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Evaluation of the Emergency Shelter Grants Program

Volume I: Findings

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FOREWORD

The Emergency Shelter Grants (ESG) program is one of the oldest and most widely used of the McKinney Act programs. *Evaluation of the Emergency Shelter Grants Program* provides valuable information on the activities and resources of grantees and providers, their needs for and uses of Federal assistance, and the effectiveness of ESG in meeting those needs.

The evaluation shows that, although ESG provides only 10 percent of the average ESG provider's operating budget, it has been an important resource for shelter providers. By meeting the most basic needs for operating funds and appropriate facilities, ESG has enabled providers to use other funding sources to offer additional programs and services. As a formula grant, ESG also targets funding to areas of need. With expansions in the range of eligible ESG activities, providers have shifted a growing share of their grants away from capital expenditures and toward essential services and homeless prevention initiatives.

ESG is one of HUD's oldest programs to assist the homeless. However, as we have gained experience, our approaches to serving homeless people have evolved to focus more on permanent solutions. We now recognize that emergency care alone will not solve homelessness and is only the first step toward the long-term goal of enabling homeless people to make the transition into permanent housing.

The lessons that emerge from this evaluation have immediate relevance to ongoing efforts to reform assistance to the homeless. HUD is working with other Federal agencies, State and local governments, shelter and social service providers, and homeless persons to reshape and coordinate Federal assistance. This approach will foster the development of comprehensive local systems capable of providing the "continuum of care" needed to reduce homelessness. Homeless persons will be brought into a system which assesses their problems, provides them with the services and housing they need to lead independent lives, and helps them make a successful transition from temporary shelter to permanent housing. HUD has proposed to reorganize the existing array of HUD McKinney homeless assistance grants for the purpose of enabling communities to establish comprehensive systems to meet the multidimensional needs of homeless persons. Many of the issues discussed in this evaluation—formula funding, the role of grantees, local strategic planning, and others—will be central to this dialogue. *Evaluation of the Emergency Shelter Grants Program* offers useful information to anyone interested in the future of Federal homeless assistance efforts.

Michael A. Stegman

Michael A. Stegman
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EXECUTIVE SUMMARY

During the late 1970s and early 1980s, the plight of homeless men, women, and children emerged as a serious problem in the United States. Even before Congress enacted the McKinney Act in 1987 to establish an array of distinct programs of assistance for the growing numbers of Americans experiencing homelessness through lack of shelter and other supportive services, the Emergency Shelter Grants Program (ESG) had been established by the Homeless Housing Act of 1986 to provide funds for emergency shelters and essential services for the homeless.

The focus of the Emergency Shelter Grants Program since its inception and incorporation into the McKinney Act has been to help states and localities provide facilities and services to meet the needs of homeless people, sheltering them but at the same time aiding in their transition from temporary shelter to permanent homes. The program's main features are the following:

- ESG is an *entitlement program,* administered by the Department of Housing and Urban Development (HUD), which uses the Community Development Block Grant (CDBG) formula as the basis of *formula-funding to entitlement jurisdictions.*

- *Eligible grantees are states and territories, metropolitan cities, and urban counties.* (In FY 91, Indian tribes were added to the list of eligible grantees, but they are outside the scope of this study.)

- *Grantees allocate the funds received from HUD to local shelter providers and other social service providers.* Providers may be either governmental or private, non-profit agencies. State grantees must allocate all of their ESG funds to local governments or non-profit organizations, either to deliver services directly or for further distribution to homeless-services providers.

- The shelters and other service providers use the funds for *four main categories of eligible activities:* conversion, renovation, and rehabilitation of facilities; operation of facilities; delivery of essential services; and homelessness prevention. There are statutory limitations on spending for essential services and homelessness prevention.

- *The ESG Program serves a broad population,* encompassing all types of homeless individuals and families, with no restrictions or further targeting. Through homelessness prevention activities, it also serves individuals and families at risk of losing their permanent housing.

- *Each dollar of ESG funding must be matched*, by either grantees or providers, with another dollar of funding from other public or private sources.

This study, the first evaluation of the ESG Program, was commissioned by HUD in October 1991 to answer a variety of questions concerning the organizations involved in the program, the implementation of program activities, and their impacts. The study's findings are based on data collected from representative national samples of grantees and providers. Of the 382 grantees ever funded by ESG, 234 were survey respondents. Of the 3,000 to 3,500 homeless-services providers receiving ESG grants in FY 91, 651 were survey respondents. Included in the 651 respondents were 503 shelter providers and 148 non-shelter providers of services to assist homeless people. For the purpose of describing the national ESG Program, survey data used throughout the report have been weighted (following the sample design) to reflect the characteristics all the grantees and providers participating in the program in FY 91.

In addition to national surveys of grantees and providers receiving ESG funding, in-depth information for the study was gained through visits to 15 intensive-study sites, where more could be learned about the local contexts in which this program operates. An overview of research findings is presented here; they are detailed in the full evaluation report.

Allocation of funds. In six rounds of funding, from FY 87 and FY 87S (supplemental) to FY 91, the Emergency Shelter Grants Program has distributed some $277.8 million (in FY 91 dollars) to 382 grantee jurisdictions around the country.

- These funds have been allocated by the grantees among the eligible activity categories as follows: $99.1 million (36 percent) for conversion, renovation, and rehabilitation of facilities for the homeless; $129.9 million (47 percent) for shelter operations; $37.0 million (13 percent) for essential services; and $9.8 million (4 percent) for homelessness prevention. In addition, $2.0 million (less than 1 percent) has been spent on administration.

- Over time, the shares of funding allocated to the four main eligible activity categories have changed. Funding for capital improvements represented slightly over half the total in each of the first three years; by FY 91, however, it accounted for only 20 percent. Essential services spending has risen from 11 percent in FY 87 to 21 percent in FY 91. Homelessness prevention became an eligible activity category in FY 89 and accounted for 9 percent of ESG funding in FY 91. The share going for operations has been the steadiest, recently ranging between 47 and 55 percent.

- The changes in shares of funding allocated to the activities has resulted from a number of factors. These include expansion of the range of eligible categories, raising of the limitations on essential services and homelessness prevention spending, the accumulation of program experience, and the development of grantee strategies in the context of local problems and locally available resources.

- Why has the use of ESG funds for capital projects (conversion, renovation, and rehabilitation of facilities) decreased over time despite evidence of continuing unmet need for facilities to serve the homeless? There may be some decrease in the need for new emergency shelters. But this study also indicates that two program requirements -- the 24-month spending deadline and the environmental review -- have made it very difficult to carry out conversions and major rehabilitation with this funding. Community Development Block Grant (CDBG) monies, often administered by the same grantee agencies, are easier to use for large capital projects. However, ESG continues to fund some major capital projects and many important physical improvements related to health, safety, and habitability. In particular, ESG has been a significant resource for meeting the obligation to make facilities for the homeless handicapped-accessible.

Population served. The shelters and other homeless-services providers receiving ESG support in FY 91 served a broad range of the homeless population. The program as a whole is not targeted to particular groups; any targeting results from local providers meeting the needs of local homeless people. This flexibility to serve various populations is one of the program's strengths.

- Homeless families were the population most frequently served by ESG-supported providers in FY 91. Women and children who were victims of domestic violence were also widely assisted. Single men were somewhat less frequently served but still were clients of more than half the providers. The groups least often served were youth (either alone or teenagers in families) and couples without children. Special groups commonly served include battered women, substance abusers, the elderly, veterans, and physically disabled persons.

- Grantees and providers nationwide report that there are still segments of the homeless population underserved in their local areas. Whether the homeless population in a particular place is growing or simply flowing (with each person leaving the shelters for permanent housing being replaced by another in need of shelter) is extremely difficult to determine, because the providers generally do not maintain detailed records on clients.

- The ESG-funded providers serve substantial numbers of persons. In FY 91, we estimate that these shelters provided 27.9 million shelter days/nights; 2.8 million individuals and 1.1 million families received assistance; of these, some 205,000 clients and 65,000 families were placed or (through prevention efforts) kept in permanent housing by ESG-supported services. These numbers were not served with ESG funds alone but with all the resources available to the providers. Scaled downward according to the dollar contribution of ESG funds to provider operating budgets, some 16,000 individuals and 4,000 families were placed or kept in permanent housing by this program in FY 91. The average grant to a provider agency in FY 91 ($20,592) assisted 89 individuals and 40 families. (Note that these figures do not represent wholly unduplicated counts of the numbers of people served.)

ESG Providers. In FY 91, between 3,000 and 3,500 provider agencies all over the United States received funding from the Emergency Shelter Grants Program.

- The providers are a mix of shelters and other kinds of service agencies. About 82 percent of providers are shelters. Of the shelters, more than three-fourths are 24-hour shelters, combining overnight facilities with day programs; the remainder are night-only or day-only facilities. Averaging 50 beds, taken together their total capacity is almost 109,000 beds. *Based on comparisons with previous national surveys of shelter capacity, a substantial proportion of the nation's shelter capacity is found in shelters that receive some ESG funding.*

- Three-fourths of both shelter and non-shelter providers are private, non-profit organizations with no religious affiliation. An additional 20 percent are non-profits with a religious affiliation, and the remaining 5 percent are public agencies. In general, these are well-established organizations, averaging 17 years in operation; only 16 percent of them have been in operation for 5 years or less. They vary considerably in size, with a median FY 91 operating budget of $300,000 but a range from $7,000 to $9,490,000.

- The shelters the ESG Program supports are not the conventional image of a bare-bones, dormitory-style, night-only shelter offering just basic, concrete services (bed space and meals). Instead, they are delivering an extremely wide range of services on-site. A very high proportion offer, and even require, case management. *The ESG Program has been important to enabling these shelters to become such full-service operations,* by: a) funding the capital improvements necessary to move them into appropriate facilities where a wide range of services can be delivered; b) supporting services directly; and c) paying the basics (lights, heat, maintenance, insurance), so that other funds raised can go to expanded services.

ESG Budget Contribution. Support from the ESG Program for the providers funded in FY 91 averaged only 10 percent of their operating budgets; for over half the providers, the ESG resources were 5 percent or less of operating resources. Providers typically had many sources of support.

- Federal programs (among them ESG) are a significant source of funds, averaging 30.5 percent of provider funding. The most important sources are the CDBG Program, FEMA's Emergency Food and Shelter Program, and various programs of the Department of Health and Human Services such as the Emergency Community Services Homeless Grant Program (EHP).

- State and local resources are also part of these budgets. State funding averages 19.7 percent but is available only in 26 states. Local funds from the county or city contribute 10.5 percent on average.

- Providers also raise funds from foundations, corporations, religious organizations, and individuals. These sources contribute some 30 percent of provider budgets, on average.

- *Support from ESG for shelter operations is particularly critical to many providers.* Three-quarters of all ESG-funded providers in FY 91 received ESG monies to support their shelter operations. They are able to raise funds from private sources for special services and programs but find it difficult to "sell" these supporters on paying the rent or the utilities bills. By covering some of the basic costs, ESG funding is vital to "keeping the doors open" for many providers.

ESG Impact on Essential Services. Despite its small contribution to provider budgets, the ESG Program has had an identifiable, positive impact on provision of services for the homeless.

- There have been striking increases in service availability since the receipt of ESG funds, for a substantial number of providers. Among the types of services showing the greatest increases (and being supported in whole or in part by ESG) are child care, support groups, basic skills development (e.g. personal budget management), and counseling or treatment for medical or psychological conditions or substance abuse.

- Many providers cited support for case management as an important contribution made by ESG to their programs. Some 83 percent use case managers to perform the client needs assessment, then require the clients to meet regularly with the case manager on client plans for homeless recovery. Three-quarters of the providers make adherence to the case management plan a requirement for staying in the shelter or program.

- Among the ESG-supported shelters, the day and 24-hour programs are much richer in services than the night-only shelters. Whereas 64 percent of day shelters and 42 percent of 24-hour facilities offer 12 to 20 services to their clients, 70 percent of night-only shelters offer seven services or fewer.

Homelessness Prevention. The development of homelessness prevention programs under ESG has added a new population and a new dimension to the program. Homelessness prevention was not invented under the Emergency Shelter Grants Program; prevention efforts have also been funded through FEMA's Emergency Food and Shelter Program and the Emergency Community Services Homeless Grant Program administered by DHHS. Grantees may now allocate up to 30 percent of their ESG funds to homelessness prevention.

- Under the ESG Program, prevention efforts can take one of two forms: homeless individuals and families can be assisted to obtain permanent housing by use of ESG funds for a first month's rent, security deposit, and the like; alternatively, individuals and families at-risk of becoming homeless can be assisted to retain their permanent housing, through help paying back rent and utilities or through landlord mediation.

- While prevention efforts toward placement of homeless clients in permanent housing often occur in a shelter setting, a larger percentage of the agencies conducting homelessness prevention are non-shelters (compared to the rest of the program). They are often large social service agencies (e.g. multi-service centers) or community action agencies that discovered they could identify clients at-risk of loss of housing and could intervene effectively with payment of back rent or utilities *and* a variety of services as needed.

- Homelessness prevention programs (with ESG and other funding) reported aiding almost 35,000 at-risk individuals and families in retaining their housing, in the preceding 12 months.

Capital Improvements with ESG Funds. The ESG Program has been an extremely important source of capital funding for emergency shelters and other facilities serving the homeless population. It appears that ESG funding accounts for roughly 50 percent of the cumulative capital investment for the providers in this study. Across the whole program period, more than $99 million (in FY 91 dollars) has been used for conversions, renovation, and rehabilitation.

- The primary other public source of funding for capital projects is CDBG, although a few states have put their own resources into capital projects.

- In recent years, as the proportion of funds providers spent for rehab has dropped, the ESG monies and matching funds have been directed toward non-capital uses. However, in the earlier years -- and especially when shelters were doing conversions and major rehabilitation -- it is more likely that the matching funds also went into the capital projects.

- Grantees and providers credit a wide range of improvements in the quantity and quality of available shelter to ESG support. It is estimated that over 7,700 beds have been added nationwide through ESG-funded capital projects. Improvements in health, safety, security, accessibility, and amenities have helped providers trying to make episodes of homelessness less wrenching and disorienting for their clients.

Role of the Grantee Agencies. The 382 grantees that have received entitlements under the ESG Program include 55 states and territories, 220 metropolitan cities, and 107 urban counties. Grantees not only allocate ESG funds among eligible activities and among local providers, they also can play a vital role in the planning and coordination of resources and programs to deal with the problem of homelessness.

- The agencies administering ESG for states are more likely to be social service agencies, while those for cities and counties tend to be community development or housing agencies. The ESG Program has often been placed in the same office as CDBG, perhaps because both programs are administered by HUD and have some similar operations requirements. The ESG grantees are often not the only public agency administering homeless programs in their jurisdiction.

- The grantee agencies are much more heavily dependent on federal funding than the providers for resources to assist the homeless. Federal resources in general, and ESG resources in particular, account for a major portion of the homeless funding in many grantee agency budgets. Half the grantees report that federal funds are their only funding source for this purpose; on average, grantees reported that 82 percent of their FY 91 homeless funding came from the federal government.

- Among this evaluation's intensive-study sites were grantees with clear goals for the ESG Program, definite priorities for use of the funds, and an integrated strategy combining these and other resources. However, not all grantees are strategic in their use of ESG funds; many make funding choices simply by selecting among provider applications, based on their knowledge of the providers and the proposed uses of the funds.

- There is a great deal of variation in grantee practice concerning the number and size of grants distributed to providers each year. The grants in FY 91 ranged in size from $77 to $1,241,000 (for a 2,200-bed shelter, the largest in the study). Nearly half the grantees awarded amounts averaging less than $20,000 per provider. One state grantee gave 98 grants averaging about $11,000 each. Although they spread support further, large numbers of small grants create an extra paperwork burden for grantee and providers alike.

Grantee Program Implementation. Grantees have successfully implemented the Emergency Shelter Grants Program, responding to regulatory changes and also making modifications in funding use as the local homeless problem changes.

- Generally, grantees selected providers that effectively carried out the eligible activities and served the homeless in their areas;

- Most grantees reported that they take an active monitoring role and are familiar both with financial and programmatic details of the providers' operations. Observation in the intensive-study sites corroborated this information.

- As the limitations on essential services and homelessness prevention spending have been raised, grantees have moved to take advantage of the increased flexibility. In FY 91, 55 percent of grantees allocated funds to essential services, and 38 percent were making homelessness prevention grants (up from 9 percent in FY 89).

- In FY 91, the first year administrative costs were an eligible expense under ESG, relatively few grantees used any of these funds for their own administration. Nearly two-thirds of the grantees used their whole ESG allocation for assistance to the homeless, covering administrative costs from their own budgets or from other grant sources.

- The *block grant mechanism* (which gives grantees the authority to allocate ESG funds among eligible activity categories) and *formula funding to entitlement jurisdictions* were program features widely recommended for retention in the future. They stand in contrast to the competitive national application process for other HUD programs serving the homeless, such as the Supportive Housing Program and Shelter Plus Care.

Making the ESG Program More Effective. A wide variety of recommendations for improvements in ESG were offered by grantees and providers during the study's data collection. They were offered against a background of widespread support for the continued existence of this program.

- As ESG grantees, metropolitan cities and urban counties can target use of ESG funds to meet local needs. The combination of *local control* with the *broad range of activities eligible for ESG support* and the *minimal restrictions on population served* gives local governments the means to address (at least partially) the problem of homelessness as it affects their own areas.

- Recognizing the fiscal constraints facing the federal budget, many respondents urged that ESG be at least level-funded. Grantees expressed great concern about the consequences of the roughly 30 percent reduction in resources for FY 93, with an appropriation of $50 million after three years of amounts over $70 million a year.

- Recommendations ranged from reshaping the block grant through improving local coordination to operational improvements of all kinds. For example, grantees urged that HUD create a uniform application package and reporting forms for ESG and other McKinney Act programs. They urged HUD to update its handbook and to offer technical assistance to providers on service delivery. Providers recommended that the program fund shelter personnel necessary for operations (as it will for FY 93); they also urged an increase in the spending limitation on homelessness prevention.

The Emergency Shelter Grants Program helps states and localities to provide facilities and services meeting the needs of persons who are homeless -- that is, aiding in their transition from temporary shelter to permanent homes. This study was not designed to address the ultimate question of whether and how clients' lives were bettered by the shelter and services they received from ESG-funded providers. Short of data on client-level outcomes, however, the results of this evaluation show positive outcomes for the organizations involved in ESG, for the facilities and services they operate, and for the local systems of providing aid to the homeless population. The data strongly suggest that, despite its modest size, this is a program that has made -- and continues to make -- a difference for the nation's homeless people.

CHAPTER ONE
INTRODUCTION

This chapter presents a brief overview of the features of the Emergency Shelter Grants Program (ESG), then introduces the evaluation and finishes with an overview of this report.

1.1 Background on the ESG Program

Both the number and the visibility of homeless people in the United States have expanded greatly over the past few decades. During the late 1970s and early 1980s, the plight of homeless men, women, and children emerged as a serious national problem. In response, various initiatives have been undertaken, including efforts to determine the size of the homeless population, to identify the social and political roots of the problem, to assess the needs of subgroups of the population, to demonstrate promising approaches for delivering services to the population, and to evaluate the effectiveness of various programs.

1.1.1 Stewart B. McKinney Homeless Assistance Act

In July 1987, Congress enacted the Stewart B. McKinney Homeless Assistance Act (P.L. 100-77) to establish an array of distinct programs of assistance for the growing numbers of citizens experiencing homelessness through lack of shelter and other supportive services. In total, the original McKinney Act authorized 20 homeless programs distributed among nine agencies of the federal government. The comprehensive range of services supported by the Act included emergency food and shelter, transitional and permanent housing, education, job training, mental health care, primary health care services, substance abuse treatment, and veterans' assistance services.

Subsequent amendments enacted in November 1988 (P.L. 100-628) provided funding authority for 21 homeless assistance programs. In addition, this legislation removed two programs and reauthorized them under the Hunger Prevention Act of 1988. The remaining 19 McKinney Act programs provide funding through a variety of vehicles: six provide funds through a formula or block grant process, 10 use a competitive process, and three had no funds to distribute through Fiscal Year 1989. In total, from FY 87 to FY 89, Congress authorized

$1.7 billion and appropriated $1.1 billion to implement the provisions of the McKinney Act from enactment.[1] Another $1.2 billion was appropriated in Fiscal Years 1990 and 1991.[2]

1.1.2 McKinney Programs Administered by the Department of Housing and Urban Development

The Department of Housing and Urban Development (HUD) is responsible for administering five of the 19 McKinney Act programs, comprising 39 percent of the cumulative McKinney Act appropriations from 1987 through FY 89. A total of $467.9 million was appropriated for them in FY 92. These programs are:

- ***The Comprehensive Housing Affordability Strategy (CHAS).***[3] This document must be submitted annually by any state, city, or urban county applying for funds under a wide variety of HUD's housing assistance programs including McKinney programs. Jurisdictions assess the needs of the homeless and of income-eligible families with housing, summarize local market and inventory characteristics, identify priorities and strategies for meeting identified needs over a five-year period, review anticipated public and private resources available to implement the strategy, and outline a plan for implementation. States must exchange their plans with local jurisdictions to coordinate services. Jurisdictions must also make the proposed CHAS available for public review, hold public hearings to obtain comments, and consider comments submitted by citizens. Each jurisdiction was required to submit a complete CHAS by October 1991; annual updates are due in the subsequent four years, followed by a complete submission which starts the five-year cycle again.

- ***Section 8 Moderate Rehabilitation Program.*** This program funds owners of rehabilitated Single Room Occupancy (SRO) housing by providing rental assistance on behalf of homeless people, enabling them to reside in these buildings. A building owner who rehabilitates a property as SRO units receives Section 8 rental assistance for previously homeless tenants in an amount equal to the difference between the Fair Market Rent (FMR) and, generally, 30 percent of the tenant's

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[1] U.S. General Accounting Office, *Homelessness: McKinney Act Programs and Funding for Fiscal Year 1989.* Washington, D.C., February, 1990.

[2] Interagency Council on the Homeless, *Federal Programs To Help Homeless People.* Washington, D.C., October, 1991.

[3] The CHAS requirements, effective December 1991, replace requirements for a Comprehensive Homeless Assistance Plan (CHAP).

adjusted annual income. Funds are allocated on a competitive award basis to Public Housing Agencies (PHAs), Indian Housing Authorities (IHAs), or private nonprofit organizations. (Nonprofit organizations must subcontract with a PHA to administer the rental assistance).

- ***Supplemental Assistance for Facilities to Assist the Homeless (SAFAH).*** This program provided both comprehensive assistance to innovative programs meeting immediate and long-term needs of the homeless and additional assistance to projects already receiving funds under the Emergency Shelter Grants Program or Supportive Housing Demonstration programs. Comprehensive assistance funds could be used to purchase, lease, or renovate buildings as well as to provide supportive services. Funds for expansion of existing programs could be used for special services for homeless families with children, and for homeless elderly or handicapped people. Underutilized public buildings could be acquired. Funds were allocated through a competitive award process, with grantees limited to states, metropolitan cities, urban counties, Indian tribes, and private nonprofit organizations. SAFAH was recently consolidated into the Supportive Housing Program.

- ***Supportive Housing Demonstration Program.*** This program provides competitive funding to state and local governments, Indian tribes, private nonprofit organizations, and community mental health associations that are public, nonprofit organizations. These funds are used to provide housing and supportive service to homeless persons, including those with special needs such as the handicapped. The program, originally a demonstration, was made permanent in the Housing and Community Development Act of 1992.[4] Incorporating some of the features of the former SAFAH program described above, it supports assistance for transitional housing to facilitate movement of homeless individuals into independent living, as well as supporting permanent housing for handicapped homeless persons, innovative housing, and supportive services not provided in conjunction with supportive housing.

