improved services at the local level?

Because service is the real issue, I would like to first address some program developments and then move to other considerations.

The Inter-Departmental Committee - This is an outgrowth of a cooperative effort between community, Department of Human Services - DYFS, and the Department of Education, to get a more comprehensive licensing law for child care in New Jersey. (2) The Community representation was selected from the then active Legislative Committee on Child Care, under Assemblyman Schuck's leadership. It was increasingly apparent that cooperation between the community and the two departments would maximize use of existing resources without increasing costs. Together we sought and received the HEW Region II capacity building grant which is designed to help develop cooperative strategies between departments and the community. I have no doubts that part of the reason of selection of New Jersey over other States in HEW Region II was that we had already voluntarily begun the process. Now in its second year of funding, HEW seems pleased with the progress. Indicators are that we will be continued for a third year.

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- (2) This unsuccessful attempt was to put under licensing services for infant-toddlers and to provide a way for giving credit to those programs who offer better services.

Page Three

While the project is small, we have made progress by creating links to use existing mechanisms and resources to greater benefit; and due to HEW funding, we have been able to develop some new tools such as self evaluation of programs with an external evaluator-monitor (called an "auditor"). At the same time, there has been an increased mutual respect for each other's expertise and responsibilities which can be co-operatively used to increase service potential. The Department of Health has just recently joined this effort because they are excited by its potential.

It is important to remember that the project has developed during a time of DYFS reorganization turmoil, reflected in part by constant change or leaving of DYFS staff. Despite this, DYFS has consistently maintained and strengthened its staff commitment. Their participation demonstrates their increased interest to develop more effective ways of providing programs in cooperation with the community and other departments of government.

The Policy Development Board for Child Care - Within the last year and one half, and based upon dialogue with the child care community, DYFS formed a community board to advise them on sensitive child care policy issues. While it is too early to assess the effectiveness of this process, it is worth noting that DYFS has been willing to involve community in discussions which it is hoped will promote better community service delivery.

Regionalization - This is the only way a State with such divergent socio-economic patterns can be expected to be able to meet the unique needs of individual communities. Only communities can articulate their own needs, and design and implement effective programs. Private funding as well as all federal funding channels and State channels must be part of this. Regionalization should foster community service growth and acceptance of their responsibilities -- not replace it.

Page Four

In my opinion, Southern Regional leadership has already demonstrated a willingness to work with the community to improve service delivery. Day Care directors meet monthly in the Regional offices. Regional leadership is available to meet with providers to solve current issues. Again, in my opinion, the staff of the Regional Business Administrator is well qualified in fiscal matters. It is a pleasure to have personnel who are sensitive to provider problems, capable of offering technical assistance especially in the fiscal area, and at the same time able to carry out their responsibilities to protect State and Federal interests. As far as I am able to determine, ours is the only Region to have developed such a positive working relationship.

Another example of our Region's cooperation with local initiative is their willingness to participate with Senator Errichetti's Task Force on Human Service Delivery in Camden County.

But Regions still have little authority. Despite the fact that we have spent State and Federal dollars to staff Regions, decisions on contracting, auditing, and all fiscal-management matters are made at Central.

Almost 80% of DYFS job positions are paid for with Federal Title XX funds. (3) It would be interesting to know what proportion of these funds can be charged to provision of direct services or administration. In doing this, we need to have a careful definition of what is considered direct services. Non-profit service providers are expected to make this definition. It would be consistent if DYFS presented their budget in the same manner.

Our Southern Regional office does process community service agency contracts promptly. The hold-up appears to be in the re-review process at Central.

(3) Of 3184 DYFS staff positions ²⁵⁵⁷ are paid for with Title XX funds. Information provided through the Title XX Planning Process.

Page Five

It is not at Treasury who generally process payments in 5 days. Contract delays mean service programs do not receive funds on time, resulting in program need to borrow money to meet payrolls. Interest on these loans is not reimbursed by the State, but must be found by the non-profit service program. Why is Regional staff not allowed to enter into contracts with service agencies and carry out the other recommendations? Then DYFS Central could concentrate on monitoring Regional performance.

Fiscal and Administrative Management - Steps have been taken to improve this function. But it is important to remember that this is a tool to enhance program delivery, not an end in itself.

