

CURRENT SYSTEM IS NEITHER SAFE NOR SOUND

TIME TO RETHINK THE WAY WE SPEND MONEY FOR CHILDREN'S PROGRAMS

WHAT DOES THE DEATH OF Philadelphia Safe and Sound mean for the children of the city?

After all, this \$75 million organization, charged with administration and oversight of prevention services, especially for dropout and truancy programs, served 26,000 children. It also provided research and program evaluation.

PSS was a favored child of Mayor John Street, who, from 2000 to 2007, increased its budget from \$3.3 million to \$75 million.

Soon after Mayor Nutter took office, he ordered a report on its operations. Released last week, the report found lax financial controls, and lapses in the way Safe and Sound paid and managed contracts. The organization disputed many of the findings, but on Wednesday announced that it would close.

The mayor says that his pick for an organization to take over PSS services will be subject to a bidding process. He expects a smooth transition. That's what has us worried.

PSS was one of a handful of organizations that acted as fiscal intermediaries for the city. And the lessons in its death have little to do with the organization itself, and more to do with the larger screwed-up structure of which it was a part - one that has made nonprofit groups wholly-owned subsidiaries of the city to provide services, with no accountability, transparency or responsibility to taxpayers.

It's a byzantine system that has been set up in part to deal with the staggering amount of federal, state and city dollars devoted to children. According to PSS's Children's budget, more than \$5 billion in federal, state and city money goes to the city's children - including health care, education, child welfare and behavioral-health services.

No single department administers this money, nor is there a single efficient way of seeing that it's well spent. And the Department of Human Services, DHS, the city agency that manages a huge part of that money, is deeply troubled.

So, for decades the city, rather than do the hard work of fixing systemic problems, bypassed them by creating fiscal intermediaries to disperse some of this money to the smaller nonprofit organizations that provide actual services for children. There is little oversight or accountability. And the bidding process has been exempt from ethics reforms.

Mayor Nutter should see the end of Safe and Sound as an opportunity to stop and take a hard look at the system itself.

A report released last month from the Fels Institute of Government at Penn actually provides a working blueprint for reforming this system.

The report examined youth services in the city, including out-of-school-time programs, prevention efforts and youth-development programs. It found a patchwork of networks and clusters of programs, often disconnected and difficult to evaluate.

The report claims that city government's role in setting youth policy and providing clear and visible direction has eroded, and its policy-setting has been transferred to intermediary organizations that operate as independent entities. The report calls for the city and the school district to work together to build a better structure for youth services. It identifies a handful of cities that have begun to do just that.

Staggering amounts of money, run by systems that disperse that money to hundreds of smaller organizations with little or no accountability or transparency. That's bad enough. Consider that all of this is supposed to be for the well-being of children, and we've got a recipe for disaster.

Mayor Nutter has a great opportunity to reform this. We hope he takes it on. *

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