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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D C 20548

RESOURCES AND ECONOMIC
DEVELOPMENT DIVISION

DEC 11 1972

Dear Mr Hyde

The General Accounting Office has completed a review of certain aspects of the administration of the Model Cities Program in Boston, Massachusetts

This work was performed at the headquarters of the Department of Housing and Urban Development (HUD), at the Regional Offices of HUD, Department of Health, Education, and Welfare (HEW), Office of Economic Opportunity (OEO), and Department of Labor in Boston, Massachusetts, and at the Boston City Demonstration Agency (CDA) Also, during this review, we obtained data and interviewed officials at the Massachusetts Department of Community Affairs

On August 25, 1971, we reported to you on weaknesses we noted in the Boston Model Cities Program relative to the lack of action on the part of CDA to collect funds from State agencies and private organizations that were responsible for providing health care to eligible model neighborhood residents We followed-up on this matter and found that HUD has provided the Boston CDA with certain information concerning these sources of financial assistance However, as of November 8, 1972, a HUD official informed us that the Boston CDA had not collected any funds from State agencies and private organizations for health care provided to eligible model neighborhood residents

Our subsequent review efforts of the Boston Model Cities Program showed (1) weaknesses in coordination between CDA and other agencies (Federal, State, and local) involved in the health care component of the Model Cities Program, and (2) a lack of effort on the part of HUD and CDA to get Federal, State, and/or local agencies to assume future program responsibilities, including the funding of Model Cities projects and activities that should be continued after the Model Cities Program is completed and related HUD supplemental funding is no longer available to the cities Details of these findings are presented below

NEED FOR COORDINATION BETWEEN CDA AND
FEDERAL, STATE, AND LOCAL AGENCIES

CDA stated in its 5-year comprehensive Model Cities plan--which was submitted to HUD in October 1968 and approved in January 1969--that

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a major obstacle to effective health care planning in Boston was the existence of numerous organizations established to provide health care services

A city directory of the Boston Community Health Centers, dated May 1971, showed that 27 health care centers--excluding hospitals--were operating in Boston. Seven health centers, including three family life centers that were established under the Model Cities Program, were located in the model neighborhood. Three other centers--located near the model neighborhood area--also treated model neighborhood residents and provided similar medical care and services.

CDA reported to HUD in 1968 that seven hospitals, in addition to the three health care centers, were located in or near the model neighborhood and served model neighborhood residents but there was no single planning agency or authority which had the responsibility to coordinate the various health care programs. CDA further reported that there were deficiencies in the quality and type of health care because of the lack of coordination between the agencies operating health care facilities in or near the model neighborhood. Therefore, CDA, under the health component of its Model Cities Program, implemented a project to

- coordinate and integrate existing health programs and services, and

- establish three family life centers in areas of the model neighborhood where health care was not available to the residents

About \$2.3 million, or 15 percent, of CDA's first and second "action" year budgets was to be spent on the family life centers.

In December 1968, after reviewing CDA's first action year plan, HEW officials advised HUD that the proposed family life centers would be a duplication of existing health care programs. These officials said CDA gave little consideration to coordinating the Model Cities Program with existing health care programs, and obtaining assistance from non-profit and voluntary agencies.

In discussing these matters with CDA officials, we were told that the health care needs of the model neighborhood residents far exceeded the available resources. CDA officials added that although the health care services offered under other programs paralleled those of the family life centers, a comprehensive range of services was not available under the other programs.

In June 1970, HEW, in commenting on the health care component of Boston's second action year plan, stated that CDA and the city Department

of Health--which is responsible for the operation of several health care facilities throughout the city--had not been responsive to HEW's requests for coordination of the health care programs. In August 1970, despite HEW's comments, the CDA, with HUD's approval, established a family life center in one of Boston's six model neighborhood areas. Two other centers were opened in early 1971 to provide health care services to residents of two other areas of the model neighborhood.

HEW, in May 1971, after reviewing the third action year plan, once again stressed the need for coordination between the agencies involved in or associated with the health care program in the city of Boston. HEW officials stated that because HUD provided supplemental funds to CDA for the health care component of its program, CDA did not have to cooperate or coordinate its program with the local, State, and Federal agencies. As a result, HEW officials said that an effective interagency partnership, to help solve the health care problems of the residents of the model neighborhood areas, was not established.

In May 1971, the need for coordination of health care programs and services in Boston was discussed in a meeting of the Federal agencies involved in the Model Cities Program. At that meeting, HEW officials again said that significant improvements in Boston's health care system could be achieved if coordination of Federal health care programs was established. At this meeting, a resolution calling for a coordinated health care plan was unanimously adopted by representatives of the Federal agencies. Under this resolution, participating Federal agencies were to consult with the HEW Regional Director in Boston before approving any new programs or providing funds for health care and services in the city.

Officials of HEW and HUD advised us that the coordinated health plan was intended to include only health facilities established after the resolution was passed in May 1971. In March 1972, about a year after the resolution was passed, an HEW official informed us that a coordinated health plan for Boston still had not been established because of the problems encountered in coordinating the efforts of participating agencies.

HEW, in its review of the Boston Model Cities Program, continuously pointed out coordination weaknesses in the health care component of the program in the city, however, HUD still approved CDA's requests for funds to establish family life centers.