- ***Emergency Shelter Grants Program (ESG).*** The fifth HUD initiative is the subject of this evaluation. This program provides formula funding for emergency shelters and essential services for the homeless. The overall goal of ESG is well-known and has been clearly delineated by HUD since the inception of the Program in FY 87: the goal is to provide facilities and services to meet the needs of the homeless, that is, to aid in the transition from temporary shelter to permanent homes.

In FY 90, two new programs were added to HUD's responsibilities under the McKinney Act. The Shelter Plus Care program provides long-term rental assistance in connection with supportive services (funded by sources other than Shelter Plus Care) to homeless persons with severe mental illness, chronic substance abuse problems, and/or AIDS. The second new

[4]The Act (P.L. 102-550) was approved on October 28, 1992 while this evaluation was under way.

program, authorized under Title V of the McKinney Act, directs the Secretaries of Housing and Urban Development and Health and Human Services to identify unutilized or underutilized federal properties that might be appropriate for use as facilities to assist homeless people. In FY 92, an additional two programs—Safe Havens and the Rural Homeless Assistance—were authorized. Safe Havens provides for persons with serious mental illness a residence that is secure, non-threatening, non-institutional, yet supportive. Rural Homeless Assistance funds providers in non-urbanized areas to perform any activity eligible under the Supportive Housing Program, plus an array of homelessness prevention activities.

1.1.3 Emergency Shelter Grants Program Overview

The origin of ESG is closely linked to the Federal Emergency Management Agency's (FEMA) Emergency Food and Shelter Program, a program that began in 1983.[5] The goal of that program was to provide funds to alleviate the immediate needs of people who were homeless. FEMA's program funds were usually expended on: food and other consumables that were essential to shelter operations and mass feeding facilities; limited leasing and purchase of capital and other small equipment; utility and rental assistance to prevent homelessness; and minor rehabilitation of shelter facilities.

When HUD's Emergency Shelter Grants Program was implemented, it offered funding for similar purposes, but placed greater emphasis on meeting a community's present and future needs to assist the homeless population, by offering funds for capital expenditures (especially through renovation, major rehabilitation, or conversion of buildings for use as shelter facilities). Other uses, mentioned below, were also permitted under ESG.

Funds from the Emergency Shelter Grants Program may be used for four main types of eligible activities:

- ***Renovating, rehabilitating, or converting*** buildings for emergency shelters;
- ***Providing essential social services*** to the homeless, which may include (but are not limited to):
  - Assistance in obtaining permanent housing;

[5] The early implementation of the federal food and shelter programs is detailed in the U.S. General Accounting Office publication: *Homelessness: Implementation of Food and Shelter Programs Under the McKinney Act.* Washington, D.C., December, 1987.

- Medical and psychological counseling and supervision;
- Employment counseling;
- Nutritional counseling;
- Substance abuse treatment and counseling;
- Assistance in obtaining entitlements, e.g., mental health benefits, Veteran's benefits, SSI benefits, AFDC, General Assistance, and Food Stamps;
- Other services such as child care, transportation, job placement and job training;[6]

- Paying for ***certain shelter operating expenses***, which may include maintenance, administration,[7] repair, security, fuel, and equipment; and
- ***Preventing homelessness***, by providing financial assistance to eligible families to help pay utility services, security deposits, mortgage payments or back rent; by providing mediation programs for landlord disputes, legal services to represent indigent tenants in eviction proceedings, and other services designed to prevent loss of permanent housing.

A fifth program category, administrative costs, was added in FY 91 to permit grantees and subgrantees to cover some of the costs related to a grantee's administration of its ESG grant, such as reporting, monitoring, and audits. This broad set of eligible activities is in keeping with the overall strategy of the Emergency Shelter Grants Program—to enable communities to meet the present and future needs of their homeless populations.

There are caps on the proportion of total ESG funding that may be spent on certain activities. The essential services component, intended to provide services during the current period of homelessness and reduce the likelihood of its recurrence, now has an expenditures cap of 30 percent.[8] A waiver of this limit can be obtained by the local jurisdiction if it can be demonstrated that other program services (e.g., maintenance and operations; and renovation, conversion, or rehabilitation) are being carried out with other resources. Similarly, the

[6] Program funds *may* be used for staff salaries to provide essential services or to purchase services from existing providers.

[7] Program funds may be used for telephone, postage, printing, and office supplies, but *may not* be used for staff salaries for operations. The Housing and Community Development Act of 1992 changed the statute to allow grantees to spend 10 percent of their allocation on staff costs related to operations. This provision took effect with the FY 93 ESG funding round.

[8] The *Stewart B. McKinney Homeless Assistance Act* (1987) set a cap on provision of essential services at 15 percent. The *Stewart B. McKinney Homeless Assistance Amendments Act of 1988* increased the percentage allowed to 20 percent. The *National Affordable Housing Act of 1990* increased the percentage allowed to 30 percent.

homelessness prevention component is now capped at 30 percent,[9] and administrative costs are capped at five percent. No waivers may be granted for expenses for homelessness prevention or for administration of the grant.

ESG funds are allocated to states, territories, urban counties, and metropolitan cities using the Community Development Block Grant Program (CDBG) entitlement formula. There are two CDBG formulas. The first formula uses weights for the jurisdiction's total population, the population below the poverty level, and the number of housing units in each jurisdiction with one or more persons per room. The second formula uses weights for the jurisdiction's population in poverty, the number of pre-1940 housing units, and the jurisdiction's lag in population growth. Whichever formula yields the larger share of money is the one that applies to the jurisdiction for the allocation of ESG funds.

ESG grant allocations go either directly to the state or to qualified localities in the state. States are required to distribute all funds to local governments and/or to private nonprofit organizations (whose projects are approved by local government) within 65 days of award by HUD.[10] Local governments receiving entitlement funds have the option of distributing all or a portion of the ESG funds received to other organizations.

The ESG regulations specify requirements for spending of grant allocations, use of matching funds, continuing operation of a rehabilitated structure as a shelter, and reporting on goals and accomplishments. All allocations must be spent within 24 months from the time of grant award, and, in the case of states, 24 months from the time the state made its funds available to units of local government or nonprofits. Until FY 91, the ESG funds required a 100 percent match from other sources. In-kind services and donated material and/or buildings can qualify as matching funds. Currently, any grant must be matched on a dollar-for-dollar basis. When a grant in excess of $100,000 is made to a state grantee, the first $100,000 is exempt from the matching requirement; the remainder must be matched on a dollar-for-dollar basis.

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[9] Homeless prevention was added to the list of eligible activities in the Stewart B. McKinney Homeless Assistance Amendments Act of 1988. Initially, the cap on essential services (20 percent) for FY 89 included homelessness prevention activities. Now there are separate caps for each.

[10] States are required to share administrative monies with local government recipients they fund but not with non-profit providers.

Another requirement of the ESG Program is that buildings needing major renovation or conversion must be used as shelters for a minimum of 10 years. Similarly, buildings undergoing moderate rehabilitation with ESG funds must be used as shelters for three years.

Until the National Affordable Housing Act (NAHA) of 1990, the pre-requisites for qualifying for ESG funds included a Comprehensive Homeless Assistance Plan (CHAP) with the following components: statements detailing the needs for assistance for the homeless; an inventory of current facilities, services and programs for the homeless; a strategy to meet the needs of the homeless population; an explanation of how federal assistance would complement ongoing assistance; and identification of a contact person. Under NAHA, grantees receiving ESG funds must now certify that they are following a Comprehensive Housing Affordability Strategy (CHAS),[11] which includes specific consideration of homeless needs and priorities. In addition, each recipient of ESG funds is required to file interim, annual, and final reports on how the specific fiscal year's funds were expended and what was accomplished as a result.

Prior to the passage of the McKinney Act, expenditure of the ESG funds for FY 87 was estimated by the General Accounting Office (GAO) to be distributed as follows:[12] capital expenditures (46 percent), operations and maintenance (42 percent), essential services (6 percent), food (1 percent), and unknown (5 percent). After the passage of the Act, on the basis of the plans submitted by city and county grantees, the GAO estimated that the funds would be distributed similarly, especially with respect to capital expenditures. Of the 46 percent for capital expenditures, approximately half of it would be expended on conversion of buildings to shelters or enlargement of current facilities, and the remainder would be spent on renovation of current shelter facilities. In actuality, the ESG grantees spent 54 percent for rehabilitation and renovation activities, 39 percent for operational expenditures, and 7 percent for social services.[13] Expenditures on rehabilitation increased to 57 percent when the FY 87 supplemen-

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[11] Implemented by a final rule published on October 31, 1991 (*Federal Register*, p. 56126, effective December 2, 1991).

[12] U.S. General Accounting Office, *Homelessness: Implementation of Food and Shelter Programs Under the McKinney Act*, Washington, D.C., December, 1987.

[13] U.S. Department of Housing and Urban Development. *1989 Annual Report to Congress on Community Development Programs*. Washington, D.C., April 1989, p. 46.

tal grants were allocated. Since then, there have been major changes in the allocation of ESG funds, as analyzed in this study.

A summary of the key features of the Emergency Shelter Grants Program is provided in Exhibit 1.1.

1.2 Background of this Evaluation

1.2.1 Research Design

In September 1991, the Department of Housing and Urban Development entered into a contract with Abt Associates Inc., with subcontractors Aspen Systems and Temporary Living Communities, to evaluate the effectiveness of the Emergency Shelter Grants Program. Given the breadth of program goals and the diversity of funded activities, HUD posed nearly 200 specific research questions to be addressed in this evaluation. To simplify and systematize this wide-ranging set of questions, a conceptual framework was developed that orders them in terms of ***policy themes*** (program administration, costs, activities, and populations served) and ***analytic themes*** (description, implementation, and impact). The intersection of these elements defines the conceptual framework shown in Exhibit 1.2.

The research design for the evaluation involved three increasingly intensive levels of data collection. First, a census of the nearly 400 ESG grantees was conducted, relying primarily upon existing documentary materials, including grant applications and periodic performance and funding reports submitted to HUD. Simultaneously, eight reconnaissance visits were conducted to grantees and service providers, to gain more in-depth knowledge of the program and to fine-tune the survey instruments (described below). The eight reconnaissance visits were conducted in November and December of 1991 to a limited number of communities that had homelessness service providers. As shown in Exhibit 1.3, the visits were conducted to a small number of sites clustered in four areas -- Washington, DC, Maryland and Virginia; Massachusetts and New Hampshire; Colorado; and California.[14] These visits included contacts with grantees, recipients, shelters, and other ESG service providers. The information collected on program structure and data availability was incorporated in revisions to the sample design and data

[14] Detailed information about the agencies and organizations visited during the reconnaissance visits may be found in Chapter 3, Section 3.4, of the *Evaluation of the Emergency Shelter Grants Program: Research Design, Data Collection and Analysis Plan*, Abt Associates, March 1992.

Exhibit 1.1
Key Features of the Emergency Shelter Grants Program

Statutory Authority	McKinney Homeless Assistance Act, Homeless Assistance Amendments Act of 1988, National Affordable Housing Act of 1990, Housing and Community Development Act of 1992 (applicable with FY 93 grants)
Basis and Type of Award	Entitlement program based on CDBG formula; block grant to entitlement jurisdictions for eligible activities
Eligible Jurisdictions (Grantees)	States, Territories, Urban Counties, Metropolitan Cities, Indian Tribes
Service Providers	Local shelters and other social service providers (either governmental or private, non-profit agencies)
Eligible Activity Categories	Conversion, Renovation, Rehabilitation; Operations; Essential Services; Homelessness Prevention; Administration
Populations Served	All homeless individuals and families (no restrictions or further targeting); individuals and families at risk of homelessness
Matching Funds Requirement	One dollar for each dollar from ESG; may be matched by grantees or service providers. (When a grant in excess of $100,000 is made to a State grantee, the first $100,000 is exempt from the matching requirement; the remainder must be matched on a dollar-for-dollar basis.)

Exhibit 1.2

Conceptual Framework for the Evaluation of the Emergency Shelter Grants Program[1]

	Program Administration	Program Funding and Costs	Program Activities	Populations Served
Description	Characteristics of grantee agencies, in relation to allocation (1). Characteristics of ESG recipients—structure, staffing, years in operation, goals/mission (2). Characteristics of shelters receiving ESG funds—location, type, size, years in operation, client type(s), services provided, staffing, rules (3*). *Record-keeping.*	Program costs (start-up v. steady-state, federal v. other sources, various measures); use of program funds (5). Allocation of funds among four broad categories of eligible activities (6). Activities funded by ESG (7*), especially homeless prevention activities (8*).	Activities of shelters receiving ESG funds—types of services, minimum standards of habitability or service provision (3*). Essential services funded—types, levels, client types, providers, locations (7*). Homeless prevention activities—major elements, targeting, outreach, beneficiaries (8*).	Populations assisted by ESG-number, characteristics (4). *Record-keeping.*
Implementation	Grantee selection of strategies (2*). Grantee coordination of ESG with other homeless activities; coordination of funding/other resources (4). Grantee selection and monitoring of recipients (5). Major features of local ESG—structure, activities, organizational approach in relation to program success (8*). Factors contributing to success—decision-making, planning, actors, roles (9). Performance of local activities—schedule, problems, solutions (10). Recipients' TA needs—extent met, sources, residual need (11). Shelter admission policies—establishment and enforcement, common requirements, admission of ineligibles, refusal of eligibles (15). Continuation of recipient efforts after completing ESG grant term (16).	Planned and actual matching funding for ESG funds: sources, delivery to recipients, use by recipients (7). *Cost monitoring by grantees.*	Grantee assessment of need for ESG assistance (1*). Activities of local ESG and their interrelationships (8*). Implementation of physical improvements—timeliness, factors in performance (12). Use of needs assessments and service plans, implementation of plans, obstacles (13). Enhancement of client access to social services—information sources, referrals, requirements to use services, availability of needed services (14). *Case management, case load.*	Grantee assessment of client need for ESG assistance (1*). Grantee selection of strategies in relation to homeless population characteristics (2*). Grantee strategies in relation to unique needs of special groups (3).

(continued)

[1] Numbers in parentheses refer to the questions numbers on pages 5-9 of the Contract Scope of Work. An asterisk (*) next to a question number indicates that the question is referenced in more than one column. All research questions are included here. *Questions in italics have been added.*

Exhibit 1.2 (continued)

Conceptual Framework for the Evaluation of the Emergency Shelter Grants Program[1]

	Program Administration	Program Funding and Costs	Program Activities	Populations Served
Program Impact	Development and success of grantee strategies to match needs of homeless population with ESG services and facilities—role of ESG (4*). Client length of stay in ESG shelters—factors affecting, tracking, follow-up (7). Effect of changes in program requirements (8). Relationship of ESG to other federal programs: organizational links at grantee and local levels (9*). Effect of ESG requirements—changes to improve effectiveness and efficiency (10).	Effect of limitation on expenditures for essential services/effect of waiver of limitation (2*). Complementarity/ substitution of ESG funds for other resources (6).	Effect on physical quantity and quality of homeless shelters (1*). Effect of limitation on expenditures for essential services/effect of waiver of limitation (2*). Outcomes of homeless prevention activities (3). Development and success of grantee strategies to match needs of homeless population with ESG services and facilities—role of ESG (4*). Relationship between type of activities and effectiveness in meeting client needs (5*). *Client placement in permanent housing—level of effort, duration of effort, average number of attempts per client placed. Type and frequency of client follow-up.*	Degree of continuing unmet need for emergency shelters for the homeless (1*). Success of grantees' strategies in matching homeless population needs with ESG services and facilities (4*). Relationship between type of activities and effectiveness in meeting client needs (5*). *Client placement in permanent housing—by population served. Type and frequency of client follow-up.*

[1] Numbers in parentheses refer to the questions numbers on pages 5-9 of the Contract Scope of Work. An asterisk (*) next to a question number indicates that the question is referenced in more than one column. All research questions are included here. *Questions in italics have been added.*

collection plan. In addition, drafts of the survey instruments were pre-tested during the reconnaissance visits.

Exhibit 1.3

Reconnaissance Sites Selected for the Emergency Shelter Grants Program Evaluation

	States	*Cities*	*Counties*
Northeast	Massachusetts New Hampshire	Cambridge, MA	
South	District of Columbia	Richmond, VA	Anne Arundel (MD)
Midwest			
West	Colorado	Los Angeles, CA	Los Angeles (CA)

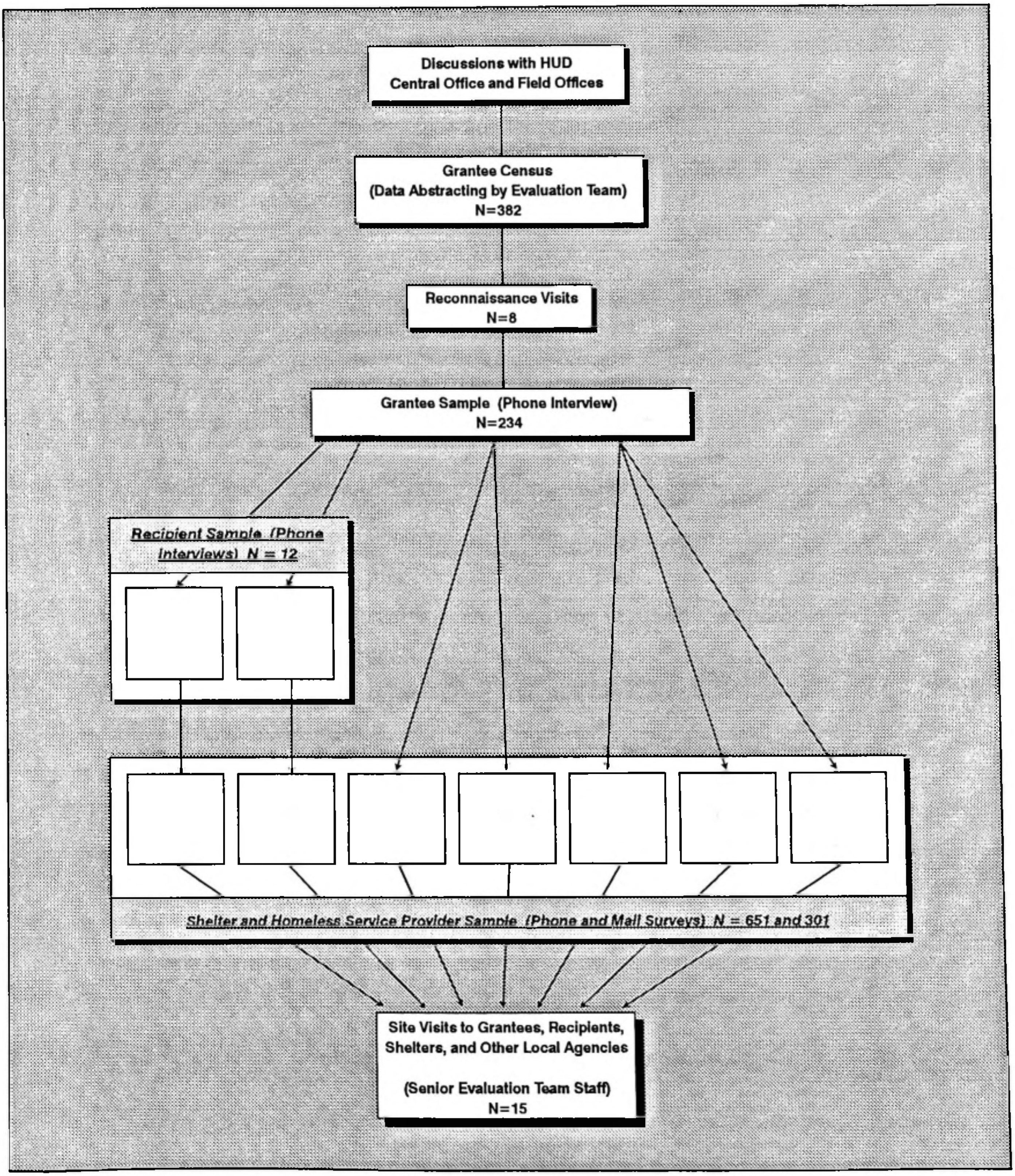
Second, surveys were conducted of a sample of the variety of organizations involved in the allocation and expenditure of ESG funds. These organizations include grantees (funded by HUD), recipients (funded by grantees, with further funds allocation authority), and shelters and other organizations providing ESG services. Third, intensive site visits were conducted to a 15-site sample of grantees, recipients (where present), shelters, and other local agencies involved with serving homeless persons and conducting homelessness prevention activities.

The information collected at each level of the evaluation design provided increasingly fine detail on the ESG Program. Exhibit 1.4 is a schematic diagram of the data collection.[15] The census of grantees, conducted between November 1991 and June 1992, yielded a comprehensive data set on the grantee universe that can be used to describe the basic characteristics of all grantees and the agencies they fund. The census also provided a sampling frame for selection of grantees for telephone interviews.

[15] Appendix B contains further description on sampling and data collection.

Exhibit 1.4

Schematic Diagram of ESG Program Evaluation Data Collection



1.2.2 Sample Selection

The sample design for this evaluation was based on both the hierarchical structure of the ESG Program and the different data collection requirements to answer the research questions posed by HUD. The following samples were drawn and used:

- A sample of grantees, for purposes of a telephone survey and selection of intensive study sites ("the grantee sample");
- A sample of shelters and other homeless services providers receiving ESG funds in FY 91 from the sampled grantees, for purposes of a telephone survey, a mailed survey and selection of intensive-study sites ("the provider sample"); and
- A set of intensive-study sites, each consisting of a grantee and selected providers as well as others involved in serving the local homeless population.

Grantees are at the head of the ESG hierarchy, and shelters and other homeless services providers are at the bottom of the hierarchy. It was determined that an intermediate level of recipients (between grantees and providers, to make further funding allocations) was quite infrequently used. Rather than trying to sample recipients, they were identified during data collection from grantees. Whenever a recipient level was present from a sampled grantee, those recipients between a sampled grantee and a sampled provider were interviewed.

The populations, universes, and study samples for ESG grantees, recipients, and providers are shown in Exhibit 1.5. A national probability sample of grantees was drawn, and a nested sample of providers was then drawn from the sample grantees. Providers were selected randomly according to stratification ***based on the activities for which they received ESG funding in FY 91*** (homelessness prevention, essential services, operations, and conversion/ rehabilitation). Stratum assignments and ESG provider sample characteristics are discussed further in Chapter 2 (Section 2.2.2) below, as well as in Volume 3, Appendix B. As Exhibit 1.5 shows, the findings of this study are based on census data from 315 grantees, survey responses from 234 grantees and 651 providers, and in-depth data from grantees, providers, and other respondents in the 15 intensive-study sites.

1.2.3 Data Collection

The telephone survey of ***grantees***, conducted in September and October of 1992, went beyond the basic information covered in the grantee census and collected information on grantee

Exhibit 1.5

Summary of Populations and Samples for the Emergency Shelter Grants Program Evaluation

Population	Universe	Study Samples
Grantees		
Census	382 (ever funded)	315
Telephone Survey	367 (steady participation)	234
Intensive-study Sites	367 (steady participation)	15
Recipients	100 (estimated)	12
Providers		
Telephone Survey	3000-3500 (estimated)	651
Mailed Survey	3000-3500 (estimated)	301
Intensive-study Sites	3000-3500 (estimated)	50

Note: Estimates of recipient universe and provider universe are based on results of the grantee census in combination with survey results.

strategies, decision-making, and program implementation. Some 234 grantees completed the survey.

The telephone survey of ***recipients*** (in October 1992) collected information on their organizational characteristics and program role from 12 recipients. The telephone survey of ***shelters and other service providers***, conducted in October and November of 1992 (with a follow-up mailed survey in November and December), collected information on shelter operations, resources, homeless populations served, client needs, service delivery, and perceived successes and limitations of ESG in meeting the needs of the homeless. Some 651 shelters and other service providers completed the telephone survey, and 310 of these organizations also completed the mailed survey.

