

GAO

Report to the Chairman, Subcommittee
on Housing and Urban Affairs,
Committee on Banking, Housing and
Urban Affairs, U.S. Senate

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May 1994

HOMELESSNESS

McKinney Act Programs Provide Assistance but Are Not Designed to Be the Solution



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The Honorable Paul S. Sarbanes
Chairman, Subcommittee on Housing
and Urban Affairs
Committee on Banking, Housing
and Urban Affairs
United States Senate

Dear Mr. Chairman:

This report responds to your request that we assess the impact of the Stewart B. McKinney Homeless Assistance Act in selected cities. We assessed the act's impact in Baltimore, Maryland; San Antonio, Texas; Seattle, Washington; and St. Louis, Missouri. This report is based on the experiences of a wide variety of experts in these localities and of federal, state, and local government officials who administer the McKinney Act programs. It makes recommendations for disseminating the results of successful McKinney Act research and demonstration programs and for incorporating successful assistance strategies into mainstream programs. It also identifies important issues that the Congress will need to address if it wants to significantly reduce the problem of homelessness.

We are sending copies of this report to the heads of the federal agencies that administer McKinney Act programs and mainstream assistance programs for low-income people. We also are sending copies to those who participated in our study and to other interested parties. We will make copies available to others upon request.

This work was performed under the direction of Judy A. England-Joseph, Director, Housing and Community Development Issues, who can be reached on (202) 512-7631 if you or your staff have any questions. Major contributors to this report are listed in appendix III.

Sincerely yours,

Keith O. Fultz
Assistant Comptroller General

Executive Summary

Purpose

Recognizing the need for federal assistance to alleviate homelessness throughout the nation, the Congress enacted the Stewart B. McKinney Homeless Assistance Act in 1987. This act and subsequent amendments established emergency food and shelter programs, programs providing longer-term housing and supportive services, and programs designed primarily to demonstrate effective approaches for providing the homeless with other services, such as physical and mental health care, education, and job training.

The Chairman of the Subcommittee on Housing and Urban Affairs, Senate Committee on Banking, Housing and Urban Affairs, asked GAO to examine (1) what difference the McKinney Act programs have made in selected cities' efforts to assist the homeless, (2) what problems the cities have experienced with the McKinney Act programs, and (3) what directions the cities' programs for the homeless are taking and what gaps the McKinney Act programs may fill.

Background

For fiscal years 1987 through 1993, the Congress appropriated \$4.2 billion for McKinney Act programs, allocating these funds primarily for emergency food and shelter programs and longer-term housing programs, such as the transitional housing program. About 27 percent of the total funds have been allocated to other, mostly demonstration and research, programs dealing with physical and mental health care, education, and job training.

Five federal departments and one federal agency administer McKinney Act programs, distributing funds by formula to all eligible entities or by competitive grant to a limited number of recipients. The five departments also administer mainstream programs to assist the general population of qualifying low-income people through such means as rent subsidies, income supplements, and social services.

The McKinney Act established the Interagency Council on the Homeless to oversee programs and coordinate the delivery of funds and services. The Council consisted of the heads of all 12 Cabinet departments and various other federal agencies and maintained its own administrative staff. No funds were appropriated for the Council for fiscal year 1994, but the administration transferred its responsibilities to a working group on homelessness within the Domestic Policy Council. The Department of Housing and Urban Development (HUD) has staffed and funded this working group.

Results in Brief

In the four cities that GAO studied—Baltimore, St. Louis, San Antonio, and Seattle—local officials said that McKinney Act programs were a small but important source of funds for assisting the homeless. They credited the programs with providing resources to expand and improve their existing emergency services, develop longer-term housing options that offer social services, and assist homeless people who are mentally ill or have substance abuse problems. Local officials further credited the programs with providing limited funds for education and employment—areas in which few resources had been targeted to the homeless—and with leveraging funds from other sources.

Local providers criticized the emphasis in many of the McKinney Act competitive grant programs on demonstrating rather than sustaining the delivery of effective services. The Congress responded to this concern in the supportive housing program by authorizing the renewal of funding for projects, but similar action is not planned for health care, education, and job training programs. Federal officials maintained that finding effective strategies for delivering services—not delivering services over the long term—is the primary purpose of these demonstration and research programs. The officials expected that the evaluations their agencies were conducting of these and other McKinney Act programs would suggest ways of improving service strategies, but they had not made plans for disseminating this information to all who might need it. Local providers further objected to some of the McKinney Act programs' complicated and duplicative application and reporting requirements. While federal officials acknowledged these limitations, they noted that some efficiencies had already been implemented and said that others would require legislative action.

In all four cities, local experts expected homelessness to remain a serious problem because affordable housing is scarce, economies are stagnant, and governments are reducing funds for assistance. Consequently, the experts would like to see funding maintained at current levels for McKinney Act emergency food and shelter programs but increased for other programs to help fill gaps in prevention, longer-term housing, and comprehensive services. However, the experts generally agree that mainstream assistance programs for low-income people must also be expanded and made more accessible to the homeless to significantly improve the current situation.

Principal Findings

McKinney Act Programs Are Built on Local Assistance Efforts

From 1987 through 1992, the four cities used McKinney Act program funds to supplement existing emergency services, develop new programs, and conduct research on ways to deal with the problems of the homeless. For example, San Antonio provided food for 20,000 additional people; Seattle developed 24 of its 29 transitional housing facilities; St. Louis designed a project to help homeless substance-abusing women with children; and Baltimore tested the effectiveness of a community treatment program for homeless people with severe mental illness. Some providers said that without McKinney Act program funds, they could have provided emergency services only.

Providers Were Dissatisfied With Some Aspects of McKinney Act Programs

Local service providers understood the experimental role of the McKinney Act demonstration and research programs but were dissatisfied because, in the absence of other funding, this role prevented them from sustaining or expanding successful approaches for providing critical services to the homeless, such as mental health care and substance abuse treatment. Although the Congress modified the supportive housing program to allow grants to be renewed, it has not modified other programs. Unsuccessful applicants for McKinney Act research funds said that they were missing opportunities to develop programs and deliver needed services because these were the only funds available for providing some services.

According to federal officials, the role of the McKinney Act demonstration and research programs is to identify and disseminate information on better methods of dealing with the multiple problems of homeless people. However, federal agencies had no plans to disseminate the results of ongoing McKinney Act program evaluations beyond their individual agencies' normal constituents. GAO believes that this information could be useful to a wider range of service providers. If sufficiently staffed and funded, the Domestic Policy Council's working group should be able to periodically consolidate the results of agencies' McKinney Act program evaluations and disseminate them to the 12,000 parties on its mailing list. HUD said that it had retained all of the former Interagency Council's staff and was continuing to fund the working group.

Some providers, especially those participating in several McKinney Act programs at the same time, found application and record-keeping

requirements burdensome. Some needed to hire grant writers to compete for McKinney Act program funds, and others had to take staff away from helping clients to perform duplicative administrative tasks. HUD officials said that past attempts to standardize reporting requirements had failed because the McKinney Act programs specify different types of grantees, types of programs, and funding cycles. While there is no consensus, some providers and some federal officials believe that the McKinney Act programs should be consolidated to streamline their administration. On April 26, 1994, HUD proposed legislation that would reorganize its six McKinney Act programs into one comprehensive program whose funds would be allocated to states and local communities by formula.

McKinney Act Programs Could Fill Service Gaps but Not End Homelessness

In all four cities, local experts expected to continue supplying emergency food and shelter and to introduce more options for homeless people to improve the quality of their lives and achieve independence. The experts wanted the federal government to continue funding McKinney Act emergency programs at current levels and to increase funding for other programs to help them fill service gaps, particularly in the areas of prevention, longer-term housing, and comprehensive services. However, the experts also said that the McKinney Act programs should not be expected to make up for shortcomings in mainstream assistance programs. In their view, the mainstream programs should be expanded to serve all who are in need, made more accessible to the homeless, and linked more closely to programs targeted specifically to the homeless. GAO found that none of the federal agencies had planned systematically to incorporate successful service strategies from their McKinney Act programs into their mainstream assistance programs.

Although the federal government has assisted the homeless through McKinney Act programs, homelessness remains a serious problem. GAO believes a strategy beyond the present scope of these programs' resources is needed. Two federal initiatives could support the development of a broader strategy. A task force on homelessness established by the Speaker of the House of Representatives has recommended improvements in existing McKinney Act programs, better services to prevent homelessness, and better access for the homeless to mainstream assistance programs. Other recommendations will be made in a coordinated federal plan to end homelessness that is being prepared by the Domestic Policy Council's working group and is scheduled for public release on May 17, 1994.

Matters for Congressional Consideration

To reduce the administrative burden created by multiple application and reporting requirements, the Congress may wish to amend the McKinney Act to (1) enable federal agencies to establish more uniform application and reporting requirements or (2) consolidate McKinney Act programs.

Recommendations

GAO recommends that the Executive Director of the Domestic Policy Council's working group on homelessness periodically consolidate and disseminate summaries of the agencies' McKinney Act program evaluations to the parties on its mailing list.

GAO recommends that the Secretaries of HUD, Health and Human Services, Veterans Affairs, Labor, and Education incorporate into their mainstream assistance programs successful strategies for working with the homeless that are identified in evaluations of their McKinney Act programs.

Agency Comments

GAO discussed a draft of this report with key officials in the agencies to which GAO's recommendations apply: the Deputy Assistant Secretary for Economic Development, HUD; the Deputy Assistant Secretary for Program Systems in the Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services; the Associate Director, Policy and Operations, Mental Health and Behavioral Science Services, Department of Veterans Affairs; the Chief of Adult and Literacy Research and Demonstration Programs, Department of Labor; a Senior Advisor in the Division of Adult Education and Literacy, Department of Education; and the former Executive Director of the Interagency Council on the Homeless. These officials generally agreed with GAO's findings and recommendations. Their comments have been incorporated as appropriate. As requested, GAO did not obtain written agency comments on a draft of this report.

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Abbreviations

ACCESS	Access to Community Care and Effective Services and Supports
ADAT	Research Demonstration Projects for Alcohol and Drug Abuse Treatment of Homeless Persons
AEH	Adult Education for the Homeless
AFDC	Aid to Families with Dependent Children
AIDS	Acquired Immune Deficiency Syndrome
CDBG	Community Development Block Grant
CHAS	Comprehensive Housing Affordability Strategy
CMHS	Community Mental Health Services Demonstration Projects for Homeless Individuals Who Are Chronically Mentally Ill
DCHV	Domiciliary Care for Homeless Veterans
EHCY	Education for Homeless Children and Youth

Contents

EHP	Emergency Community Services Homeless Grant Program
EFSP	Emergency Food and Shelter Program
ESG	Emergency Shelter Grants
FEMA	Federal Emergency Management Agency
GAO	General Accounting Office
GSA	General Services Administration
HCH	Health Care for the Homeless
HCHCDP	Health Care for Homeless Children Demonstration Program
HCHV	Health Care for Homeless Veterans
HCMI	Homeless Chronically Mentally Ill Veterans
HFSS	Homeless Families Support Services
HHS	Department of Health and Human Services
HUD	Department of Housing and Urban Development
HVRP	Homeless Veterans Reintegration Projects
JTH	Job Training for the Homeless
JTPA	Job Training Partnership Act
NOFA	Notice of Funds Availability
OEI	Office of Evaluation and Inspection
OIG	Office of Inspector General
PATH	Projects for Assistance in Transition from Homelessness
RHHA	Rural Homeless Housing Assistance
SAFAH	Supplemental Assistance for Facilities to Assist the Homeless
SHDP	Supportive Housing Demonstration Program
SHP	Supportive Housing Program
S+C	Shelter Plus Care
SRO	Section 8 Moderate Rehabilitation Program for Single-Room Occupancy Dwellings for Homeless Individuals
SSDI	Social Security Disability Insurance
SSI	Supplemental Security Income
VA	Department of Veterans Affairs

Introduction

Although homelessness is not a new problem, its causes during the past decade have been more complex and its effects more widespread than in earlier times. Once consisting primarily of transient adult males, the homeless population now includes women, families with children, the mentally ill, victims of domestic violence, the unemployed, and individuals who are working yet not earning enough to pay for housing. The population is also younger and comprises larger proportions of racial and ethnic minorities than in years past.

The homelessness of the past decade is becoming entrenched. The impact of the current economic recession is difficult to gauge, but budget cuts by state and local governments are exacerbating the problem and increasing the need for services to the homeless, according to a Federal Emergency Management Agency (FEMA) Emergency Food and Shelter Program survey released in May 1992.

No one is certain how many people in the United States are homeless. Estimates made during the 1980s vary substantially but, to our knowledge, are the best available. For example, the Department of Housing and Urban Development (HUD) reported that on any given night during December 1983 and January 1984, between 250,000 and 350,000 persons were homeless.¹ Several years later, The Urban Institute, using a different definition of homelessness, estimated that about 600,000 individuals were homeless on any night in 1987.² In addition to those who are literally homeless (i.e., persons sleeping on the streets or in parks, cars, abandoned buildings, or shelters) many more are precariously housed and at imminent risk of becoming homeless. Some of these are living doubled up with friends or relatives or are about to be evicted.

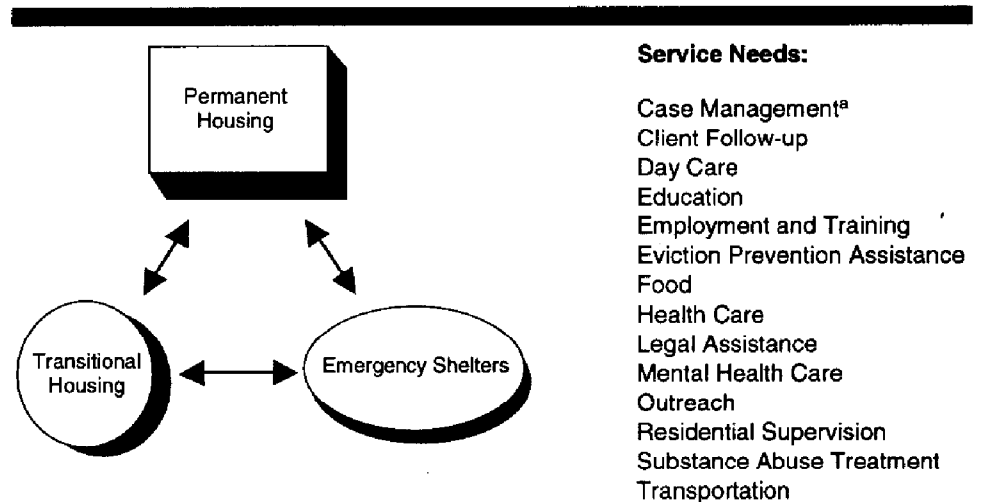
Addressing the needs of homeless people has proven to be a formidable challenge because, as research has found, homelessness is seldom traceable to a single cause and is often not an isolated problem. Homeless people today usually have personal, social, and economic problems that prevent them from maintaining permanent housing. These problems can include mental illness, severe physical health problems, lack of income or employment, alcohol or drug abuse, and domestic violence. Specialized assistance in the form of outreach to clients on the street and

¹U.S. Department of Housing and Urban Development, *A Report to the Secretary on Homeless and Emergency Shelters* (Washington, D.C.: Office of Policy Development and Research, 1984).

