
STATE AND LOCAL PERSPECTIVES ON THE MCKINNEY ACT

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EXECUTIVE SUMMARY

PURPOSE

This inspection was conducted in response to a request by the Interagency Council on the Homeless to obtain State and local perspectives on the impact of the Stewart B. McKinney Act in their efforts to combat homelessness.

BACKGROUND

State and local governments, in combination with voluntary agencies, are the primary actors in assisting homeless persons. The Stewart B. McKinney Act (hereafter referred to as "McKinney"), created on July 22, 1987, constitutes the major Federal response to homelessness. Major parts of McKinney expire at the end of Fiscal Year (FY) 1990, and the Administration has requested a 1 year extension of the expiring sections of McKinney in its current form through September 30, 1991. The Interagency Council on the Homeless requested this study to assist them in formulating recommendations for the FY 1992 reauthorization.

McKinney created new programs for the homeless and augmented existing ones. The 17 programs are funded by 6 Federal agencies and provide emergency food and shelter, housing, health care and mental health services, education, job training, alcohol and drug abuse programs, and income assistance. The vast majority of grantees are public or private non-profit organizations. Funding for FY 1990 is \$667 million; the Administration has requested \$819 million for FY 1991.

SCOPE AND METHODOLOGY

We conducted an extensive literature review and held discussions with 236 people for this study. Our respondents included the State contacts for the Interagency Council on the Homeless, appointed by the Governor, in all 50 States plus the District of Columbia and Puerto Rico. We also spoke with 184 people in ten States (MA, NY, PA, GA, IL, TX, MO, CO, CA, WA), including public and private non-profit providers receiving McKinney funds, persons from city human service or community development agencies, community action agencies, task forces, Federal Emergency Management Agency boards, and advocates. These ten States collectively received almost half of all McKinney funding from 1987-1989.

We discussed with respondents three main topics: (1) What role McKinney has played in their overall *approach* to the homeless problem; (2) how McKinney has affected *coordination* of the various homeless programs; and (3) what *impact* McKinney has had in reducing homelessness.

FINDINGS

Approach

FINDING 1: McKinney has helped States and communities in their overall approach to homelessness. Whether their approach has been to provide emergency services or to focus on more permanent solutions, McKinney has helped make their approach more viable by expanding available services.

Coordination

FINDING 2: McKinney has been a vehicle for dialogue about the homelessness issue. It has clearly enhanced information-sharing in many places; however, few understand the various McKinney programs or how they fit together.

FINDING 3: McKinney's fragmented structure makes long-term planning and the development of comprehensive, integrated programs difficult. The fragmentation of McKinney is a barrier to accessing funds, conducting long-term planning, and developing comprehensive programs or integrated services.

Impact

FINDING 4: McKinney has helped meet emergency needs, but respondents do not view it as the long-term solution to homelessness. Few respondents are formally evaluating the implementation and the impact of McKinney programs. Their perception is that McKinney funding should be continued, but they advocate additional Federal and State efforts through traditional programs to solve the problem, foremost among them, affordable housing.

RECOMMENDATIONS

There are several elements that might be part of any revision of McKinney: simplification, flexibility, long-term planning, coordination, evaluation, and oversight. We propose three recommendations that should be considered in addressing these elements. In addition, because McKinney was not viewed by respondents as the long-term solution to homelessness, we propose a fourth recommendation which addresses the response of the traditional Federal programs to the problem of homelessness.

In the body of the report we discuss these recommendations more fully by presenting an array of options for each recommendation. We recognize that the Interagency Council on the Homeless and the various Federal agencies may not choose to implement all of these options; they are meant to illustrate and suggest various strategies for accomplishing the recommendations.

RECOMMENDATION #1: Structure the McKinney programs to facilitate more comprehensive and integrated services.

RECOMMENDATION #2: Improve coordination at the State and local levels to reduce fragmentation, enhance planning, and simplify funding.

RECOMMENDATION #3: Strengthen accountability and oversight at Federal, State and local levels .

RECOMMENDATION #4: Identify and implement ways to assist the homeless through traditional Federal programs.

In implementing these recommendations, particular concern should be given to children in homeless families and homeless individuals who are chronically mentally ill, substance abusers, or both.

COMMENTS

Comments were received from two of the agency representatives (the Department of Health and Human Services and the Department of Housing and Urban Development) that sit on the Interagency Council on the Homeless. Both were in basic agreement with the findings. We have made structural and editorial changes to this report in order to address their concerns about the recommendations.

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INTRODUCTION

PURPOSE

This inspection was conducted in response to a request by the Interagency Council on the Homeless to obtain State and local perspectives on the impact of the Stewart B. McKinney Act in their efforts to combat homelessness.

BACKGROUND

For the past several years, homelessness has garnered increasing attention by the national media and by people in States and localities faced with growing numbers of homeless people. The problem has been examined in some depth by many public and private agencies and interest groups. Yet to date, the exact dimensions of the problem remain unclear.