In addition to the series of surveys, 15 intensive site visits were conducted by project staff. The variables considered in selecting the sites for intensive study included type of grantee, geographical location, size of the grant awards, and mix of eligible activities (including a site that was granted a waiver of the cap on essential services spending). For the intensive-study sites, consideration was also given to the adequacy of service provider record-keeping (client characteristics, cost data, service outputs, and client outcomes).

Between late October and early December 1992, 15 intensive site visits were undertaken by senior project staff to gather in-depth information on how the ESG Program operates, its costs, its successes and achievements, and its potential for further impact. The sites are shown in Exhibit 1.6. The field visits to clusters of grantees, recipients (where present), shelters, and other service providers allowed exploration of the dynamics of program planning, linkages across levels of organization, strategic choices, and near-term plans. Qualitative data on program context, management, and interrelationships among the different levels of program administration -- grantees, recipients, and providers -- was generated through open-ended interviewing and observation. Quantitative data on program impacts and costs, as well as aggregate data on program service delivery, clients served, and client follow-up, were also obtained. Site profiles describing and analyzing the organization and operation of ESG-supported services for the homeless and at-risk populations in each intensive-study site may be found in Volume 2 of this report.

Exhibit 1.6

Intensive-Study Sites Selected for the Emergency Shelter Grants Program Evaluation

	States	*Cities*	*Counties*
Northeast		Boston, MA	Morris (NJ) Allegheny (PA)
South	Maryland Alabama Texas	Birmingham, AL Corpus Christi, TX New Orleans, LA	Jefferson (AL)
Midwest	Ohio	Chicago, IL	
West	California	San Francisco, CA Portland, OR	

1.3 Organization of this Report

This evaluation report synthesizes information from all primary and secondary data sources to present an analysis of the growth and current status of the ESG Program, its implementation, its impacts, and recommendations to make the program more effective. The data for these analyses come from the grantee census, the grantee survey, the recipient survey, the provider surveys, and the site visits.

The report is organized around the themes of the conceptual framework illustrated in Exhibit 1.2. Chapters 2 through 4 correspond to the analytic themes -- description, implementation and impact - which appear in the left column of the exhibit. The policy themes -- program administration, program funding and costs, program activities, and populations served -- are addressed by specific sections of each chapter. Chapter 2 provides a descriptive picture of the grantees, recipients, and providers participating in the Emergency Shelter Grants Program, including an overview of the structure of the program and the characteristics of the participating agencies and organizations. Chapter 3 focuses on implementation issues across the levels of the program, including assessments of how grantees identify client needs, select strategies, and coordinate services. Grantee, recipient and provider assessments of the need for the ESG Program are also presented. Chapter 4 analyzes program effects and the role of ESG in achieving positive impacts. This chapter also presents the views of participating agencies about the effects of program features (such as the caps on homelessness prevention and essential services spending) on the program's effectiveness. In Chapter 5, respondent recommendations for making the ESG Program more effective regarding program rules, program structure, funding requirements, and other features are summarized.

There are two additional volumes to this report. Volume 2 presents profiles of the 15 intensive-study sites, to give the reader a sense of how ESG-supported services and facilities fit into the larger picture of local assistance for homeless individuals and families. Volume 3 consists of two appendices. Appendix A contains supplementary tables corresponding to each of HUD's specific research questions for the evaluation. Appendix B provides detail on the sample design, survey response, and data collection methods used in this study.

CHAPTER TWO

THE GROWTH AND CURRENT STATUS OF THE EMERGENCY SHELTER GRANTS PROGRAM

This chapter presents a descriptive analysis of the Emergency Shelter Grants Program's administrative structure and of the grantees, recipients, and homeless services providers receiving funding through the program. Where possible, the ESG-funded providers examined in this study (particularly the shelters) are compared to the shelters described in HUD's *1988 National Survey of Shelters for the Homeless.*[1] This chapter serves as the background and framework for the analysis of the implementation and impacts of the Emergency Shelter Grants Program in the chapters that follow.

2.1 Conceptual Model of the Emergency Shelter Grants Program

The Emergency Shelter Grants Program is designed to help communities to meet the present and future needs of their homeless and "at risk" populations in diverse local settings. As described in Chapter 1, the program has the following features:

- Program funds may be used for ***renovating, rehabilitating, or converting*** buildings for emergency shelters; ***providing essential social services*** to the homeless, ***paying certain operating expenses***, and ***providing services designed to prevent loss of permanent housing***;

- The Department of Housing and Urban Development (HUD) uses the Community Development Block Grant Program (CDBG) entitlement formula to determine which states and territories, metropolitan cities and urban counties are eligible to apply to ESG and what share of total funds they will receive; and

- The grantee agencies allocate the ESG funds to providers of services to the homeless, according to state and local needs and priorities established in the jurisdiction's Comprehensive Housing Affordability Strategy (CHAS).

In order to conceptualize the Emergency Shelter Grants Program in relation to contextual and population variables, the model in Exhibit 2.1 illustrates the interrelationships between the ESG-funded programs and the greater communities they serve and within which

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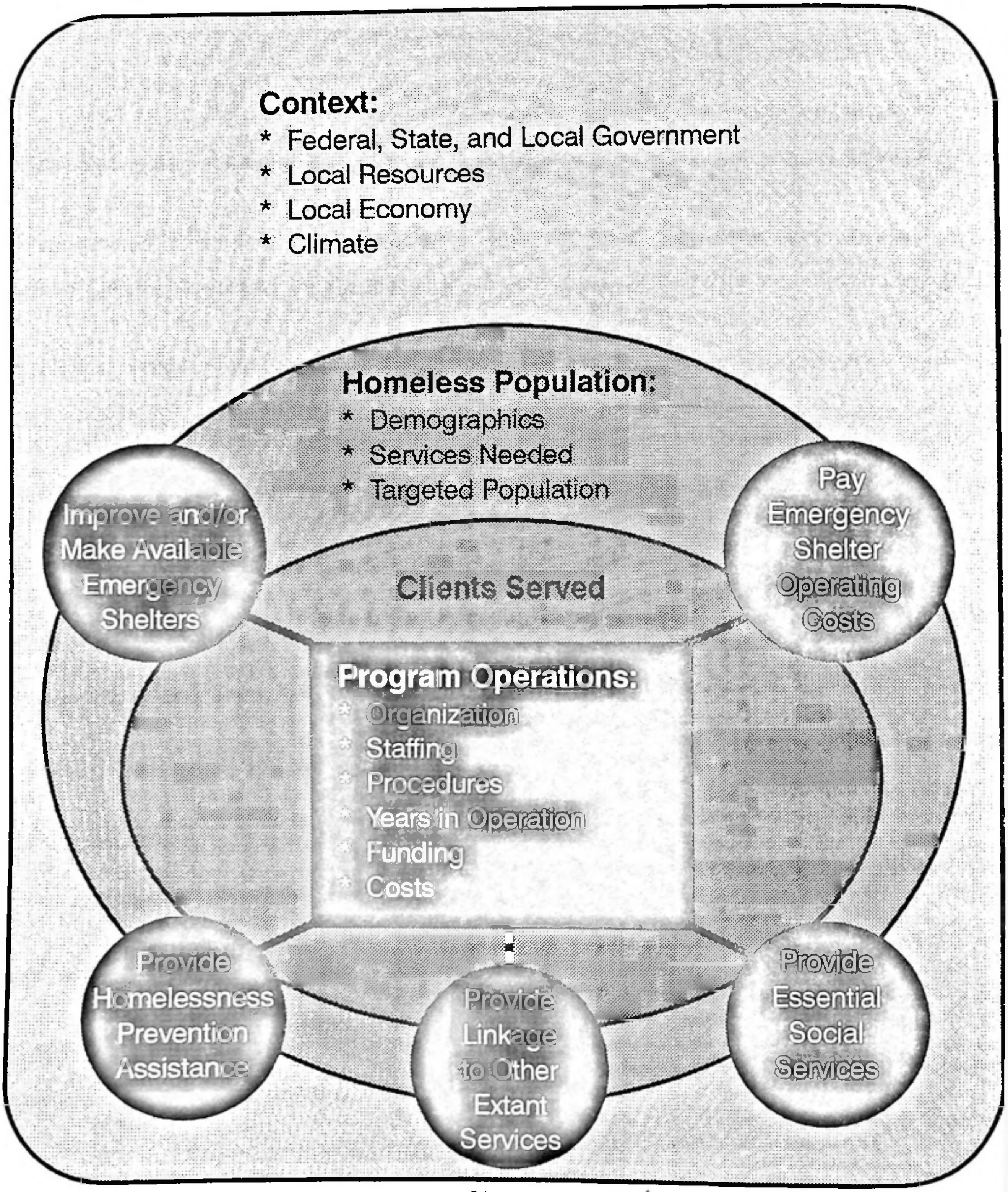
[1] Office of Policy Development and Research, US Department of Housing and Urban Development, March 1989.

Exhibit 2.1

Conceptual Model of ESG Service Delivery Systems for the Homeless Population



they operate. The context of the local program includes such issues as the interrelationships among the three levels of government involved in ESG and each level's set of regulations. For example, although the ESG regulations stipulate that states must make the ESG awards within 65 days of the state's award, some states' funds can only be distributed with legislative approval. Some communities in which ESG operates have more local resources to support the needs of the homeless than others. Trends in the local economy and even the severity of the local climate influence the need for and use of ESG funds.

At the center of the model is the box labeled "Program Operations." The four types of activities supported by ESG funds are shown as satellites of the program operations and are connected with solid lines. Also included, and connected with a dotted line, is a satellite entitled "provide linkages to other extant services." This connotes the efforts made by grantees and providers to leverage ESG resources by collaborating with other community resources to meet the needs of the homeless.

While the Program Operations box is located within the sphere of the homeless clients served, extending beyond is the remainder of the homeless population that may or may not be currently served by the ESG Program. The model also shows that the demographics of the homeless population, its service needs, and the specific targets of ESG's operations are significant factors in the evaluation.

Finally, the model suggests that the population served has needs that the program activities can meet. Program operations are implemented to create the capacity to identify needs and deliver program activities, within the limits set by program funding, other resources, and costs. To the extent that the program activities are delivered to homeless people in need of those services, the implementation of ESG could be considered successful. This evaluation reports on the interactions among the different components that facilitate or inhibit successful implementation of an Emergency Shelter Grants Program. The award of funds to a jurisdiction also affects its ability to meet the needs of the local homeless population, influencing the services delivered and the benefits derived by the individuals and families served. Such impacts are also examined in this study.

Each of the elements in the model plays a role in the evaluation. This chapter provides an overview of the Emergency Shelter Grants Program (ESG) and a basic description of the grantees, recipients, and homeless services providers receiving funding through the program.

In Chapters 3 and 4, the interrelationships between ESG and local contextual factors are explored through analysis of the implementation and impacts of the Emergency Shelter Grants Program.

2.2 Overview of the Structure of the Emergency Shelter Grants Program

2.2.1 Definitions of Grantees, Recipients, and Providers

This section describes the administrative structure of ESG and defines the terms used in evaluating the program. Emergency shelter grants may go either directly to the state or to entitlement jurisdictions in the state. States are required to distribute all funds (except administration costs) to local governments and/or to private nonprofit organizations providing services to the homeless. Local governments have the option of distributing all or a portion of their ESG funds to other organizations. In this report, the state, city, or urban county receiving the grant from HUD is uniformly referred to as ***the grantee***.

There may be either one or two levels of ESG funding allocations below the grantee. A small number of grantees distribute ESG funds to agencies that have further decision-making authority over the uses and distribution of the funding. These middle-level agencies -- between the grantees and the service delivery agencies -- are referred to as ***recipients***. For example, a county government that receives funds from the state grantee and controls allocation of the monies to local providers is a recipient. However, a county government acting as the state's agent to disburse funds and follow funding decisions made by the state is *not* considered a recipient for the purposes of this study.

At the beginning of the Emergency Shelter Grants Program, local jurisdictions were mandated as (intermediate) recipients for state grantees, primarily as fiscal agents for the providers. The state or local government provided local assistance to process their requests for reimbursements of expenses from ESG, and as a result had some local control over channeling the federal funds to meet local needs. When the legislative requirements changed in FY 88, state grantees began to drop the intermediate level from the administrative structure. In FY 91, 30 percent of grantees still reported they distributed the ESG funds to local agencies to make further funding decisions, but close examination of these responses has shown that most of them make the final decision themselves. Many states make their ESG funding decisions with input from other agencies of the state government and from local jurisdictions. In only a handful of states were local jurisdictions found to be truly making decisions about which homeless-services providers would receive state funding. For the most part, the states' rationale for continuing to use recipients is to better ascertain local needs and to delegate the administrative responsibility for program requirements such as the environmental review process. However, the great majority of grantees now allocate funding directly to service providers.[2]

The third ESG level is ***the service provider***. All agencies delivering services for the homeless population using ESG funding are considered providers. Most of these entities operate shelters, but some do not. Shelters may provide few or many services to clients. Non-shelter agencies such as health and counseling agencies, residential treatment facilities, or local government departments provide services ranging from food to substance abuse counseling, day care, or legal services. A private, nonprofit organization funded by a grantee to provide services under ESG -- even if the nonprofit runs a shelter and also provides related services outside the shelter -- is defined as a provider, not a recipient. A local government that receives ESG money from the state and runs a shelter itself is also treated as a provider in this study, even if it gives some of the ESG funds to other agencies. Thus, providers may be public or private organizations.

2.2.2 Presentation of the Data

The remainder of this chapter describes the characteristics of grantees, recipients and providers participating in the ESG Program in FY 91.[3] The data sources for this analysis were summarized in Chapter 1 (Section 1.3) and are detailed in Appendix B.

Characteristics of grantees are generally presented by ***grantee type;*** that is, states and territories, metropolitan cities, and urban counties. Because of their small numbers, recipients are described as one group. Characteristics of providers may be presented in one of three ways:

- ***by assigned stratum,*** as determined by the ESG funding category from which the provider received funding for services related to the homeless;
- by type of entity -- ***shelter or non-shelter***; and

[2] Jurisdictions using recipients that fell within the study's sampling frame were the states of Alabama, Missouri, Nevada, and California; and Pinellas County, Florida.

[3] This evaluation was conducted to address a series of research questions developed by HUD. Appendix A contains supplementary tables for each of HUD's descriptive research questions.

- among shelters, by ***type of shelter*** (day-only, night-only, or 24-hour).

The assignment of providers to strata for purposes of sampling and analysis is discussed in detail in Appendix B; however, a brief summary is useful here. The providers selected for the study sample were chosen based on eligible activity categories (i.e. homelessness prevention, essential services, operations, and conversion/rehab) for which they received FY 91 ESG funding, as reported by the grantees.[4] In many cases, providers were funded for more than one activity in FY 91. A hierarchical assignment of providers to the four strata was made according to the following rules:

- All providers funded for homelessness prevention services in FY 91 were assigned to that stratum, regardless of what other activities they conducted;
- Providers not funded for homelessness prevention but for essential services were assigned to that stratum, regardless of what other activities they might conduct;
- Providers funded for neither homelessness prevention nor essential services but receiving ESG support for conversion, renovation or rehabilitation were assigned to that stratum, regardless of whether they also were funded for operations; and
- The remaining providers were assigned to the operations stratum. They consisted of agencies only funded for operations (not in combination with other activities), as reported by grantees.

The provider phone survey was designed to focus in part on particular information specific to the respondent's stratum assignment. For example, respondents selected for the homelessness prevention stratum answered a series of questions about their homelessness prevention activities which respondents from the essential services stratum did not answer. Similarly, shelter capacity questions were not asked of the homelessness prevention stratum respondents, even though some of them were shelters. Because not all survey respondents answered questions specific to activities associated with all the funding categories (strata), some respondents may appear to be missing from the data tables presented in these chapters. Where

[4] In a few cases, providers indicated they did not actually receive FY 91 funding in the stratum category to which they had been assigned based on information provided by the grantee. In such cases, the funding received was re-confirmed with the provider, but the stratum assignment remained as reported by the grantee.

analyses are based on questions asked of specific strata, they are always labelled clearly to indicate that the respondents in that stratum were not asked that question or questions.

The information reported in this chapter is generally organized by stratum; that is, by funding category. However, it should be noted that ***almost 40 percent of all providers received funding for more than one of the eligible categories***. Thus, the providers in each stratum tend to have experience in various activities with the exception of providers funded for operations only. For example, half of the providers in the homelessness prevention stratum also indicated that they received FY 91 funding for operations, and 46.0 percent received funding for essential services. Therefore, it should not be assumed that providers in, for example, the homelessness prevention stratum received ESG funding only for prevention activities, or that the agencies' activities are necessarily limited to prevention.[5] Indeed, providers across all strata were queried about ESG-funded capital improvements.

In addition, the data on grantees and providers presented in this chapter are weighted data. The data obtained from surveying samples of ESG-funded grantees and providers have been statistically weighted so that inferences can be drawn about the program nationwide. For grantees, the full number known to participate steadily in the ESG Program is 367. For providers, the exact number receiving ESG funding in FY 91 is not known. However, on the basis of the study's samples, this number is estimated at 3,000 to 3,500. Of these, about a fifth were interviewed by telephone for the evaluation. Again, the details of the weighting procedures are discussed along with sampling in Appendix B. The total populations of grantees and providers and the numbers of respondents in the samples were summarized in Exhibit 1.5 above.

2.3 ESG Grantees

2.3.1 Grantee Program Administration

ESG grantees are units of government of three types: states or territories; metropolitan cities; and urban counties. In the initial round of funding during the federal fiscal year 1987

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[5] Because operations was the last stratum assigned, these providers are the ones most likely to receive ESG funding for only one activity. However, this still does not mean the agency was only performing this one activity; other resources may have been supporting other activities.

(FY 87), there were just 87 grantees receiving funding, as shown in Exhibit 2.2.[6] Beginning with the supplemental FY 87 allocation (here labelled FY 87S) and in succeeding years, the number of grantees increased greatly, ranging from 373 to 378 grantees per year. Over the whole program period, 382 grantees have received a total of $260 million through ESG.[7] Exhibit 2.2 also shows that while the number of state and territory grantees has held steady, the proportion of metropolitan city and urban county grantees increased substantially. Over half of FY 91 grantees were metropolitan cities and 28.2 percent were urban counties. Using the U.S. Census Bureau's regional divisions of the United States, about 27 percent of grantees were located in the Northeast, and 32 percent were in the South. The Midwest and West regions each had 20 percent of ESG's grantees.

Exhibit 2.2

Types of ESG Grantees, by Year

TYPE	FY 87	FY 87S	FY 88	FY 89	FY 90	FY 91
STATE	51	51	51	51	51	51 (13.7%)
TERRITORY	0	5	5	5	5	5 (1.3%)
URBAN COUNTY	5	103	101	105	104	105 (28.2%)
METRO CITY						
-Central city	31	191	190	190	190	187 (50.1%)
-Suburb	0	28	27	28	28	25 (6.7%)
TOTAL	87	378	374	379	378	373 (100%)
TOTAL FUNDING ($000's appropriated)	$10,000	$50,000	$8,000	$46,500	$73,164	$72,432

[6] As shown in the exhibit, there were relatively few urban county and metropolitan city grantees in FY 87. While the funds were distributed by formula in that year, there was a relatively small appropriation for the program, and a minimum grant size requirement. If an entitlement jurisdiction's formula allocation was less than the minimum grant size, the amount reverted to the state for distribution.

[7] Measured uniformly in FY 91 dollars, the cumulative program total is $277.8 million.

Exhibit 2.3 displays selected characteristics of the agencies designated by the grantee jurisdictions to administer ESG.[8] The primary mission of the agency responsible for administering the program was most commonly (for 60.1 percent of all grantees) identified as community development. This varied by grantee type. Among states and territories, 32.4 percent of the grantee agencies were community development agencies, with 18.4 percent identified as social services agencies and 19.1 percent as housing agencies. By contrast, fully two-thirds of both the city and urban county grantee agencies were community development departments, with the difference from states statistically significant at the 95 percent confidence level. A similar proportion (18.8 percent for cities and 12.2 percent for urban counties) were housing agencies. A smaller proportion (5.5 percent of metropolitan cities and 7.4 percent of urban counties) were social service agencies; this difference, too, is statistically significant. The predominance of community development agencies for cities and counties is probably because ESG is a federal program that is administered in ways similar to the Community Development Block Grant Program, commonly administered by community development agencies.

These community development agencies allocated a median of 60.4 percent of their ESG funding to operations, a median of 14.7 percent to essential services, and smaller amounts to the remaining eligible categories, as shown in Exhibit 2.4. Housing agency and social service agency grantees also allocated a substantial proportion (medians of 57.0 and 51.7 percent respectively) to operations. Economic development and welfare agencies tended to use their ESG funds more for conversion, renovation, and rehab than other types of grantee agencies.

While the grantee agency administering ESG may have had primary responsibility for homeless programs, about half of the states/territories and metropolitan cities and three-quarters of the urban counties reported that responsibility for homeless programs was shared with another agency. As mentioned in Chapter 1, a number of other federal agencies in addition to HUD sponsor programs to benefit the homeless through grants to states and localities. Examples include the Federal Emergency Management Agency's Emergency Food and Shelter Program, the Department of Health and Human Services' Community Mental Health Services for the Homeless Block Grant, and the Department of Education's Adult Education for the Homeless

[8] The statistical properties of the sample are described in Appendix B; Exhibits B.22 and B.23 provide the means of testing the significance of difference when not reported in the text.

Exhibit 2.3

Selected Characteristics of Grantee Agencies

Responses	State/Territory		Metropolitan City		Urban County		All Respondents	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Primary mission of grantee agency:								
Community development	18	32.4%	139	63.3%	72	67.6%	229	60.1%
Economic development	5	8.2%	4	2.0%	2	1.9%	11	2.9%
Health care	0	0.0%	2	0.8%	0	0.0%	2	0.4%
Housing	11	19.1%	41	18.8%	13	12.2%	65	17.0%
Social services	10	18.4%	12	5.5%	8	7.4%	30	7.9%
Welfare/public assistance	6	11.3%	3	1.1%	1	1.0%	10	2.6%
Other	6	10.5%	19	8.5%	11	9.9%	35	9.2%
TOTAL RESPONSES	**55**	**100.0%**	**220**	**100.0%**	**107**	**100.0%**	**382**	**100.0%**
Does grantee have primary responsibility for homeless programs, or is responsibility shared?								
Primary	28	51.2%	104	47.5%	29	27.4%	162	42.4%
Shared	27	48.8%	116	52.5%	78	72.7%	220	57.6%
TOTAL RESPONSES	**55**	**100.0%**	**220**	**100.0%**	**107**	**100.0%**	**382**	**100.0%**
In what division are homeless programs located?								
Economic development	1	1.8%	12	5.4%	1	1.3%	14	3.7%
Emergency assistance	0	0.0%	5	2.1%	0	0.0%	5	1.2%
Housing division	10	18.6%	31	14.5%	24	23.0%	66	17.5%
Community development	13	23.5%	54	25.1%	29	27.4%	95	25.2%
Human or social services	22	39.8%	36	16.7%	29	27.4%	87	23.1%
Other	9	16.3%	78	36.2%	22	20.8%	110	29.2%
TOTAL RESPONSES	**55**	**100.0%**	**215**	**100.0%**	**106**	**100.0%**	**376**	**100.0%**

Source: Grantee Survey, Questions 2–7 (weighted data); Recipient Survey, Questions 5–7.
Grantee Universe=382, Survey Sample=234.

Missing Cases: 4 grantees from third question.