²Martha R. Burt and Barbara S. Cohen, *America's Homeless: Numbers, Characteristics, and Programs That Serve Them* (Washington, D.C.: The Urban Institute, 1989). The Urban Institute is a nonprofit policy research and educational organization established in Washington, D.C., in 1968.

comprehensive supportive services within shelters has evolved to help homeless people who may be too ill, intoxicated, debilitated, poor, alienated, or intimidated to obtain access to social services on their own. Also, individuals and families may drift in and out of homelessness several times as a result of changes in their economic circumstances or of setbacks in coping with serious problems, such as substance abuse. Figure 1.1 illustrates the range of housing and services that persons moving in and out of homelessness may need.

Figure 1.1: Housing and Service Needs of the Homeless



^aCase management means that each client is assigned to a staff person who is responsible for determining what services a client needs and for ensuring the services are made available.

McKinney Act Programs and Funding

Enacted in July 1987 and subsequently reauthorized in 1988, 1990, and 1992, the Stewart B. McKinney Homeless Assistance Act (P.L. 100-77) represents the primary federal effort to provide homeless individuals and families in the United States with shelter and related support services. The McKinney Act acknowledged that because of record increases in the number of homeless people, states, localities, and private voluntary organizations had been unable to meet the basic needs of the homeless, and greater federal assistance was warranted. Recognizing the diverse needs of the homeless population, the act and subsequent amendments have funded programs designed to (1) provide emergency food and shelter, (2) provide longer-term housing and supportive services when needed to help people move toward independent living, and

(3) develop and test new approaches to assist homeless people more effectively. The various McKinney Act programs have also sought to strengthen and supplement existing local programs, encourage cooperation and coordination of local service delivery efforts, and stimulate nonfederal funding of programs and services.

Since the act's enactment, new programs have been added, some programs have been consolidated, and several programs have been eliminated. Table 1.1 lists the McKinney Act programs as of October 1992, by four categories of assistance—food and shelter, health, employment, and education.³ These McKinney Act programs were administered at the federal level by five departments—HUD, Health and Human Services (HHS), Veterans Affairs (VA), Labor, and Education—and by FEMA. Table 1.1 also identifies the federal agency that administered each program.

Table 1.1: McKinney Act Programs, by Category of Assistance (Oct. 1992)

	Department or agency	Method of funding
Food and shelter		
Emergency Community Services Homeless Grant Program (EHP)	HHS	Formula
Emergency Food and Shelter Program (EFSP)	FEMA	Formula
Emergency Shelter Grants (ESG)	HUD	Formula
Rural Homeless Housing Assistance (RHHA) ^a	HUD	Formula
Safe Havens ^a	HUD	Formula
Section 8 Moderate Rehabilitation Program for Single-Room Occupancy Dwellings for Homeless Individuals (SRO)	HUD	Grant
Shelter Plus Care (S+C)	HUD	Grant
Supportive Housing Program (SHP) ^b	HUD	Grant
Health		
Research Demonstration Projects for Alcohol and Drug Abuse Treatment of Homeless Persons (ADAT) ^c	HHS	Grant
Community Mental Health Services Demonstration Projects for Homeless Individuals Who Are Chronically Mentally Ill (CMHS) ^c	HHS	Grant
Domiciliary Care for Homeless Veterans (DCHV)	VA	Grant
Health Care for the Homeless (HCH)	HHS	Grant

(continued)

³Table 1.1 excludes two indirect programs not covered in our review: the Excess and Surplus Real Property Program and the Surplus Federal Personal Property Donation Program. The McKinney Act added providers of assistance to the homeless to the list of entities eligible to acquire property no longer needed by the federal government through these ongoing property disposition programs. Funding has not been authorized for either program, and appropriations have not been made specifically to assist the homeless through the programs. Management of the real property program is shared by the General Services Administration (GSA), HUD, and HHS. The personal property program is administered solely by GSA.

**Chapter 1
Introduction**

	Department or agency	Method of funding
Health Care for the Homeless Children Demonstration Program (HCHCDP)	HHS	Grant
Health Care for Homeless Veterans (HCHV) ^d	VA	Grant
Homeless Families Support Services (HFSS)	HHS	Grant
Projects for Assistance in Transition from Homelessness (PATH)	HHS	Formula
Employment		
Homeless Veterans Reintegration Projects (HVRP)	Labor	Grant
Job Training for the Homeless (JTH)	Labor	Grant
Education		
Adult Education for the Homeless (AEH)	Education	Grant
Education for Homeless Children and Youth (EHCY)	Education	Formula

^aThe Congress authorized but did not appropriate funds for this program.

^bConsists of previously separate programs—the Supportive Housing Demonstration Program (transitional housing and permanent housing for the handicapped) and the Supplemental Assistance for Facilities to Assist the Homeless (SAFAH) program.

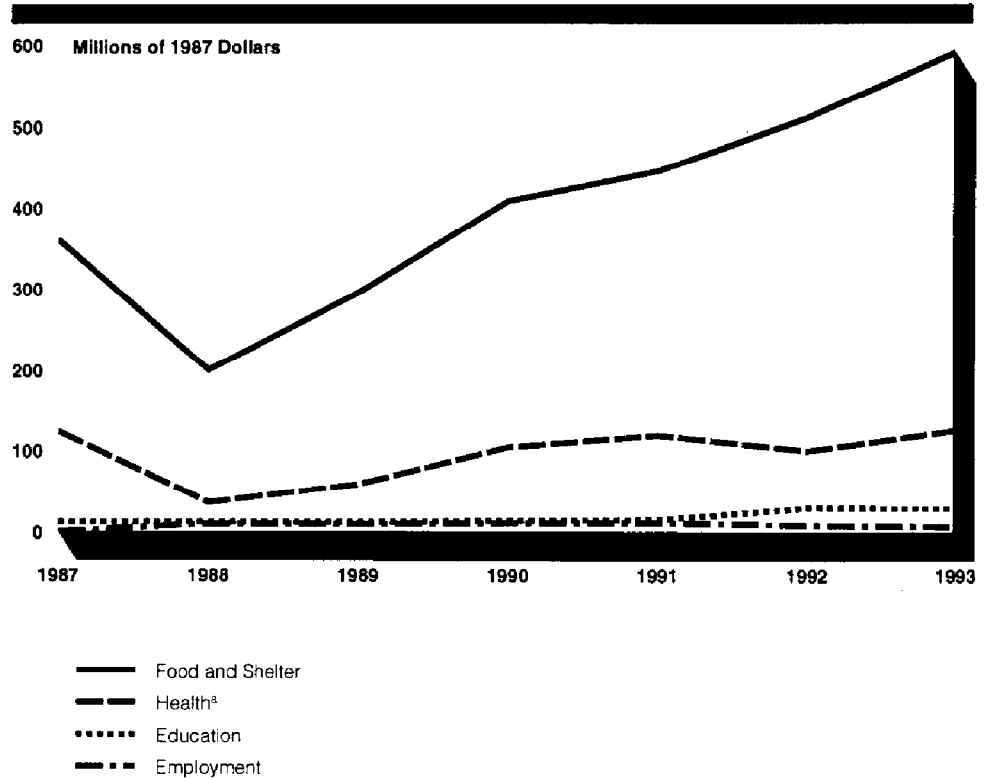
^cFunding for these programs was consolidated into Access to Community Care and Effective Services and Support.

^dIn February 1992, a number of health programs serving veterans, including the Homeless Chronically Mentally Ill Veterans (HCMI) program, were collectively renamed the Health Care for Homeless Veterans (HCHV) program.

Local communities receive McKinney Act funds from the federal government in two ways. Under some programs, local jurisdictions are “entitled” to receive funds allocated through a formula; under other programs, local jurisdictions compete nationally for funds. In some programs, funds go directly to cities or local boards; in others, funds are passed down through state governments. Some competitive programs allow local nonprofit assistance organizations to apply directly for funds. In addition, each of the McKinney Act programs has its own application process.

During fiscal years 1987-93, funding for McKinney Act food and shelter programs increased significantly, while funding for other major categories of McKinney program assistance (health, education, and employment) changed little. (See fig. 1.2.) The food and shelter programs accounted for about 73 percent of the total McKinney program funds during this period. Health, education, and employment programs together accounted for the remaining 27 percent of the total McKinney program funds.

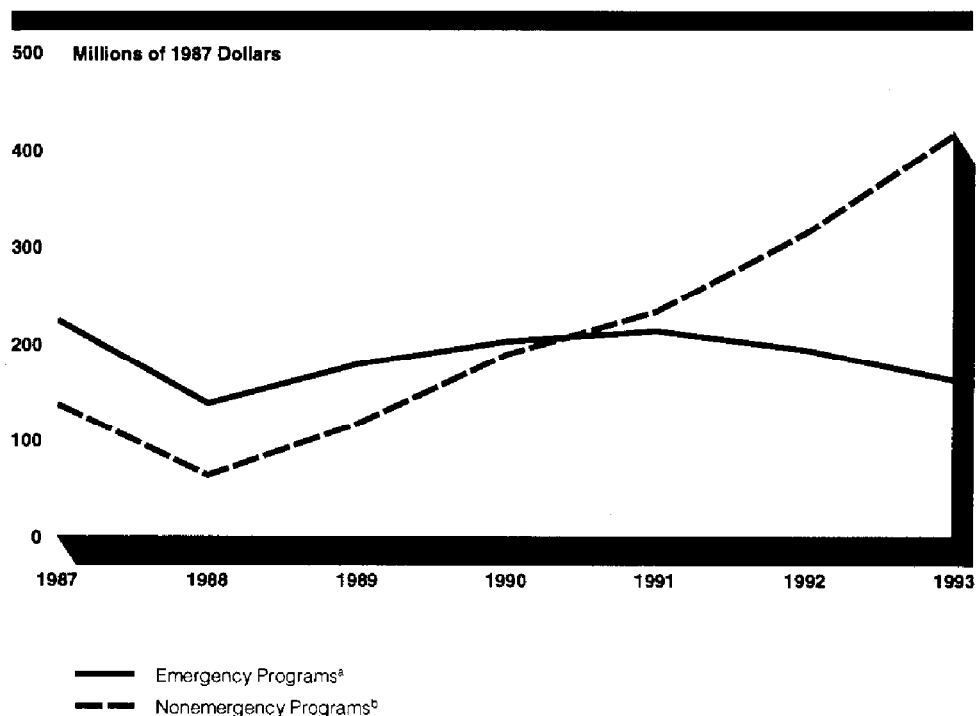
Figure 1.2: McKinney Act Program Funds, by Category of Assistance, Fiscal Years 1987-93, in 1987 Dollars



^aIncludes primary health care, mental health services, and treatment for alcohol and substance abuse.

During this period, funding for emergency food and shelter programs remained relatively constant, while funding for nonemergency food and shelter programs—the Supportive Housing (transitional housing), Section 8 Moderate Rehabilitation for Single Room Occupancy Dwellings (SRO), and Shelter Plus Care programs—has sharply increased. (See fig. 1.3.)

Figure 1.3: Levels of Funding for McKinney Act Emergency and Nonemergency Food and Shelter Programs, Fiscal Years 1987-93, in 1987 Dollars



^aEmergency programs: Emergency Community Services Homeless Grant Program, Emergency Food and Shelter Program, and Emergency Shelter Grants.

^bNonemergency programs: Section 8 Single-Room Occupancy Dwellings, Shelter Plus Care, and Supportive Housing Demonstration Program (including Supplemental Assistance for Facilities to Assist the Homeless).

Funds authorized by the McKinney Act have not been fully appropriated. For fiscal years 1987-93, the Congress authorized about \$5.6 billion (\$4.9 billion in 1987 dollars) and appropriated about \$4.2 billion (\$3.7 billion in 1987 dollars) for McKinney Act programs.⁴ Even if funded at the authorized levels, the McKinney programs would probably be able to provide benefits for only a fraction of the hundreds of thousands estimated to be homeless already and would help few of those who are at imminent risk of becoming so.

Because so many agencies are involved in administering the McKinney Act programs, the act also created and authorized funds for an Interagency Council on the Homeless as an independent organization within the executive branch to oversee federal programs for the homeless and to

⁴To show the decline in the purchasing power of McKinney Act funds, some figures show what these funds could have purchased in 1987.

coordinate the delivery of funds and services to those in need. The McKinney Act requires the Interagency Council to review all federal activities and programs to assist the homeless; reduce duplication of effort; monitor, evaluate, and improve programs; provide technical assistance to states, local governments, and private and nonprofit organizations; collect and disseminate information; and prepare an annual report to the President and the Congress.

Members of the Interagency Council have included the heads of all 12 Cabinet departments (or their designees), the heads of FEMA, ACTION (the federal volunteer agency), the General Services Administration (GSA), and the Postal Service; and the heads of other federal entities as determined by the Interagency Council, such as a designee from the Office of Management and Budget. The daily operating activities of the Interagency Council have been managed by an Executive Director. In addition to a headquarters staff in Washington, D.C., the Interagency Council also has had full-time field coordinators. Although the Interagency Council is authorized until September 30, 1994, no funds were appropriated for its operations for fiscal year 1994. On November 16, 1993, the Secretary of HUD and the Assistant to the President for Domestic Policy announced that the Interagency Council would continue as a working group under the Domestic Policy Council. The Secretary of HUD also announced that HUD would staff and fund this working group. According to HUD's Deputy Assistant Secretary for Economic Development, the working group retained all of the Interagency Council's staff, was being funded by HUD, and would continue many of the Interagency Council's responsibilities.

In addition to McKinney Act programs, a wide variety of mainstream programs, which are targeted to the general population low-income people, can be used to assist the homeless. These include programs administered by HUD; HHS; the Departments of Agriculture, Education, Labor, and Veterans Affairs; and by other federal, state, and local agencies. In various ways, these programs subsidize the cost of housing, supplement income, or provide food and a variety of social services to low-income people. Section 8 rent subsidies, public housing, Supplemental Security Income, Aid to Families with Dependent Children, Medicare, and food stamps are examples of assistance provided through mainstream programs.

Objectives, Scope, and Methodology

As requested by the Chairman of the Subcommittee on Housing and Urban Affairs, Senate Committee on Banking, Housing and Urban Affairs, we

reviewed efforts to assist the homeless in selected cities to determine (1) what difference the McKinney Act programs have made in addressing homelessness, (2) what problems the cities have experienced with McKinney Act programs, and (3) what direction the cities' programs for the homeless are taking and what gaps the McKinney Act programs may fill. We judgmentally selected four midsized cities with populations under 1 million: Baltimore, Maryland; San Antonio, Texas; Seattle, Washington; and St. Louis, Missouri. We selected these cities to obtain variation in demographic characteristics, in economic factors such as unemployment and the poverty rate, and in the estimated homeless population. Table 1.2 summarizes this information.