State and local governments, often along with voluntary agencies, have traditionally been, and continue to be, the primary actors in assisting homeless persons. The Stewart B. McKinney Act (hereafter referred to as "McKinney"), signed into law on July 22, 1987 and reauthorized on November 7, 1988, constitutes the major Federal response to homelessness. Portions of McKinney expire at the end of Fiscal Year (FY) 1990, and the Administration has requested a 1 year extension of these sections in their current form through September 30, 1991. The Interagency Council on the Homeless requested this study to assist them in formulating recommendations for the FY 1992 reauthorization.

McKinney created new programs and augmented existing ones to assist the homeless. McKinney's 17 programs are funded by six Federal agencies. Collectively they address the homeless population's need for emergency food and shelter, transitional and permanent housing, primary and mental health care services, education, job training, alcohol and drug abuse programs, and income assistance. Funding for FY 1990 is \$667 million. For FY 1991, the Administration has requested a budget of \$819 million.

McKinney was intended to specifically target the homeless population. However, homeless persons may also receive aid from other traditional Federal programs, both targeted and general. Targeted programs include: the Runaway and Homeless Youth Program, the Community Services Program, Aid to Families with Dependent Children (AFDC), Medicaid, Supplemental Security Income (SSI), the Community Development Block Grant (CDBG), and Food Stamps. General programs include those which provide mental health, substance abuse, job training, public housing, or veterans services.

As the principal mechanism to coordinate McKinney programs, McKinney created the Interagency Council on the Homeless (hereafter referred to as "the Council"), comprised of the heads of 15 Federal agencies. The Secretary of the Department of Housing and Urban Development (HUD) serves as the Chairman, and the Secretary of the Department of Health and Human Services (HHS) serves as the Vice Chairman. To help provide technical assistance

to States and localities, the Council has staff in Washington, D.C. plus HUD staff in each region, detailed to the Council, who serve as regional coordinators. The Council also asked each Governor to designate a State contact person to work with them.

SCOPE AND METHODOLOGY

We conducted an extensive literature review for this study on topics such as: (1) the characteristics, causes, and current status of homelessness, (2) funding of various homeless programs, (3) urban assistance policies, and (4) McKinney's implementation, accomplishments, and suggested modifications. (See Appendix A for a bibliography of the material reviewed.)

For background, we met with persons from national organizations involved with homelessness issues: the National Governors' Association, the U.S. Conference of Mayors, the National Law Center on Homelessness and Poverty, the Robert Wood Johnson Foundation, the Council of State Community Affairs Agencies, and the National Alliance to End Homelessness.

We talked with 236 people for this study, primarily during March and April 1990. For State perspectives, we spoke with 52 State contacts, from all 50 States, Washington, D.C., and Puerto Rico. For local perspectives, we spoke to 184 people in the ten States where HHS regional offices are located (MA, NY, PA, GA, IL, TX, MO, CO, CA, WA) in three types of settings: the large city where the HHS regional office is located; a mid-size city with a population between 75,000-200,000; and a rural area with a county population of under 75,000. (See Appendix B for a list of these States and sites.)

Local respondents included 102 public and private non-profit providers receiving McKinney funds, and 82 other respondents from city human service or community development agencies, community action agencies, task forces, Federal Emergency Management Agency boards, and advocates. Some of these other respondents are also providers, because they serve the homeless with non-McKinney funds or are primary recipients of McKinney funds, which they then subcontract to smaller providers.

The ten States we visited collectively received almost half of all McKinney funding from 1987-1989. Five (CA, NY, TX, IL, PA) rank as the top five recipients; they alone received 36 percent of all McKinney funds for those years.

This inspection focuses on three main topics. One: Has McKinney caused changes in State or local *approaches* to homelessness? Two: Has McKinney served to strengthen or weaken State and local *coordination* efforts? And three: Has McKinney had any *impact* in reducing the problem of homelessness? The findings of this inspection are presented with respect to each of these topics (approach, coordination, and impact), followed by recommendations of possible ways to improve the effectiveness of McKinney as well as the traditional Federal programs.

FINDINGS

APPROACH

FINDING 1: MCKINNEY HAS HELPED STATES AND COMMUNITIES IN THEIR OVERALL APPROACH TO HOMELESSNESS.

States and communities are moving through an evolutionary process in their approach to homelessness.

We asked respondents if they had changed their approaches to the problem of homelessness during the past 5 years, especially with regard to the focus of their programs and the mix of services. Over 75 percent of all respondents said they have gradually shifted from a heavily emergency response towards establishing a continuum of transitional or long-term services, or both, geared toward a permanent solution.

This progression towards permanent solutions appears to be an evolutionary process. It has been influenced by many interrelated factors, including the extent and nature of homelessness in an area, the length of time a community has been dealing with it, the degree of public or legislative concern, and the availability of service dollars and non-monetary resources. In general, we found that the longer a State or city has grappled with the problem, the more likely they were to have better identified the needs of their homeless population, mobilized resources, established a network of emergency services, and trained their sights on transitional or long-term services.