Exhibit 2.4

Grantee Agency Mission and ESG Funds Allocation

Grantee Agency Mission [a]		Operations Mean Percent	Operations Median Percent	Conversion/Rehabilitation Mean Percent	Conversion/Rehabilitation Median Percent	Essential Services Mean Percent	Essential Services Median Percent	Homelessness Prevention Mean Percent	Homelessness Prevention Median Percent	Administration Mean Percent	Administration Median Percent
Community Development	(229)	55.7%	60.4%	19.1%	0.0%	15.6%	14.7%	8.3%	0.0%	1.3%	0.0%
Economic Development	(11)	41.1%	38.9%	40.1%	36.8%	7.8%	2.7%	9.2%	10.4%	1.7%	0.0%
Housing	(65)	55.8%	57.0%	25.7%	13.8%	11.5%	13.7%	5.3%	0.0%	1.7%	0.0%
Health Care	(2)	66.4%	66.4%	5.5%	5.6%	0.0%	0.0%	28.1%	28.1%	0.0%	0.0%
Social Services	(30)	53.4%	51.7%	13.9%	13.0%	20.3%	18.5%	9.2%	7.5%	3.2%	4.7%
Welfare	(10)	47.6%	44.3%	42.4%	28.8%	8.9%	7.5%	5.0%	1.7%	3.1%	1.7%
Other	(35)	49.4%	59.6%	27.6%	50.9%	14.0%	13.0%	7.0%	0.0%	2.0%	0.3%

Grantee FY 91 ESG Funds Allocation

Source: Grantee Survey, Question 2 (weighted data); Grantee Census for funds allocation.
Grantee Universe=382, Survey Sample=234.

Missing Cases: None.

Notes: (a) Numbers in parentheses are weighted numbers of grantees.

program. Funds from these different federal departments, along with state and local funding, may be administered by a number of different agencies at the state and local level, resulting in a dispersion among agencies of responsibility for homeless services and programs. For example, HUD's ESG funds may be distributed through a state housing agency, while funds from the Department of Education may be allocated by the state's education department. Grantees that divide responsibility for homeless programs among two or more agencies may face additional challenges in coordinating the administration and operation of their programs and services for the homeless. This issue is discussed in more depth in Chapter 3.

2.3.2 Grantee Program Funding and Costs

Total Funding

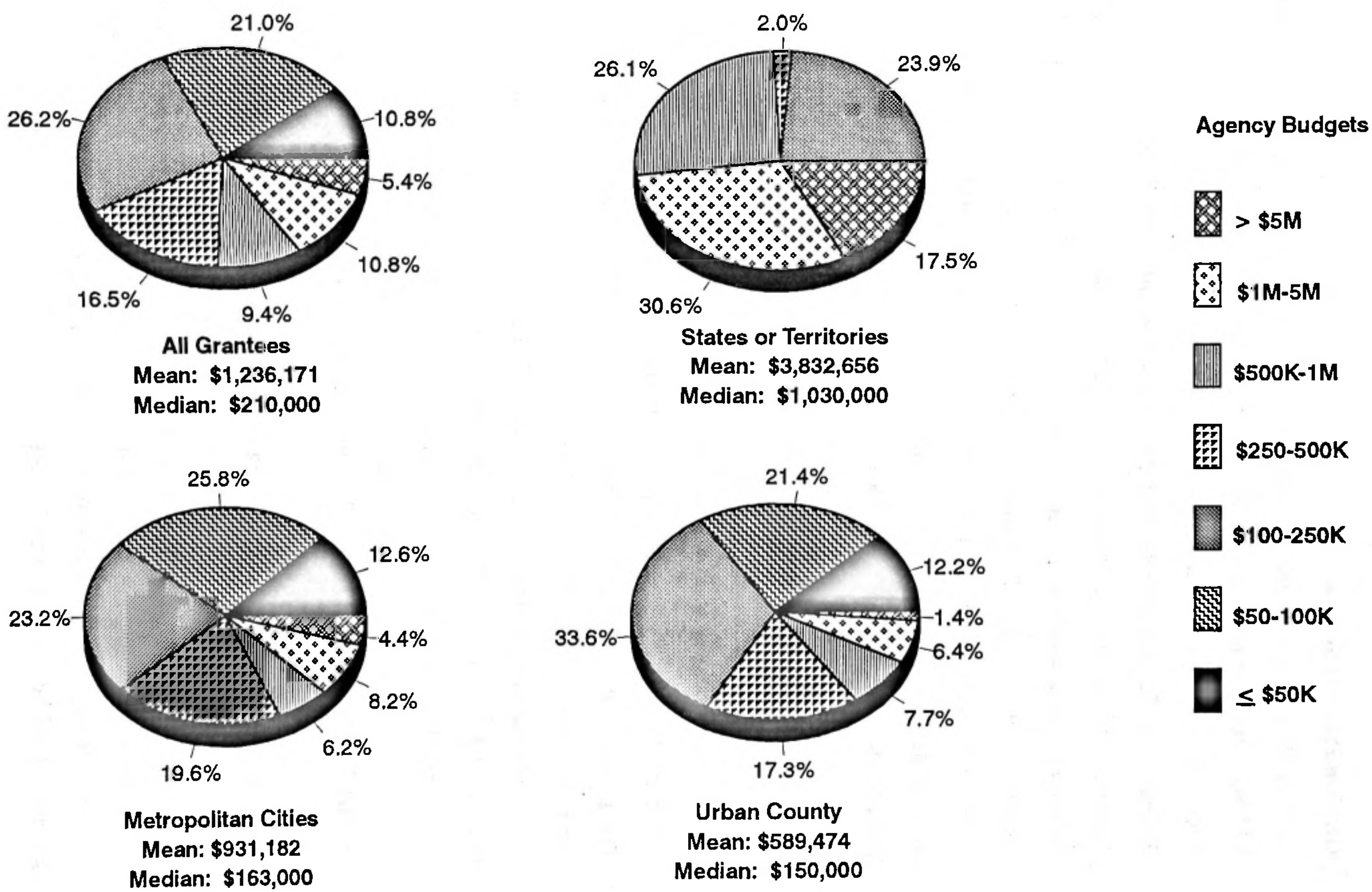
The median total grantee agency budget for activities and services to benefit the homeless in FY 91 -- including funds from ESG and from other sources (local, state, and federal) -- was $210,000. States and territories had the largest agency budgets for homeless programs, with a median of $1.03 million. The median budget for metropolitan cities was $163,000, and for urban counties $150,000. Over 70 percent of all grantees, and 25 percent of the states and territories, had agency budgets of $500,000 or less, as shown in Exhibit 2.5. Further, 38 percent of metropolitan cities and 33 percent of urban counties had budgets under $100,000.

The overall median ESG allocation for grantees in FY 91 was $86,000, ranging from a low of $68,500 for urban counties to $557,000 for states and territories. The mean allocations are much higher than the medians, because of the disproportionate influence of large state and city grantees' grants. The average grant for all grantees taken together was $235,766. States and territories had the highest ESG allocations, averaging almost $700,000, while urban counties had the lowest, averaging $84,115.

Staffing levels are another indicator of grantee program size. Grantees reported an average of 2.5 to 4.4 employees assigned to issues regarding the homeless. Most grantee staff who worked with homeless issues were assigned to program administration, with smaller numbers involved in direct program management, housing search, and health care. Few grantees reported volunteers involved in their work on programs to assist the homeless (probably because government agencies do not usually have volunteers).

Exhibit 2.5

Percentage Distribution of Size of Total FY91 Agency Budgets of ESG-Funded Grantees



Source: Grantee Survey

Grantee Funding Sources

Most grantees reported other sources of funding in addition to the resources provided by ESG. Just over two-thirds of all grantees indicated that in FY 91 they received funding from more than one source. Many of the additional funding sources were other federal programs. Indeed, ***half the grantees reported that federal funds were their only source of homeless funding.*** On average, grantees reported that 75 to 84 percent of their other FY 91 funding came from the federal government. Of course, other entities may receive funding directly for homeless programs; not all funding necessarily comes through the state or local government.

On average, 55.6 and 58.5 percent of grantee agency budgets for urban counties and metropolitan cities respectively were provided by ESG funds in FY 91. This was a significantly higher share than the average of 46.1 percent for state grantees.

For the grantees receiving federal funding other than ESG funds, the most common source was HUD, particularly through the Community Development Block Grant Program (CDBG). Half of the urban counties, 58.4 percent of the metropolitan cities, and 38.4 percent of the states and territories reported they received funds through CDBG. HUD's Supportive Housing Demonstration Program provided funds to 24.7 percent of the states and territories. The Department of Health and Human Services provided funds to about half the states and territories, especially through their Emergency Community Services Homeless Grant program.

Some states and territories also identified state funding as an important source of their overall funding, averaging 26.8 percent of their non-ESG funds. Among metropolitan cities and urban counties, state funding represented a smaller proportion of funding; 9.4 percent for metropolitan cities and 16.7 percent for urban counties. Local government contributions averaged about 12 percent of total funding for both cities and urban counties.

Distribution of ESG Funding Among Eligible Activities

In the first three years of the ESG Program, grantees received ESG funding for allocation to three broad categories of eligible activities: conversion, renovation, and rehabilitation; operations; and essential services. Homelessness prevention was added as an eligible activity category beginning in FY 89; and administration, capped at 5 percent of the grantee's ESG budget, was added in FY 91.

In the early years of the program, most ESG funding was used for conversion or rehabilitation of properties for use as homeless shelters. The proportion used for these capital projects was above 50 percent for each of the first three appropriations. However, over time, the distribution of spending has shifted among the eligible categories, as shown in Exhibit 2.6. This was partly due to the increase in the number of categories of eligible activities, and partly because Congress increased the proportion of funding that can be applied to essential services and homelessness prevention. In addition, it may be that, as conversion and rehabilitation needs were met, grantees shifted spending to other activities. According to this view, ESG funds are initially needed to ensure that there were sufficient emergency shelter spaces available for the various types of homeless individuals in a community (for example, single men, families, single women, elderly, the chronically mentally ill). Once the facilities are in place and sufficient funds are available to ensure their operation, then the provision of services to meet the current and future needs of the homeless becomes paramount, if the cycle of homelessness is to be reduced or eliminated. Chapter 3 examines more closely grantee strategies concerning the use of ESG funds for capital projects.

The pie charts in Exhibit 2.7 show the differences in FY 91 spending patterns among the three types of grantees.[9] Of the ESG funds obligated by metropolitan cities in FY 91,[10] a larger share (24.3 percent) went to essential services than the shares of state or urban county funds (18.8 and 14.9 percent, respectively). The cities as a group used less of the funding for rehabilitation (16.2 percent) than did states (22.2 percent) or urban counties (23.6 percent). The greatest share of ESG funds -- ranging from 46 to 52 percent of the ESG total for the three types of grantees -- was spent on operations, and this has remained relatively constant over time compared to the fluctuations in the proportion of spending for the other eligible activity categories. This suggests the important, on-going role ESG plays as a source of operating funds for facilities serving homeless families and individuals.

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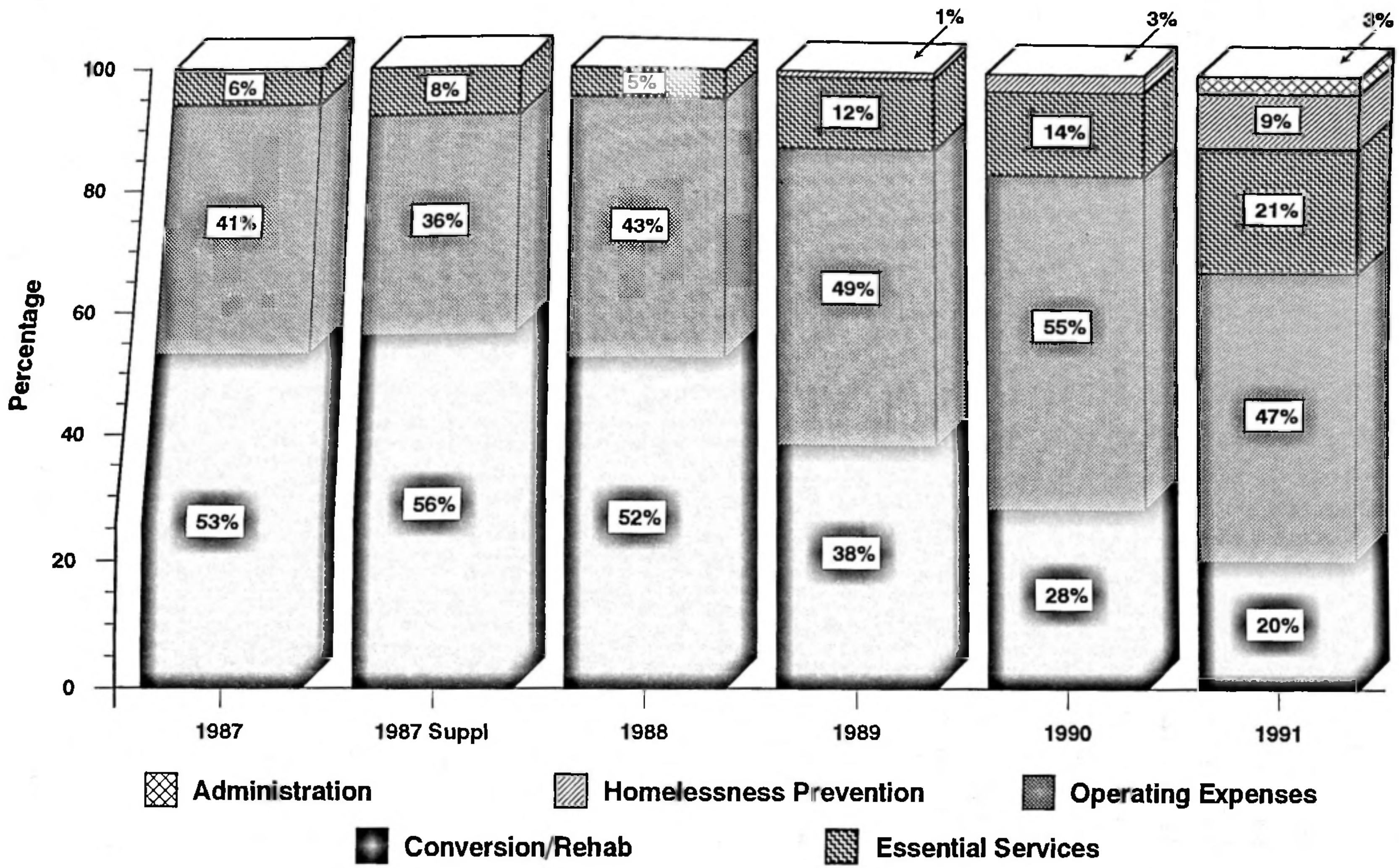
[9] These are data from the grantee census, not subject to sampling error.

[10] At the time of the study, the FY 91 funds had not reached the 24-month spending limit.

Exhibit 2.6

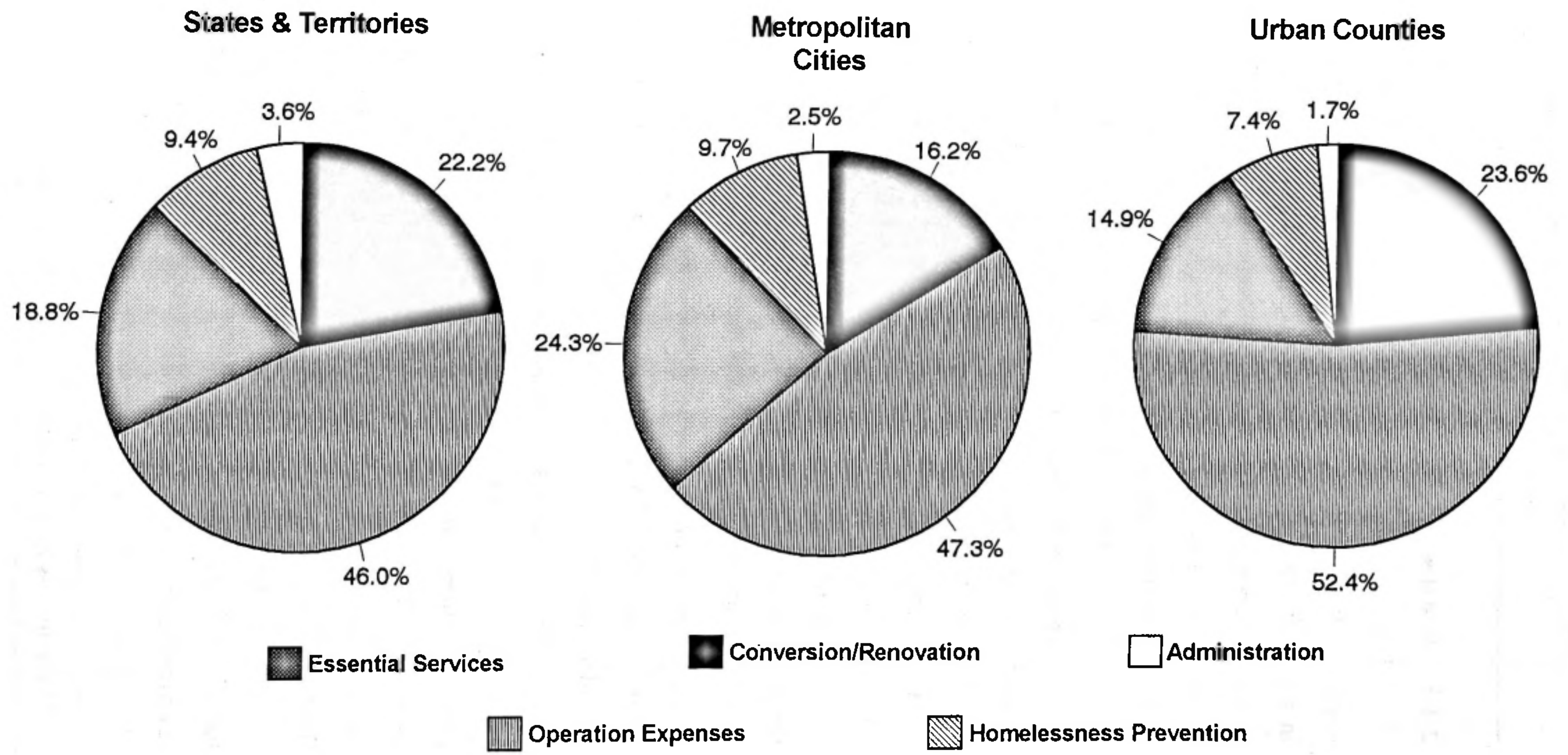
Activity Funding By Emergency Shelter Grants Program Grantees: Shares of Total Funding Over Time



Source: Grantee Census

Exhibit 2.7

Emergency Shelter Grants Program Funding Patterns by Type of Grantee Fiscal Year 1991 (Dollar Shares)



Note: FY91 Obligated Dollars

Source: Grantee Census

2.3.3 Grantee Program Activities

As discussed above, the number of activities eligible for ESG support has expanded over time, from three in FY 87 (conversion/rehabilitation, operations, essential services) to four in FY 89 (adding homelessness prevention) and five in FY 91 (administration). Exhibit 2.8 presents information on the number of funded activities and the mix of activities undertaken by the providers funded by ESG grantees.[11] Multiple activity funding for providers has been a feature of the program since the beginning. With the exception of FY 88 (by far the smallest appropriation), 25 to 30 percent of providers annually have been funded to carry out two activities, and 8 to 10 percent have received resources for three activities. As with the program funds overall, the proportion of providers using ESG funds for conversion or rehabilitation has declined over time. In FY 87, over 50 percent of all providers funded through ESG grantees received money for conversion or rehab; 29 percent were funded for capital projects only. In FY 91, by contrast, just 22.7 percent of providers were involved in conversion or rehab.

The proportion of providers using ESG funds for essential services has increased since the program began, from 25.3 percent of providers in FY 87 to 36.8 percent in FY 91. The proportion of providers using ESG funds for a combination of operations and services (either essential services or homelessness prevention) has also increased, from 22.7 percent in 1987 to almost 30 percent in FY 91. Operations alone accounted for a fairly steady 35 to 37 percent of providers since FY 89.

There has been a substantial increase in the proportion of grantees funding homelessness prevention activities since that funding first became available. The proportion of cities funding prevention more than doubled, from 23.2 percent in FY 89 to 53.6 percent in FY 91, as shown in Exhibit 2.9. ESG-funded states and territories, as well as counties, also increased prevention involvement dramatically, with participation rising from under 7 percent in FY 89 to over one-third in FY 91.

The role of the Emergency Shelter Grants program in grantees' programs and services for the homeless is thus an important one. While a few grantees have substantial non-federal resources for their programs, many others rely heavily on ESG and other federal initiatives. The

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[11] The process by which grantees identify priorities and select strategies for using their ESG funding is discussed in Chapter 3, Section 3.1.1.

Exhibit 2.8

Number and Mix of Activities Funded by ESG Grantees

Number of Funded Activities Per Provider	FY 87 Number of Providers	FY 87 Percent of Providers	FY 87S Number of Providers	FY 87S Percent of Providers	FY 88 Number of Providers	FY 88 Percent of Providers	FY 89 Number of Providers	FY 89 Percent of Providers	FY 90 Number of Providers	FY 90 Percent of Providers	FY 91 Number of Providers	FY 91 Percent of Providers
One category	219	62.9%	740	61.8%	472	78.8%	922	62.3%	1135	60.2%	1375	62.2%
Two categories	97	27.9%	332	27.7%	109	18.2%	414	28.0%	589	31.3%	573	25.9%
Three categories	32	9.2%	125	10.4%	18	3.0%	141	9.5%	147	7.8%	231	10.5%
Four categories	---	---	---	---	---	---	2	0.1%	13	0.7%	31	1.4%
TOTAL RESPONSES	**348**	**100.0%**	**1197**	**100.0%**	**599**	**100.0%**	**1479**	**100.0%**	**1884**	**100.0%**	**2210**	**100.0%**

Mix of Funded Activities	FY 87 Number of Providers	FY 87 Percent of Providers	FY 87S Number of Providers	FY 87S Percent of Providers	FY 88 Number of Providers	FY 88 Percent of Providers	FY 89 Number of Providers	FY 89 Percent of Providers	FY 90 Number of Providers	FY 90 Percent of Providers	FY 91 Number of Providers	FY 91 Percent of Providers
Conversion/Rehabilitation only	101	29.0%	316	26.4%	187	31.2%	256	17.3%	244	13.0%	242	11.0%
Any Conversion/Rehabilitation	183	52.6%	618	51.6%	249	41.6%	582	39.4%	581	30.8%	502	22.7%
Any Essential Services	88	25.3%	358	29.9%	121	20.2%	457	30.9%	645	34.2%	814	36.8%
Operations plus Essential Services or Homelessness Prevention	79	22.7%	280	23.4%	83	13.9%	365	24.7%	531	28.2%	652	29.5%
Operations Only	113	32.5%	367	30.7%	255	42.6%	525	35.5%	698	37.0%	823	37.2%
TOTAL FUNDED PROVIDERS	**348**	---	**1197**	---	**599**	---	**1479**	---	**1884**	---	**2210**	---

Source: Grantee Census, (Provider–level Data).
Grantee Universe=382.

Missing Cases: 67 Grantees.

Notes: (1) As reported by grantees.
(2) Categories in second panel are not mutually exclusive.

Exhibit 2.9

ESG Grantee Support of Homelessness Prevention Activities: Changes Over Time

Responses	State/Territory		Metropolitan City		Urban County		All Respondents	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
FY 89	14	6.4%	13	23.2%	7	6.7%	34	9.0%
FY 90	44	20.2%	19	33.9%	21	20.2%	84	22.2%
FY 91	73	34.4%	30	53.6%	39	37.1%	142	38.1%

Source: Grantee Census, Grantee–level data.
Grantee Universe=382.

Missing Cases: None.

role of the ESG in providing funds for conversion and rehab has diminished over time, but the program continues to make an important contribution to funding service provision and shelter operations.