Table 1.2: Selected Characteristics of Case Study Cities

Citywide statistics	Baltimore	San Antonio	Seattle	St. Louis
Population	736,000	936,000	516,000	397,000
Demographics ^a				
White	39%	36%	74%	50%
African-American	59%	7%	10%	47%
Hispanic	1%	56%	4%	1%
Asian	1%	1%	11%	1%
Other			1%	
Unemployment rate, 1992	7.3%	8.0%	6.1%	7.0%
Poverty rate, 1990	21.9%	22.6%	12.4%	24.6%
Estimated homeless population per year ^b	12,000	6,625	14,000	10,000

^aSome percentages may not add to 100 percent because of rounding.

^bCounts of the homeless represent estimates made by the cities and are generally used by the cities for planning. We did not independently verify these estimates. The estimate for St. Louis probably underestimates the homeless population, since the primary system to count homeless people in the city includes only those seeking shelter through the city's Housing Resource Center. This facility does not count many homeless men who use shelters outside this system.

City Profiles

Baltimore is an older East Coast city that has lost jobs in recent years, especially higher-paying, manufacturing jobs. Baltimore city officials estimate that about 77 percent of the homeless are minorities. One study found that approximately three-fourths of the homeless men and more than one-third of the homeless women in Baltimore had substance abuse disorders and just under half of both groups were mentally ill.⁵ The city's

⁵William R. Breakey, et al., "Health and Mental Health Problems of Homeless Men and Women in Baltimore," *Journal of the American Medical Association*, Vol. 262, No. 10 (Sept. 8, 1989), pp. 1352-1357.

Comprehensive Housing Affordability Strategy (CHAS) estimated that about 100,000 people are at risk of becoming homeless.

San Antonio is a southwestern city, highly dependent on tourism and the defense industry for employment. City officials estimate that families make up a high percentage of San Antonio's homeless population (52 percent). Minorities make up the largest portion of the homeless population. City officials further estimate that 6,625 people are homeless per year. Inclusion of persons living at risk in inappropriate housing or doubled up in dwellings designed for a single family or individual would increase the estimate to about 11,000 to 13,000.

According to officials, Seattle is the regional economic center for the Pacific Northwest. Officials expect employment to grow in the retail and service sectors as manufacturing jobs are lost in the defense and commercial aviation industries. Single men make up the largest group of homeless people, representing 45 percent of the homeless population. Seattle officials estimate that minorities comprise about 60 percent of the homeless people in shelters and that at least 2,000 youth who are on their own are homeless over the course of a year. Over 36 percent of all people entering Seattle's emergency shelter system are estimated to be from out of state.

St. Louis is a regional transportation hub for the Midwest. It has a rapidly growing convention industry that is replacing some lost higher-paying, blue collar jobs, but at a much lower rate of pay. Experts estimate that the homeless population in shelters in St. Louis includes large numbers of minorities, individuals with substance abuse problems, and persons who are mentally ill.

Methodology

We used a case study approach to determine what difference the McKinney Act programs have made in the four cities. In doing so, we attempted to identify the total range of programs to assist the homeless in each location—those administered by federal, state, and local government agencies, as well as those administered by private, principally nonprofit, organizations. Throughout this report, the term "city" refers to all local groups and persons acting on behalf of the homeless, not just to the city government.

Our case study approach relied on three principal techniques: individual interviews (more than 200) with a wide range of local people involved in

assisting the homeless, focus groups (11) with providers of McKinney-funded services to the homeless, and a conference of local experts in each city. From these sources, we developed an inventory of local programs for the homeless in each city and a history of key events in each city's provision of services. We attempted to identify the total funds from various sources used to assist the homeless in each city, but our data were incomplete. We could not determine with certainty the total funds targeted to assist the homeless or the exact percentage represented by McKinney program funds in any assistance category because complete inventories of service providers from which we could develop a sampling methodology did not exist in all four cities. We therefore relied on data that were readily available or were provided incompletely by providers and funding agents we contacted. We cannot exclude the possibility that in some instances the availability of McKinney program funds may have led local officials to substitute these funds for funds from other sources.

To determine what problems the cities have experienced with the McKinney Act programs, we conducted interviews, held focus group discussions with service providers administering the programs, and interviewed federal and local government agency officials. To determine what direction the cities' programs are taking and what gaps the McKinney Act programs may fill, we relied on interviews with local officials and discussions of this topic at the conference of local experts held in each city. We also reviewed available studies and publications in order to place these comments in a national perspective. Additionally, we interviewed several homeless individuals or families in each location to obtain clients' perspectives on the types of services available to them.

We developed our conclusions by triangulating evidence from multiple data sources and multiple research methods. Triangulation is a method employed in the social sciences to enhance the credibility or validity of qualitative data, like the data collected in the present study. It requires that conclusions drawn from data developed with one methodology or data source be confirmed by one or more additional measurement processes.

In this study, the multiple data sources included service providers and local government officials in the areas of food, housing, health, mental health, education, employment, and justice; advocates for the homeless; researchers; and federal agency officials at the Departments of HUD, HHS, VA, Labor, and Education and at the National Institutes of Health. The research methods included a cumulative case study design, which was used to develop evidence on local perspectives from four different cities;

semi-structured interviews that were transcribed and content-coded for electronic analysis; focus group discussions and content analysis of discussion transcripts; literature and document reviews; qualitative analysis of key event histories; and hermeneutic circles (a method of synthesizing various stakeholders' interpretations of the same events).

Our review focused on those findings and issues that met our professional standards for validity and reliability. We have omitted discussion of many other issues and outcomes because they were specific to one city or discipline (such as health) or did not meet our standards for validity.

In addition, we discussed our methodology and obtained comments on a draft of this report from two independent consultants who are nationally recognized experts on homelessness.

We performed our work between November 1991 and March 1994 in accordance with generally accepted government auditing standards. As requested, we did not obtain written agency comments on a draft of this report. However, we did discuss our findings and draft recommendations with the Deputy Assistant Secretary for Economic Development, HUD; the Deputy Assistant Secretary for Program Systems in the Office of the Assistant Secretary for Planning and Evaluation, HHS; the Associate Director, Policy and Operations, Mental Health and Behavioral Science Services, VA; the Chief of Adult and Literacy Research and Demonstration Programs, Department of Labor; a Senior Advisor in the Division of Adult Education and Literacy, Department of Education; and the former Executive Director of the Interagency Council on the Homeless. These officials generally agreed with our findings and draft recommendations, and we have incorporated their comments where appropriate.

McKinney Act Programs Enhance Local Efforts to Assist the Homeless

All four case study cities offered a range of services to the homeless before the McKinney Act was enacted; however, McKinney Act programs play an important role by complementing and enhancing local efforts. Although the cities obtain funds for their programs for the homeless from many other sources, McKinney program moneys have leveraged other funding, and, in some cities, represented a major source of funds for various projects. Our analysis of local efforts to assist the homeless showed that McKinney programs helped one or more of these four cities expand previously existing emergency services, test methods of assisting people who are mentally ill or have substance abuse problems, and develop new projects to address identified needs for transitional housing and for employment and education services. Some local service providers also credit McKinney programs with encouraging the coordinated delivery of services.

Local Efforts to Assist the Homeless Predate McKinney Act Programs

All four case study cities had been providing emergency food and shelter for needy people, including the homeless, for many years before the McKinney Act's enactment. These efforts were funded by missions, churches, and private groups, such as the Salvation Army. Targeted programs largely served homeless single males. However, as the homeless populations in the cities grew and changed to include more families, especially single women with children and mentally ill persons, local programs evolved, providing a wider range of services to meet the multiple needs of this diverse group.

In response to these changes in the homeless population, the cities developed different levels of activity and types of programs. During this same period, state and local governments provided limited funding. Before the McKinney Act's enactment, Seattle, with its social service orientation and strong coalition of local service providers, worked diligently to establish and coordinate programs for the homeless, incorporating services beyond emergency shelter in its efforts. Similarly, before the act's enactment, Baltimore expanded the number and types of shelters and food programs it offered and stepped up advocacy activities to draw public attention to the needs of the homeless. Major research efforts were also under way on the demographics and physical and mental health needs of homeless people in Baltimore.

Although organizations in St. Louis had been providing some emergency services over the years, the city government increased its efforts after a lawsuit was decided against it in 1985. To resolve the lawsuit, the city

agreed to create 200 emergency shelter beds, place 100 families in permanent housing, and appropriate funds each year for services to the homeless. Of the four case study cities, San Antonio had the fewest programs to assist the homeless before the McKinney Act was enacted. The city government had, however, been working with a coalition of churches to provide emergency shelters and some other services, such as health care, to the city's growing homeless population. Appendix I highlights some key events we identified in the evolution of services for the homeless in the case study cities both before and after the enactment of the McKinney Act.

McKinney Act Programs Provide a Relatively Small but Important Source of Funds

By October 1992, the case study cities had developed a number of efforts to assist the homeless. Table 2.1 shows the number we identified in each city by category of assistance.

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Efforts to Assist the Homeless

Table 2.1: Efforts to Assist the Homeless in Case Study Cities, by Category of Assistance (Oct. 1992)

Category of assistance	Number of efforts to assist the homeless			
	Baltimore	San Antonio	Seattle	St. Louis
Food and shelter				
Emergency shelters	33	10	43	34
Transitional housing projects	30	3	29	10
Permanent/handicapped housing projects	2	0	7	2
McKinney single room occupancy (SRO) projects	0	1	4	0
Food banks and hot meal programs ^a	175	175	64	38
Health				
Health programs	12	3	6	8
Employment				
Employment programs	3	1	3	4
Education				
Education programs	5	1	3	2

Note: Although we attempted to identify all efforts in these four categories targeted specifically to serve homeless people in each city, we relied heavily on existing records and key officials. As a consequence, we may have inadvertently omitted some small programs operated by private organizations, such as churches. Also, cities' efforts to prevent homelessness are not reflected in this table.

^aThe food programs, while serving the homeless, also serve others in need. Not included are meal programs operating in the shelters.

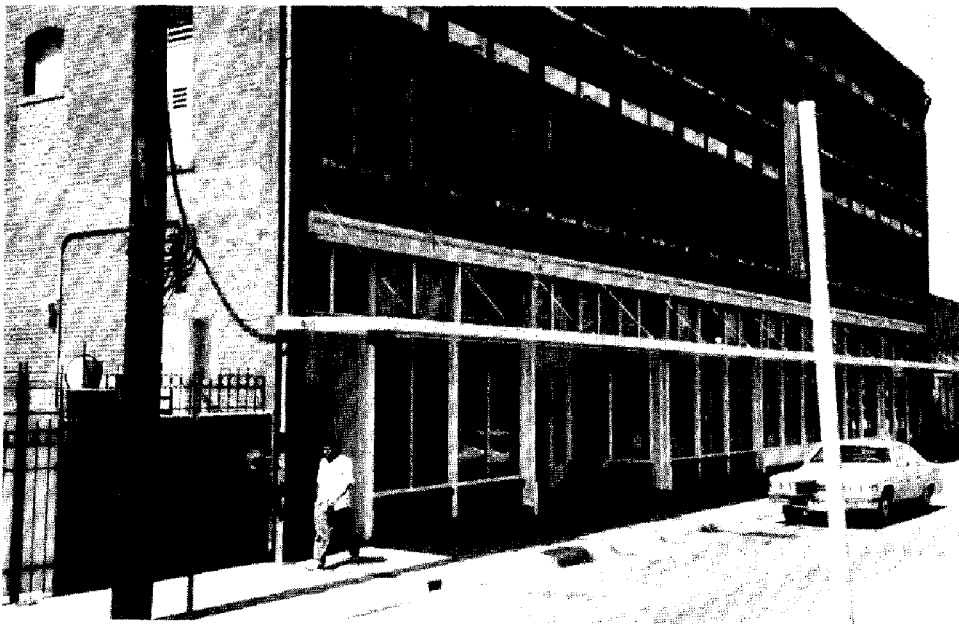
Figure 2.1 illustrates typical shelters for the homeless in the four cities.

Figure 2.1: Typical Variety of Shelter
Facilities Available in the Four Cities

Baltimore



San Antonio

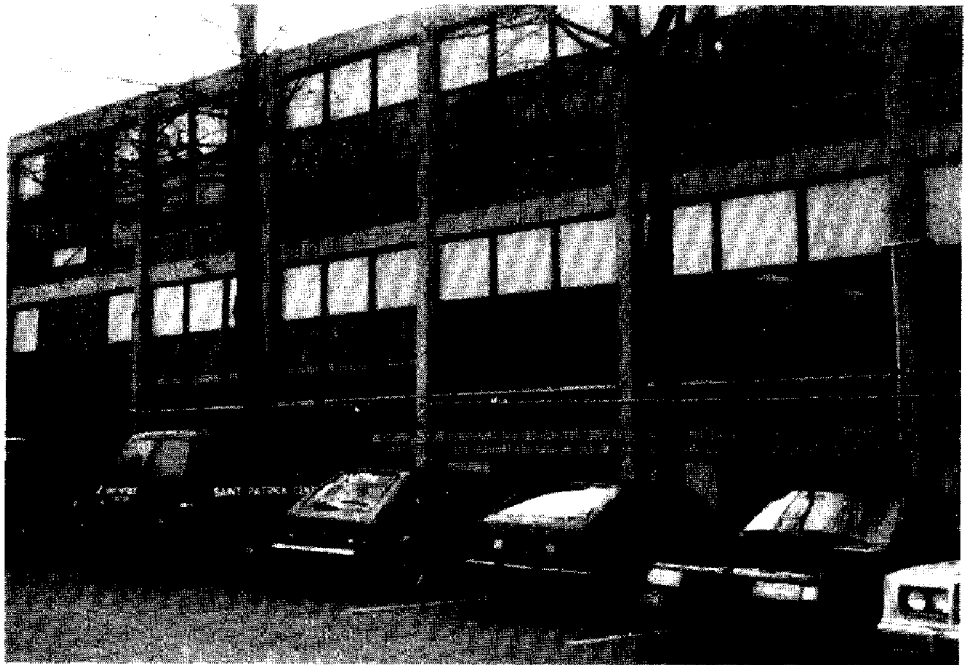


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Seattle



St. Louis



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To help support these efforts, the cities participated in from 10 to 13 McKinney Act programs. Table 2.2 lists the McKinney Act programs that were operating in one or more of the cities.