States are clearly undergoing this kind of evolution. The majority of the State contacts said that their States had shifted to a more transitional (60 percent) or long-term (21 percent) focus. Only 12 percent said their State had just begun to deal with the problem. In 23 States, governors have officially proclaimed homelessness as a priority, and in five more, unofficially. According to State contacts, this has led to increased services or funding. All but one State have changed their mix of programs or services; expansion has taken place across the board, with about 20 percent of the State contacts reporting an increase in shelter services, housing, or health or support services. Two-thirds of the States have some sort of special funding for the homeless, although amounts vary from \$20,000 to over \$100 million. In fact, half of the providers in our sample receive some sort of special State funding.

On the local level, over 80 percent of the providers interviewed reported having expanded their mix of programs and services in the past 5 years by adding one or more new types of services; for example: 19 percent have increased either transitional or permanent housing; 25 percent have expanded health, mental health or substance abuse services; 25 percent have increased support services such as job training, day care, or education; and, 4 percent have expanded prevention efforts.

As a general rule, the large cities in our sample appear to be half a step ahead of mid-size cities, which in turn are a full step ahead of rural areas. Very few (6 percent) of the large-city providers remain at a purely emergency response; most have moved beyond this and are focusing on the transitional (36 percent) or long-term (42 percent) needs of their homeless populations. While similar proportions of the providers in mid-size cities are also focusing on transitional and long-term needs, a quarter said they are still at an emergency stage. As to rural providers, half are at an emergency focus (just beginning to deal with the problem), whereas only 13 percent have shifted to a long-term focus.

However, this difference is not ironclad. Looking across States, New York, Massachusetts and Washington are clearly farther along this continuum than Georgia, Texas, Missouri, or Colorado. On the local level, all three sites in New York State were geared toward a long-term focus. In Pennsylvania, the large city we visited had fallen back to a primarily emergency response due to city budget cuts, while the mid-size city remained geared toward a long-term focus.

McKinney has helped States and communities make their approach to homelessness more viable by expanding available services.

McKinney dollars were a welcome resource everywhere. McKinney has played a positive role in expanding services, either alone, in combination with other factors, or simply as a supplement to services that existed before 1987. At least 75 percent of all providers who have expanded services in the last 5 years, whether emergency, transitional housing, health or support services, credited this expansion all or in part to McKinney.

McKinney's most visible contribution has been in places where there was no focus on the homeless as a distinct population prior to 1987. Close to one-half of the respondents who said they have just begun to deal with the problem credited McKinney with enabling them to do so. We heard comments such as: "McKinney waves the flag to say, 'Wake up - we've got a problem'," and, "If there were no McKinney funds, our program wouldn't exist."

In places that were already addressing the problem, McKinney helped create a wider mix of services than previously existed. For example, McKinney "has been a catalyst in the community for change" towards a more long-term solution, or "allowed us to serve specialized populations." One provider explained how he used McKinney to stabilize his emergency services, then got McKinney funds for transitional services, which in turn "gave us more credibility with other providers." The city and business community gave his agency grants for the first time, and he was able to turn more of his attention to long-term solutions.

In places which had been dealing with the problem for a long time, we often heard comments such as "the city focus is ahead of the McKinney focus." Here, McKinney did not lead but rather enhanced already existing efforts. For example, in 1989, New York City had a \$500 million annual budget for a broad range of homeless programs; because it was almost entirely State and city funding (90 percent), we were told that McKinney "augments what we are

already doing.” In San Francisco, which already had an agenda to create comprehensive transitional services, McKinney helped by providing additional funds for such services.

COORDINATION

The term “coordination” had several different meanings to our respondents. For most, it meant “information-sharing,” although some construed it to mean joint planning or service integration. Consistent with these distinct differences in the way in which coordination was interpreted, we present separate findings for each meaning.

FINDING 2: MCKINNEY HAS BEEN A VEHICLE FOR DIALOGUE ABOUT THE HOMELESSNESS ISSUE.

There is consensus among respondents that “dialogue,” “communication,” and “networking” have increased considerably during the past 5 years.

The vast majority of respondents have seen an increase in communication at the State or local level, and often both. Task forces and coalitions have sprung up everywhere. Forty-four States have a statewide governmental task force on homelessness. State agencies are represented on 43 of these task forces, and are the sole members in one-third. In half of these task forces, persons from the Governor’s office, providers, advocates, voluntary organizations, and others are also represented. By far, the most frequently mentioned activity of these task forces is information-sharing.

Twenty-five States also have one or more other statewide coordinating bodies, typically a coalition of non-profit providers, advocates, voluntary or church organizations, and others. State contacts say that the primary activities of these groups are sharing information about programs and resources for the homeless, and advocacy.

Respondents everywhere have also seen an increase in information-sharing at the local level, between providers themselves or between local government, providers and others. Sixty-five percent of the providers in our sample are members of a local task force. Almost all said they found the task force helpful, primarily for purposes of information-sharing or provider networking. They said it helps them learn how to get funding as well as find out what other providers are doing and what programs are most successful.

McKinney has clearly enhanced information-sharing in many places; however, few understand the various McKinney programs or how they fit together.