2.4 ESG Recipients

2.4.1 Recipient Program Administration

As described in Section 2.2.1 above, recipients are the middle level of ESG administration, between grantees and providers. A small number of grantees continue to use recipients as a mechanism for distributing ESG funding. Like the grantees, recipients are units of government. Of the 12 recipient agencies contacted for this evaluation, three-quarters are city or town governments, while the remainder are county governments. As shown in Exhibit 2.10, the primary mission named by recipients was usually general local government, either at the city or county level. One-third were units of general local government, while the rest were various kinds of social service agencies (such as housing, community services, or planning) responsible for overseeing ESG funding.

Most recipients had primary responsibility for homeless programs rather than sharing responsibility with another agency. Three-quarters of recipients reported that their agency has primary responsibility for programs serving the homeless.

By the definition adopted for this evaluation, recipients receive money from a grantee (usually a state) and decide how the ESG funds will be allocated in the local area. Half of the 12 recipients interviewed for this study were located in small towns or rural areas where the ESG funding was distributed to only one provider (conceivably the only provider working with the homeless in the recipient's jurisdiction). Of those distributing funds to just one provider, only half required the provider to submit an application for ESG funding.

Recipients relied on local networks to assess the needs of homeless people in their jurisdictions. Seven of the twelve recipients said they relied on information from service providers in assessing the needs of the homeless population. Four recipients solicited testimony from advocates for the homeless and three considered agency staff members' experience.

Exhibit 2.10

Selected Characteristics of ESG Recipients

Responses	Number of Recipients	Percent of Recipients
Recipient's primary mission:		
Local government [a]	9	75.0%
Human Services	1	8.3%
Neighborhood and Community Services	1	8.3%
Department of Public Works	1	8.3%
TOTAL RESPONSES	12	100.0%
Does recipient have primary responsibility for homeless programs or is responsibility shared?		
Primary	9	75.0%
Shared	3	25.0%
TOTAL RESPONSES	12	100.0%
In what division are homeless programs located?		
Housing	2	16.7%
Neighborhood and Community Services	1	8.3%
Local Government (general unit)	4	33.3%
Human Services	1	8.3%
Planning	2	16.7%
Public Works	1	8.3%
Community Development	1	8.3%
TOTAL RESPONSES	12	100.0%

Source: Recipient Survey, Questions 2–4.

Missing Cases: None.

Notes: (a) Unit of general local government (such as County Board of Supervisors); no specific mission.

2.4.2 Recipient Program Funding and Costs

Recipients' budgets for services and activities related to the homeless were modest, averaging $321,637 with a median of $27,500. Recipients' average ESG funding in FY 91 was $59,899, with a median of only $19,400 among the 12 contacted for this evaluation. Just over half of the recipients interviewed reported that they received homeless funding from more than one source -- for example, state or local funding. Two of the recipients reported that their funding comes exclusively from the state. These respondents seem to consider the Emergency Shelter Grants funding a state program rather than a federal initiative.

Staffing is another measure of recipient program size. Recipients reported an average of 2.75 staff members assigned to issues regarding the homeless, and they rarely assigned these staff to any activity other than program administration. Recipients generally indicated they have fairly extensive contact with the ESG grantee. Seven of the twelve recipients said the grantee played an active monitoring role, including site visits, and another two recipients indicated they were required to submit written reports on program finances and activities in addition to contacting the grantee by telephone. Recipients also reported that almost all grantees required recipients to submit budgets, spending reports, and achievement reports for monitoring purposes.

2.5 ESG Homeless-Services Providers

While earlier sections of this chapter have addressed funding and activity patterns for grantees and recipients, this section examines these patterns for providers of homeless services. The information in this section was obtained through the telephone survey of 651 providers (out of an estimated universe of 3,000 to 3,500 ESG-funded providers nationwide) funded by grantees interviewed for the grantee telephone survey. About 300 of the 651 providers also responded to a follow-up mail survey on their program. The survey data have been weighted to reflect the universe of ESG-funded providers across the country. (Weighting procedures are discussed in Appendix B.)

A wide variety of types of agencies and organizations may receive ESG funding to support delivery of services for clients who are either homeless or at risk of losing their permanent housing. Of all the FY 91 ESG-funded service providers, 81.8 percent were shelters, while the remainder were not. The shelters were either day-only facilities (5.6 percent), night-only shelters (9.5 percent), or 24-hour operations (84.9 percent). Non-shelter providers using

ESG funds included health care facilities, counseling agencies, residential treatment facilities, local governments, and a variety of other entities working with the homeless.

This section describes the characteristics and activities of ESG-funded providers. There are three ways to look at the characteristics of the ESG providers:

- by assigned stratum, as determined by a hierarchy of ESG funding categories within which the provider received funding for services related to the homeless;[12]
- by whether the provider is a shelter or a non-shelter entity; and
- (among shelters) by type of shelter (day-only, night-only, or 24-hour).

As noted earlier, many providers assigned to a particular stratum for the evaluation sample (based on funding of a specific activity) received ESG funding for other activities as well. For example, 53.2 percent of those assigned to the homelessness prevention stratum also received FY 91 funding for operating costs. Overall, in FY 91, 75.8 percent of the providers were receiving ESG funding for operations (typically utilities, insurance, security); 50.8 percent were receiving funding for essential services (typically a case manager); 25.5 percent were receiving ESG funds for homelessness prevention (most frequently for security deposits and first month's rent); and 22.7 percent were receiving funding for conversion, renovation or rehabilitation work on their facilities.

As shown in Exhibit 2.11, there were significant differences in the incidence of shelters across the strata defined for this study. Only about one-third of providers in the homelessness prevention stratum were shelters, probably because these prevention programs frequently try to target those at risk of becoming homeless but not yet in a shelter. By contrast, three-quarters of providers in the essential services stratum were shelters, because these programs generally work with individuals and families who have already lost their permanent housing. As expected, virtually all of the providers in the conversion/rehab and operations strata were shelters, because these funding categories are targeted to shelters.

Exhibit 2.11 also shows that almost 85 percent of the shelters reported they operated both overnight facilities and day programs; 9.5 percent operated night shelters only, and 5.6 percent operated day shelter or drop-in centers only. Of the 24-hour programs, most were open

12 The process for assigning providers to strata was summarized in Section 2.2.2 and is explained in detail in Volume 3, Appendix B.

Exhibit 2.11

Characteristics of ESG–Funded Shelters

Responses	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Respondents	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Providers that are shelters:	156	35.6%	751	75.5%	411	100.0%	1159	97.9%	2477	81.8%
Shelters reporting they operate:										
Day shelter or drop–in center only	9	5.5%	48	6.5%	5	1.7%	62	6.2%	124	5.6%
Night shelter only	8	5.0%	47	6.4%	35	11.3%	119	11.8%	209	9.5%
24–hour shelter with day program	140	89.5%	639	87.1%	270	87.0%	825	82.0%	1874	84.9%
TOTAL RESPONSES	**156**	**100.0%**	**734**	**100.0%**	**310**	**100.0%**	**1006**	**100.0%**	**2206**	**100.0%**

Source: Provider Phone Survey, Question 7 (weighted data).
Provider Universe=3000–3500 (estimated), Survey Sample=651.

Missing Cases: None.

seven days a week. As will be shown in Chapter 3, the characteristics of the facilities and the populations served differ among these three types of shelters.

Where possible in this section, comparisons are made between the findings of HUD's *1988 National Survey of Shelters for the Homeless* and the characteristics of ESG-funded shelters. HUD's 1988 study reports on a national probability telephone survey of 205 shelter managers and administrators of voucher programs providing shelter for the homeless, selected from all counties with populations exceeding 25,000 persons. The report presents findings from the survey and compares them to an earlier HUD study, done in 1984.

Differences between HUD's findings and those of this evaluation of the Emergency Shelter Grant Program may be due to any of several factors. HUD's 1988 study was designed to assess the characteristics of all shelters nation-wide. Shelters funded by ESG may not be representative of the nation's shelters. Further, HUD's definition of a shelter was somewhat different from that used in this evaluation. That survey included boarding houses, welfare hotels, and single room occupancy (SRO) hotels that were regularly used by homeless clients who received a voucher to cover the cost of their stay. Sponsors of these types of facilities are not directly eligible for ESG funding (and the ESG program does not provide tenant-based subsidies); therefore, they are not represented in this evaluation. However, even though the sample of shelters may be slightly different in the HUD study, it still provides a useful source of comparative data over time.

2.5.1 Provider Program Administration

Providers receiving ESG funding were almost exclusively private nonprofit organizations, as Exhibit 2.12 shows. Three-quarters of both shelters and non-shelter providers were private nonprofit organizations with no religious affiliation, and an additional 19.8 percent indicated they were nonprofits with a religious affiliation. The remaining 5.4 percent were local government agencies. These proportions are consistent across strata. Of the small number of local government shelters, 78.0 percent were 24-hour shelters with day programs, 15.5 percent were day shelters, and 6.5 percent were night-only facilities. Among the private, nonprofit shelters, 69.4 percent of those with religious affiliations and 89.6 percent of those without religious affiliations were 24-hour facilities; 24.1 percent of the shelters with religious affiliations were night shelters. Referring again to Exhibit 2.12, most ESG-funded providers

Exhibit 2.12

Selected Characterisitcs of ESG–Funded Providers, FY 91

Responses	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Respondents	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
What percentage of providers are operated by...										
Local governments	48	11.0%	59	6.1%	14	3.5%	40	3.5%	162	5.4%
Non–profits with no religious affiliation	322	73.7%	777	79.7%	304	74.7%	823	71.0%	2227	74.7%
Non–profits with religious affiliation	67	15.2%	138	14.2%	89	21.8%	296	25.6%	590	19.8%
TOTAL RESPONSES	**437**	**100.0%**	**974**	**100.0%**	**408**	**100.0%**	**1159**	**100.1%**	**2979**	**100.0%**
How long have these organizations been in operation?										
Mean number of years in operation	20.3	---	15.1	---	19.7	---	15.6	---	17.0	---
Median number of years in operation	16.0	---	10.0	---	10.5	---	10.0	---	11.0	---
Percent in operation under 5 years	---	12.0%	---	10.0%	---	13.0%	---	22.0%	---	16.0%
Percent in operation 5 to 10 years	---	24.7%	---	38.4%	---	38.9%	---	34.4%	---	34.9%

Source: Provider Phone Survey, Questions 4 and 5 (weighted data).
Provider Universe=3000–3500 (estimated), Survey Sample=651.

Missing Cases: 11 providers for the first question.

were well-established agencies, judging from the reported number of years they have been operating. Just under 50 (49.1) percent of the providers have been operating for eleven years or more (and a few, such as the American Red Cross, the Salvation Army and the St. Vincent DePaul Society, have over a century of experience); 34.9 percent began operations between five and ten years ago. The median number of years in operation for the ESG providers by stratum ranged from 10 to 16 years. Homelessness prevention providers were the oldest organizations, with a median of 16 years in operation; essential services, conversion/rehabilitation, and operations providers reported a median of about ten years of service.

The distribution of ESG-funded providers by census region of the country is shown in Exhibit 2.13. Some 22.4 percent of the providers were located in the Northeast, 33.2 percent were in the South, 24.7 percent in the Midwest and 19.7 percent in the West. The proportion of shelters in each region was roughly the same. Over 60 percent of the local government shelters were located in the East or South regions of the country.

Among the shelters receiving ESG funding, there were various types of facilities. Approximately 30 percent of the shelters were dormitory-style shelters, and 47.7 percent were group homes. Smaller numbers of shelters characterized themselves as scattered-single apartments, groups of apartments or apartment buildings, rooms in single-room occupancy (SRO) facilities, or hotels or motels.

Staff sizes for shelter providers are shown in Exhibit 2.14. Providers operating shelters reported a median of six paid, full-time-equivalent staff and one unpaid (volunteer) staff working in their organizations, compared to a median of 3.6 in non-shelter agencies. Shelter staffs were slightly larger than non-shelter staffs, and they had larger numbers of volunteers. Staffing levels in local government shelters (a mean of 13.5) were similar to those in private nonprofit shelters (a mean of 14.1). However, among non-shelter agencies, private nonprofits averaged 11.8 full-time staff members while local government agencies averaged just 4.5 staff members.

The overall median number of beds for all non-homelessness prevention shelters receiving ESG funds in FY 91 was 26 beds, and the mean was 50. Exhibit 2.15 shows that the number of beds varied across the different types of shelters. Night-only shelters tended to be larger, with a median of 31.5 beds, while 24-hour shelters had a median of 25 beds. Not surprisingly, day shelters had the smallest number of beds, with a median of 10.

Exhibit 2.13

Characteristics of ESG-Funded Providers in FY 91 By Region

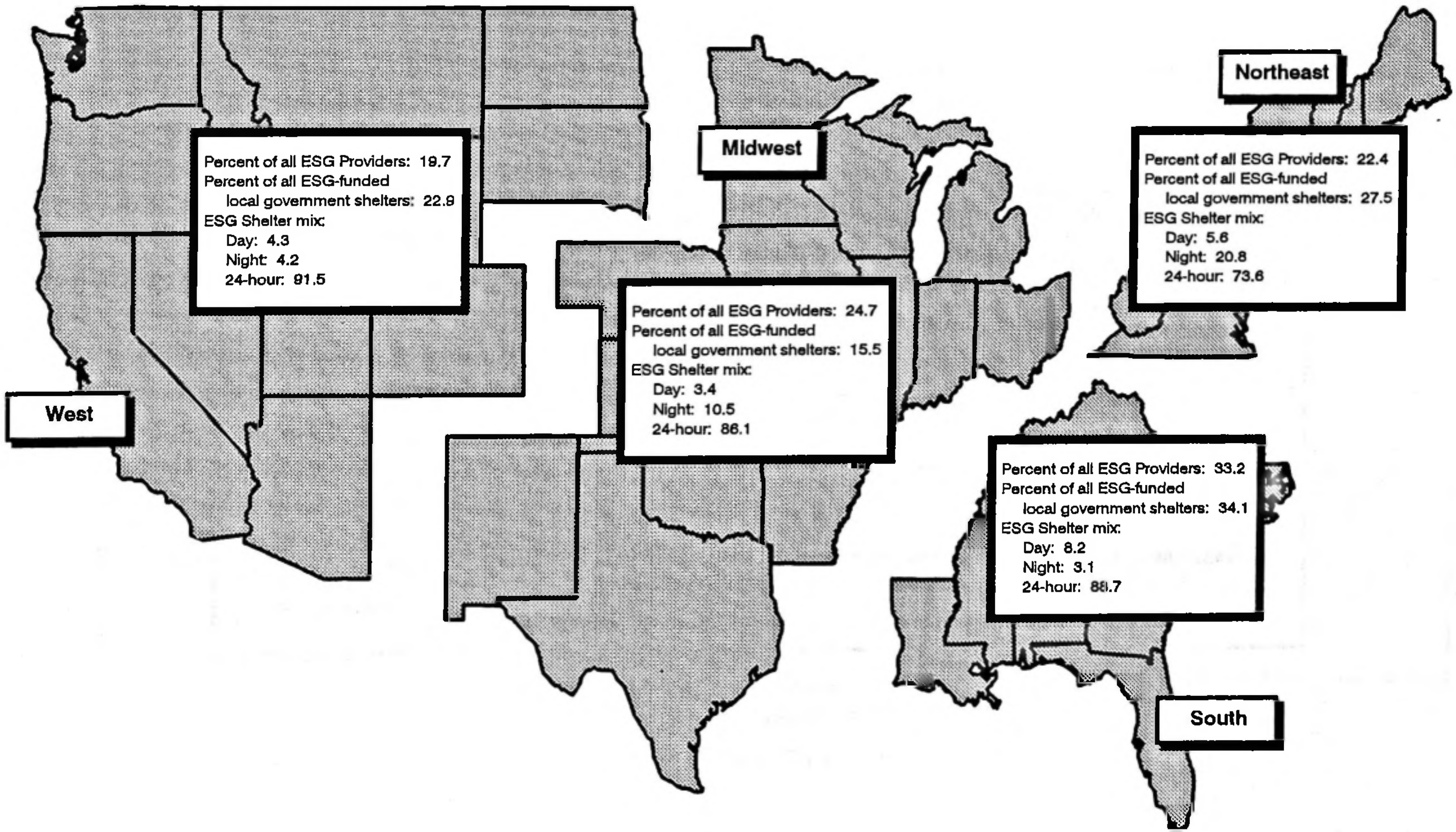

Exhibit 2.14

Staffing of Shelter and Non–Shelter ESG Provider Agencies

Shelter Staffing	Local Government Shelters	Non–Profit Shelters	All Shelters
Full–Time Equivalent Staff			
Mean	13.5	14.1	14.0
Median	4.6	6.3	6.0
Full–Time Equivalent Volunteers			
Mean	1.6	3.2	3.2
Median	0.6	1.4	1.3

Non–Shelter Staffing	Local Government Agencies	Non–Profit Agencies	All Non–Shelters
Full–Time Equivalent Staff			
Mean	4.5	11.8	10.5
Median	2.6	3.8	3.6
Full–Time Equivalent Volunteers			
Mean	0.3	2.4	2.1
Median	0.0	1.0	0.6

Source: Provider Mailed Survey, Question 12 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 301.

Missing cases: 5 providers from staff, 22 providers from volunteers.

Exhibit 2.15

Number of Shelter Beds

Responses	Day Shelters		Night Shelters		24-Hour Shelters		All Shelters [a]	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Number of beds								
Mean	81.0	---	75.6	---	47.8	---	49.9	---
Median	10.0	---	31.5	---	25.0	---	26.0	---
Distribution								
10 beds or less	12	47.3%	6	3.2%	156	9.1%	228	10.5%
11-20 beds	0	0.0%	26	13.9%	528	30.8%	619	28.5%
21-30 beds	4	17.2%	54	28.8%	283	16.5%	369	17.0%
31-50 beds	0	0.0%	28	15.1%	374	21.8%	442	20.4%
51-100 beds	0	0.0%	38	20.5%	247	14.4%	327	15.1%
Over 100 beds	8	35.5%	35	18.5%	128	7.4%	184	8.5%
TOTAL	24	100.0%	187	100.0%	1716	100.0%	2169	100.0%

Source: Provider Phone Survey, Questions 5 & 7 (weighted data).
Provider Universe = 3000-3500 (estimated), Survey Sample = 651.

Missing Cases: 66 shelters for type of shelters.

Notes: (a) Includes 66 shelters of unknown type.

Exhibits 2.16 and 2.17 show the number of beds in ESG-funded shelters in FY 91, compared to the shelter bed capacity estimated in HUD's 1988 survey.[13] The average bed capacity was approximately the same. However, the proportion of ESG-funded shelters with fewer than 25 beds was slightly higher than the proportion of small shelters estimated by HUD (48 percent of ESG-funded shelters compared to 44 percent in HUD's estimates). The total bed capacity of ESG-funded shelters in FY 91 was 108,735, with an average nightly total occupancy of 88,279. HUD's 1988 survey estimated an average nightly occupancy of 180,000 in shelters nationwide. ***Even assuming some modest increase in the number of available beds between 1988 and 1991, a substantial proportion of the nation's shelter capacity was found in ESG-funded shelters.***

It appears shelters had varying standards on the maximum allowable length of stay (possibly depending on the type of client). About three-quarters of the shelters characterized themselves as short-term shelters, with maximum allowable stays of 90 days or less, as shown in Exhibit 2.18. Half of the shelters indicated they served as temporary, overnight facilities, and the same proportion reported they provided long-term, transitional shelter (over 90 days, but with some prescribed limit). Just under 30 percent of the shelters said they served clients with special needs (such as substance abusers) and imposed no time limits on length of stay.

The median number of days clients stayed in the day-only shelters was 10. Night-only shelter clients' median stay was 16 days and average stay was about 5 weeks (37 days), while 24-hour shelters reported their clients' median stay was 30 days and average stay was about 2 months (64 days). Stays in day shelters represent participation in on-going day programs; in a few cases, these were of quite long duration (over a year).

[13] The differences between the data collected for HUD's 1998 survey and that collected for this evaluation of the ESG program were discussed early in Section 2.5.

Exhibit 2.16

Shelters, Shelter Bed Capacity, and Average Daily Occupancy: HUD's National Estimates compared to 1991 ESG-funded Shelters

Shelters	HUD 1988	1991 ESG-Funded Shelters	1991 ESG-Funded Shelters as a Percent of 1988 HUD National Estimates
Number of Shelters	5,400	2,477	45.9%
Total Bed Capacity	275,000	108,735	39.5%
Average Occupancy Per Night	180,000	88,279	49.0%

Sources: 1988 data from HUD's *1988 National Survey of Shelters for the Homeless*; 1991 data from Provider Phone Survey of 651 ESG-funded providers.

Exhibit 2.17
Average Bed Capacity by Size of Shelter

Size (Total Beds)	Percent of Shelters		Average Bed Capacity	
	HUD's 1988 National Survey	1991 ESG-funded Shelters	HUD's 1988 National Survey	1991 ESG-funded Shelters
Small (25 or less)	44%	49%	15	15
Medium (26 to 50)	32	29	36	37
Large (Over 50)	24	24	133	137
	100%	100%	Average: 50	Average: 50

Sources: 1988 data from HUD's *1988 National Survey of Shelters for the Homeless*; 1991 data from Provider Phone Survey of 651 ESG-funded providers.

Exhibit 2.18

Characteristics of ESG-Funded Shelters, by Shelter Type

Responses	Day Shelters		Night Shelters		24-Hour Shelters		All Shelters [a]	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Shelters reporting that they operate:								
Temporary Shelter	8	11.1%	136	67.8%	873	50.5%	1018	50.6%
Short-term (90 days or less)	0	0.0%	119	59.3%	1436	83.0%	1555	77.3%
Longer-term, transitional	6	7.2%	57	28.3%	869	50.2%	932	46.4%
No time limits for clients with special needs	20	23.8%	53	26.6%	521	30.1%	594	29.5%
Length of stay (days or nights)								
Mean	310.1	---	37.2	---	63.9	---	70.6	---
Median	10.0	---	16.0	---	30.0	---	30.0	---

Source: Provider Phone Survey, Questions 31 & 33.b (weighted data).
Provider Universe = 3000-3500 (estimated), Survey Sample = 651.

Missing Cases: None.

Notes: (a) Includes 66 shelters of unknown type.

2.5.2 Providers Program Funding and Costs

Funding Sources

Provider total operating budgets[14] for all their services to the homeless in FY 91 varied considerably in size, with an overall median of $300,000. As shown in the left panel of Exhibit 2.19, 19.2 percent of providers reported total operating budgets of less than $100,000, and an additional 28.6 percent had operating budgets of $100,000 to $250,000. Only 13.7 percent of all providers had operating budgets of over $1 million. However, this differs significantly by stratum;[15] almost 30 percent of providers in the homelessness prevention stratum had million-dollar-plus budgets, compared to 9 to 16 percent for providers in the other strata.