CONCLUSIONS AND RECOMMENDATIONS

Effective utilization of existing programs and resources--Federal, State, and local--is a basic program ingredient essential to attaining the goals of the Model Cities Program. With respect to the health care component of the program in Boston, although repeated objections were

raised by HEW, HUD continued to provide funds for health care projects which in some cases, according to HEW officials, represented a duplication of existing health care programs

We recommend that before any additional HUD supplemental funds are provided to the city for health care projects you determine whether CDA has

--taken appropriate measures to obtain funds from State and local agencies and private organizations responsible for providing health care to eligible model neighborhood residents, and

--established, in line with its first "action" year plan, an effective coordinating mechanism to help integrate ongoing health care projects which have an impact on the extent and quality of care provided to residents of the model neighborhood

MODEL CITIES PROJECTS NOT
TRANSFERRED TO OTHER FEDERAL,
STATE, OR LOCAL AGENCIES

The Model Cities Program, established as a demonstration program, was to show--within a 5-year period--how the living environment of people residing in slum and blighted neighborhoods of cities could be substantially improved. CDAs were to coordinate their programs with existing agencies to help (1) avoid the unnecessary establishment of new or additional agencies and (2) insure that those Model Cities projects or activities that prove to be beneficial will be administered, in future years, by Federal, State, and/or local agencies. In this regard, HUD's guidelines to CDAs, dated November 1969, required CDAs to identify in their program plans agencies which would assume program responsibilities and fund Model Cities projects when HUD supplemental funds are no longer available to the cities.

In Boston none of the projects or activities implemented or developed under the Model Cities process, since program inception, had been taken over by other Federal, State, or local agencies.

At the beginning of the third action year, the Boston CDA had 23 projects underway and planned to implement an additional project during the year. Our review of the CDA plan for the third action year showed that CDA listed, as future funding sources, a number of agencies. However, CDA did not, in most cases, obtain any type of commitment (program administration or financial assistance) from the agencies it listed. The CDA Director told us that, in some cases, the agencies listed by CDA were not aware that they had been considered by CDA as future funding sources.

Seven of the Model Cities projects that were included in the third action year plan represented about 53 percent, or \$4.1 million, of the third action year budget. Presented below for these seven projects is a schedule showing the amount of HUD supplemental funds requested by CDA and the future funding source listed by CDA.

| <u>Project</u> | <u>Supplemental funds</u> (in thousands) | <u>Future funding sources</u> |
|---|---|---|
| Family Life Centers | \$1,320 | Boston Department of Health and Hospitals, HEW, and HUD |
| Higher Education | 359 | HEW |
| Assistance to Elderly | 250 | Massachusetts Department of Elderly Affairs |
| Housing Rehabilitation Service | 658 | Boston Housing Inspection Department and HUD |
| City Services | 275 | Boston Housing Inspection Department and Boston Public Works Department |
| Housing Development | 604 | HUD and Department of Labor |
| Evaluation, Data Collection and Information Systems | <u>657</u> | Boston Planning Division |
| Total | <u>\$4,123</u> | |

We discussed with CDA officials their efforts to obtain commitments or agreements from certain agencies to help insure that project activities initiated under the Model Cities Program could be continued in the future by these agencies. CDA officials said the agencies which were shown in their plan and identified as future funding sources were picked on the basis that they supported or administered similar type programs or projects. These officials said that they did not contact these agencies to determine whether they would assume certain responsibilities for administering Model City-originated projects or activities.

Officials of the agencies listed said that CDA representatives did not make any arrangements with them regarding the current or future

administration of the projects. An HEW official added that HEW is precluded by law from providing any financial assistance for the higher education project listed by CDA because the Model Cities operating agency was not an independent institution.

CONCLUSIONS AND RECOMMENDATIONS

HUD has not sufficiently emphasized the need for CDAs to explore, with other agencies (Federal, State, and local), the role that such agencies can perform in assuming administrative responsibilities to insure that certain Model Cities projects and activities will be carried on after the Model Cities Program is completed and HUD supplemental funds are no longer available to the cities.

We are aware that factors such as the lack of sufficient funds is in many cases a major deterrent to other agencies assuming responsibility for administering and funding Model City-originated projects and activities. However, because the Model Cities Program is a demonstration program, we believe that the effective projects or activities initiated under this program should be continued in the future by the appropriate Federal, State, or local agencies.

We recommend that you request CDAs to make a concerted effort to advise appropriate Federal, State, and local agencies of the Model Cities projects which have been developed under the CDAs' programs and which proved to be of benefit in fulfilling the objectives of the Model Cities Program. To the extent feasible, such agencies should be requested by CDAs to consider assuming future program responsibilities including the funding of such projects and activities.

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We appreciate the cooperation given to our representatives during this review and we shall be pleased to discuss with you, or members of your staff, the matters discussed in this report. We would appreciate receiving your comments, within 30 days of this letter, on any actions taken or planned with regard to the matters discussed in this report.

A copy of this report is being sent to the HUD Inspector General.

Sincerely yours,

B. E. Birkle

B. E. Birkle
Associate Director

The Honorable Floyd H. Hyde
Assistant Secretary for Community
Development
Department of Housing and Urban
Development