The majority of our respondents echoed the sentiments of the State contact who said: “McKinney has brought about a major degree of information-sharing.” For example, where there is a State-level governmental task force, 60 percent of the State contacts said that McKinney led to its creation. In addition, 75 percent of the providers credited McKinney with playing a role in this increase in information-sharing. Many respondents indicated that

McKinney had a “trickle-down effect” by raising public awareness and giving the issue of homelessness “credibility.”

However, in some places, factors independent of McKinney led to increased information-sharing and the development of task forces. In States such as New York and California, for example, the increasing visibility of homeless people on the streets, as well as increased media attention, has raised public awareness and stimulated governmental or legislative interest.

Everywhere, we heard how the infusion of new programs and dollars, including McKinney dollars, led groups to get together to compete for funds. Unfortunately, some said that this competition for funds has led to turf battles, since “we all go to the same well.”

Although information-sharing has increased, this has not led the local respondents in our study to a thorough understanding of McKinney. To help focus our discussions, we handed them a list of the various McKinney programs. Many expressed surprise at the number and variety of programs. Providers rarely knew of McKinney programs other than the ones they are funded by. Many asked what we knew about a specific program, or who they could contact for information.

In addition, many local respondents were not aware of Federal efforts to help coordinate McKinney programs. Sixty percent of the providers, and half of the other local respondents, were not aware of any such efforts. Also, only 18 percent of the providers, as contrasted with 75 percent of the State contacts, mentioned the regional coordinator for the Council. It should be noted, however, that those local respondents who were aware of Federal coordination efforts were in States where the Council had recently held a regional conference.

The majority of providers said that Federal assistance would be helpful to tell them about Federal programs and how to access them or about successful local programs.

FINDING 3: MCKINNEY'S FRAGMENTED STRUCTURE MAKES LONG-TERM PLANNING AND THE DEVELOPMENT OF COMPREHENSIVE, INTEGRATED PROGRAMS DIFFICULT.

We found little evidence that increased information-sharing has resulted in either joint planning or service integration. The fragmentation of McKinney causes many problems for States and localities both in getting funds and coordinating planning and service delivery. An advocate noted: “They’re decent programs, very positive. The problem is with coordination . . . the complexity.” We also heard numerous comments to the effect that fragmentation makes local coordination, in particular, “a nightmare.” Finally, the fragmentation of programs has often caused confusion: “Money is going all over the place and no one really knows where it’s going . . . there are too many players.”

The fragmentation of McKinney is a barrier to accessing funds.

Respondents said that because the funding cycles of the different McKinney programs are disjointed, providers sometimes do not learn that funds are available in time to apply. Many complained that the application process, especially for housing programs, is too complex. Some said that the cost of completing a lengthy, cumbersome application with extensive documentation discourages smaller providers with minimal administrative funds and staff from applying. Others said that the one-year funding cycle leaves too little time, for smaller providers especially, to complete applications, look for matching funds or meet other program requirements.

Respondents in mid-size cities and rural areas say that when it comes to getting McKinney housing and social service dollars, they are at a competitive disadvantage with those in large cities, who are more sophisticated and have greater resources at hand.

Few respondents anywhere described coordination related to long-range planning.

The fragmentation of McKinney programs, disjointed funding cycles, the one-year funding cycle, and fluctuating award amounts are all barriers to long-range planning. A State contact noted that it is difficult to have a comprehensive State plan when most McKinney funds don't flow directly through the State. A person from a city human service agency said that it is hard for the city to develop comprehensive plans when McKinney funds are awarded to private non-profit organizations without the city's involvement.

A provider said that his agency plans as dollars become available, since they never know how much they can count on. A recipient of Emergency Shelter Grant (ESG) funds said the agency received \$38,000 in 1987, \$6,000 in 1988, and \$35,000 in 1989. Another, whose successful job training demonstration program was not funded for a second year, noted: "It forces you to think twice about applying." Still another said: "If they would make the levels of funding more predictable, that in itself would drastically help foster coordination."

The consensus among respondents is that the Comprehensive Homeless Assistance Plan (CHAP) has not been an effective tool for coordinating planning and should be improved. Many view it as a list of resources and services rather than a plan. Some label it "purely an exercise we go through," with "no teeth." The most common suggestions for improving the CHAP are closely related: to incorporate all McKinney, or all homeless, programs in the CHAP, and to make the CHAP a strategic planning document. Providers, especially, stressed that they need to be much more involved than at present in preparing local CHAPs.

There is little evidence of formalized coordination of services.

Only 20 percent of the providers in our sample who belong to a local task force said it helped them by promoting service integration or reducing duplication. And, while 80 percent said they made routine referrals, only one-fifth said that these referrals were formalized; none of

these providers were in rural areas. Few specifically mentioned using case management techniques or adding case management services in the past 5 years. Some noted that case management was not an allowable expenditure in their grant. (This issue might be explored in a future study. See Appendix C for a list of recommended follow-up studies.)