Table 2.2: McKinney Act Programs Operating in the Four Cities (Oct. 1992)

Program category and name	City			
	Baltimore	San Antonio	Seattle	St. Louis
Food and shelter				
Emergency Community Services Homeless Grant Program (EHP)	X	X	X	X
Emergency Food and Shelter Program (EFSP)	X	X	X	X
Emergency Shelter Grants (ESG)	X	X	X	X
Section 8 Moderate Rehabilitation Program for Single-Room Occupancy Dwellings for Homeless Individuals (SRO)		X	X	
Supplemental Assistance for Facilities to Assist the Homeless (SAFAH)	X		X	X
Supportive Housing Demonstration Program (SHDP)	X	X	X	X
Health				
Research Demonstration Projects for Alcohol and Drug Abuse Treatment of Homeless Persons (ADAT)			X	X
Community Mental Health Services Demonstration Projects for Homeless Individuals Who Are Chronically Mentally Ill (CMHS)	X			
Health Care for the Homeless (HCH)	X	X	X	X
Homeless Chronically Mentally Ill Veterans (HCMI)	X	X		X
Projects for Assistance in Transition from Homelessness (PATH)	X	X	X	X
Employment				
Homeless Veterans Reintegration Projects (HVRP)		X	X	X
Job Training for the Homeless (JTH)			X	X
Education				
Adult Education for the Homeless (AEH)	X	X	X	X
Education for Homeless Children and Youth (EHCY)	X			
Education for Homeless Children and Youth—Exemplary Grants ^a	X		X	
Total program participation	12	10	13	12

^aGrants were funded under this program in fiscal year 1990 only. In fiscal year 1991, funds for this program were allocated from the funding authorized for EHCY, a 2-year grant program.

All of the cities received funds from entitlement emergency food and shelter programs, such as FEMA's Emergency Food and Shelter Program (EFSP) and HUD's Emergency Shelter Grants (ESG) program. These programs allocate money to communities on the basis of a formula. The cities differed, however, in the number of competitive McKinney Act

programs for which they were selected to participate. For example, two of the four cities had SRO projects, two cities had research demonstration programs for alcohol and drug abuse, and two cities had job training programs. Three cities had three of the McKinney Act programs that provide mental health services, while one city, Baltimore, had all four. Additionally, while all of the cities received McKinney program funds for transitional housing, Seattle received by far the largest amount—enough to support 24 projects.

McKinney program moneys constituted a small but important portion of the cities' overall funds for assisting the homeless. Although we were not able to determine how much money from non-McKinney sources was targeted to help the homeless, we concluded from available information that McKinney moneys represented a small portion of the overall funds for food, shelter, and health care in all four cities. They were, however, a major resource for education and employment efforts, few of which had been targeted to assist the homeless. McKinney funding levels over the act's first 5-year period (1987-91) for the four case study cities ranged from a low of \$12.9 million in San Antonio to a high of \$37.3 million in Seattle. Table 2.3 shows McKinney program funding in the four cities, by category of assistance.

Table 2.3: McKinney Program Funds in the Four Cities, by Category of Assistance (1987-91)

Category of Assistance	Baltimore	San Antonio	Seattle	St. Louis
Food and shelter ^a	\$12,501,503 (65%)	\$10,376,195 (80%)	\$28,948,396 (78%)	\$ 10,178,120 (53%)
Health ^b	6,526,888 (34%)	2,289,644 (18%)	5,542,947 (15%)	8,031,036 (43%)
Employment	0 (0%)	195,000 (1%)	2,291,718 (6%)	596,457 (3%)
Education	240,190 (1%)	67,000 (1%)	484,749 (1%)	231,388 (1%)
Total	\$19,268,581 (100%)	\$12,927,839 (100%)	\$37,267,810 (100%)	\$19,037,001 (100%)

^aIncludes emergency food and shelter, transitional housing, SAFAH, and Permanent Housing for Handicapped Homeless Persons (a component of SHDP).

^bIncludes primary health care, mental health services, and alcohol and substance abuse treatment.

Non-McKinney funds for programs to assist the homeless in each city came from private sources and other public sources, including city general funds, state funds, and federal Community Development Block Grant (CDBG) funds. Seattle provided additional assistance through a \$50 million housing levy program directed toward housing for low-income and homeless people with special needs, while San Antonio established a

housing trust fund. Maryland collected local funds from marriage license fees for two Baltimore shelters that provide services for victims of domestic violence. Private funding sources included organizations such as churches, foundations, and the United Way, as well as private individuals, private industry, and professional associations.

For emergency food and shelter services, the private sector—especially churches, foundations, and private citizens—was the main source of funds in all four cities. For example, in Baltimore, one church organization reported that its private contributions alone exceeded the funds for McKinney emergency food and shelter programs in fiscal year 1991. In St. Louis, individual and/or corporate donations greatly exceeded the funding for McKinney emergency food and shelter programs, according to tax credit data provided by the state of Missouri. One private source in San Antonio, the United Way, contributed as much as McKinney programs for emergency food and shelter. The United Way's funding for San Antonio's programs steadily increased from about \$791,000 in 1987 to \$1.1 million in 1991.

Officials in all four cities told us that McKinney program moneys in the health category, though small, were significant because they funded on-site and outreach efforts that helped link homeless people to the primary health care service system. As the following examples show, McKinney programs were not the primary source of funds for health care for the homeless. The state of Maryland contributed more in Baltimore than McKinney programs for primary health care (not including health research grants), mental health services, and substance abuse services. The director for a large project serving mentally ill homeless people in Seattle estimated that only \$11,000 of his \$1.3 million budget came from McKinney program funds.

In Seattle, San Antonio, and St. Louis, McKinney dollars were a primary source of funds in the education and employment categories. For example, in 1991, McKinney dollars represented the largest portion of the funds for Seattle's largest employment program targeted to assist the homeless. McKinney dollars were also a major source of funds for providing employment services to homeless veterans in the three cities. An adult literacy program operating at 14 shelters in 1990-91 in Seattle was supported almost entirely by McKinney funds, while literacy programs targeting homeless people in San Antonio and St. Louis were fully funded by McKinney dollars. In contrast to the other three cities, Baltimore received no McKinney funds for employment and training programs for

the homeless. One of its three local programs is funded by the federal Job Training Partnership Act (JTPA) program, another is sponsored by a church, and a third is sponsored by local businesses. Although Baltimore received McKinney education funds through state government grants, the sum for programs for adults and children was smaller in 1992, for example, than the amount contributed to homeless students by the city's Department of Education Services.

McKinney Act Programs Helped Leverage Other Funds

While McKinney program funds were often small in comparison with funds from other sources, officials in all four cities told us that McKinney programs play an important role by leveraging other funding. Service providers told us that McKinney funds add legitimacy to their programs and enable them to generate other funds. One shelter provider in San Antonio stated that McKinney programs have provided seed money that stimulated funding from other sources. After the San Antonio shelter had received an initial McKinney grant of \$39,000 for renovation, for example, a charitable foundation was willing to donate to the ongoing project. A shelter provider in Baltimore said that McKinney funds are regularly used to attract other funds. According to the provider, private foundations are more willing to donate funds to a project once they know that it received funding from the federal government. In St. Louis, one service provider told us that McKinney funds were primarily responsible for a local bank's giving the shelter a loan to complete renovations on a housing facility for those who become homeless because of AIDS. A local Seattle employment official stated that "McKinney Act resources have been the glue that has garnered significant local and state resources to attack the homeless problem locally."

According to local experts, McKinney programs also helped educate the public and raise awareness in the communities, attracting interest and other funds, and helped some providers establish a track record for administering programs for the homeless. The Maryland State Coordinator of Education for Homeless Children and Youth stated that McKinney programs heightened local awareness of education problems and impressed on the state the need to work with shelters and social service organizations.

McKinney Act Programs Strengthen and Supplement Local Programs

Many positive results were credited to McKinney Act programs in our case study cities. All four cities were using McKinney emergency food and shelter programs to supplement their local efforts. Officials told us that McKinney emergency programs helped increase the quantity and improve the quality of food distributed to homeless clients, provided for the renovation of shelter facilities, increased the number of shelter beds, and expanded support services such as case management. For example, one food assistance provider in San Antonio credited McKinney programs with providing food to 20,000 additional persons, almost doubling the number of people served. McKinney programs also allowed providers to upgrade the variety of food and include meat. Another organization in San Antonio credited McKinney programs with providing 15,870 additional emergency shelter bed nights in 1991. A service provider in St. Louis told us that without the McKinney programs, many shelters would probably have had to stop all case management and support services. Also, there would have been little or no utility and rental assistance to help prevent people from becoming homeless.

Some providers in each of the four cities credit McKinney programs with helping them expand health services. Of the 29 health programs targeted to the homeless that we identified in the cities, most received some support from McKinney programs. Officials in three of the cities told us that McKinney programs allowed them to continue and expand the on-site health assistance to the homeless that they had begun to provide as initial recipients of the Robert Wood Johnson Foundation's Health Care for the Homeless program.¹ In San Antonio, Health Care for the Homeless, according to its executive director, assisted approximately 2,000 individuals per year, including both at-risk and literally homeless persons, before McKinney programs were put in place. Afterwards, under the McKinney programs, this agency was able to extend assistance to approximately 9,000 individuals a year. The executive director believes that without the McKinney program this contact with homeless clients would not have occurred. A service provider in St. Louis credited McKinney programs with allowing his project to expand health services to respond to substance abuse and AIDS, as well as to offer needed support services, such as podiatry care, transportation to health facilities, and prescription medications.

¹In 1985, the Robert Wood Johnson Foundation and the Pew Memorial Trust awarded \$25 million to establish Health Care for the Homeless demonstration projects in 19 large U.S. cities. Each project was to provide an array of services in community locations and facilities used by the homeless, such as shelters, soup kitchens, and neighborhood centers.

Local officials said that McKinney programs expanded services to mentally ill homeless people in each of the four cities because the programs allowed them to reach out to those on the street. Providers told us that outreach allows them to offer needed services to homeless people who cannot gain access to other community services because they are ill, fear the system, or have other problems. For example, in St. Louis, under the McKinney Projects for Assistance in Transition from Homelessness, mental health workers use a mobile unit to search for and identify mentally ill people in need of services. In San Antonio, under the same McKinney program, outreach workers screen and evaluate homeless people and teach the local police how to deal with the mentally ill. A mental health official told us that because of this training, some local law enforcement officers now refer homeless people needing treatment to mental health professionals rather than incarcerating them. Similarly, Baltimore used this McKinney program to expand mobile treatment services for the homeless mentally ill, pay for a housing resource specialist to help locate and develop affordable housing, implement a representative payee program in which the provider helps mentally ill clients manage their money, and train non-mental health professionals who work with mentally ill homeless people. Some providers stated that without these McKinney programs, some services, including case management and outreach efforts, would be discontinued. They said that they would have to return to providing emergency services and would not be able to offer the extra support needed to stabilize clients.

Figure 2.2 shows some of the McKinney-funded services available in the four cities to assist homeless clients.

Figure 2.2: McKinney-Funded Services
Available in the Four Cities to Assist
Homeless Clients

Feeding Program

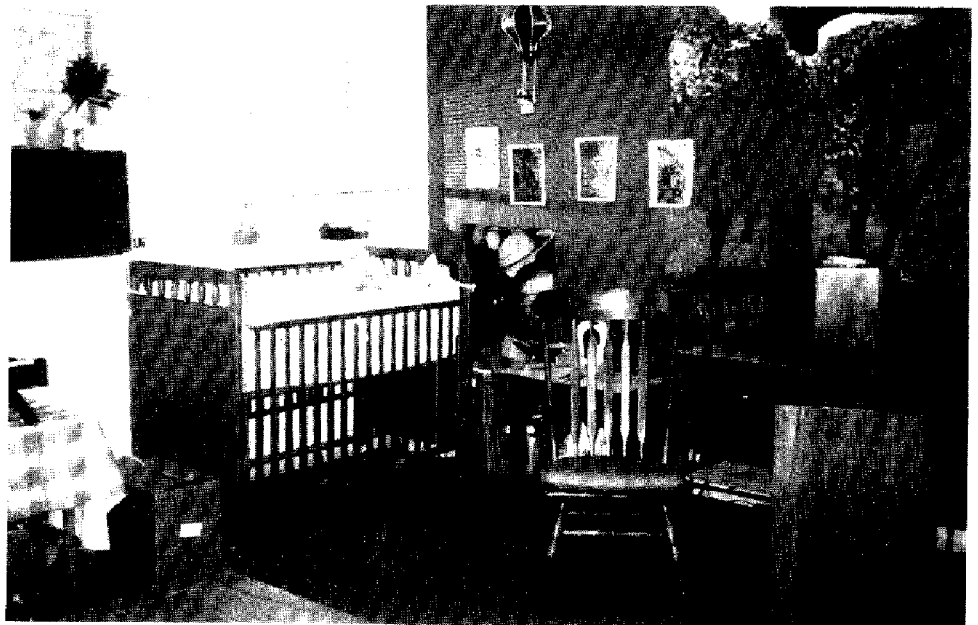


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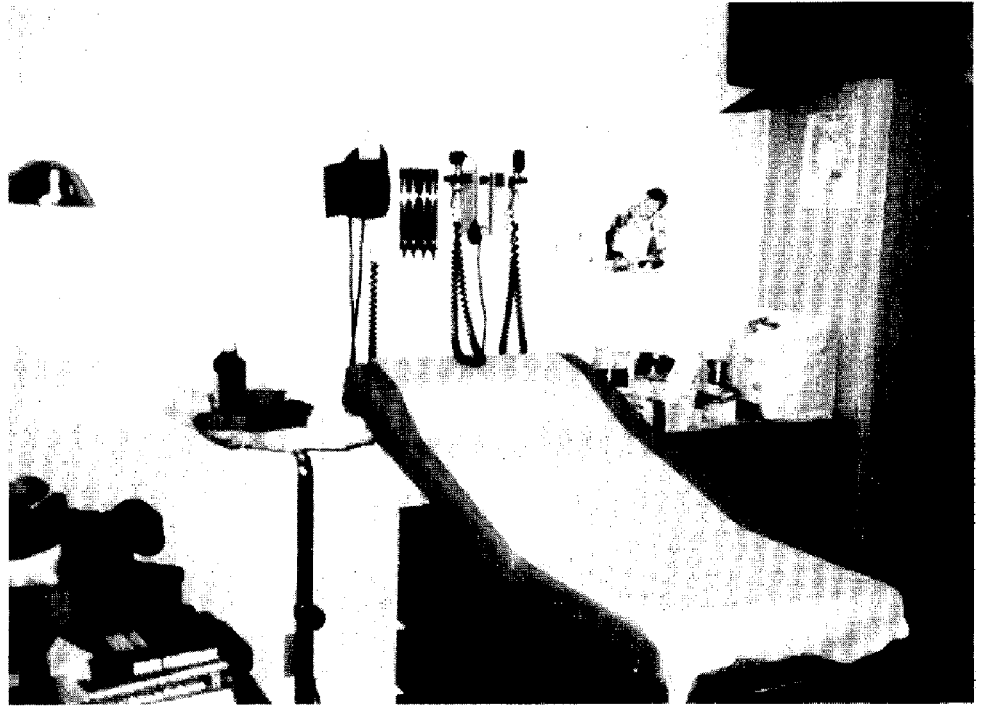
Day Care



Nursery



Health Facility



McKinney Act Programs Encourage Innovation and Development

McKinney funds helped cities to test new ways of assisting homeless people with special problems and to develop other needed programs, projects, and services. For example, McKinney programs initially funded demonstration and research projects for homeless clients with substance abuse problems and mental illness. McKinney funding also supported the development of transitional housing projects in two cities, employment programs in three cities, and adult education programs for homeless people in all of the cities.