Too much time is being spent wiping up spilt milk of 3 or 4 years ago; it's well soured by now! Yes mistakes of a discretionary nature may have been made by community programs who were trying to learn management skills as well as deliver services. Certainly Mr. Wechsler has pointed out that DYFS had similar growing pains.

People who don't make any mistakes don't do anything! The important thing is to learn from them so it doesn't happen today.

Recently, I sat in on a review of an agency with a mental health contract. Representatives of Mental Health pointed out that, yes, the agency had some management and fiscal problems of a discretionary nature; but said that Mental Health was partially responsible because they had not provided proper written guides or, technical assistance. Mental Health accepted mutual responsibility for past mistakes, now corrected. This situation is analagous to what happened with DYFS. I find the approach of Mental Health a refreshing attitude. Let's get on with today's job.

Today it appears that DYFS still needs to sharpen its ability to handle current fiscal matters so as to promote smooth service delivery. I would

like to cite a few examples:

1. In New Jersey, a large portion of State funds used to match Federal Title XX dollars are "donated" by local communities from local government or private donors. In return for this donation, after taking off a State service charge for processing community money, the State agrees to provide Federal match for services in your communities.

Despite questions for the last two years, DYFS is still unable to account for unused donor dollars. There is a wide range of estimates of the amount of money involved.

If the State did not use \$10,000 of your community's money, what became of it and the interest earned on it? Also, what became of the \$30,000 Federal dollars your community would have received as a result of their donation, resulting in \$40,000 of services to your community?

2. The Department refers to the fact that they are "over-matched" for Title XX dollars. Is this a way of saying DYFS has more expenditures which can be claimed for Title XX reimbursement than it had Title XX dollars appropriated for its use? On the other hand, if the State has more match than is needed, why do they need additional community donations?

3. Commissioner Klein, in January, through the State Title XX Advisory Committee, stated that of the additional Title XX dollars made available to New Jersey, money would be provided to permit a 5% increase in non-profit community service agencies' budgets. This is the first increase to these agencies in 3 or 4 years. The new money was not to require community match for this year and the next. ⁽⁴⁾

(4) Title XX State Advisory Meeting, January 18, 1978.

Page Seven

As of this month, DYFS has no clear policy about how they will determine if the service agency has justified the need for this increase, and DYFS is now saying that the money will require match. DYFS also advises that they may not be able to provide the 5% increase on the State share in community day care. This announcement is too late for agencies to get donations from local governments, and too late for most private donors.

If the community cannot find the additional match, what will happen to the additional Title XX allocation? Will it go into State operations?

I cannot help wonder why these types of questions cannot be answered more quickly, what with the extensive and expensive reorganization of Central staff.

4. Audits are now conducted under DYFS contract to major independent audit firms. It is not uncommon for these audit results to finally reach provider agencies 6 months after completion of their contract year. Too late for any recommendations to be useful in planning for the next year.

In a letter to Assemblyman Schuck, in the Fall of 1978, OFA reports that 1977-78 audits cost DYFS \$654,000, an average of \$3,300. The average child care budget does not exceed \$156,000.

Despite the cost of these audits, they do not meet the requirements of the New Jersey charitable Registration Act nor have they been CPA certified. The Charitable Registration Act Requirements are in essence those of the AICPA (American Institute of Certified Public Accountants) Guide for Audits of non profit corporations.⁽⁵⁾ If the DYFS audit

(5) Resource person: Mr. F.N. Swenson, Dept. of Law & Public Safety, Div. of Consumer Affairs, Charities Registration Section, 1100 Raymond Blvd., Room 333, Newark, N.J. 07102 (201-648-4002).

does not meet the requirements for Charitable Registration nor is a CPA audit, it does not meet the needs of the non-profit corporation. Boards of these agencies are volunteers who are legally responsible for the operation of their agency.

Business corporations contract for their own audits based upon all the requirements which effect them. Because these audits are conducted under CPA standards, there is no question about their integrity. After all, the auditor's professional certification is at stake.

It would make more sense to me to put the money now being used for audits into service agency budgets and let the agency get an audit which meets all standards. The agency should certainly be able to get it cheaper, the system would put more money into circulation in your communities, and it would help build a community sense of responsibility rather than a "let big brother do it" attitude.