ESG contributions in FY 91 to the total operating budgets[16] ranged from a median of $8,739 for providers in the conversion/rehab stratum to $28,600 for essential services agencies. The Emergency Shelter Grants Program was thus, for most of the agencies, a relatively small proportion of their total funding, as shown in the right panel of Exhibit 2.19. ***For 46 percent of all providers, ESG funding was 5 percent or less of their budgets***, and for an additional 26.6 percent of providers ESG contributed just 6 to 10 percent. With conversion/rehab funds excluded from the operating budget (because they are technically capital and not operating funds), only 21.0 percent of all providers showed ESG funds above 10 percent of their operating budgets. The median proportion of ESG funding ranged from 4 percent, (for providers in the operations stratum) to 12 percent (for providers in the essential services

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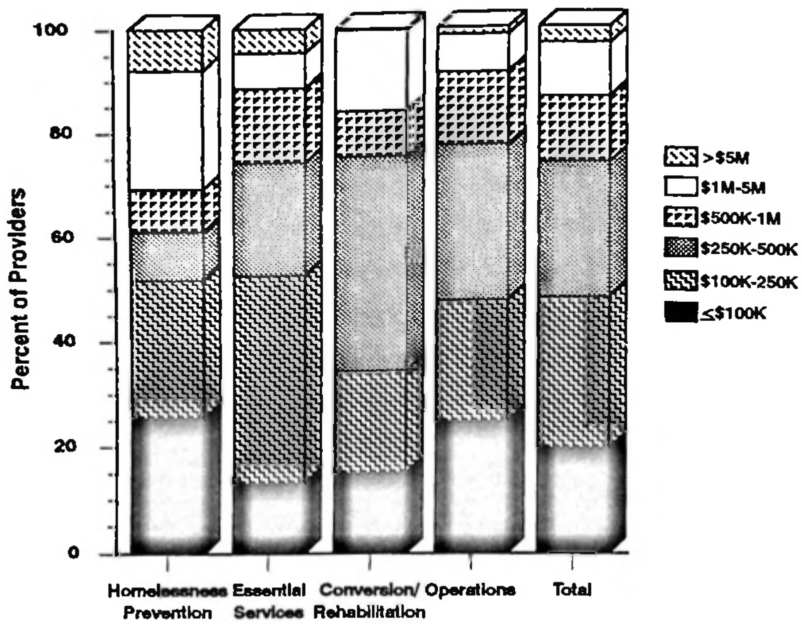
[14] The evaluation uses *operating* budgets as an indicator of program size, even if the provider was receiving ESG funding for capital improvements. The evaluation did not address the size of the FY 91 capital budgets, but did collect information on cumulative capital investment over time. Those data are analyzed in Chapter 4.

[15] Statistically significant at the 95 percent confidence level.

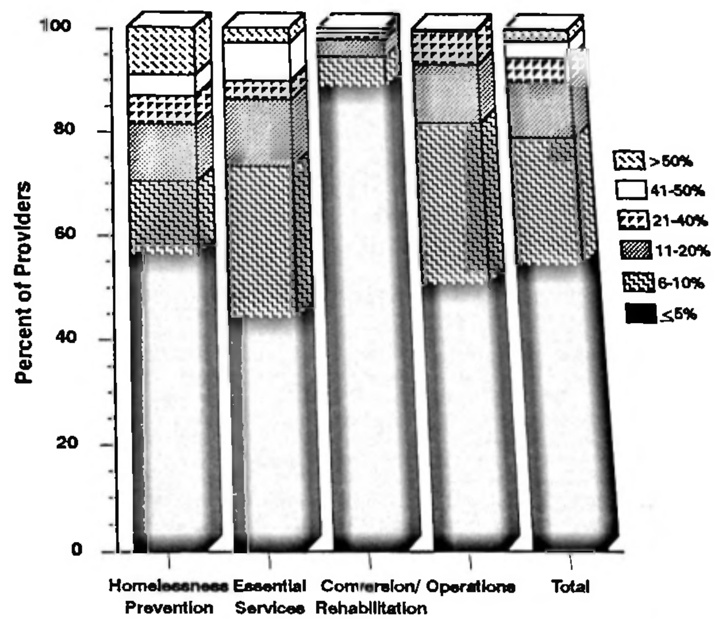
[16] FY 91 budget figures were capped at $10 million; 26 providers reporting agency budgets over $10 million are excluded. The capital portion of ESG grants (amounts for conversion, renovation or rehab) was excluded for this comparison with operating budgets.

Exhibit 2.19

Size of Provider Operating Budgets and ESG Share, FY 91



Provider Operating Budgets
(By Provider Stratum)



FY 91 ESG Grants
As Percent of Operating Budgets
(By Provider Stratum)

Source: Provider Phone Survey, Questions 9 and 11 (weighted data).
Provider Universe = 3000-3500 (estimated), Survey Sample = 651.

Missing Cases: 46 providers.

Notes: (1) For the provider's fiscal year in which FY91 ESG funding was received.
(2) Budget figures capped at $10 million.
(3) ESG funding excludes the portion for capital projects.
(4) Shares over 50 percent are relative to program budgets within larger agencies

stratum), with an overall median of 10.6 percent for all providers.[17]

Where do the homeless-services providers obtain the rest of their resources? They received funding from a wide variety of other federal and non-federal sources, as summarized in Exhibit 2.20. Federal funding, including ESG funding was the largest contributor for providers in all strata, while state funding was consistently the second major source. Local governments contributed somewhat more to providers in the essential services and conversion/rehab strata, and foundations helped those in the operations stratum.[18] Federal funding on average contributed 30.5 percent of provider agency budgets for homeless activities, while state funding averaged almost 20 percent. County or local governments, foundations, and individuals contributed smaller proportions of provider budgets. It is interesting to note that 17.9 percent of the providers indicated they received funding from one or more other ESG grantees, in addition to the one for which they were drawn in the sample.[19]

HUD's 1988 survey of shelters found that about two-thirds of shelter funding came from public sources (federal, state or local funds), while the 1984 survey had indicated only about one-third of shelter costs were covered by public sources.[20] Exhibit 2.21 shows the sources of FY 91 funding for ESG-funded shelters. Local government shelters reported that, on average, 86.2 percent of their funding came from public sources. Shelters operated by private, nonprofit agencies without religious affiliations reported that 63.2 percent of their funding on average was from public sources, while shelters run by agencies with religious affiliations indicated that 47.5 percent of their funding on average was from public sources.

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[17] A few providers indicated that ESG provided more than 50 percent of their operating budget. Because ESG requires a dollar-for-dollar match, program dollars should not ever represent more than half of the total budget (although in-kind contributions may be a significant, but not obvious, source of matching funding). But the providers who reported heavy reliance on ESG gave budget data for smaller programs within larger agencies. While their particular service may be heavily supported by ESG, the agency as a whole is meeting its matching fund requirements. For example, one of these providers was a homelessness prevention fund, administered by a shelter that also received funds for other purposes. The fund, which was supported with ESG monies, is only part of the larger agency's homeless services.

[18] These differences are not statistically significant at the 95 percent confidence level.

[19] See Appendix B for a full sampling description.

[20] *The 1988 National Survey of Shelters for the Homeless*, pp. 17-18.

Exhibit 2.20

Sources of Funding for ESG–Funded Providers

Responses	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Respondents	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Does provider receive funds from more than one source?										
Yes	378	86.7%	963	97.2%	381	92.7%	1154	97.5%	2876	95.2%
No	58	13.3%	28	2.8%	30	7.3%	30	2.5%	146	4.8%
TOTAL RESPONSES	**436**	**100.0%**	**991**	**100.0%**	**411**	**100.0%**	**1184**	**100.0%**	**3022**	**100.0%**

Responses	Homelessness Prevention Mean Percent of funds	Essential Services Mean Percent of funds	Conversion/Rehabilitation Mean Percent of funds	Operations Mean Percent of funds	All Respondents Number	All Respondents Mean Percent of funds
For providers with multiple funding sources, mean percent of funds from:						
Federal government	25.0%	26.4%	31.4%	29.8%		30.5%
State government	15.4%	19.4%	24.6%	19.7%		19.7%
County or local government	8.4%	13.2%	10.9%	8.8%		10.5%
Private foundations	11.1%	10.7%	11.7%	14.4%		12.4%
Businesses	3.1%	5.0%	4.1%	4.3%		4.4%
Individuals	9.2%	13.3%	7.3%	16.5%		13.3%

Source: Provider Phone Survey, Question 12 (weighted data).
Provider Universe=3000–3500 (estimated), Survey Sample=651.

Missing Cases: 1 provider.

Exhibit 2.21

Sources of Funding for ESG-Supported Shelters: Distribution of Public vs. Private Funding

Type of Shelter	Percent Public Funding(a)	Percent Private Funding(b)	Total
Local Government Shelter	86.2%	13.8%	100.0%
Private nonprofit shelter with religious affiliation	47.5%	52.5%	100.0%
Private nonprofit shelter without religious affiliation	63.2%	36.4%	100.0%

Source: Provider Survey, weighted data, Question 12
Missing cases: 6 cases
Notes: (a) Public funding includes federal, state, and county or local government funding.
(b) Private funding includes private foundations, businesses and individuals.

Other major federal funding sources for the ESG-supported providers in FY 91 were:

- The Community Development Block Grant Program (also sponsored by HUD), which granted funding for homeless activities to 27.1 percent of the ESG-funded providers;

- The Federal Emergency Management Agency's Emergency Food and Shelter Program, which granted funding to 62.9 percent of the ESG providers; and

- The Department of Health and Human Services, which provided funding to 20.3 percent of the agencies.

Small numbers of providers also reported receiving funding from the federal Department of Veterans Affairs, the Department of Education, and the Department of Labor.

Components of Shelter Operating Costs

The funding data examined above were at the aggregate, agency level. The discussion now turns to information on some components of provider costs. During the 15 site visits conducted for this study, detailed cost data were collected from 40 ESG-funded providers. Some of these providers (although not all) were able to produce sufficient data to allow a breakdown of shelter operating costs by component (e.g., administration, operations, essential services and homelessness prevention) and calculation of per bed and per square foot costs for their facilities.

These data are presented as examples of provider cost structures; however, given the small and non-random sample, the costs discussed here should not be assumed to be representative of all ESG-funded providers. Total agency budgets for the 40 intensive-study site providers ranged from a low of $31,680 for a shelter with case management to a high of $1.7 million for a large, multi-service community action agency. The mean total budget for the 40 providers was $316,432.

On average, the providers reported that 44 percent of their budgets for homeless programs and services went to operations, 35 percent to essential services, 11 percent to administration, and about 10 percent to homelessness prevention activities. Staff costs were a substantial share of the total, averaging 66 percent of total project costs for the 40 providers. Total annual project costs per square foot (only available for 24 of the providers) ranged from $4 in a large shelter housing single individuals to $386 in a facility for homeless youth with a mean of $62 per square foot. For shelters (25 of the 40 providers), the average total annual project cost per bed was $8,087.

Annual operating costs (excluding staff) ranged from $10,090 to $268,988, with a total mean of $88,280 and a mean cost per square foot of $18.[21] Annual operating costs per bed averaged $2,879 for 25 shelter providers. With staffing excluded, administrative costs were the single largest category of operating costs, averaging 23 percent of the total, as shown in Exhibit 2.22. Utilities averaged 13 percent of the total, and maintenance and repairs averaged about 10 percent of the total.

2.5.3 Populations Served

In this section and in Chapter 4, data are reported concerning the numbers of clients served by ESG-funded providers. The survey questions that gathered these data asked providers how many individuals and how many families they served. There may be some overlap in the counts of families and individuals, even though it is most common for providers to keep separate counts. Although we cannot be certain that the counts are unduplicated, the figures are quite

[21] Data were not separately collected on non-administrative, non-service staffing costs (e.g., for cooks, security guards, or janitors).

Exhibit 2.22

Components of Operating Costs[22] of ESG-Funded Providers[23]

Cost Component	Average Percent of Operating Costs
Administration	22.6%
Rent	9.0
Taxes and Insurance	8.1
Maintenance and Repair	10.0
Security System	1.1
Utilities	13.4
Transportation/travel	5.1
Furnishings and Equipment	4.6
Other[24]	26.1
Total	100.0%

[22] Operating costs exclude staff.

[23] Based on cost data from a purposive sample of 40 providers in intensive study sites. These sites were not selected randomly, therefore their costs may not be representative of all ESG-funded providers.

[24] Other costs included items such as food, laundry service, client activities, fundraising costs, and volunteer recognition.

consistent with a variety of other data about shelter size and occupancy rates. Therefore, we have considerable confidence in them.

Program Capacity

Overall, the ESG-funded providers reported that they each served an average of 1,247 individuals and/or 936 families in their FY 91 operating year. Providers that were shelters reported an average nightly census of 40 over the previous 12 months, or an average of 12,644 shelter days/nights for the year. Length of stay for all non-prevention providers averaged 70 days, with a median of 30 days.

During the site visits, many of the service providers indicated that while their shelters may not be full to capacity every night, their programs operated at or above total capacity during certain months of the year (cold or rainy months) or during certain periods of the month (just before assistance checks or food stamps are issued). It is thus not surprising that, in the phone survey, 80.4 percent of providers nationwide indicated that they had turned eligible clients away, as shown in Exhibit 2.23. The average number of eligible clients who were turned away in the past 30 days was reported to be 43. Providers in the homelessness prevention stratum reported turning away an average of 52 clients in the past 30 days, while providers in the operations stratum reported an average of 48 turnaways.[25]

What are the reasons clients have beeen turned away? Approximately 75 percent of the providers in the essential services, conversion/rehab and operations strata reported that the primary reason was the shelter or program was at capacity. The next three most frequently cited reasons for these providers were security problems (especially in shelters undergoing renovation), an inebriated client, or the wrong type of client. For those providers in the homelessness prevention stratum, only 33.9 percent indicated that the reason was shelter capacity. Instead, these providers (many of them non-shelters) cited insufficient funds (35.5 percent) and wrong type of client (11.0 percent) as the primary reasons for turning away clients.

In the 1988 survey of shelters, it appeared there were sometimes mismatches between the type of shelter space available and the type of client needing shelter. HUD's survey findings

[25] Note that 44 percent of the providers' estimates of the number of turnaways are based on actual records and the remainder are based on best guesses.

Exhibit 2.23

Turnaways from ESG–Funded Providers

Responses	Homelessness Prevention Number	Homelessness Prevention Percent	Essential Services Number	Essential Services Percent	Conversion/Rehabilitation Number	Conversion/Rehabilitation Percent	Operations Number	Operations Percent	All Respondents Number	All Respondents Percent
Has provider ever turned away eligible clients?										
Yes	339	77.3%	795	80.6%	335	82.0%	951	80.8%	2421	80.4%
No	99	22.7%	192	19.4%	74	18.0%	225	19.2%	590	19.6%
TOTAL RESPONSES	438	100.0%	987	100.0%	409	100.0%	1177	100.0%	3011	100.0%
In the past 30 days, how many eligible clients have been turned away?										
Mean number turned away	52.1	---	36.8	---	37.6	---	48.5	---	43.4	---
Has provider ever admitted ineligible clients?										
Yes	154	36.8%	404	42.6%	217	53.8%	543	46.8%	1318	45.0%
No	265	63.2%	544	57.4%	186	46.2%	617	53.2%	1612	55.0%
TOTAL RESPONSES	419	100.0%	948	100.0%	404	100.0%	1160	100.0%	2930	100.0%
For what reason/under what conditions have clients been turned away?										
Shelter at capacity	115	33.9%	593	74.6%	251	74.9%	702	73.7%	1661	68.6%
Security problems	16	4.7%	106	13.3%	85	25.3%	147	15.5%	354	14.6%
Inebriated/high	15	4.4%	98	12.3%	60	17.8%	176	18.5%	349	14.4%
Wrong type of client	37	11.0%	77	9.7%	66	19.8%	128	13.5%	309	12.8%
Insufficient funds	120	35.5%	55	6.9%	21	6.2%	26	2.8%	222	9.2%
Insufficient services	15	4.3%	60	7.5%	20	6.1%	62	6.6%	158	6.5%
Alcohol/drug abuse	27	7.9%	19	2.4%	7	2.2%	57	6.0%	110	4.6%
Other	16	4.9%	34	4.2%	34	10.2%	54	5.6%	138	5.7%

Source: Provider Phone Survey, Question 20 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 651.

Missing cases: 3 providers from first question, 21 providers from second question.

Notes: (1) Multiple responses possible to last question.

suggested that spaces were generally available in a jurisdiction's larger homeless shelters. These facilities often offered only the "concrete services" of a bed and meals. Spaces at smaller facilities that offered more services seemed always to be at a premium.

ESG-funded shelters in the current study reported that, on average, they operated at 78 percent of capacity.[26] Small shelters (those with fewer than 25 beds) reported an average occupancy rate of 72 percent, and medium (25 to 50 beds) and large (more than 50 beds) shelters indicated they operated at 82 percent of capacity, on average. Approximately 5 percent of the shelters reported that their average nightly census exceeded their number of beds, indicating that they regularly served more homeless families and individuals than the number for which they had appropriate space.

Summary

This chapter has provided a descriptive analysis of the Emergency Shelter Grants Program's grantees, recipients, and providers, highlighting the important role the ESG Program plays supporting local programs and services for the homeless. While a few grantees have substantial non-federal resources for their programs, many others rely heavily on ESG and other federal initiatives, including those established by the McKinney Act. Even though the role of ESG in providing funds for conversion and rehab has diminished over time, the program continues to make an important contribution to essential services provision and shelter operations. The ESG-funded providers are a diverse array of agencies; almost 20 percent are agencies other than shelters, such as health care facilities, substance abuse treatment centers, or counseling agencies. Those who received ESG funding for homelessness prevention in FY 91 tend to be larger, well-established agencies which fund a range of services for people who are at risk of losing their permanent housing.

Chapter 3 continues the analysis of program funding and costs by reviewing the implementation of the program -- through an assessment of how grantees establish program priorities, select providers for funding, and coordinate various funding sources; and through an analysis of how providers coordinate services for homeless people. In Chapter 4, the impacts

[26] For purposes of analysis, occupancy rate was calculated by dividing the provider's reported bed capacity by the reported average nightly census. Computed occupancy rates that exceeded 150 percent of total bed capacity were excluded from the average figure.

of the program in meeting its goal of helping communities meet the present and future needs of the homeless are assessed. In Chapter 5, grantee and provider recommendations for improving the program are presented.

CHAPTER THREE

EMERGENCY SHELTER GRANTS PROGRAM IMPLEMENTATION

This chapter addresses the process of Emergency Shelter Grant (ESG) Program implementation developed by the grantees, recipients, and providers that received ESG funding in FY 91. The discussion, organized into the four policy themes of the evaluation—program administration, program funding and costs, program activities, and populations served—presents relevant information collected during the surveys of grantees, recipients, and providers and the insights obtained from visits to 15 intensive-study sites.[1] Interviews were conducted with 20 grantee representatives, 61 provider representatives, and 4 recipient representatives for a total of 86.

3.1 Program Administration

Since the beginning of the ESG Program in FY 87, 55 states and territories, 220 metropolitan cities, and 107 urban counties have received notifications of funding allocations under the program. What has been the implementation experience of the grantees and homeless-services providers in ESG? The evaluation includes an examination of the following:

- ***Grantees' processes for selection of goals and strategies*** **for** meeting the needs of the homeless;
- ***Grantees' priorities for the use of ESG funds***;
- ***Grantees' coordination of the ESG funding*** **with other** resources for the homeless; and
- ***Grantee selection and monitoring of homeless-services providers***.

[1] The content of this chapter is responsive to research questions developed by HUD for this evaluation. Appendix A contains supplementary tables for each research question concerning implementation.

3.1.1 Grantee Selection of Goals and Strategies

What are the most pressing needs of the homeless population served by some ESG funding according to the grantees?[2] As shown in Exhibit 3.1, the first-ranked priority by 56.9 percent of all grantees was emergency shelter, followed by permanent low-cost housing (10.2 percent) and homelessness prevention (7.8 percent). When examined from the standpoint of the top three most pressing needs, the grantees cited emergency shelter (72.5 percent) followed by food, transitional housing, homelessness prevention, and job training (19.9 to 24.3 percent).

To develop a strategy for assessing the needs of the homeless and providing assistance through ESG, all except one of the grantees actively sought information from a variety of sources. Exhibit 3.2 shows 97.6 percent of grantees gathered information from service providers. Many also consulted the information compiled in the state or local Comprehensive Housing Affordability Strategy (CHAS) documents.[3] In addition to these sources of information, some relied on the experience of their agency's staff (91.9 percent), relied on the testimony of homeless advocates (79.5 percent), and/or indicated that the agency had made surveys of the needs of the homeless (70.0 percent).[4] County and state grantees were significantly more likely to have conducted surveys.[5] Counties were significantly more likely than cities to have made surveys of the needs of the homeless and were also significantly more likely than states to have used the CHAS. State and counties were significantly more likely than cities to have gathered information from service providers to assess the need for assistance provided by ESG.

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[2] While the shelters and other homeless-services providers may be closer to the clients, the grantees through their role as grant administrators have the responsibility for summarizing and prioritizing the needs of the homeless persons within their jurisdiction.

[3] The purpose of the CHAS is to document the local inventory of housing, facilities and services are available for low-income people with special needs, including the needs of homeless persons. While the CHAS is frequently prepared by the ESG grantee agency, this is not always the case. Grantees that have not contributed to the CHAS preparation are less familiar with its contents and therefore less likely to use it for planning strategies for the homeless.

[4] The "surveys" of the needs of the homeless are likely to have been conducted by gathering information from homeless advocates and homeless-services providers.

[5] The terms "significant" or "significantly more" are used in this chapter only when a statistical significance test exceeds the 95 percent level of confidence.

Exhibit 3.1

Grantee Ranking of Needs of the Homeless Population

Responses	State/Territory % Ranking #1–3	State/Territory % Ranking #1	Metropolitan/City % Ranking #1–3	Metropolitan/City % Ranking #1	Urban County % Ranking #1–3	Urban County % Ranking #1	All Grantees % Ranking #1–3	All Grantees % Ranking #1
What are the most pressing needs of homeless population served by ESG?								
Alcohol abuse treatment	0.0%	0.0%	0.6%	0.0%	1.1%	0.0%	0.7%	0.0%
Daily living skills	0.0%	0.0%	3.0%	0.8%	0.0%	0.0%	1.7%	0.4%
Drug abuse treatment	1.8%	0.0%	0.6%	0.0%	1.0%	1.0%	0.9%	0.3%
Emergency shelter	72.3%	50.6%	73.7%	59.5%	70.2%	54.7%	72.5%	56.9%
Employment opportunities	2.3%	0.0%	8.7%	0.5%	11.3%	0.0%	8.5%	0.3%
Food	39.2%	2.2%	21.9%	0.8%	21.7%	1.1%	24.3%	1.1%
Homelessness prevention	25.2%	8.7%	15.7%	6.9%	27.7%	9.1%	20.5%	7.8%
Job training	20.8%	4.8%	22.5%	2.4%	14.0%	2.2%	19.9%	2.7%
Life skills training	2.4%	0.0%	11.3%	0.8%	9.2%	0.0%	9.4%	0.4%
Medical care	7.5%	2.4%	19.6%	0.8%	17.6%	1.0%	17.3%	1.1%
Permanent low cost housing	19.1%	14.5%	19.3%	11.3%	12.3%	5.6%	17.3%	10.2%
Psychological counseling	11.7%	0.0%	3.7%	0.0%	13.5%	3.8%	7.6%	1.1%
Transitional or sheltered housing	21.0%	4.8%	20.6%	3.7%	24.6%	6.8%	21.8%	4.7%

Source: Grantee Survey, Question 24 (weighted data), Recipient Survey, Question 20.
Grantee Universe=382, Survey Sample=234.

Missing Cases: 3 grantees.

Notes: (1) Multiple responses possible.

Exhibit 3.2

Grantee Sources of Information on ESG Assistance Needs

Responses	State/Territory		Metropolitan City		Urban County		All Grantees	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
How were needs for assistance by the ESG Program determined?								
Made surveys of needs of homeless	37	67.4%	144	65.4%	86	80.8%	267	70.0%
Used state or local CHAP/CHAS	45	82.5%	200	90.9%	102	95.4%	347	91.0%
Gathered information from service providers	55	100.0%	211	95.8%	107	100.0%	373	97.6%
Relied on experience of agency staff	49	89.8%	203	92.4%	98	91.7%	351	91.9%
Relied on testimony of homeless advocates	47	85.9%	167	76.0%	89	83.6%	304	79.5%

Source: Grantee Survey, Question 23 (weighted data); Recipient Survey, Question 18.
Grantee Universe=382, Survey Sample=234. Recipient Universe=12.

Missing Cases: 1 grantee.

Notes: (1) Multiple responses possible.