Three of the cities designed new ways to assist people who had substance abuse problems or were mentally ill. For example, in Seattle providers offered intensive case management to a very dysfunctional group of chronic inebriates to determine whether such assistance made a difference in their quality of life over the long term. In St. Louis, providers designed a project to help homeless substance-abusing women with children. The project supplements traditional 60-day emergency shelter services with 12 months of case management and/or comprehensive family and child development services. Before this project was started, there were no substance abuse programs in St. Louis designed specifically for

homeless mothers. Mental health providers in Baltimore used the McKinney Community Mental Health Services Demonstration Project for Homeless Individuals Who Are Chronically Mentally Ill (CMHS) program to test the effectiveness of an Assertive Community Treatment Team project for homeless people with severe mental illness. The project is designed to increase access to services and basic necessities through outreach and case management and to improve mental health outcomes.

McKinney programs also helped each case study city develop other needed projects and programs. For example, in its local Comprehensive Housing Assistance Strategy, each city identified the need to develop transitional housing for homeless people who need supportive services to leave the shelters, find permanent housing, and lead independent lives. Providers used the McKinney Supportive Housing Demonstration Program to start 24 of 29 transitional housing projects in Seattle, 9 of 10 transitional projects in St. Louis, and a large multiservice center and shelter project in San Antonio. Additionally, the cities identified the need for permanent housing options. Five single room occupancy (SRO) projects (buildings consisting of one-room dwelling units for single adults) and the permanent housing for the handicapped projects identified in the four cities were developed under McKinney programs. Providers told us that some of these projects would not have been developed without the McKinney programs.

Before the McKinney Act's enactment there were virtually no education programs specifically designed for homeless adults and children in the four cities. In all four cities, McKinney funding helped establish education programs for homeless adults, and in two cities it helped establish programs for homeless children. The programs for adults have focused on enrolling clients in literacy programs. For example, in St. Louis, a literacy project provides outreach to clients in shelters through the McKinney Adult Education for the Homeless program. McKinney funding also established adult literacy programs in Seattle at a number of sites. At two local shelters in Baltimore, McKinney funds supported a mentoring and education program that focused on basic life skills and literacy and employability training. In the same city, the Education for Homeless Children and Youth program has provided a place to study after school, on-site tutoring, assistance with homework, and cultural enrichment activities for children living in nine family shelters.

Officials in San Antonio and St. Louis credit a McKinney program with establishing their employment services for homeless veterans. When an organization in San Antonio lost a McKinney employment training program

for veterans, services ceased. In Seattle, providers used McKinney funds to expand employment services for homeless men and women at 22 shelters. A local study indicated that these were the first on-site services available at Seattle shelters to assess participants' employability.

McKinney Act Programs Encourage Cooperation and Coordination of Local Services

Although some organizations and local government agencies assisting the homeless had well-established networks for sharing information and delivering services before the McKinney Act's enactment, some providers in all four cities credit McKinney Act programs with bringing together local organizations and bureaucracies that might not otherwise have interacted. The criteria for awarding grants for some of the competitive McKinney grant programs, for example, give points for establishing linkages to other programs. A Seattle service provider said the McKinney employment program that provides funds to his organization requires grant recipients to collaborate with other providers of social services, so that people who might not otherwise interact with one another (e.g., employment counselors, shelter operators, and housing authority officials) are brought together. Furthermore, McKinney programs helped employment officials pull together diverse shelter, health care, housing, employment, training, and other critical services to implement a comprehensive service system for the homeless.

A St. Louis provider told us that because the McKinney Act supports a wide range of services, many agencies are involved in providing services and referring homeless persons to other needed services. City officials in San Antonio credited McKinney Act programs with helping the city focus on priorities for assistance and better coordinate efforts. A provider in Baltimore felt that funding for the Community Mental Health Services research demonstration grant encouraged collaboration among the shelters, primary health care providers, local mental health authorities, universities, and advocacy groups. On the research side, he said that McKinney programs had established a previously nonexistent collaboration of researchers across disciplines (psychiatry, social work, anthropology, and economics) and across universities. However, some providers believed that the competitive nature of many of the McKinney programs and the fragmented administration of the programs on the federal level impede the coordination of service delivery on the local level.

Conclusions

Our study of McKinney Act programs in four cities shows that these programs strengthened and supplemented existing local efforts to assist

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the homeless by enabling providers to expand emergency food, shelter, and health services. The McKinney programs also gave communities the opportunity to test new approaches for assisting homeless people suffering from mental illness or substance abuse problems. Besides increasing the total assistance available from public and private sources, the McKinney programs helped to leverage funds from other contributors. In addition, the programs improved the coordination of services for the homeless by bringing together providers and officials who had not worked together before.

Providers Say Some Policies and Requirements Make McKinney Act Programs Difficult to Manage

While service providers in all four cities attributed many positive results to McKinney Act programs, as described in chapter 2, they expressed dissatisfaction with some aspects of the programs. Some providers questioned program policies that they believe make it more difficult for them to develop, provide, and maintain adequate services for homeless clients. A major concern was the emphasis in McKinney programs on demonstrating new approaches without providing for the continued support or expansion of successful approaches.

Federal officials acknowledge that requests for competitive grants greatly exceed available funds and that only a small percentage of applicants receive funds for McKinney Act demonstration and research programs. The officials told us that a key role of many McKinney programs is to identify new and better methods of dealing with the multiple problems of homeless people and to disseminate information on what works. We found that evaluations of many McKinney programs are being conducted to obtain information on what works. However, there are no plans to consolidate and disseminate this information to those outside each individual federal agency's normal constituency who might also find the information useful. Furthermore, according to federal officials, funds to implement methods that work must come from other sources.

Additionally, some providers expressed concerns about administrative issues that made it difficult for them to manage multiple programs—principally burdensome application procedures and record-keeping requirements. We found that the Congress and some agencies have taken actions designed to partially alleviate the administrative concerns. However, some federal officials believe that more uniform reporting requirements or some form of program consolidation may still be needed.

Because the federal Interagency Council on the Homeless was authorized by the Congress to, among other things, reduce the duplication of efforts in federal programs for the homeless, provide technical assistance to localities, and collect and disseminate information to the 12,000 people and organizations on its mailing list, it would have been the logical entity to further address duplicative administrative requirements and to widely disseminate the results of McKinney Act program evaluations and demonstrations. However, HUD's Deputy Assistant Secretary for Economic Development told us that the Domestic Policy Council's working group, created to replace the Interagency Council, had retained all of the former Interagency Council's staff, was being funded by HUD for fiscal year 1994,

and would continue many of the activities previously undertaken by the Interagency Council.

Service Providers Question Some McKinney Program Policies

While providers say that the McKinney Act created opportunities to complement and enhance existing programs as well as develop new programs, some providers in all four cities were concerned that their programs would not continue to receive funding. Also, because most of the McKinney programs provided funds to grantees through competitive grants, not all applicants were awarded funds. Unsuccessful grant applicants raised concerns that they were missing out on important program development opportunities.

Providers Question Short-Term Nature of McKinney Demonstration Programs

The majority of competitive grants were awarded to programs designed to illustrate innovation and development, such as HUD's more than 700 transitional housing grants. Operators of McKinney-funded transitional housing projects were particularly anxious about losing funding as their 5-year grants neared expiration. These providers were concerned that after learning what worked and how best to meet the needs of their clients, they might not be able to continue their efforts.¹

A small number of research grants were also awarded to test new methods for meeting the needs of various groups of homeless people, including the mentally ill and those with substance abuse problems. For example, HHS' Research Demonstration Projects for Alcohol and Drug Abuse Treatment of Homeless Persons (ADAT) awarded only 23 grants over the life of the program (9 grants in 1988 and 14 grants in 1990). The funds were used to implement and evaluate successful and replicable approaches to community-based treatment and rehabilitation services for homeless individuals who abuse alcohol and drugs. However, because of the experimental role of McKinney demonstration programs, providers were concerned that they would not continue to receive support to sustain or expand successful approaches.

¹The Congress responded to the requests of transitional housing providers for longer-term funding by allowing grants to be renewed under HUD's Supportive Housing Program. According to HUD officials, the funding for this program was originally to have been phased out.

Providers Say Research
Funds That Can Provide
Critical Services Are Not
Available to Them

Providers also cited difficulties in obtaining research funds for services they believed were critical to their organization. Those who applied for but did not receive grants were concerned that their communities were being left out of developing new programs in vital service areas and were missing opportunities to deliver needed services. For example, a city official in Baltimore explained that not getting funds for substance abuse treatment was significant because awards were made only once every 3 years. When Baltimore did not get funded in the fourth year, it could not apply again for funds until the seventh year. Another provider indicated that the same problem existed under the Department of Labor's Job Training for the Homeless demonstration program grants, which are also awarded for 3 years. Providers felt that not obtaining the initial funding for these types of McKinney programs meant getting left out for a long time.

Federal Officials
Emphasize Demonstration
and Informational Role of
McKinney Act Programs

Federal officials acknowledged that only a small percentage of applicants are awarded program funds in most competitive McKinney Act programs. According to a HUD official, the agency gets over 1,200 applications annually for its programs for the homeless and funds about 200 (about 16 percent). Officials from the Department of Labor told us that they received over 300 applications for the Job Training for the Homeless demonstration program and funded a few over 40 (about 13 percent). VA officials told us that in 1993 they received \$80 million in proposals for \$10 million in funding and believed that the denied requests were as good as the funded ones. An official from the Department of Education told us that the Department changed its program to a competitive system to give fewer but larger awards because the \$50,000 grant that each state originally received as an entitlement was too small to be of much use.

Federal program administrators told us that the McKinney research and demonstration programs are not designed or funded to provide services on a large scale. Rather, these officials see McKinney programs as providing opportunities for grantees to try new approaches to meet the special needs of homeless people in a range of areas and to identify and disseminate information on what works well.

The Departments of HUD, HHS, VA, Labor, and Education have recently evaluated or are currently evaluating a total of 11 McKinney Act programs. (See app. II.) The completed evaluations are designed to identify

- social, financial, and other impacts of transitional housing;

- ways of providing community-based treatment and rehabilitation services for homeless persons who abuse alcohol and drugs;
- ways of providing coordinated housing, treatment, and supportive services for homeless mentally ill persons;
- ways of delivering health care; and
- ways of providing employment and training to homeless people.

Federal officials administering other demonstration and research projects for the homeless told us that in the future they expect their McKinney programs to play the same experimental role that they currently play and that there are no plans or money to replicate successful programs.

Federal officials also told us that they share information on successful efforts formally at annual conferences and informally through site visits, on-site monitoring, and conference calls. However, the primary recipients of this information are those receiving grants from individual federal programs, so the information is reaching only a limited audience of current agency constituents. Other organizations may provide services to some of the same clients but not be part of an agency's constituency. For example, shelter operators who serve veterans among other clients might learn significant lessons from information on the McKinney programs for veterans but would not necessarily receive routine information on these programs and their results from VA.

Coordinated Federal Efforts Are Needed to Better Disseminate Program Evaluation Results

While officials from various federal agencies administering the McKinney Act programs told us that they would disseminate information from successful demonstrations so that others could learn from the projects, the means suggested (conferences, newsletters, and other informal methods of communication) do not ensure that interested providers operating programs outside the individual agency's category of assistance will receive such information.

Communications about all agency programs used to be a function of the former Interagency Council, which had a mailing list of 12,000 and conducted regional conferences. According to HUD's Deputy Assistant Secretary for Economic Development, the Domestic Policy Council's new working group on the homeless will continue the key functions of the Interagency Council. She said that HUD had retained all of the Interagency Council's staff and was funding the working group's operations. According to the Deputy Assistant Secretary, the new working group has continued to communicate with the Interagency Council's constituency through

regular mailings of information about available funds and changes in McKinney Act programs and through “interactive forums” in communities.

Providers Found Some McKinney Act Programs’ Administrative Requirements Burdensome

Although the Congress and some agencies have taken a number of steps—such as simplifying program procedures and expediting the disbursement of program funds—to remove barriers to providers’ use of the McKinney Act programs, service providers in all four case study cities described problems in administering some of the programs. On the local level, many programs for the homeless are administered by small nonprofit organizations that rely on a number of funding sources to provide an array of services to meet their homeless clients’ many needs. Such providers have found it difficult to meet the application and record-keeping requirements of multiple McKinney programs.

Providers Have Had Difficulty Administering Multiple McKinney Programs

As discussed in chapter 2, the McKinney Act authorizes a wide range of programs to help local governments and service providers meet the varied needs of homeless people. These programs are administered at the federal level by five departments—HUD, HHS, VA, Labor, and Education—and by FEMA. Each of the McKinney programs has its own application process. Some programs require simple applications, while others call for longer, more detailed project summaries and supporting exhibits. Some programs require annual reapplications. Each program also has its own record-keeping requirements and reporting schedules established by the agency. Providers view these requirements as particularly burdensome because McKinney programs are only one of many funding sources that they rely on to support their services for the homeless. For example, in 1991, many of Seattle’s 22 city-funded shelters relied on as many as seven different funding sources. A multiservice center in San Antonio used 12 different funding sources, including 3 different McKinney programs. In Baltimore, in 1991, one shelter relied on at least 19 sources for funding and another shelter relied on 17.

In all four cities, McKinney program grantees described the process of applying for some programs as complex and sometimes lengthy, taking scarce staff resources away from serving homeless clients. Some officials told us that they needed to hire grant writers to compete successfully for McKinney program funding. Focus group participants in two cities described the application for HUD’s Shelter Plus Care program as lengthy and difficult. For example, the coordinator for the homeless in Baltimore stated that two full-time staff worked for a month and more than half a

dozen other coordinators and writers worked many dozens of hours to complete the Shelter Plus Care application.

Also, providers criticized the annual reapplication requirements of some programs. They stated that the short funding cycle of programs such as the Job Training for the Homeless demonstration program does not allow enough time to work with homeless clients with difficult problems. In some instances, providers may spend more time writing grants and identifying and applying for matching funds than serving clients.