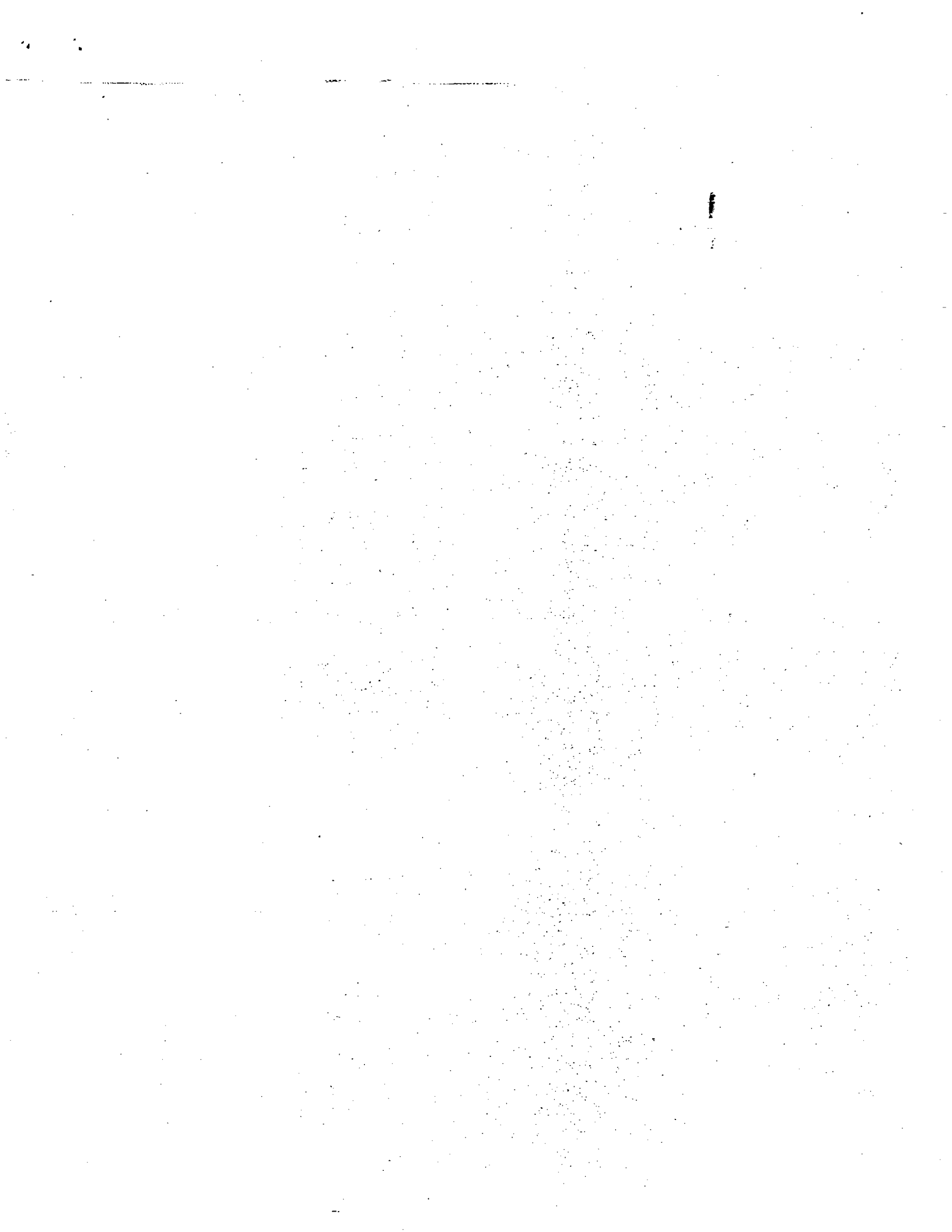
Only 10 providers, all but one from California or New York, described specific attempts to improve access to services by bringing homeless services together in one place. Some believe that “this just is not practical or even possible” due to barriers such as turf battles, the difficulty of working with providers who are not used to serving the homeless, or logistical problems associated with providing some services, such as prenatal care, in a shelter. Others say it is not feasible to serve families, the mentally ill, substance abusers, and youth in one place due both to their different needs and concerns for safety. Some oppose the idea of bringing homeless services together in one place in principle, because it may “make life too comfortable for the homeless person” or create a separate service system.

However, short of establishing a “one-stop-shop,” many providers do want to build more formal service networks. Some task forces have developed resource directories or used McKinney funds to establish a coordinator position to this end. Further, 20 respondents knew providers who propose to more formally integrate services or provide a more comprehensive mix in one location.

The fragmented structure of McKinney hinders service coordination, regardless of whether the services are funded by McKinney or other sources. One problem is that “there are too many channels of funding.” Since funds flow to States, cities, counties and providers, it is difficult to know where money is going or whether services are being duplicated. One provider noted that coordinating health care services is difficult because McKinney health care funds flow through three separate programs. A few other local respondents complained that McKinney funds “get lost at the State level.”

Disjointed funding cycles between McKinney programs and State and local governments make it “impossible to get funds to compliment each other.” For example, one person said that his city prefers to give CDBG monies to those who have not been awarded ESG funds, but due to time frames previously established by the city for CDBG, must distribute CDBG funds before ESG funds are awarded.