How have grantees selected their specific strategies for utilizing ESG to meet the needs of the homeless? In general, the three most frequently utilized resources in the development of specific strategies were the CHAS, input and recommendations from the grantee agency's staff, and input and recommendations from homeless advocates. Each of these resources was cited by 80.5 to 84.8 percent of all the grantees interviewed.

The process for selection of specific strategies for using the ESG funds varied somewhat by type of grantee. The state grantees were significantly more likely than the counties to rely on staff recommendations, and states and counties were significantly more likely than cities to rely on recommendations of an interagency council.

These findings are similar to comments made by grantee administrators during visits to the 15 intensive-study sites: ***in 13 of the 15 sites, the development of the CHAS was viewed as the most important process for setting ESG goals*** (see Exhibit 3.3).[6] However, two state grantees, Alabama and California, reportedly relied primarily on local input from recipient communities and homeless-services providers for developing strategies and goals to be implemented by the state. Maximizing local involvement in the goal-setting process was evident in all of the metropolitan cities and urban counties visited. Birmingham, Boston, New Orleans and San Francisco involved the Homeless Task Force and/or the Mayor's office in setting ESG goals. Some of the entitlement cities and counties commented on the close coordination with each other, especially Chicago (with Cook County), Portland (with Multnomah County), Allegheny County (with Pittsburgh), and Jefferson County (with providers in Birmingham).

3.1.2 Grantee Priorities for the Use of ESG Funds

Over 90 percent of the grantees used ESG allocations to fill a particular niche in their strategies to meet the needs of the homeless, as shown in Exhibit 3.4. The top priority for the use of ESG funding was supporting existing shelters. Ranked first by 42.6 percent of all grantees, and ranked among the top three priorities by 67.9 percent of all grantees, keeping the existing shelters open and operating was ranked as the highest priority by each type of grantee as well. Based on the percent ranking it number one, the next priority was renovation and rehabilitation of existing shelters. Provision of essential services and homelessness prevention

[6] This exhibit and others like it in Chapters 3, 4, and 5 group the intensive-study sites into three clusters: states, metropolitan cities, and urban counties.

Exhibit 3.3

Grantee Goal-Setting for Emergency Shelter Grants Program Funds, FY 91

Intensive-Study Site	Primary Means of Setting Program Goals
Alabama	Recipient (middle-level) communities set goals
California	User-driven; support local efforts[1]
Maryland	Development of CHAS; internal agency process
Ohio	Development of CHAS; coordinate with major state funding; input from Homeless Coalition
Texas	Development of CHAS; Texas Interagency Council for Services to the Homeless; provider applications
Birmingham, AL	Development of CHAS; involvement of Homeless Task Force and City Council
Boston, MA	Development of CHAS; interagency planning, involvement of Mayor's staff
Chicago, IL	Development of CHAS; coordinate all federal, state, and local funds through one agency
Corpus Christi, TX	Development of CHAS; Project Compass (United Way-sponsored survey)
New Orlean, LAs	Development of CHAS; coordination with Mayor's Homeless Advisory Task Force
Portland, OR	Development of CHAS; coordination with county and with private funders
San Francisco, CA	Development of CHAS; Mayor's Office coordination with Dept. of Social Services
Allegheny Co., PA	Development of CHAS; coordination with City of Pittsburgh and other county agencies serving the homeless. (Interagency committee makes funding decisions.)
Jefferson Co., AL	Development of CHAS; input from providers
Morris Co., NJ	Development of CHAS: county-wide, state-mandated Comprehensive Emergency Assistance System Committee

[1] The State of California uses county recipients in its even-year funding cycles.

Exhibit 3.4

Grantee Priorities for Uses of ESG Funds

Responses	State/Territory		Metropolitan/City		Urban County		All Grantees	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Does agency rely on ESG funding to fill particular niches in their strategy to address the needs of the homeless?								
Yes	53	95.5%	200	90.9%	95	89.0%	348	91.0%
No	3	4.5%	20	9.1%	12	11.0%	34	9.0%
TOTAL RESPONSES	55	100.0%	220	100.0%	107	100.0%	382	100.0%

Responses	State/Territory		Metropolitan/City		Urban County		All Grantees	
	% Ranking #1–3	% Ranking #1	% Ranking #1–3	% Ranking #1	% Ranking #1–3	% Ranking #1	% Ranking #1–3	% Ranking #1
How would you rank the agency's top priorities for use of ESG funds?								
Rehabilitation	45.9%	21.3%	37.8%	21.0%	39.0%	14.7%	39.3%	19.3%
Increase number of beds	2.2%	2.2%	2.2%	0.7%	4.5%	3.3%	2.8%	1.7%
Increase number of shelters	13.1%	8.4%	6.1%	4.3%	3.3%	2.2%	6.3%	4.3%
Provide essential services	54.0%	6.7%	47.0%	6.9%	55.7%	9.6%	49.6%	7.7%
Improve access to services	8.8%	4.5%	1.8%	0.7%	2.2%	1.0%	2.9%	1.4%
Prevent homelessness	53.8%	4.2%	31.3%	6.7%	40.8%	9.1%	37.2%	7.0%
Support existing shelters	74.4%	48.5%	67.5%	40.8%	65.3%	43.2%	67.9%	42.6%

Source: Grantee Survey, Questions 8 & 24 (weighted data), Recipient Survey, Questions 8 & 20, Item 112 continued
Grantee Universe=382, Survey Sample=234.

Missing Cases: None in first question, 2 grantees in second question.

were not cited as frequently in the top rank, but they were very frequently named in the top three. Among the top three priorities, provision of essential services was cited by 49.6 percent of the grantees, and homelessness prevention by 37.2 percent. Other possibilities (such as increasing the number of beds or shelters) received distinctly lower rankings from the grantee respondents.

A similar pattern was observed among the intensive-study sites. Sustaining operations for both shelters and other service providers was the primary goal set by ten of the 15 grantees interviewed (Exhibit 3.5). The other highly ranked priority, by seven of the grantees, was expanding essential services. These strategic views of the grantees were compatible with the views of the homeless-services providers whose executive directors spend much of their time fund raising. If the amount of funding to be raised in a specific locality is fixed, then expanding the number of shelters would reduce the average dollars available to each of the shelters. As a result, ***the competition for the funds to keep the existing facilities open can be fairly intense. In the providers' views, what was needed was support for their program, not expansion of the numbers of homelessness programs.***

Given these program goals developed by the grantees and their understanding of the needs of the homeless to be served, how do the grantee agencies set priorities among the four categories of ESG-eligible funded activities? To determine which of the four activities to fund among the ESG allowable ones, ***the grantees primarily relied on local input to develop the tactics for the allocation of ESG resources.*** Exhibit 3.6 shows the most frequently mentions means of setting priorities. Of all of the grantees, 42.4 percent rely on the grant requests of homeless-services providers; 21.7 percent stated that they use the input of providers and others. On the other hand, some grantees were more likely to made the determination internally: 27.4 percent of all grantees make these decisions themselves or in concert with their own staff, the city council, the mayor's office, or some interagency committee. State grantees were significantly more likely than city grantees to make the decision themselves, as they were farther from the locus of service provision. Not surprisingly, only 12.0 percent based these decisions on the CHAS, since these documents seldom contained sufficient specificity for use in setting priorities among the four activities.[7]

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[7] Only 6 percent of the state grantees indicated that they based the decision on the CHAS document. Counties were significantly more likely to use the CHAS for setting priorities.

Exhibit 3.5

Primary Grantee Goals
for Emergency Shelter Grants Program Funds, FY 91

Intensive-Study Site	Primary Goals for ESGP
Alabama	Vary among recipient communities
California	Sustain *operations* of existing shelters and service providers; new emphasis on provision of *essential services*
Maryland	Sustain *operations* of existing shelters and service providers
Ohio	Increase the number of beds; provide *essential services*
Texas	Try to meet as many needs as possible
Birmingham, AL	Sustain *operations* of existing shelters; *essential services*
Boston, MA	Provide support for shelter *operations*; new emphasis on *essential services* and *homelessness prevention*
Chicago,IL	Use *rehabilitation* funds to conform with safety and health codes
Corpus Christi, TX	Sustain *operations* of existing shelters and service providers; support *essential services*
New Orleans, LA	*Homelessness prevention;* sustain *operations* of existing shelters and service providers; *rehab shelters*
Portland, OR	Sustain *operations* of existing shelters and service providers
San Francisco, CA	Sustain *operations* of existing shelters and service providers; make certain that no shelter shuts down
Allegheny Co., PA	Sustain *operations* of existing shelters and service providers; add to *essential services* and *homelessness prevention*; do not create new facilities
Jefferson Co., AL	Sustain *operations* of existing shelters and services providers
Morris Co., NJ	Expand *essential services* for the homeless; *have waiver from HUD*

Exhibit 3.6

Grantees' Means of Setting Priorities Among ESG–Eligible Activities

Responses	State/Territory		Metropolitan City		Urban County		All Grantees	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
How does [agency] set priorities among the four categories of activities?								
Fund what is requested by providers	20	36.9%	100	45.5%	42	39.0%	162	42.4%
Administrative decision	21	38.0%	49	22.4%	34	32.1%	105	27.4%
Input of providers and others	12	21.1%	53	23.9%	19	17.5%	83	21.7%
Based on CHAS/CHAP	3	5.8%	26	11.6%	17	16.0%	46	12.0%
Through community needs asssessment	3	6.0%	15	6.8%	6	5.5%	24	6.3%
Federal guidelines/HUD restrictions	2	2.7%	5	2.4%	2	2.0%	9	2.4%
Other[a]	14	46.4%	53	24.3%	21	19.2%	88	23.0%

Source: Grantee Survey, Question 26 (weighted data).
Grantee Universe=382, Survey Sample=234.

Missing Cases: 3 grantees.

Notes (1): Multiple responses possible
(a) Examples of "Other" responses are: Mayor's office recommendation, City Task Force on Homelessness, Human Service Advisory Council, government personnel.

Among the 15 grantees interviewed during the intensive-site visits, eight set allocations among the four activities primarily on the basis of the field-initiated requests from the homeless-services providers and intermediate recipients. Alabama was an exception, relying primarily on the requests from the recipient cities and counties to set priorities among the activities funded. As shown in Exhibit 3.7, grantees developed their own strategic plans for the allocation of resources among the activities. Ohio partially based allocations among the activities on a statewide formula for maintaining shelter capacity, with competition for the remaining services and prevention funds. Portland's allocation was carefully coordinated with Multnomah County's planning and divided among the service delivery zones in the area. In Morris County, the state-maintained County Emergency Assistance System (CEAS) committee reviewed all of the applications and made coordinated funding decisions. In other cases (California, Chicago), the grantees emphasized that although they were primarily funding shelter operations, they selected the providers to fund based on their track record and range of essential services offered. Moreover, as indicated previously, many of the grantees used the ESG funding to fill a niche that was difficult to fund from other sources. The ESG, in many cases, has been used to cover the mundane but necessary components of an emergency shelter's program (such as the electricity bill or rent).

The block grant mechanism for the allocation of ESG funds influenced the strategies undertaken by the grantees to a considerable degree (see Exhibit 3.8). While 20.3 percent of the grantees indicated that the block grant mechanism influenced their choices to a very considerable extent, an additional 44.3 percent indicated that it influenced them to a considerable extent. This mechanism let the grantees control funds allocation among the eligible activities. In some cases it allowed the grantees to ensure the survival of a shelter or a service provider by targeting the funding to holes in that organization's budget. In other cases, a grantee without other funding for capital projects could use ESG to fill that niche. As will be discussed in Chapter 5, the block grant (or formula) mechanism was a program feature widely recommended for retention in the future, thereby ensuring a continuing flow of Federal funding into the jurisdiction of the grantee.

Exhibit 3.7

Grantee Strategies for Emergency Shelter Grants Program Activity Mix

Intensive-Study Site	Strategy for Setting Activity Mix
Alabama	Allocation determined by recipient communities
California	Select applications with cost-effective approach and other services available
Maryland	Select activities proposed in provider applications
Ohio	Partial formula allocation; competition for services and prevention funds
Texas	Select activities proposed in provider applications; extra points for providers in underserved areas
Birmingham, AL	Select activities proposed in provider applications; Mayor makes final decision
Boston, MA	Select activities proposed in provider applications, with emphasis on serving all parts of homeless population
Chicago, IL	RFP identifies priority service needs; select providers based on track record and needs addressed
Corpus Christi, TX	Recommendations of advocates, priorities in CHAS, City Council makes final decision
New Orleans, LA	Maximum to prevention, then select operations funding proposed in provider applications
Portland, OR	Coordinated planning with county; system of zones for multi-service centers plus special-purpose facilities
San Francisco, CA	Look at the population served and the existence of services
Allegheny Co., PA	Select activities proposed in provider applications in concert with county's needs assessment
Jefferson Co., AL	Select activities proposed in provider applications
Morris Co., NJ	CEAS[2] committee reviews applications from providers and makes coordinated funding decisions

[2] County Emergency Assistance System

Exhibit 3.8

Influence of the ESG Block Grant Mechanism

Responses	State/Territory		Metropolitan City		Urban County		All Grantees	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grantee block grant mechanism influences grantee strategies:								
To a very considerable extent	12	22.9%	40	20.4%	18	18.8%	70	20.3%
To a considerable extent	19	37.1%	93	47.1%	40	42.3%	153	44.3%
To a small extent	10	19.5%	52	26.2%	26	27.7%	88	25.6%
Not at all	7	13.8%	10	4.8%	7	7.7%	24	7.0%
Don't understand the question	4	6.7%	3	1.5%	3	3.4%	10	2.8%

Source: Grantee Survey, Question 8 (weighted data).
Grantee Universe=382, Survey Sample=234.

Missing Cases: 2 grantees.

Notes: (1) Question asked only of grantees that said they relied on ESGP to fill particular needs.
(2) Columns may not total 100 percent due to rounding.

3.1.3 Grantee Coordination of ESG with Other Resources

Chapter 2 presented the sources of funding that were available to shelters and other homeless-services providers. Because they received only a portion of their funding for homeless activities from ESG, most grantees and all providers had to coordinate the sources of funding that were available to them. With the exception of the three grantees in Alabama, all the other intensive-study site grantees had coordinating councils that were responsible for internal coordination of ESG with other homeless activities (see Exhibit 3.9). Six of the grantees (California, Maryland, Boston, New Orleans, Allegheny County and Morris County) had a coordinating body that was dedicated to issues of the homeless. Other grantees coordinated the delivery of resources to the homeless through an interagency council (Ohio and Texas). Still others used one or more city/county departments to coordinate the effort (Corpus Christi, Portland, and San Francisco). In some jurisdictions, coordination was made even more necessary by the fact that responsibility for homeless programs did not rest solely with the grantee agency (Maryland, San Francisco).

At the provider level, coordination of funding sources was not the problem. Over time, some providers have come to view ESG as one of their sources of funding for "a particular set of sub-activities." For example, one provider said, "ESG is a wonderful source of funding for operations." From her perspective, there were other sources that would willingly cover essential services with fewer restrictions. "Sizzle sells," especially for targeted essential services for the homeless; similarly, providers explained that they could acquire donations of anything to which you could add a name plaque. But this left gaps, especially in operating expenses, 24-hour staffing, van drivers, in-service training, and similar types of staff development. Sometimes ESG funds could be used to fill the niche and sometimes other sources had to cover the gap.

Examples of the ***need for other sources of funds*** came up most frequently in small shelters. Prior to the Housing and Community Development Act of 1992,[8] the ESG regulations

[8] According to the ESG Program Government Technical Monitor, "Prior to the Housing and Community Development Act of 1992, the statute did not allow ESG funds to be used to pay staff salaries for shelter operators or managers. The regulations interpreted this prohibition to mean that no part of such a person's salary could be paid with ESG funds, even if the shelter operator or manager carried out essential services activities as part of his or her job."

Exhibit 3.9

Grantee Coordination of Resources for Emergency Shelter Grants Program Funds, FY 91

Intensive-Study Site	Methods Used
Alabama	None; this grantee stated a need for more information re: other entitlements' allocations
California	State has Working Group on Homeless that meets bi-monthly
Maryland	State has Interagency Council on the Homeless and the Governor's Advisory Board involved in coordination; Department of Human Resources, not the grantee agency, administers (much larger) Homeless Services Program
Ohio	State has Interagency Cluster that shares all grant information
Texas	State has Interagency Council that meets more frequently than the required quarterly meetings
Birmingham, AL	More coordination is needed
Boston, MA	City Emergency Shelter Commission works with provider groups and advocates; there is no coordination with the state
Chicago, IL	Programs for the homeless, all in one agency, are coordinated through Chicago Task Force on the Homeless
Corpus Christi, TX	Same city department coordinates ESGP and CDBG
New Orleans, LA	Mayor's Homeless Advisory Board and Unity provide coordination
Portland, OR	Regional coordination since mid-80's, first through Metro Community Action, then through Multnomah Co.
San Francisco, CA	Shared by three government agencies: Department of Social Services and two within the Mayor's Office, Office of Housing and Office of Community Development; the shelter directors also meet to coordinate services
Allegheny Co., PA	Homeless Steering Committee and Interagency Council of Grantee Agencies
Jefferson Co., AL	Very little coordination with the city of Birmingham
Morris Co., NJ	Comprehensive Emergency Assistance System coordinates (represents 30 agencies)

required that a full-time case manager[9] could not perform any other function in the shelter and be paid from ESG funds. As a consequence of this interpretation of the regulations, in one small shelter with only two paid staff, the case manager could not be paid by ESG because she occasionally had to fill in for sick volunteer cooks (and this occasional use of her time could not be paid by ESG). At another small shelter, the evening case manager was the only person on-duty. Because the interpretation of the regulations was that part of the night manager's function was administration, rather than solely case management, the evening case manager could not be paid with ESG funds. In larger facilities, with more staff, this type of issue did not arise because other staff could cover for non-ESG eligible tasks. The greatest challenge for grantees and homeless-services providers was predominately to find sufficient resources to keep the existing facilities open and operating and cover all of the costs of delivering services.

For other providers, the coordination of the various sources of funding was handled by the grantee's accounting division. In these jurisdictions, the grantee agency pools public funds from a variety of sources and puts out combined or mixed grants to providers. All the provider knew was that their contract with the grantee stipulated which costs would be reimbursed up to a specific amount for certain lines in the budget. The provider sent the grantee a complete set of receipts each month, together with a monthly progress report, and the grantee selected the proper funding source for each invoice. Among the places meeting this description were the Commonwealth of Massachusetts, Chicago, and Multnomah County (OR). In such places, some providers might not even recognize that they were funded with ESG monies.

Other providers received ESG funding from more than one source. As discussed in more detail in Section 3.1.4, this situation typically forced the provider to prepare separate invoices and separate reports for each source of ESG funds. This required paperwork sometimes occurred on different funding cycles, thereby forcing as many as three different reports during three different weeks of each month.

How do grantees and providers rate their overall effectiveness in internally coordinating the program requirements of the various sources of funding from homeless programs and

[9] The term *"case management"* used in this evaluation refers to the functions required to pull together and provide linkage to the network of supportive services providers who can meet the various needs of homeless persons. The importance of a *"case manager"* is the commonsense notion that it is extremely difficult for anyone, let alone a homeless person, to negotiate the complex and diffuse supportive services systems. The most frequently identified functions of a case manager are assessment of services needs, development of a services plan, linkage to services, monitoring of services provision, maximizing compliance, and advocacy.

activities? The majority of the respondents surveyed (55.8 percent of grantees and 83.2 percent of providers) rated their internal coordination as very effective. The difference between the grantees and providers assessment of this issue was probably due to differences in their responsibilities. The grantees were charged with administering the ESG program funds whether or not they coordinated these monies with other sources of funding, while the providers were charged with operating their programs and making certain that expenses could be covered according the regulations of each source of funding—a task requiring much more coordination. Less than 2 percent of grantees and providers rated their coordination as either somewhat or very ineffective.

What circumstances enhance or impede coordination of resources? During the 15 site visits, grantees and providers generally indicated few problems coordinating the various resources for homeless activities. None of the programs were resource-rich (many had less than two months operating capital in backlog); any source of funding could be applied to some eligible aspect of the program. The impeding circumstances most frequently mentioned were related to meeting differing program requirements for documentation of expenses and reporting. One provider, receiving ESG from three different entitlements, had three different funding and reporting cycles for the ESG. Other providers reported that some grantees, not knowing exactly what would be required, asked for everything, thereby creating a sizeable paper trail.

3.1.3 Grantee Selection and Monitoring of Homeless-Services Providers

How do grantees select the homeless-services providers for ESG funding? Discussions during the intensive site visits produced a finding that ***many grantees depend on provider funding applications for indication of need and then "back into" overall ESG funds allocation through choice of providers.*** The selection process for providers was usually quite formal. As shown in Exhibit 3.10, 85.9 percent of grantees conducted a separate application process for the ESG funds. This ensured that providers were cognizant that the source of funding was the federal Emergency Shelter Grant Program, with its own specific rules and requirements regarding use of funds. How does the grantee agency publicize the availability of ESG funding? Exhibit 3.10 also shows that the grantees targeted prior and prospective awardees by multiple means. Most grantees (91.4 percent) sent announcements to providers funded in the past. A similar percentage of grantees (88.9 percent) also met with prospective providers and sent

Exhibit 3.10

Grantee Selection of Providers for Funding

Responses	State/Territory		Metropolitan City		Urban County		All Grantees	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Is the application process for ESG funds separate, or combined with other funding sources? [a]								
Separate	43	79.9%	192	87.9%	89	84.8%	325	85.9%
Combined	11	20.1%	26	12.1%	16	15.2%	54	14.1%
TOTAL RESPONSES	**55**	**100.0%**	**218**	**100.0%**	**105**	**100.0%**	**379**	**100.0%**
How does agency publicize availability of ESG funds? [b]								
Advertise in newspapers	23	41.0%	128	58.3%	50	46.8%	201	52.6%
Advertise in bid opportunity publications	11	20.4%	24	10.9%	15	13.9%	50	13.1%
Send announcement to prior funded providers	53	95.5%	197	89.6%	99	93.0%	349	91.4%
Send RFP to prior funded providers	49	88.8%	154	70.2%	83	77.2%	286	74.9%
Meet with prospective providers	47	85.4%	195	88.7%	98	91.3%	340	88.9%
Send announcement to prospective providers	51	93.3%	178	80.8%	96	90.1%	326	85.2%
Send RFP to prospective providers	42	75.6%	134	61.1%	72	67.7%	248	65.0%

Source: Grantee Survey, Questions 13–14 (weighted data); Recipient Survey, Question 11.
Grantee Universe=382, Survey Sample=234.

Missing Cases: 2 grantees from first question, 0–1 grantees from second question.

Notes: (a) This question was not asked of the 12 recipients.
(b) Multiple responses possible to second question.

announcements to them. Grantees were somewhat less likely to send out formal requests for proposals (RFPs), but state grantees were significantly more likely than city grantees to have sent out RFPs to either type of provider.

What methods are being employed by grantees to allocate funds? Exhibit 3.11 shows that most of the grantees (90.6 percent) required a written application for ESG funds. However, there were statistically significant differences by grantee type, with cities less likely to require written applications than states and territories. While the required contents of these applications varied, most included the following: a narrative of the activities to be funded (89.8 percent), a budget for how the funds would be spent (89.4 percent), a description of client population (88 percent), and narrative on matching funds (86.2 percent). Although the information would be very helpful in coordinating funding sources and a [illegible]ing provision of adequate resources to each homeless-services provider, one-third of the grantees ***did not*** request a budget for the total facility or program operated by the provider.