Providers also discussed the difficulties they experienced in administering programs with different documentation requirements. According to some providers, programs may call for much of the same information but require it to be collected and reported in different formats. For example, some programs require forms for taking in, tracking each month, releasing, and following up on clients. Other programs require quarterly financial reports, information on participants' outcomes and demographic data, and narrative reports on program activities. Additionally, while some programs call only for annual status reports, others require interim performance reports, expenditure reports, and preliminary and final evaluation reports. Providers said that, in some instances, the demands on staff to manage administrative requirements impede the staff's providing quality service to a difficult-to-serve population. One staff administrator told us that the project's case manager spends approximately one-third of the time coordinating the various documentation and reporting requirements.

Agencies Have Simplified Some Requirements, but Officials Acknowledge That Problems Remain

As the McKinney Act programs have evolved, the Congress and some agencies have simplified the programs' administration. Both GAO and the Office of Evaluation and Inspection (OEI) within HHS' Office of Inspector General (OIG) previously reported on barriers cited by providers in gaining access to McKinney programs.² We found that since these reports were issued, fund allocation formulas and matching requirements have been changed, electronic fund transfers have been authorized to permit quicker disbursement of funds, and some programs' guidelines and procedures have been simplified.

Federal officials acknowledge that providers may still have difficulty obtaining and managing funds from various agencies for their projects for the homeless and that more could be done to simplify the administration

²Homelessness: Access to McKinney Programs Improved but Better Oversight Needed (GAO/RCED-91-29, Dec. 28, 1990) and State and Local Perspectives on the McKinney Act (OEI-05-90-01090, Dec. 1990).

of some McKinney programs. HUD officials, for example, concede that parts of the Shelter Plus Care program application, especially the Section 8 SRO component, are very complicated. To simplify one aspect of the program, the Congress authorized a single appropriation and HUD consolidated the administration (previously different components were administered in different divisions within HUD). HUD also revised the application process.

In fiscal year 1993, HUD further simplified the application procedures for its programs by introducing a single Notice of Funds Availability (NOFA) for the SRO, Shelter Plus Care, and Supportive Housing programs. This notice gives applicants a total funding picture for the year in advance. A HUD official told us that the agency tried to design one application package for all three programs but was unable to do so because the programs differed so much from one another. HUD has, however, made the applications for the three programs similar and now uses the same core rating criteria.

Federal officials also acknowledged that the different reporting requirements for the various programs created problems for grantees; however, they could not suggest any ways of consolidating reporting requirements for the current programs. HUD officials indicated that past interdepartmental efforts to standardize reporting requirements had failed because of differences in congressional requirements for the type of recipient and the type of program, as well as differences in the programs' fiscal years.

Officials Differ in Their Views on Consolidating Programs

Some federal and local government administrators and service providers believe that consolidating some of the separate McKinney Act programs could reduce these administrative problems. Officials told us that from a local perspective, consolidation would make life easier for grantees by reducing the number of applications and other requirements, and from a federal perspective, it would simplify program administration and save staff time. Several options for consolidating the programs have been suggested by service providers, advocates for the homeless, and local government and federal agency officials. These options include (1) combining the programs by categories of assistance, such as employment assistance; (2) consolidating the programs by category of need, such as the need for mental health services; (3) establishing a single grant for demonstration efforts; and (4) establishing a block grant for services for the homeless to be administered by cities, states, or a local board, as the FEMA program is currently administered.

Supporters of an entitlement or block grant approach point out that the nature and scope of homelessness varies across the country and that priorities for delivering these services should be made at the state and local level rather than at the federal level. Funds could be distributed locally by the city government or by a designated local nonprofit organization, which would serve as a focal point in the community for coordination, planning, and evaluation.

Other local and federal officials, however, do not support program consolidation or the distribution of funds by formula. Advocates of the current mix of categorical programs assert that homeless people have special needs that can best be handled by targeted services. If money is not earmarked at the federal level for such programs, these advocates say, the varied needs of homeless people will be lost in competing demands for limited resources. Additionally, some service providers prefer applying directly to the federal government for funds to avoid problems with local allocation processes. Furthermore, some officials indicated that, given current limited resources, individual grants awarded to localities under a block grant might be too small to do much good.

While there is no consensus on this issue, many acknowledge that efforts to reduce program fragmentation are appropriate, and selected programs have been consolidated. For example, in fiscal year 1993 two HUD programs—the Supportive Housing Demonstration Program (SHDP) and the Supplemental Assistance for Facilities to Assist the Homeless (SAFAH) program—were combined to form the Supportive Housing Program (SHP). Earlier efforts to combine selected entitlement and demonstration programs in HUD were stopped by disagreements on an allocation formula.³ At that time, HUD officials said the difficulty of obtaining consistent, uniform data on the prevalence of homelessness in various parts of the country became an obstacle. Although HUD officials had hoped that figures from the 1990 Census would establish a basis for distributing these funds, various problems and inconsistencies in the collection of the Census data led many to argue against their use in allocating funds to assist the homeless.⁴

³The Stewart B. McKinney Homeless Assistance Amendments Act of 1990 authorized the Secretary of HUD to issue regulations establishing an allocation formula that would reflect each jurisdiction's share of the nation's need for housing assistance for the homeless.

⁴See 1990 Census: Limitations in Methods and Procedures to Include the Homeless (GAO/GGD-92-1, Dec. 30, 1991).

On April 26, 1994, HUD submitted proposed legislation to the Speaker of the House of Representatives that would reorganize its six McKinney Act programs into a single formula grant program.⁵ Under the proposed reorganization, whose purpose is to give localities greater flexibility in designing strategies for assisting the homeless that best meet local needs, funds would be allocated to state and local governments using a mechanism similar to that used in the Emergency Shelter Grants program. However, state and local governments would be required to involve nonprofit assistance organizations in developing a local plan for assisting the homeless and to make at least 51 percent of the grant funds available to such organizations.

Conclusions

Local service providers criticized the McKinney demonstration programs' restrictions on (1) renewing grants, which limited the providers' ability to sustain successful programs, and (2) on funding, which limited the providers' ability to offer services to all who could benefit from them. Federal officials maintained, however, that the purpose of the McKinney demonstration programs is to test approaches for meeting the needs of the homeless—not to sustain programs or to provide services on a large scale. Ongoing evaluations of the programs should indicate which approaches work and which do not, but unless the results of the evaluations are widely disseminated, the value of the demonstration programs will be limited. The Domestic Policy Council's new working group should be able to consolidate and disseminate the results to providers and other interested parties if it continues to receive adequate staff and funds from HUD.

Local providers who wanted to provide comprehensive services expressed concern about the administrative burden of managing multiple McKinney projects. Their primary concerns were the need to develop applications for each program and to report similar information in different forms. These activities absorb scarce resources that providers would rather see allocated to serving clients. While acknowledging that the programs' requirements could be burdensome, federal officials noted that some consolidation has already occurred and that further efficiencies would, in many cases, require legislative action.

⁵These six programs are Emergency Shelter Grants, Supportive Housing, Shelter Plus Care, Section 8 SRO Rehabilitation, Safe Havens, and Rural Homeless Housing Assistance.

Chapter 3
Providers Say Some Policies and
Requirements Make McKinney Act
Programs Difficult to Manage

Matters for
Congressional
Consideration

To reduce the administrative burden created by multiple application and reporting requirements, the Congress may wish to consider amending the McKinney Act to (1) enable federal agencies to establish more uniform application and reporting requirements or (2) consolidate McKinney Act programs.

Recommendation

We recommend that the Executive Director of the Domestic Policy Council's new working group on homelessness disseminate summaries of the McKinney program evaluations to all of the parties on the Interagency Council's mailing list.

McKinney Act Program Support Important to Future Efforts but Will Not Alone Fully Address the Problem of Homelessness

Local government officials, university researchers, and providers of services to the homeless in the four cities we studied expect homelessness to remain a serious problem. These local experts believe that all levels of government, as well as the nonprofit sector, must work in partnership to address the problem of homelessness. They plan to continue supplying emergency food and shelter and to provide more options for improving the quality of life for homeless people and helping them achieve independence. In addition, they want to increase efforts to prevent other people from becoming homeless. These experts want the federal government to sustain current levels of funding for McKinney Act emergency food and shelter programs and to increase funds for prevention efforts, longer-term housing, and the comprehensive services that the homeless need to help them become independent.

Local experts also said that they need tools beyond the current scope of McKinney Act programs to effectively address the problem of homelessness. Above all, they cited the need for affordable housing. They indicated that the current safety net of mainstream social programs—designed to assist the general population of low-income people through subsidized housing, income support, and other means—does not have sufficient capacity to prevent new episodes of homelessness or adequately serve people who are already homeless. Local experts also cited unemployment and the loss of well-paying urban jobs as causes of homelessness in their cities. They said that significant reductions in homelessness will require expanding the capacity of mainstream social programs, improving homeless people's access to these programs, and increasing employment opportunities for low-income people. In studies we reviewed, national experts discuss many of the same issues raised by local experts in our case study cities and recommend some of the same remedies to homelessness.

Two recent federal initiatives support the development of a comprehensive strategy to alleviate homelessness. In February 1994, a task force established by the Speaker of the House of Representatives recommended improvements in existing McKinney Act programs, better services for the prevention of homelessness, and better access for the homeless to mainstream assistance programs. Also, the Domestic Policy Council's working group on homelessness, which succeeded the Interagency Council on the Homeless, is preparing a coordinated federal plan to break the cycle of homelessness and prevent future homelessness. This plan, which was required by a May 1993 executive order to the Interagency Council and its member executive agencies, is to identify

legislative and administrative proposals to streamline or consolidate existing programs to make them more effective in serving the homeless. Although funding for the Interagency Council was eliminated for fiscal year 1994, the working group continued to develop the plan and expected to make it public on May 17, 1994.

Local and national experts and the Speaker's task force agree that any substantially more effective strategy will cost significantly more than is now being spent. The extent to which the federal government can respond poses a difficult budget decision for the Congress.

Cities Need McKinney Program Support to Continue Efforts to Assist the Homeless

Local experts in our case study cities predict that homelessness will remain a serious problem in their cities because affordable housing remains scarce, economies are stagnant, and funding for income assistance programs has been cut. They said that they plan to expand public awareness of the problem, refine their strategies and priorities for relieving homelessness, and work to develop additional low-income housing.

Local experts in three cities also stressed the need to maintain current levels of emergency services, while officials in the fourth city were still trying to expand emergency assistance. Local providers believe that recent cuts in funding for McKinney Act emergency programs are premature because the need is still so great.¹ For example, city officials in San Antonio estimated that shelters have been serving only about 16 to 20 percent of those in need. In Baltimore, about as many people were turned away from shelters as were given beds. Local experts told us that it is critical to strike a balance between maintaining emergency support and expanding prevention efforts and long-term housing opportunities. According to one city government official, the current number of homeless people needing emergency shelter and basic services will continue for the foreseeable future.

All the cities plan to provide more options to help homeless people move from emergency shelters to more stable and longer-term housing arrangements. Local experts believe that interim housing, such as that provided in the McKinney transitional housing program, is important because it offers supportive services that clients need to become independent. They expect the new McKinney Shelter Plus Care and Safe

¹Funding for McKinney emergency service programs was cut by \$33 million from fiscal year 1992 to fiscal year 1993 (over \$90 million was proposed to be cut), even though the overall funding for McKinney programs was increased by \$125 million.

Chapter 4
McKinney Act Program Support Important
to Future Efforts but Will Not Alone Fully
Address the Problem of Homelessness

Havens programs to provide longer-term housing to two particularly challenging groups of homeless clients, the mentally ill and those with substance abuse problems. Local officials in three of the four cities hope to expand their use of the McKinney permanent housing programs, including the SRO program and a program for handicapped homeless persons. Additionally, some service providers believe that the McKinney Act should fund the construction of permanent low-income housing projects.

Local experts in all four cities told us that they hope to increase their emphasis on preventing homelessness and would like McKinney Act programs to provide additional resources. According to a St. Louis official, the city first needs more money to help poor people pay their utility bills and rent so that their utilities are not turned off and they are not evicted. This type of assistance is crucial to preventing homelessness. The official pointed out that once people enter the shelter system, the cost of supporting them is much greater. One of Baltimore's goals is to control the growth of homelessness by increasing the number of prevention programs, such as a neighborhood intervention program. Local experts acknowledge that FEMA's Emergency Food and Shelter Program (EFSP) and HUD's Emergency Shelter Grants (ESG) and Supplemental Assistance for Facilities to Assist the Homeless (SAFAH)² programs have provided some assistance for prevention; however, this funding has been limited.

To improve the quality of life for homeless people and to increase their chances of becoming independent, providers believe that they must offer comprehensive services that go beyond emergency food and shelter. They described homeless clients' needs for such things as substance abuse treatment, education, special programs for youth between 11 and 15 years old, and employment and training programs—for which little or no funding has been targeted specifically to homeless people except through McKinney Act programs. For example, Baltimore providers said that although many homeless clients had alcohol and drug abuse problems, there were few places in the city to send them for treatment. Homeless clients we spoke to in the four cities cited various reasons for their homelessness and told us that they needed a range of services to help them cope with such things as drug abuse, other personal problems, and unemployment. As discussed in chapter 3, most of the McKinney programs in these areas are research or demonstration programs that serve a small number of people. Service providers believe that McKinney programs can play a larger role and want to see funding for them increased.

²In fiscal year 1993, SAFAH became part of the Supportive Housing Program.

Needs Beyond the Scope of the McKinney Act Programs Must Be Addressed

While McKinney Act programs can play an important role in assisting the homeless, they will not fully address the problem of homelessness. As discussed previously, these programs are meeting only a portion of the identified needs of people who are already homeless and few of the needs of the large numbers of people who are at risk of becoming homeless. Local experts told us that actions must be taken to expand the capacity of mainstream programs that serve low-income people. The greatest need, they said, was for affordable housing. Both local experts and homeless people also said that homeless people's access to mainstream programs needs to be improved and that employment opportunities need to be expanded to prevent people from becoming homeless. In all four cities, local experts told us that, in addition to McKinney programs, the cities need:

- affordable housing options, for which all levels of government would share responsibility;
- additional resources for the mentally ill, especially long-term affordable housing with residential services;
- programs for treating substance abuse;
- strategies for supplementing the income of low-income people;
- strategies for creating jobs that pay a decent wage;
- policies endorsing the right of all to basic life necessities, including education and health care; and
- modification in attitudes and the political will to make changes, such as those suggested above, across all levels of government.

Officials Believe Mainstream Programs Need to Be Larger and More Accessible to Homeless People

Local experts in all four cities told us that the principal mainstream programs designed to assist low-income people (e.g., rent subsidy, income assistance, and social service programs) do not have the capacity to serve and may be inaccessible to homeless people. Some believe that programs for assisting the homeless are serving as a safety net for the mainstream social programs, which themselves were designed to be a safety net for low-income people. While most local experts believed in intervening and targeting assistance to the homeless by, for example, providing services in shelters, some said that such assistance could make clients dependent and institutionalize homelessness by establishing a separate system to assist this group of very-low-income people. Local providers and federal program administrators agreed that, whenever possible, mainstream programs should serve the homeless. However, to do so, they must have the capacity to serve and must be accessible to homeless people.