5. OFA also reported that the average cost of care in a community child care center was about \$33 a week, while State operated programs average \$107 a week. OFA states that part of this higher cost is due to the fact that State operated programs are not fully enrolled. Contrast this with the fact that community programs have waiting lists; and if attendance falls below 80% aggregate they are penalized financially.

State operated programs serve abused children. With the State reported increase in child abuse, it is hard for me to believe that State programs cannot be fully enrolled.

All of these factors give me the uncomfortable feeling that fiscal management, while improved, still does not act as a tool to promote efficient and cost effective service delivery at the community level.

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Other Information - You are probably aware of the fact that HEW has just completed an audit of child care implementation and management in New Jersey. You may want to review this document as part of your deliberations. Certainly the child care community is anxious to see it as they believe it will help them improve performance.

Community Rights and Responsibilities - I believe that communities that desire to do so should be encouraged to assess human service needs, design and implement programs, and augment or coordinate services to meet the unique needs of their community. 4-C type groups do this for child care.

Welfare and DYFS have mandates to serve our poorest and/or abusive families. These families need an agency concerned with their special needs.

But Title XX is also meant to serve your constituents who are among the working poor, or in job training. This group also deserves special consideration -- service to them is preventive.

4-C's are expected to act in behalf of all these groups. They represent community action to link up and maximize use of existing local resources.

DYFS Regional Offices have a responsibility to coordinate a whole region of several counties; they cannot be expected to be familiar with the special features of each individual community, nor to link up local resources in a positive way. This requires community action, in a cooperative spirit. Until communities have a total human service delivery system, of which child care will be a big element, it is important to allow 4-C's to continue as long as they are meeting the needs of their individual community.

To deny community initiative in child care is, in essence, a statement against community leadership in the development of all human service programs.

In Policy Board discussions with DYFS, they have indicated that they are reluctant to continue funding 4-C's because they consider them "soft services";

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and in light of the fact that they must cut units of service in their District Offices, they cannot feel comfortable with 4-C continuation.

I do not accept this. DYFS has received annual funding increases from all funding channels; yet they are cutting services. Community service agencies have generally maintained their level of service despite the fact that they have been funded at the same level for 3 or 4 years. This year they may have to cut back if increases are not forthcoming.

It seems to me that we need to look at these differences as part of determining the most effective way to deliver community services.

Our Camden County Office for Children is a 4-C type group. Our community has a major commitment to child care because we believe it is a preventive service which goes a long way toward helping families stay as an independent sustaining unit and ultimately to providing maximum opportunities for children. The Office for Children is an integral part of our commitment. Direct services designed to meet the specific needs of community locales can best be provided by a community-based service group, which involves the community in its decision making process (similar to Education's T&E process). Support services such as health screening and in-service training can best be provided by a local coordinating agency which knows the unique needs and strengths of its community.

Our Office has a total budget of \$64,000 which represents about 4% of the total money generated by our County-City-United Way consortium. This is only 3% of the total budgets for Title XX child care programs for which the office provides services. (This does not include the budget of the State operated center).

I have spoken mainly about child care, but the issues apply to all community services funded under Title XX. This point came through loud and clear

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last Fall in the community conducted hearings held here. Because I also interface with other types of children's services, such as foster care and juveniles under supervision, I am aware of problems existing in these areas. I assume people from these service categories will appear here during your Thursday session.

Again, thank you for this opportunity.