There were complaints that restrictions on the use of funds within some McKinney programs are barriers to providers who want to offer more comprehensive services. Some examples were: (1) HUD Section 8 funds cannot be used for required social services; thus grantees must seek funding for the ten-year life of a project on a year-by-year basis from elsewhere; (2) caps on preventive services in ESG and the Emergency Community Services Homeless Assistance programs, and the \$300 cost-per-user rate in Health Services for the Homeless program, are too low; and, (3) the Homeless Veterans Reintegration Project does not provide funds for support services, clothing, bus fare, or tools, all a necessary compliment to job training.



To remedy the problems caused by the fragmentation of McKinney, many respondents suggested simplifying its program structure.

IMPACT

FINDING 4: MCKINNEY HAS HELPED MEET EMERGENCY NEEDS, BUT RESPONDENTS DO NOT VIEW IT AS THE LONG-TERM SOLUTION TO HOMELESSNESS.

McKinney has made more services available, especially emergency services, and improved the quality of life for some.

Despite a lack of formal evaluation, our respondents did express definite opinions about the impact of McKinney on the problem of homelessness. Only 15 percent believe unequivocally that McKinney programs have led to a reduction in the number of homeless people; only a few providers credited McKinney to any extent with moving the homeless into long-term or permanent housing. An additional 25 percent of our respondents, particularly providers, say that McKinney programs have led to a permanent solution for a few, but “the (homeless) population continues to grow.”

The most frequent response to a question about whether McKinney has had positive impact was that it bolstered emergency services. Noted one provider, “We prevent people from staying on the streets.” Furthermore, nearly one half said that McKinney has improved the quality of life of the homeless by improving or bringing more appropriate services, putting a temporary roof over their heads, or alleviating suffering to some degree. In sum, “the population is being treated with more dignity.”

Respondents believe that many client populations are not being adequately reached, especially the mentally ill, substance abusers and families.

Despite the fact that many respondents have seen increased efforts to target families, the mentally ill, or substance abusers in the last 5 years, three quarters named at least one homeless client group who, they believe, are still not adequately reached. About one-third of these respondents mentioned the mentally ill and substance abusers; some added that the dually diagnosed (people who are both mentally ill and substance abusers), especially, need far more services than are now available. About one-quarter said that families are not adequately reached. Others mentioned the rural homeless, teens and youth, or “the hardcore homeless,” those who have been homeless for a long time and may be mentally ill, substance abusers, or both.

Respondents favor continued McKinney funding but advocate additional Federal and State efforts through traditional programs to solve the problem, foremost among them, affordable housing.

While over 75 percent of our respondents say that McKinney funding should continue, at least for the next few years, the vast majority also recognize that McKinney alone will not end homelessness. They recommend additional Federal efforts to achieve a permanent solution.

Although some respondents acknowledged that traditional Federal assistance programs should ideally be part of the solution, many believe that at present, these programs are not adequately responsive to the homeless. Only 20 percent of all respondents labeled their Federal agencies' response "adequate," as compared with over 50 percent who have seen no increase in involvement by these programs in homeless issues. We heard complaints to the effect that, "outreach by AFDC, SSI, and so on could be better" or, "there is no effective outreach to shelters." We also heard comments that these programs are not responsive because they do not understand the homeless. Others feared that if funneled through traditional programs, McKinney dollars would "get lost in the shuffle" of the bureaucracy and not reach local communities. For these reasons, they said, "the homeless population needs services that can be provided through McKinney."

State-funded general assistance programs, especially important to homeless single adults, have also been cut in some States. For example, in one State in our sample, the general assistance budget has decreased annually; in another, it was cut by 50 percent in 1990; and in a third, it was dropped entirely for 1990.

Some respondents have tried to improve access for the homeless to these traditional assistance programs. McKinney providers help clients make appointments, complete applications, or even accompany them to appointments. But success has often been limited. This remark by a shelter provider is typical: "Dealing with the welfare system continues to be overwhelming to clients and advocates alike."

When asked what should be done to solve homelessness, the most frequent recommendation, made by roughly two-thirds of all respondents, was that the Federal government should assure the homeless access to affordable housing. This meant a variety of things, including transitional, low income, low cost and subsidized housing, single room occupancy hotels, housing rehabilitation and construction, and HUD Section 8 subsidies. However, many also advocated measures to increase the earning power and incomes of the homeless, such as improving education or expanding job training, raising the minimum wage, increasing AFDC or SSI benefit levels, or creating jobs. Others said the government should increase support services and housing specifically for the mentally ill and substance abusers, a large segment of the homeless population.

Few respondents are evaluating the implementation and the impact of McKinney programs.

Only 4 percent of the State contacts, 18 percent of providers (most of them in large cities), and 1 percent of the other local respondents reported having a formal process in place to evaluate the impact of McKinney programs in their area. Less than 10 percent said they were even in the rudimentary stages of developing one.