Local experts in all four of our case study cities cited evidence of insufficient capacity in mainstream programs, most commonly noting long waiting lists for assisted housing (Section 8 rent subsidies and public housing), reductions in state income assistance, and insufficient physical and mental health care services. Some of their examples follow:

Capacity of Housing Assistance Programs Is Insufficient

There are two main forms of federal housing assistance—public housing and housing that is privately owned but subsidized by the government. Both types of housing assistance are provided through programs administered by HUD. Other low-income households may receive assistance through similar programs funded by state or local governments.

City officials in Baltimore said that the wait for assisted housing is 8 to 10 years. There are 31,000 people on the waiting list, including more than 15,000 with federal preference, a category that includes homeless people.

The number of public housing units in San Antonio has increased little over the past 10 years. Currently, 20,000 people are waiting for Section 8 subsidies. The waiting list has been closed since 1985.

In May 1992, 3,269 people were on Seattle's waiting list for public housing, including over 600 homeless people. Additionally, over 6,000 people were on waiting lists for Section 8 certificates.

During the 1980s, St. Louis lost almost 7,200 housing units, and the number of vacant and boarded up units increased. The number of habitable public housing units has also declined over the past 10 years. There is a 6-year wait for public housing.

Capacity of Income Assistance Programs Is Insufficient

Several federal and state programs provide monthly cash benefits to low-income people. These programs include the federal Aid to Families with Dependent Children (AFDC) program; Supplemental Security Income (SSI), a federal entitlement program that supplements the income of poor aged, blind, or disabled people; and General Assistance programs—General Relief, Public Assistance, or Home Relief programs—that are funded and administered by states, counties, or cities to aid poor, single, able-bodied individuals.

According to local experts, budget cuts are making it more difficult to get income assistance in Baltimore. For example, the state has reduced income maintenance levels, cash payments, and medical assistance. In addition, the General Assistance program has been changed to a loan

program. Applicants must now apply to the state for a loan and sign a promissory note to repay the funds. Also, like many other states, Maryland does not augment federal SSI benefits.

Income assistance levels in Texas are among the lowest in the country. For example, in 1990 the state's maximum AFDC benefit was the third lowest in the nation. Texas' AFDC benefit levels have not changed since 1985. The state has no General Assistance program. Like Maryland, Texas does not provide additional funds to supplement federal SSI benefits.

The state of Missouri has one of the lowest AFDC benefit rates in the country. The maximum AFDC benefit in Missouri for a family of three with no other income has decreased by about 20 percent since 1970. While the maximum AFDC benefit for such a family in the St. Louis area was \$292 per month in 1992, the fair market rent was \$498 per month.³

Over the last decade, AFDC payments in Seattle have increased by 9 percent, but rental housing prices have increased by more than 83 percent. The city estimates that at least 32,000 low-income renters pay more than 30 percent of their income for housing. Many of these households are at risk of becoming homeless through loss of income, rising rents, federal housing cutbacks, and the continued loss of affordable housing to demolition and conversion.

**Capacity of Other Social
Service Programs Is Insufficient**

Other social services for low-income people are provided through programs funded by HHS, such as Medicaid and Social Security Disability Insurance (SSDI), as well as through locally funded programs that provide treatment and services to people who are mentally ill or have substance abuse problems.

Service providers in Baltimore told us that it is becoming more difficult to get medical benefits for homeless people through mainstream programs. They noted that federal Medicaid assistance has been reduced over the past 3 years. Outpatient visits to clinics and inpatient hospital services have been eliminated, and substance abuse services have been reduced. For example, in 1975 Medicaid covered 12 days of detoxification treatment, but since 1991 it has covered only 3 days.

Local experts in Seattle reported that they have not been able to place homeless mentally ill people that they have identified through

³HUD establishes fair market rents for each metropolitan and nonmetropolitan area in a state. Fair market rents reflect rents at the 45th percentile in the area for a given number of bedrooms.

McKinney-funded outreach efforts into the long-term mental health care system because the system has reached capacity.

According to local experts in St. Louis, a \$181 million shortfall in state revenues in 1992 led to cuts in social services, particularly in mental health and substance abuse services. Two hundred facilities have been closed in Missouri because of cutbacks, including inpatient facilities. People receiving outpatient treatment in lieu of inpatient care are expected to stay in a shelter for the homeless during treatment. Shelters must then provide additional beds and services for these people, including counseling to ensure that they continue outpatient treatment.

Local experts in San Antonio told us that publicly funded services for the mentally ill are limited. Although state general funds help support mental health programs, the need is greater than the available funds. They also told us that substance abuse services are virtually nonexistent. Currently, one public facility in the city provides 20 beds for detoxification treatment.

Homeless People Have Difficulty Accessing Mainstream Programs

Providers told us that it is difficult for some homeless people to obtain services through mainstream social programs. Homeless people we interviewed also said that it was difficult to access some mainstream programs. Agencies administering these programs sometimes are unable or reluctant to take into account the special circumstances of homeless people, such as their not having identification documents and not meeting program residency requirements.

Some providers believe it may also be difficult for homeless people to compete with others for assistance because they require more intense efforts than other eligible people. For example, one provider said that mainstream employment and training programs may not be able to provide as much help as is needed to make homeless clients employable. Another provider said that a health program may be reluctant to assist some homeless people because its funding is based on the number of clients who make regular appointments. Providers attributed the inability or reluctance of some mainstream program administrators to serve homeless people to the administrators' enormous case loads and the large number of needy people requiring assistance through these programs.

Another problem with mainstream programs is that human services are organized by category, while the problems of homeless people cross traditional categories. For example, a mainstream employment program would not help a homeless person obtain housing or supportive services.

Unemployment and the Loss of Well-Paying Urban Jobs Contribute to Homelessness

Local experts in three of the four case study cities (St. Louis, San Antonio, and Baltimore) told us that unemployment has contributed to their growing homeless populations. Additionally, local experts in all four cities cited a decline in the number of higher-paying manufacturing jobs and the difficulty that employees in lower-paying service jobs were experiencing in meeting basic living costs.

St. Louis has lost jobs while employment has grown in the suburbs and the fringes of the metropolitan area, leaving the city with a generally poorer population and fewer job opportunities. Local experts told us that the number of homeless families has increased because people who lack marketable skills are being laid off and cannot find new jobs.

Likewise, San Antonio cited a loss of higher-paying construction, mining, and manufacturing jobs. A city with five military installations, San Antonio expects an increase in layoffs and hiring freezes as military cuts and the federal budget deficit increase the likelihood of base closings. Local officials in San Antonio said that although many homeless people are willing to take even day labor (temporary manual labor that lasts fewer than 3 days and pays in cash), few positions are available, the work is unregulated, and the pay is low. Also, such work is intermittent and does not provide a reliable income to sustain a person or family. The city estimates that over three-fourths of its homeless people have only limited skills and experience, increasing their difficulty in obtaining suitable employment. Officials say additional, appropriate employment training and placement services are required if the majority of homeless people are to live productively, independent of continued public support.

Baltimore suffers from high unemployment and is losing higher-paying blue collar jobs while gaining lower-paying service jobs. Local experts in Baltimore said that an increase in the minimum wage or additional financial assistance through other support mechanisms would be needed for a worker employed full time at minimum wage to afford housing in standard condition in Baltimore. For example, a person working full time for minimum wages would have to pay about 48 percent of his/her income to obtain a one-bedroom apartment, and about 53 percent for a two-bedroom apartment. Such a situation leaves few resources to meet other needs.

While employment trends in Seattle suggest continuing job growth in the 1990s, most of the growth is expected in lower-paying occupations: 40,000 new retail trade and service sector jobs are anticipated. However, in late

January 1993, Seattle's largest industrial manufacturing firm (the state's largest private employer) announced that it would cut its commercial jet production by 35 percent. This reduction is expected to eliminate about 19,000 well-paying jobs in the Puget Sound area by mid-1994.

National Studies Support Local Experts' Opinions

Studies published by national experts support the views of the local experts we interviewed and also indicate that homelessness continues to be a serious problem for this country. These national experts agree that policymakers' goals for the future should be to treat the underlying causes of homelessness by focusing on long-range preventive solutions. All further concur that, because the homeless population is diverse and homeless individuals often have different needs, success will require substantive measures that simultaneously address the various causes of homelessness. These national experts agree that approaches and resources will need to be focused on a range of remedies, such as more affordable housing, income assistance, employment and training opportunities, and social services for groups with acute problems (including mental illness). The studies differ, however, in the emphasis they place on different efforts.

A number of studies we reviewed discuss the lack of affordable housing and cite shortfalls in the stock of low-income and subsidized housing. According to one study, more than a million households were listed nationwide on waiting lists for public housing at the end of 1988, and approximately 800,000 households were listed on waiting lists for publicly subsidized but privately owned rental housing.⁴ Several studies call for the construction of more low-cost housing, particularly of SRO dwellings in some urban areas.

Some national experts predict that the poor will become increasingly vulnerable to homelessness because public income assistance is inadequate, employment opportunities are limited, and many jobs are low paying. These experts conclude that the groups most at risk of becoming homeless (i.e., minorities, men with low skills, and families headed by women) will have increasing difficulty rising above poverty because growth in jobs is slow and the labor market is shifting from higher-paying manufacturing jobs to lower-paying service jobs. While several experts agree that creating jobs and reducing poverty will improve the general welfare, one expert makes a direct link between persistent homelessness

⁴Paul A. Leonard, Cushing N. Dolbeare, Edward B. Lazere, and Barry Zigas, *A Place to Call Home: The Low Income Housing Crisis Continues* (Washington, D.C.: Center on Budget and Policy Priorities and Low Income Housing Information Service, Dec. 1991).

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and a shift in the United States from a manufacturing to a service economy and suggests that growth in productivity will help prevent homelessness.⁵ Studies proposing solutions call for increasing employment opportunities, raising wages, and offering the education and job training programs that give unskilled poor people the skills they need to compete for better, higher-paying jobs in the future.

Research also emphasizes the need to address some of the personal causes of homelessness, especially mental illness and substance abuse. Several studies point out that a substantial commitment of resources must be made to help the large number of homeless people with these problems.

Some researchers believe that mainstream social service programs have failed those with serious mental health problems. They contend that the community mental health system is more concerned about “worried well” people with less severe problems. Others indicate that administratively complex eligibility requirements and applications for programs in the social service system needlessly deprive homeless people of access to benefits. Furthermore, some studies suggest that the current system is ill equipped to handle some homeless people’s ongoing needs for intensive and integrated services.

Suggested solutions to personal problems that lead to homelessness include long-term supportive housing for the disabled and treatment and aftercare facilities for people with substance abuse problems. Other services—such as vocational training and training in managing money and in social skills—need to be provided to help people leave homelessness and reduce their chances of becoming homeless again. Several studies point out that the responsibility for providing this assistance rests over a wide spectrum. In addition to the federal government, local governments, community organizations, private businesses, and individuals (including the homeless) need to join in fighting homelessness.

Recent Federal Efforts
Acknowledge the Need to
Modify Mainstream
Programs

Some administrators of federal mainstream programs acknowledged that their programs are not serving all those in need of assistance. For example, an HHS five-city study of homeless families with children found that mainstream programs were “threadbare” in some cities and that it was counterproductive to send homeless people into a system that was already

⁵Martha R. Burt, *Over the Edge: The Growth of Homelessness in the 1980s* (New York: Russell Sage Foundation, 1992).

overloaded. Deficiencies cited included inadequate income support and a shortage of subsidized housing; enough subsidized child care to meet only one-third of the demand; waiting lists of several years for Head Start; limited availability of developmental services; barriers in mainstream health service systems to obtaining prenatal care; and demand greatly exceeding supply for inpatient services for substance abuse treatment.⁶

Federal officials pointed out that some agencies have begun to take actions—but acknowledged that additional efforts are needed—to remove barriers that prevent homeless people from accessing mainstream programs, to improve linkages between mainstream programs and programs for the homeless, and to provide more integrated services that address the full range of clients' needs. While we identified a few encouraging federal efforts to address these needs, the efforts had not been implemented across all mainstream programs.

We found that HHS is conducting more outreach to help eligible homeless clients apply for entitlement programs such as AFDC, Medicaid, and SSI. As mentioned in chapter 3, the Departments of HUD, HHS, VA, Labor, and Education are now evaluating a total of 11 McKinney programs. These evaluations should provide useful information for improving the way in which the agencies' mainstream programs serve homeless people. For example, a new McKinney demonstration program administered by HHS, Access to Community Care and Effective Services and Supports (ACCESS), is seeking to identify promising approaches for integrating services and removing impediments to severely mentally ill homeless people's receipt of housing, treatment, and other supportive services. However, none of the agencies has thus far planned for systematically incorporating into its mainstream programs lessons learned from its McKinney demonstration programs and evaluations.

Not only have departments tried to improve individual programs but the federal government has also taken some broader actions. In February 1993, the Speaker of the House of Representatives established a task force to look at long-term solutions to the problem of homelessness. The objectives of the Speaker's task force were consistent with the previously discussed issues raised by local and national experts. Specifically, these objectives included improving communication and coordination among and within the federal executive and legislative entities responsible for programs to assist the homeless and to prevent

⁶"Homeless Families with Children: Programmatic Responses of Five Communities," Office of the Assistant Secretary for Planning and Evaluation, HHS, May 1991.

homelessness; ensuring to the extent feasible that federal policies take into account the root causes of homelessness; and determining which federal programs work for both homeless and mainstream populations. The task force's report, published in February 1994, supports the changes identified by the experts and recommends (1) improving access to affordable housing; (2) ensuring economic security, including creating jobs that pay an adequate minimum wage and reforming income support programs, such as SSI and AFDC; and (3) providing necessary services to prevent homelessness. The task force's report also acknowledges that McKinney programs alone cannot solve homelessness. The report recognizes that, in operating their mainstream programs, federal, state, and local departments of housing, human services, labor, and education need to assume more responsibility for the homeless even as the Congress funds McKinney Act programs or other programs for the homeless.

In May 1993, an executive order directed the Interagency Council and its federal member agencies to establish a single coordinated federal plan for breaking the cycle of existing homelessness and for preventing homelessness in the future. The order directed the Interagency Council to recommend ways to encourage and support creative local approaches to breaking the cycle of homelessness, including linking current assistance for the homeless to permanent housing assistance and employment opportunities. Although the Interagency Council did not receive funding for fiscal year 1994, its successor, the Domestic Policy Council's working group on homelessness, supported by HUD, continued to develop the plan. According to HUD's Deputy Assistant Secretary/or Economic Development, the plan was scheduled to be made public on May 17, 1994.