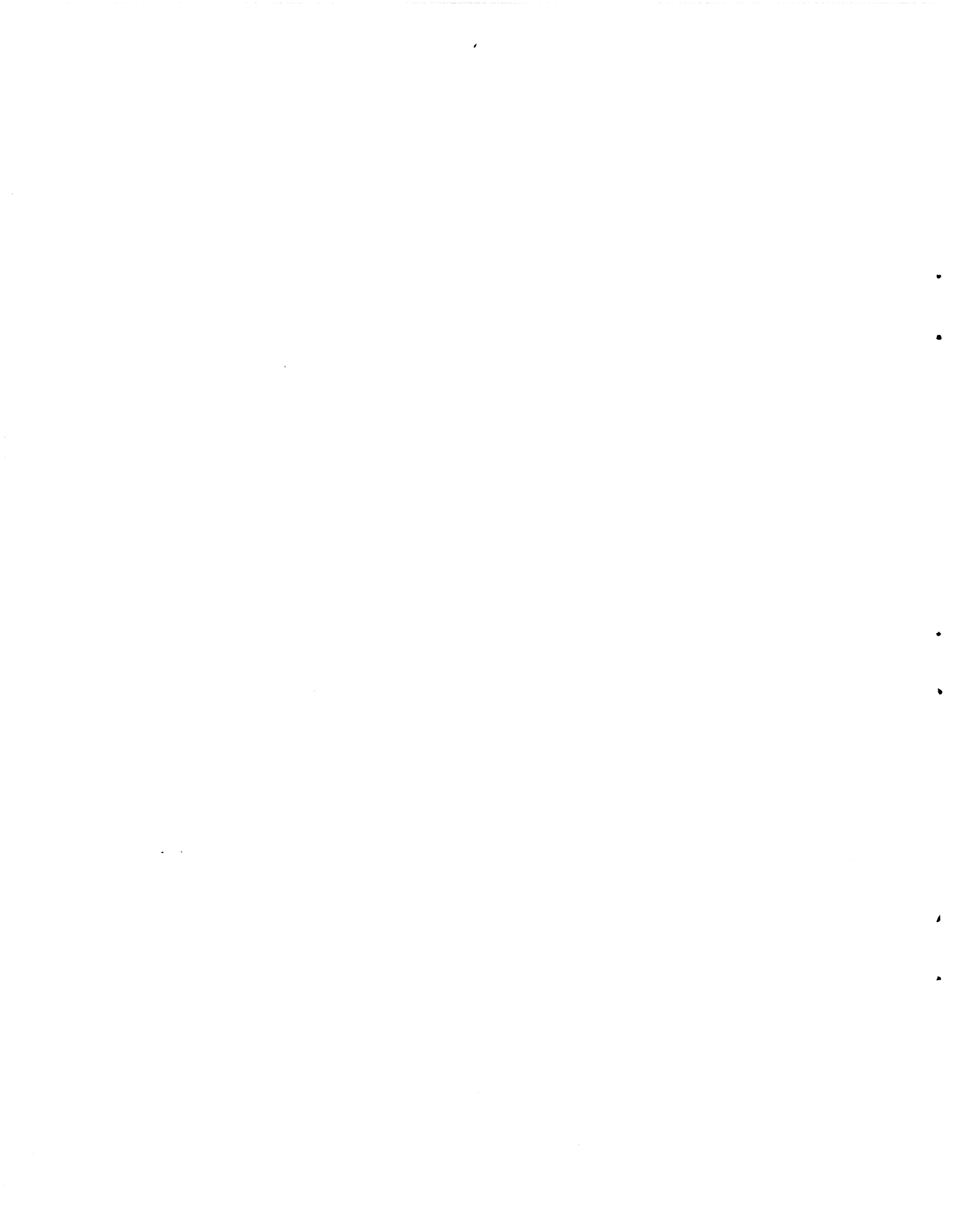
ADDENDUM

Caseworkers for Protective Service

I was particularly interested in the testimony on social workers. There is in my opinion, no way we will ever have sufficient caseworkers to meet the needs of PRS children. We need to look at other creative ways of using staff and volunteers to meet these needs. Other states are developing volunteer corps to work under the supervision of qualified social workers. A volunteer is then assigned to an abusive family as a family "friend" and is trained to develop a positive working relationship with the family. The volunteer can be available at odd hours of the day, late at night when there is a crisis or the mother needs someone to talk to. Results of these pilots have been positive in reports I've seen. •

This is not to say we should do away with existing social worker spaces. They will most certainly be needed, but they could be used more creatively in conjunction with a volunteer program.

It does not seem to me to be possible to get to a fine definition of the caseworker job, as was being described. Human beings, especially ones in trouble, do not fit into neat little slots to which a unit of service can be measured. What does seem possible is to revise paper work to make a single form work for more than one purpose. If this "is being worked on", it should be able to be completed quickly. Involving people who use the forms in the development of new forms would undoubtedly expedite the process. It has been my experience with day care forms that revision done by people removed from use of the form does not result in a simplified consolidated system. This type of cooperative process has the added benefit of developing a better sense of team and, hence, improving morale.



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