This lack of formal self-evaluation is of particular concern given what appears to be weak Federal monitoring in some of the McKinney programs. While some Federal agencies have conducted broad evaluations of their McKinney programs, there seems to be a lack of Federal presence in monitoring the ongoing activities of individual grantees. For example, in one McKinney program, responsibility for monitoring has been delegated to a consortium of voluntary agencies, which has a relatively small staff to oversee thousands of grantees. In other cases, there are no staff assigned at the Federal regional office level to specifically monitor the McKinney programs.

When we asked providers where they turn for information or assistance about McKinney programs, only a third mentioned a Federal program representative. The rest seek help from a State, city or county agency, or some other source.

RECOMMENDATIONS

In attempting to suggest possible ways to improve the McKinney programs, we are mindful of the context of the Federal government's involvement with the homeless issue over the past several years. We view the first phase (1983-1987) as one of minimal involvement, with the Federal Emergency Management Agency (FEMA) providing emergency food and shelter funds. The second phase (1987-1991) involves the passage and implementation of McKinney, with a wide variety of Federal agencies providing a range of services to different homeless populations through a number of different grantees. We anticipate that a third phase would begin in late 1991, after passage of a revised McKinney, and would continue for 4 or 5 years beyond 1991. Since practically none of our respondents felt that McKinney was the long range answer to the problem of homelessness, we view the 1991-1996 phase as one of refining McKinney's role and bolstering the larger, traditional programs that address some of the long range solutions.

In analyzing respondents' answers, and in putting their answers in the context of other studies about the problem of homelessness, we have identified several elements that might be a part of any revision of McKinney: simplification, flexibility, long-term planning, coordination, evaluation and oversight. These elements would help to address respondents' concerns about the need to focus on long-range as well as emergency problems; the need to reduce the fragmentation in McKinney; and the need to measure the impact that McKinney is having in solving the problems of the homeless.

With respect to McKinney, we propose three recommendations which address the elements identified above. In addition, because McKinney was not viewed by respondents as the long-term solution to homelessness, we propose a fourth recommendation which addresses the response of the traditional Federal programs to the problem of homelessness.

For each recommendation, we have presented an array of options. We recognize that the Council and the various Federal agencies may not choose to implement all of these options; they are meant to illustrate and suggest various strategies for accomplishing the recommendations.

1. Structure the McKinney Programs to Facilitate More Comprehensive and Integrated Services

Funds Transfer Option

One option that would stress flexibility would be to allow the currently existing programs to include, up to a certain percentage, funds that could be spent for a wider range of services. For example, one McKinney program might allow for up to 20 percent of a grantee's expenditures to pay for activities allowed by any other of the McKinney programs. Thus, one

of the housing programs under McKinney would be allowed to pay for support services authorized under other McKinney programs. While this would not cut down on the number of currently existing programs, it would provide some flexibility for grantees who want to use their funds for a variety of homeless needs. This option expands upon current use of funds for multiple purposes.

Program Simplification Option

Another option for restructuring that would stress simplification and coordination would be to consolidate McKinney into major program categories. This might include combining the five housing programs into one, the various health programs into one, and the support services into one. From a grantee perspective, this would help to alleviate some of the confusion that currently exists about the multiple Federal programs that are available and perhaps cut down on fragmentation at the local level.

Functional Categories Option

A third option would be to structure the Federal funding in accordance with the functional ability of the homeless population.

- Current data suggests that over half of the homeless are dysfunctional due to mental illness, substance abuse, illiteracy or other disabling characteristics. The vast majority of these people are single and reside in urban areas. Perhaps McKinney could be restructured so that the various programs that relate to this population are grouped together. This part of McKinney might include the mental health and health care programs, the housing programs, and the adult education grants. An outreach and intensive case management component might also be included. Or, housing and support services could be combined; for example, the Shelter Plus Care program, currently in the Administration's Homeownership and Opportunity for People Everywhere (HOPE) legislation, could be included in this part of McKinney since it specifically addresses this population.
- Another segment of the homeless population includes people who are able to function in society and in a home, but are experiencing very difficult times. This population includes those who have lost their jobs, are involved in domestic disputes, have had a health emergency but have no insurance, or have experienced other severe economic setbacks. These people require emergency supportive services for a limited period of time. Programs included in this part of McKinney might be emergency food and shelter, community services, rental assistance, children and youth education, job training, and preventive programs. This segment of the homeless population may require less intensive case management and more referrals. The private voluntary agencies may play a more substantial role, and there may also be a long term role for AFDC to have with the family portion of this population.

Restructuring the McKinney programs is an attempt to help simplify and coordinate programs that many local respondents view as a fragmented and complicated system. However, respondents do not anticipate that a streamlined Federal funding system under McKinney will eliminate homelessness. Instead, they look to the larger, traditional programs such as AFDC, SSI, Food Stamps, CDBG, Medicaid, public housing, mental health, substance abuse, job training, education, veterans, and others, to provide the long-term solutions. They view McKinney as a necessary interim measure until these traditional programs learn how to reach out and serve the homeless adequately.