Conclusions

Predicting that homelessness will remain a serious problem in their localities, the experts we consulted in four cities want to see federal funding maintained at current levels for emergency services and increased for programs that provide longer-term housing options, prevent homelessness, and offer comprehensive social services. However, these local experts and many federal officials agree that McKinney Act programs are too limited in scope to solve homelessness. With national experts on homelessness, they believe that long-term efforts are needed to address the causes of homelessness—a shortage of affordable housing, unemployment, and an inadequate system of care for the mentally ill and those who abuse drugs—and that mainstream assistance programs should be expanded and made more accessible to the homeless. We believe that agencies' ongoing evaluations of McKinney demonstration programs

Chapter 4
McKinney Act Program Support Important
to Future Efforts but Will Not Alone Fully
Address the Problem of Homelessness

should suggest strategies for delivering services to the homeless that can be integrated with mainstream assistance programs to improve these programs' ability to serve the homeless.

Although McKinney programs have provided federal resources that enabled communities to deliver additional food, shelter, and social services to the homeless, they have not eliminated homelessness. To substantially reduce the problem, we believe a broader strategy is needed. Two federal initiatives could support the development of a broader strategy. The Speaker's task force on homelessness provided recommendations in February 1994. The Domestic Policy Council's working group was scheduled to make its recommendations public on May 17, 1994. Both the report of the Speaker's task force and the observations of the experts we consulted suggest that additional resources will be needed to make headway in the fight against homelessness. Ultimately, the Congress will have to decide whether to increase federal spending and where to allocate federal dollars for this effort.

Recommendation

We recommend that the Secretaries of the Departments of HUD, HHS, VA, Labor, and Education, after completing the evaluations of their respective McKinney Act demonstration and research programs, incorporate successful strategies for working with homeless people into their mainstream programs.

Key Events in the Provision of Services for the Homeless in the Four Case Study Cities

Time period	Food and shelter	Health	Employment	Education
Before 1980	<p>All cities had emergency food and shelter programs provided by churches, missions, the Salvation Army, and other private groups.</p> <p>Some shelters for victims of domestic violence and/or family shelters existed in all four cities.</p> <p>Two cities began to appropriate Community Development Block Grant (CDBG) funds to assist the homeless—Seattle (1978) and St. Louis (1979).</p> <p>In Seattle, local coalitions were calling attention to homelessness. In 1979, the Seattle/King County Emergency Housing Coalition (which became the Seattle/King County Coalition for the Homeless in the 1980s) was formed:</p> <p>In Baltimore, local coalitions organized a strong coalition of food service providers, and Project P.L.A.S.E. (People Lacking Ample Shelter and Employment) initiated a social service outreach program to the homeless at a local food kitchen.</p>	<p>The movement to deinstitutionalize the mentally ill was under way nationally.</p> <p>Public health clinics, hospitals, and churches provided health care for low-income people, including the homeless, in all four cities.</p> <p>In Baltimore, physicians and volunteer health providers visited shelters.</p>	<p>Local employment offices in all four cities provided on-the-job training programs for low-income people through such programs as the Comprehensive Employment Training Act. The programs did not target the homeless.</p>	<p>Basic adult education programs existed in all four cities. The programs did not target the homeless.</p>

(continued)

**Appendix I
Key Events in the Provision of Services for
the Homeless in the Four Case Study Cities**

Time period	Food and shelter	Health	Employment	Education
1980s (Pre-McKinney)	<p>In all four cities, efforts to provide emergency food and shelter were expanded, and FEMA funds became available to feed and shelter the homeless.</p> <p>In St. Louis, homeless individuals, represented by Legal Services of Eastern Missouri, filed a suit against the city and mayor to require them to provide services to the homeless.</p> <p>San Antonio began to appropriate CDBG funds for the homeless in 1984.</p> <p>All four cities provided some limited, interim housing for the homeless before McKinney funding became available.</p> <p>Three cities—Baltimore (1981), Seattle (1984), and St. Louis (1985)—appointed task forces on homelessness.</p> <p>Cities and states began funding projects for the homeless through bonds and housing trusts. Seattle passed a Housing Levy bond issue, and the state of Washington established a housing trust fund.</p> <p>City general funds and state Emergency Shelter and Food Assistance funds became available.</p> <p>In Baltimore, state funds for services to the homeless became available.</p>	<p>Three cities (Baltimore, San Antonio, and Seattle) provided systematic outreach to the homeless for the first time as Robert Wood Johnson/Pew Memorial Trust and Health Care for the Homeless funds became available.</p> <p>In St. Louis, an anonymous donation was used to develop a new program for delivering services to the homeless at the Health Care for the Homeless Coalition.</p> <p>In all four cities, the homeless mentally ill were treated with other low-income populations in clinics or hospital emergency rooms.</p> <p>In St. Louis, the Shamrock Club was opened at St. Patrick's Center to provide various services specifically to the homeless mentally ill.</p> <p>Researchers at Johns Hopkins University in Baltimore initiated research on the health needs of the homeless.</p>	<p>A small number of employment services were established specifically for the homeless in three cities (Baltimore, Seattle, and St. Louis).</p>	<p>Basic adult education programs of the 1970s continued unchanged.</p>

(continued)

**Appendix I
Key Events in the Provision of Services for
the Homeless in the Four Case Study Cities**

Time period	Food and shelter	Health	Employment	Education
1987-89 (McKinney)	<p>In all four cities, McKinney, local, private, and non-McKinney funds were used for transitional housing projects.</p> <p>Local funds for the homeless increased. For example, the San Antonio Housing Trust Fund and the Seattle Housing Trust Fund were established.</p> <p>Baltimore began appropriating CDBG funds to assist the homeless in 1989.</p> <p>San Antonio established a task force on the homeless in 1989.</p>	<p>The McKinney Health Care for the Homeless (HCH) program expanded services to the homeless in the four cities.</p> <p>Private funds for health services also increased. For example, the Comic Relief Telethon was introduced in all four cities to raise funds for health care for the homeless.</p>	<p>In all four cities, employment programs were established specifically for the homeless. These programs were funded through the McKinney Act or by private nonprofit organizations.</p> <p>For example, in Seattle and St. Louis, McKinney funds supported job search and placement services for the homeless and homeless veterans, and in Baltimore an employment program for the homeless was funded through a church organization.</p>	<p>In all four cities, McKinney programs provided the majority of the funding for educating homeless adults and children.</p> <p>In Seattle, a McKinney program established adult education specifically for the homeless. McKinney funds also supplemented a program for the homeless that became the model for the McKinney Homeless Children and Youth Exemplary Grant program.</p> <p>St. Louis provided funding for a skills center to be operated by a nonprofit organization and for educational programs for the homeless and those at risk of becoming homeless.</p>
1990s	<p>San Antonio used McKinney transitional housing program funds to develop a multiservice center for homeless adults and families. In Baltimore, single room occupancy hotels (SROs) were developed for men and women.</p> <p>St. Louis opened the Housing Resource Center, operated by a nonprofit organization under contract to the city. This center centralizes the intake and assessment of homeless people seeking assistance.</p>	<p>St. Louis used state general funds to treat the mentally ill.</p> <p>Seattle-King County reorganized to better coordinate programs for the mentally ill. This coordinated effort is known as the Downtown Access, Engagement and Transition Network (DAETN).</p>	<p>Employment programs remained relatively unchanged from the 1980s.</p> <p>In Baltimore, the Downtown Partnership (of local businesses) provided employment programs for the homeless.</p> <p>In San Antonio, however, McKinney funds were lost, resulting in the loss of outreach and employment assistance to homeless veterans.</p>	<p>In three cities, additional McKinney and other federal funds were awarded.</p> <p>For example, Seattle received two grants for homeless children and youth, Baltimore received two awards for homeless children and adults, and the St. Louis Department of Education funded an existing program.</p>

(continued)

**Appendix I
Key Events in the Provision of Services for
the Homeless in the Four Case Study Cities**

Time period	Food and shelter	Health	Employment	Education
1990s (cont.)	<p>The Seattle Housing Levy funded a permanent housing project for mentally ill adults and a transitional housing project for single men in recovery.</p> <p>The state of Texas established a housing trust fund. The San Antonio Housing Trust funded three transitional housing projects.</p> <p>A "Tent City" was erected in Seattle in 1990 by homeless people demonstrating for additional shelters.</p> <p>Seattle officials have been planning to use some facilities (e.g., existing barracks) to house the homeless on San Point Naval Base, which is scheduled for closure.</p> <p>In Baltimore, two vacant city-owned fire stations were converted to rent-free shelters.</p>	<p>Baltimore Mental Health Systems received state funds to develop an after-care pilot program in the area of case management, opened a convalescent care shelter and therapeutic nursery, implemented a representative payee program for the homeless chronically mentally ill, and was awarded a McKinney research demonstration grant for assertive community treatment.</p>		<p>McKinney funding enabled education programs for children to expand, in Baltimore, an after-school program opened in nine shelters.</p>

Evaluation Results From McKinney Act Competitive Programs

Program	Program objective	Evaluation status/results
Community Mental Health Services Demonstration Projects for Homeless Individuals Who Are Chronically Mentally Ill (CMHS)	Develop and evaluate comprehensive, community-based mental health service systems for the mentally ill homeless.	Ongoing; an interim report of the evaluation's findings is due in spring 1994. The evaluation will test the relative effectiveness of a particular model for linking housing and services in order to increase residential stability and improve the quality of life for the target population. A cross-site data set will be used to permit the direct comparison of individual projects.
Adult Education for the Homeless (AEH)	Enable state education agencies to develop a plan and implement literacy training.	Ongoing; a national review of fiscal year 1991-92 is due in spring 1994. National reviews of AEH's first 3 years (1988-90) identified several key elements contributing to the success of the programs. These included a stable living environment for a minimum of 45 days, instruction plans related to practical tasks and everyday experiences, case management and counseling, instruction on self-esteem and life skills, program locations accessible to the homeless, and funding from non-McKinney sources. The reports also included recommendations to develop and test effective alternative curricula for homeless populations, provide ongoing staff training, and incorporate a program evaluation component to aid in program planning and implementation. AEH served over 71,000.
Health Care for the Homeless (HCH)	Deliver primary health care, substance abuse, treatment, and mental health services in accessible locations.	Ongoing; the evaluation is due in December 1994. The evaluation data will be used to develop recommendations on effective delivery models, guide the design of new programs, develop policies and procedures on program implementation, and develop strategies to improve coordination.
Health Care for Homeless Veterans (HCHV)	Provide medical and psychiatric assessments and place clients into community-based treatment facilities if necessary.	Ongoing; no date has been set for the release of the sixth annual evaluation. Previous national evaluations (1987-91) showed that HCHV provided effective outreach, assessment, treatment, and referral services to homeless veterans. The factor most strongly associated with sustained involvement in the program and clinical improvement was participation in residential treatment, especially for those who stayed more than 30 days. About 40,000 have been contacted and over 7,600 have been afforded residential treatment.

(continued)

**Appendix II
Evaluation Results From McKinney Act
Competitive Programs**

Program	Program objective	Evaluation status/results
Homeless Veterans Reintegration Projects (HVRP)	Support flexible and innovative approaches to provide job training to help unemployed homeless veterans reenter the labor force.	Ongoing; 1989 and 1990 updates of the evaluation are due in spring 1994. Findings from the first year of operation (1988) demonstrate that HVRP projects developed replicable, cost-effective approaches to assisting homeless veterans in overcoming barriers to employment and retaining productive jobs in the community. Efforts to successfully replicate HVRP suggest the value of predefining the characteristics of the target population to set service delivery priorities, developing written procedures for tracking and following up clients and training staff in implementation, conducting active and varied outreach methods and providing ongoing training and supervision to staff, establishing linkages in the local community with other providers that serve the same population, and leveraging resources. The program served 5,553 in the first year.
Job Training for the Homeless (JTH)	Demonstrate innovative and replicable approaches to providing job training and collect information on the most effective ways to provide employment and training services to the homeless.	Ongoing; the final evaluation is due in 1995. Preliminary evaluations concluded that it is feasible to establish effective employment and training programs to serve both the general homeless population and specific subgroups of the homeless population at the local level. Projects demonstrated that it takes more than employment and training services to help homeless people find and keep jobs. Comprehensive and ongoing assessment of participants is critical to identifying specific obstacles to employment, and a case management approach is vital in tailoring services to the specific needs of the homeless participants. This program served 28,000 from 1988 to 1992.
Supportive Housing Program (SHP)	Develop innovative approaches to help the homeless make the transition to independent living and provide community-based housing and supportive services for the handicapped homeless.	Ongoing; the evaluation is due in summer 1994. The objective of the evaluation is to develop a complete understanding of the character and impacts of SHP, including the cost-effectiveness of the various demonstration projects. The evaluation will identify what works and why, as well as programs and projects that need attention. The evaluation will cover all awards from 1987 to 1990.
Research Demonstration Projects for Alcohol and Drug Abuse Treatment of Homeless Persons (ADAT)	Implement, document, and evaluate successful and replicable approaches to community-based treatment and rehabilitation services for homeless individuals who abuse alcohol and other drugs.	Ongoing; the evaluation of fiscal year 1990 grantees is due in fall 1994. The evaluation of the fiscal year 1988 grantees confirmed the feasibility of implementing comprehensive programs for treating alcohol and other drug problems. Implementing the programs showed that the shelter, sustenance, and security needs of the clients should be met first, and the treatment needs addressed second; structure and flexibility should be combined in residential programs; the availability of transportation services is essential to link residences with treatment centers; and extensive time for program planning, model development, and start-up is required.

(continued)

**Appendix II
Evaluation Results From McKinney Act
Competitive Programs**

Program	Program objective	Evaluation status/results
Shelter Plus Care (S+C)	Link supportive services to rental assistance for homeless persons with disabilities—primarily those who are seriously mentally ill, have chronic drug and/or alcohol problems, or have acquired immunodeficiency syndrome (AIDS).	Ongoing; the evaluation is due in July 1995. The evaluation will analyze SPC applications and establish a baseline impact data collection system and assess program implementation and preliminary impacts.
Supplemental Assistance for Facilities to Assist the Homeless (SAFAH)	Provide comprehensive assistance for particularly innovative programs meeting the immediate and long-term needs of homeless individuals and families, and provide additional assistance to ESG- and SHP-funded projects.	Ongoing; the evaluation is due in summer 1994. The evaluation will gather information on grantees and their programs, implementation status, comprehensive or innovative characteristics of programs, client progress toward self-sufficiency, and recommendations for improving programs.
Domiciliary Care for Homeless Veterans (DCHV)	Use VA medical facilities to provide primary health care, mental health, and social services to homeless veterans or those at risk.	Ongoing; the evaluation for fiscal years 1992-93 is due in summer 1994. Previous annual national evaluations of DCHV (1988-91) described the status and needs of homeless veterans and identified ways to define or change the clinical program. A high staff-to-patient ratio remains the strongest determinant of active treatment in the program. The data show that the program continues to offer treatment to an increasing number of homeless veterans with each passing year. Since the program's inception, over 12,000 have been admitted to the program.

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Related GAO Products

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