2. Improve Coordination at the State and Local Levels to Reduce Fragmentation, Enhance Planning, and Simplify Funding

Cities and States Option

One way to deal with the current fragmented system is to fund fewer grantees who would have more responsibility for coordinating the various homeless programs. The most obvious grantees would be the public bodies at the State and local levels. Which programs should go to the States and which should go directly to the local public bodies was not clearly resolved in our discussions with respondents. On the one hand, it was clear that the larger cities had been dealing with the problem for a longer period of time than either the mid-size cities or rural areas, and that they had available a much broader range of programs. In addition, the focus of most of the big cities had moved to longer range solutions, whereas State respondents were more frequently at the emergency or transitional stage. There were also concerns about additional administrative expenses for programs that went through State offices. On the other hand, States were clearly in a position to provide additional funding and, in some cases, technical assistance, particularly to smaller communities.

Local Agencies Option

Another option would be for the local public body to designate a local agency, whether public or private non-profit, to be the recipient of McKinney funds. This would require only one local agency to sort through the various fundings available at the Federal and State level and would provide a focal point in the community for coordination, planning and evaluation.

Funding Cycle Option

Some of the confusion in applying for funds may be reduced if the funding cycles of the various McKinney programs were more consistent. This might be accomplished by having the applications for the different programs due at approximately the same time of year each year.

Case Management Option

Access to services for homeless clients could be improved by emphasizing the importance of case management at local levels. Some McKinney programs authorize expenditures for case management. In these programs, local providers could be encouraged to use McKinney funding for this purpose. In addition, the statute could be amended to make case management an allowable expense under all of the McKinney programs.

Planning Option

Enhanced planning could be achieved by expanding and improving the existing CHAP so that it could be used as a strategic planning document. To do so, it would need to incorporate goals, objectives and action plans, as well as include all homeless programs in a jurisdiction regardless of the source of funding.

3. Strengthen Accountability and Oversight at Federal, State, and Local Levels

Self-Evaluation Option

One way to require more accountability at the local level would be to mandate self-evaluation by grantees. As noted in Finding 4, very few grantees currently have a formal self-evaluation process. This type of process has worked successfully in other federally funded programs, such as the Head Start program. Of course, mandating self-evaluation raises the issue of needing administrative money to carry it out. Our assessment is that a small percentage of funds, five or less, may be appropriate for planning and evaluation purposes. This would also be allowable as an in-kind contribution for matching purposes.

Local Council Option

Another means of providing both coordination and accountability would be to have a local council that would develop comprehensive homeless plans for the community and would evaluate whether the plans were being accomplished. The council would be comprised of McKinney funded providers, voluntary agencies, and State and Federal personnel who work in local communities, such as AFDC, SSI, and Veterans Affairs personnel. If this council provided sound qualitative data to a single designated local agency receiving McKinney funds, its influence would be increased. In some respects, this council may be viewed as a natural extension of the CHAP, except that it would involve providers of all types (health, support services, housing, education, etc.) and be linked to all McKinney funding sources in the local community.

Federal Oversight Option

Oversight on the part of the Federal agencies might be increased by providing more formal evaluation of the various programs and by conducting more on-site visits to monitor and

provide technical assistance. As noted in Finding 4, for most of the McKinney programs there did not appear to be designated Federal staff who were responsible for going on-site to review local programs or to provide technical assistance when called upon.

4. Identify and Implement Ways to Assist the Homeless through Traditional Federal Programs

Outreach Option

The existing Federal programs could enhance their efforts to assist the homeless by strengthening their outreach efforts, especially to those individuals with mental illness or substance abuse problems.

Targeting Option

Traditional Federal programs could examine ways to better meet the special needs of the following subgroups: children who are in homeless families and homeless individuals who are chronically mentally ill, substance abusers, or both.

Federal Coordination Option

Federal agencies could also enhance their efforts to serve the homeless by increasing the coordination of their programs at both the State and local levels. Coordination should be strengthened both among Federal agencies and between them and the providers of homeless services at the State and local levels.

COMMENTS

Comments were received from two of the agency representatives (HHS and HUD) that sit on the Council. Both were in basic agreement with the findings. We have made structural and editorial changes to this report in order to address their concerns about the recommendations.

APPENDIX A

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APPENDIX B

States and Sites Contacted

Massachusetts

Boston
New Bedford
Franklin County

Texas

Dallas
Waco
Zavala County

New York

New York City
Syracuse
Allegany County

Missouri

Kansas City
Springfield
St. Francois City

Pennsylvania

Philadelphia
Erie
Huntingdon County

Colorado

Denver
Pueblo
Montrose County

Georgia

Atlanta
Columbus
Athens

California

San Francisco
Stockton
Crescent City

Illinois

Chicago
Rockford
Saline County

Washington

Seattle
Tacoma
Skagit County

APPENDIX C

Suggested Topics for Follow-up Studies on Services to the Homeless

1. Coordination between veterans' programs and: (1) the health care system, and, (2) the Supplemental Security Income program
2. Linkages between mental health and substance abuse services
3. Case management
4. Outreach to the homeless by traditional Federal assistance programs