Although unexpected, it appeared to be fairly common for a provider to receive ESG funding from more than one grantee. For example, a shelter may get ESG grants from both the city and state or from both the city and county. During the intensive-study site visits, the evaluation team found that, if two grantees were allocating funds to the same services provider, one grantee might not be aware of the other's action. This situation occurred in one city, where the city and the state were unaware of each others' allocation of ESG funds until after the fact.[10] This situation was also found in another state, where it was complicated further by the state's use of a recipient level for administering the ESG Program (see Section 2.4). The three grantees selected for intensive-study in the state further illustrate this point: the city selected is an ESG-entitlement city located in an ESG-entitlement urban county. Most of the homeless-services providers were located in the city. As a consequence, some providers in the city were receiving ESG funding from three grantee sources—from the entitlements to the city and the county as well as from the state. ***In addition, the state was using both the city and the county as intermediate recipients and further decision makers in the allocation of the state's entitlement funds.*** In this situation, the homeless-services providers were all too cognizant which entity was responsible for each funding stream, as they had to report separately on each

[10] HUD printouts were the source of information to the state on the city's use of the ESG resources.

Exhibit 3.11

Grantee Process for Allocating ESG Funds

Responses	State/Territory		Metropolitan City		Urban County		All Grantees	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Does agency require written application for ESG funds? [(a)]								
Yes	54	97.3%	194	88.0%	99	92.6%	346	90.6%
No	2	2.7%	26	12.0%	8	7.4%	36	9.4%
Total Responses	55	100.0%	220	100.0%	107	100.0%	382	100.0%
What are the required contents of the ESG application? [(b)]								
Budget for how funds will be spent	54	97.3%	192	87.4%	96	89.5%	342	89.4%
Budget for facility/program operation	41	74.2%	149	67.9%	67	62.8%	257	67.4%
Narrative of activities to be funded	54	97.3%	190	86.5%	99	92.6%	343	89.8%
Narrative on matching funds	52	94.9%	180	81.9%	97	90.5%	329	86.2%
Description of client population	54	97.3%	187	84.9%	98	91.3%	335	87.7%
Is any special effort made to recruit providers... [(b)]								
In underserved areas	34	62.0%	95	43.3%	51	47.5%	180	47.2%
Among underserved populations	26	46.7%	111	50.3%	59	55.5%	196	51.3%
Are entitlement communities within your jurisdiction, or their providers eligible to compete for your ESG funds? (states & urban counties only) [(b)(c)]								
Yes, entitlement communities eligible	44	80.4%	---	---	53	49.2%	97	59.8%
Yes, service providers eligible	43	77.7%	---	---	68	64.0%	111	68.6%

Source: Grantee Survey, Questions 15–17 (weighted data); Recipient Survey, Questions 12–13.
Grantee Universe=382, Survey Sample=234.

Missing Cases: None.

Notes: (a) Column may not total due to rounding.
(b) Multiple responses possible for second,third and fourth questions.
(c) Question not applicable to metropolitan cities.

one. But none of the grantees was fully aware of the complex picture. In other locales (for example another ESG-entitlement urban county and the ESG-entitlement city within the county), both grantees worked together to develop a comprehensive County Homeless Plan; the county grantees funded some providers in the city and others in the outlying portions of the county, with careful coordination of the resources flowing to agencies in the city.

Multiple sources of ESG funding[11] were permitted by many of the grantees. As Exhibit 3.11 also shows, entitlement cities and their service providers were commonly allowed to compete for ESG funding, under the policies adopted by the state and urban county grantees. Among the state grantees and urban counties, 80.4 percent and 49.2 percent, respectively allowed entitlement cities within their jurisdictions to compete for ESG funds.[12] Likewise, 77.7 percent of state grantees and 64.0 percent of urban county grantees allowed the homeless-services providers in entitlement communities to compete for their ESG funding.[13]

With respect to selection of agencies for funding, is any special effort made to recruit providers in underserved areas or among underserved populations? The grantees' answers to both issues were split nearly 50-50. While half of all grantees (including 62.0 percent of state grantees) have tried to expand coverage in underserved areas, and half of grantees have made special efforts to increase coverage for underserved populations, the other grantees have concentrated their limited resources on projects and programs they are already supporting.

How do the grantees make the ESG funding decisions? How are specific providers selected for funding? Who is involved in the selection, and who makes the final decision? The process appeared to vary widely by type of grantee, as shown in Exhibit 3.12, and many of the differences in the percentages are statistically significant. Among the state grantees, 98.2 percent used their own agency staff to make the preliminary decisions,[14] with 59.2 percent

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[11] Multiple sources do not mean overlap or substitution of resources. Among the homeless-services providers interviewed, the possibility of competing for any (frequently small) grant to fund yet other uncovered parts of their budgets was viewed as "worth the trouble."

[12] The difference in these proportions is statistically significant.

[13] Approximately 1 percent of the providers in the grantee census data base were receiving ESG funding from more than one grantee.

[14] States were significantly more likely than cities and counties to use their own agency staff in the preliminary stage of decision-making.

Exhibit 3.12

Grantee Decision–Making on Selection of Providers

Responses	State/Territory		Metropolitan City		Urban County		All Grantees	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Who is involved in the selection of providers for funding? [a] [b]								
Form an interagency committee to decide	33	59.2%	87	39.5%	65	60.4%	184	48.2%
Refer decision to some local coalition	5	8.7%	48	21.8%	40	37.5%	93	24.3%
Make decisions among own agency staff	54	98.2%	169	76.6%	75	70.0%	297	77.9%
Elected officials decide	9	16.0%	105	47.5%	25	23.6%	139	36.3%
Who makes the final decision?								
Interagency committee	9	16.7%	24	11.7%	18	17.2%	22	14.0%
Local coalition	1	1.8%	14	6.7%	11	10.3%	21	7.0%
Agency staff	36	65.5%	73	35.4%	49	48.0%	75	43.4%
Elected officials	9	16.0%	96	46.2%	20	19.6%	125	34.2%
State coordinator	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Community development department	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other	0	0.0%	0	0.0%	5	4.9%	5	1.4%
TOTAL RESPONSES	55	100.0%	207	100.0%	98	100.0%	243	100.0%

Source: Grantee Survey, Questions 18–19 (weighted data); Recipient Survey, Questions 14 & 15.
Grantee Universe=382, Survey Sample–234.

Missing Cases: 17 grantees.

Notes: (a) Multiple responses possible.
(b) One recipient has agency staff and the local community development department jointly make the final decision, therefore total sums to more than 100%.

forming an interagency committee to screen applications.[15] Similarly, 70.0 percent of urban counties made preliminary decisions among agency staff and/or 60.4 percent formed an interagency committee. However, among the metropolitan cities, while 76.6 percent first developed a set of recommendations among agency staff, but elected officials were also involved by 47.5 percent of the city grantees. Input from local coalitions was significantly less likely for state grantees (8.7 percent) than for cities (21.8 percent) and significantly more likely for counties (37.5 percent) than for either cities or states at the preliminary round.

The control over the final decision was similar. State grantees were significantly more likely to make the final decision among agency staff (65.5 percent), compared to 48.0 percent of counties and 35.4 percent of cities. On the other hand, significantly more city grantees deferred to elected officials for the final decisions about which specific providers to fund, than state or county grantees. Of the final decisions in cities, 46.2 percent were made by elected officials, compared to 19.6 percent in counties, and 16.0 percent in states.

The initial legislation for ESG placed no time limits on grantees and providers for spending the funds. When HUD discovered that the drawdowns of ESG funding was very slow, it added a regulatory requirement that the spending be completed within two years. This requirement has generally not been a burden on providers, with a few exceptions. From the beginning of the ESG Program in FY 87, the design, approval, and implementation of capital projects have been tedious and time-consuming. Even for those providers funded with the FY 91 allocation, it was viewed as difficult to complete capital projects within the two-year limit.[16] Almost all of the ESG allocations to providers for other activities were spent within the first year after grant award. One exception has been among the providers funded by the state of California. This state has tended to make large allocations (between $100,000 and $200,000) with the expectation that the funding will extend over the two-year grant period. This procedure permits the grantee to concentrate attention and resources on alternating sets of providers, diminishing the administrative work.

Over time, as shown in Section 2.3.2, grantees' selection of ESG activities to fund has been modified. Some of the changes in strategy have come from experience, for example, the

[15] States and counties were significantly more likely than cities to form an interagency council.

[16] As stated by one grantee, "Environmental review renders ESG useless for this activity." Another grantee reported, "We restrict the use of ESG to the less costly rehab only."

obstacles encountered during the environmental review process in trying to use ESG funding for conversions and major rehabilitations. Other changes have come as a result of increases in the caps on certain activities. However, in the face of substantial cuts in the levels of ESG funding for FY 93, the latest change in the grantees' strategy for use of the ESG funding has been to ***sustain on-going operations (and/or essential services) of previously funded providers.*** This strategy has coincided with the over-arching strategy of keeping the shelters open and operating, but it effectively has reduced the opportunities of new services providers to compete for the existing ESG funds.

3.2 Program Funding and Costs

As described in Section 2.5.2, approximately 79 percent of provider agencies receive less than 10 percent of their (cash) operating budgets from ESG. This estimate of the operating budget does not include the value of the in-kind services and volunteer hours; if included, the budget share of ESG would be even lower. By contrast, on average, this program has accounted for 48 percent of cumulative capital investment (since FY 87).[17] As the providers have used ESG funds to assist in the implementation of their programs, they have had to meet the ESG requirements for:

- ***Matching funds for the ESG award;***
- ***Causes of cost variation; and***
- ***Cost monitoring of the ESG funds by grantees.***

3.2.1 Planned and Actual Matching of ESG Funds

Grantees are responsible for meeting the matching funds requirement in the ESG Program. To what extent have grantees matched ESG funds equally with funds from other sources, as required? The only detailed data on ESG matching funds are limited to the 15 intensive-study sites. During the site visits, very specific funding information was collected from the providers visited. What emerged was a consistent pattern of the grantees' passing the match responsibility to providers, requiring each of the providers to specify the source(s) of

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[17] The sample for the capital budgets over time is limited to those providers receiving ESG funding in FY 91. Providers funded for conversion, renovation, or rehabilitation in earlier years and not funded thereafter are not represented in the sample.

matching funds for the ESG monies. ***In only one instance was the grantee identifying the sources(s) of matching funds from its own resources.*** This finding was not surprising for state grantees; according to The Council of State Governments' 1989 survey report, *Homelessness in the States*, only 27 states have state legislation specifically targeted toward the homeless,[18] and much of this legislation only created commissions to study the problem or assigned federal grant funds to a specific state agency. The profiles of each of the states prepared by the Interagency Council on the Homeless in 1992 presented a somewhat different picture of states' efforts on behalf of the homeless.[19] The Interagency Council's report[20] only identified 15 states with legislation specifically aimed at aiding the homeless. The purposes of the legislation cited included establishment of a homeless coordinator's office, exempting transitional housing from property taxes, and authorization of a tax check-off program to support funding of initiatives to aid the homeless. Moreover, the Interagency Council's report identified 28 states that were sponsoring state-initiated programs and activities using state sources of funds. Of those 28 states, 25 percent were spending less than $1 million per year on programs for the homeless.

What has been the primary source of matching funding? The primary source(s) of matching funds was the providers receiving ESG monies, not the grantees. ***Because the typical ESG contribution to the total operating budget of the providers was 10 percent or less, supplying the matching funds for ESG was relatively easy.***[21] Exhibit 3.13 displays the sources of matching funds identified by the selected intensive-study site providers, grouped by site. Most of the providers listed more than one source of matching funds. As a result, the lists included a combination of federal funds from various sources (CDBG, FEMA, AFDC Emergency Assistance, Department of Justice programs); state and local general funds; United

[18] Council of State Governments, *Homelessness in the States, 1989,* pp. 80-82.

[19] Interagency Council on the Homeless, *State Profiles: What States Are Doing to Help People*, 1992.

[20] This report specifically did not include matching funds for federal programs as a state program or activity.

[21] The fact that the providers supply the sources of matching funds was probably due to two primary issues: the states and local governments had few, if any, resources for this purpose and the providers that were receiving ESG funding ***already*** had identified other (ESG matching funds-eligible) sources to support the other 90 percent of their program services.

Exhibit 3.13

Sources of Matching Funds for Emergency Shelter Grants Program Funds, FY 91[1]

Intensive-Study Site	Matching Funds
Alabama	CDBG, State Department of Mental Health, Alabama Office of Prosecution Services, United Way, Salary of Executive Director
California	CDBG, County and city funds, Purchase price of the building, Volunteer hours, In-kind rental of mobile home trailer pads from the county
Maryland	State, county, and local funds; Catholic Charities
Ohio	CDBG, FEMA, State and local funds, United Way, Private contributions from individuals and corporations; shelter business income
Texas	CDBG, FEMA, Other federal funds (HHS), county and local funds, United Way, local utility program, private contributions from individuals and local groups
Birmingham, AL	CDBG, FEMA, private contributions from individuals, corporations, and foundations;
Boston, MA	FEMA, Other federal funds (AFDC Emergency Assistance), Private contributions from individuals, corporations, foundations, and religious organizations; in-kind legal services, volunteer hours
Chicago, IL	FEMA, local city funds, city (Aviation Fund), United Way, Private contributions from corporations, foundations, and religious organizations
Corpus Christi, TX	CDBG, SHDP, FEMA, Other federal funds (HHS, USDA, DOJ), Child Care Management Services Block Grant, United Way, Private contributions from individuals, corporations, and foundations
New Orleans, LA	Local funds, United Way, Private contributions from individuals, corporations, In-kind services, Rental income, Client fees, Income from Sheltered Workshop
Portland, OR	CDBG, Local funds
San Francisco, CA	Private contributions from individuals, corporations, and foundations
Allegheny Co., PA	State funds, Private contributions, in-kind services, volunteer hours
Jefferson Co., AL	CDBG, Private contributions, Volunteer hours
Morris Co., NJ	CDBG, FEMA, Other federal funds (AFDC), state funds, state loan, local funds, United Way, Private contributions from individuals, corporations, and foundations

[1] Matching funds detail by provider can be found in the exhibits accompanying each site profile in Volume 2.

Way; various private contributions from individuals, corporations,[22] foundations, and other religious organizations; and other provider-based contributions (including the salary of the executive director, in-kind services, volunteer hours, and client fees).[23]

As noted above, one of the striking aspects of sources for ESG matching funds is the number of providers that cannot tap state or local sources. Of the 15 sites visited, only nine had the option of applying for state or local sources of funding to support activities for the homeless (see Exhibit 3.14).[24] Although California had developed the largest pool of resources with two bond issues in 1987, at present their emergency shelter fund is nearly depleted and no state general revenues will be used to replenish it. The sources of matching funding that the providers described were an actual part of their current operating budgets, not simply a list of potential targets for soliciting donations.

3.2.2 Causes of Cost Variation

What are the causes of cost variation among the service providers? During the 15 intensive-study site visits, the evaluation team collected information on the program costs of most of the service providers visited.[25] The annual per bed costs of providing emergency shelter and other services to the clients served by these programs ranged from $722 to $60,595, with an average of $8,087 and a median of $5,569. The causes of this enormous range were several. Providers with the lowest costs were those with: more than the average number of beds (over 50); practically no paid staff (e.g., two paid staff in a 60-bed shelter); and heavy

[22] One provider cited support from nearly 100 corporations and foundations.

[23] Client fees are frequently charged to private-pay (not homeless) clients of substance abuse detoxification and treatment facilities.

[24] Nationally, according to a 1992 publication of the Interagency Council on the Homeless, 28 of the 50 states as well as the District of Columbia, Puerto Rico, and the Virgin Islands have state initiated (and supported) programs for the homeless.

[25] The forms used to collect the cost information were a significant challenge for the providers to complete. The forms attempted to break out costs within the ESG-funded categories (operations, essential services, homelessness prevention) and to separate out the costs of capital improvement. Since none of the providers had accounting systems that split costs out in a similar fashion, many of the cost figures provided were estimates, not actual values. In some cases, providers included the costs of staff to run the shelter (cooks, night managers), but in other cases they did not. In some cases, providers included the value of volunteer labor, but in other cases they did not. Intensive follow-up solved some, but certainly not all, of the discrepancies.

Exhibit 3.14

Commitment of State and Local Funding for Emergency Shelter Grants Program Funds, FY 91

Intensive-Study Site	State and Local Funding Availability
Alabama	None
California	Between 1987 and 1991, California spent $20,226,052 on emergency shelters and services for homeless persons; two large bond issues support this fund
Maryland	$3 million in state funds
Ohio	$1.3 million in state funds
Texas	None
Birmingham, AL	None
Boston, MA	State housing innovation funds, city linkage funds
Chicago, IL	City and state funds raised from a tax on services
Corpus Christi, TX	None
New Orleans, LA	None
Portland, OR	City and county funds from general revenues
San Francisco, CA	City funds from general revenues
Allegheny Co., PA	State funds from general revenues
Jefferson Co., AL	None
Morris Co., NJ	State funds from general revenues

dependence on volunteer labor, donated food, clothing, and furniture; few services on the premises; and very short allowed stays. For example, among the providers interviewed during the site visits, the provider with the lowest costs was an overnight shelter for women and children that served 54,000 individuals in the last year for an average of 3 to 5 days. By contrast, the providers with the highest costs were those that: served few families at a time (6 to 12); were staffed with full-time professional and paraprofessional staff and relatively few volunteers; and provided case management and intensive, wide-ranging quality services over the entire duration of a long stay (usually 6 months or more). Among the providers interviewed during the site visits, the provider with the highest costs was an 18-month transitional program for women and children. The program leased six transitional homes (using Section 8 certificates) for the families to occupy, while the long-term services the agency provided were focused on developing self-sufficiency. Other high-cost programs also offered a considerable amount of essential services using their own staff and spent nearly 75 percent of their annual budget delivering those services. But by housing clients in a group setting, the housing costs were less than the highest cost program.

Based on a limited number of observations, it appears that key variables influencing costs per client include:

- shelter configuration and size;
- staff composition and qualifications/skills;
- extent of in-kind contributions, especially volunteer labor;
- essential services mix and intensity; and
- length of client stay in the program.

3.2.3 Cost Monitoring by Grantees

What methods do grantees use to monitor the activities of the shelters and other service providers they fund? Ninety-one percent of all grantees take an active role (a least monthly telephone calls, careful review of monthly reports and invoices, and annual site visits), as shown in Exhibit 3.15. This survey finding was corroborated by the site visits: grantee agency officials were very aware of the activities of the homeless-services provider organizations visited. Many

Exhibit 3.15

Grantee Monitoring of Provider Activities

Responses	State/Territory		Metropolitan City		Urban County		All Grantees	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grantee monitoring role:								
Active role, including site visits	51	92.2%	200	90.7%	97	91.0%	348	91.0%
Moderate role, by phone with financial and program operations reports	2	3.2%	15	7.0%	3	3.3%	21	5.4%
Moderate role, by phone and financial reports only	3	4.5%	4	1.6%	2	1.9%	8	2.1%
Distant monitoring (reports only)	0	0.0%	2	0.7%	3	2.8%	4	1.2%
No monitoring role	0	0.0%	0	0.0%	1	1.0%	1	0.3%
TOTAL RESPONSES	**55**	**100.0%**	**220**	**100.0%**	**107**	**100.0%**	**382**	**100.0%**

Source: Grantee Survey, Question 21, (weighted data) Recipient Survey, Question 16 .
Grantee Universe=382, Survey Sample−234.

Missing Cases: None.

Notes: (1) Columns may not total due to rounding.

viewed their administrative role as an active one, even if most of their explicit function was to approve requests for reimbursements within the specific range of activities that were funded by ESG.

How do the grantees monitor provider costs? Virtually all of the grantees and providers interviewed during the site visits indicated that ESG funds were only applied to actual invoices summarized and submitted monthly by the providers. Included in these monthly reports were brief narratives summarizing the month's activities and the demographic characteristics of the population served.

3.3 Implementation of Program Activities

This section presents a description of how the shelters and other services providers have implemented their programs, including:

- ***Implementation of physical improvements***;
- ***Implementation of essential services***;
- ***Implementation of homelessness prevention***; and
- ***Implementation of operations***.

3.3.1 Implementation of Physical Improvements

According to the reports of those interviewed during the site visits, implementation of physical improvements was the most challenging of the ESG-funded activities. As discussed previously in Section 2.3.2 and shown in Exhibit 2.5, during the early years of the ESG, over 50 percent of the dollar allocations program-wide were made for conversion, renovation, or rehabilitation. When the General Accounting Office evaluated the drawdowns of ESG funds during the first two years of the program, they discovered that substantial amounts of funding had not yet been used. While this evaluation did not assess the concurrence of the use of ESG funding for conversion, renovation, or rehabilitation, and the delayed spending of ESG allocations, the greater than 50 percent proportion of this activity was likely to have affected the ESG drawdowns during the early years. As grantees and providers became more experienced with the ESG, they learned that the environmental review process could take a long period of time, especially if the provider encountered any local resistance. According to the grantees and providers interviewed during the intensive site visits, when the two-year limitation on the spending of ESG funding was instituted, much of the conversion, renovation, or rehabilitation funding was relegated to smaller projects that were more feasible during the two-year limit.

In the discussion that follows, the difficulties encountered during implementation of conversion, renovation, or rehabilitation activities appear less significant than indicated from the reports of those interviewed during the site visits.[26] The two principal reasons are:

- This evaluation covers all conversion, renovation, or rehabilitation project funding since FY 87, but ***only for providers that received FY 91 funding***, not all providers that ever received ESG funding since FY 87; and

- This evaluation does not include providers that encountered the most serious obstacles and could not complete their projects or could not use the conversion, renovation, or rehabilitation funds at all. As discovered during the site visits, some providers' capital projects had to be postponed, abandoned, or funded through other sources, such as CDBG. The ESG funding was then reallocated to other providers.

According to the providers, about one-fifth of all the shelters (and occasionally other service providers) used ESG funding to renovate or convert buildings for use. Among the shelters, 21.0 percent indicated they had at some point received conversion, renovation, or rehabilitation funding from ESG. As shown in Exhibit 3.16, 22.4 percent of the 24-hour shelters, 18.8 percent of the day shelters, and 10.2 percent of the night shelters used ESG funds for conversion, renovation, or rehabilitation. Data on the costs of these projects and the specific improvements undertaken are displayed in Exhibit 3.17. Because of a few very large capital investment projects, the average cost of a project was $1,046,672, while the median project cost was $89,174. The average ESG portion of these projects was $229,206, while the median ESG contribution was $35,100.

How long does it take to convert, renovate, or rehabilitate a structure, with ESG funds, for use as an emergency shelter? According to the providers, it has taken an average of six months to conduct capital improvement projects (Exhibit 3.18); however, the range among all

[26] All providers surveyed were asked about this topic if they had *ever used ESG funding for conversion/renovation/rehabilitation.*

Exhibit 3.16

Incidence of ESG Support for Shelter Rehabilitation or Conversion

Responses	Day Shelters		Night Shelters		24–Hour Shelters		All Shelters	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Did the shelter ever receive rehabilitation/conversion funding from ESG?								
Yes	19	18.8%	15	10.2%	294	22.4%	328	21.0%
No	82	81.2%	135	89.8%	1016	77.6%	1233	79.0%
TOTAL RESPONSES	**101**	**100.0%**	**150**	**100.0%**	**1311**	**100.0%**	**1562**	**100.0%**

Source: Provider Phone Survey, Question 3e, (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 651.

Missing: 6 providers.

Exhibit 3.17

Provider Capital Improvements Funded by ESG

Responses	Homelessness Prevention	Essential Services	Conversion/Rehabilitation	Operations	All Providers
To date, what has been the total capital investment at the agency?					
Mean	$342,379	$1,702,658	$821,149	$656,602	$1,046,672
Median	$43,302	$129,000	$90,491	$80,104	$89,174
To date, how much has the agency received from the ESG for these improvements?					
Mean	$189,216	$375,905	$183,824	$61,064	$229,206
Median	$10,942	$40,100	$40,700	$31,872	$35,100

	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
[For providers using ESG for rehabilitation/conversion] To date, which types of improvements have been undertaken using ESG funds?										
Interior remodeling	79	71.5%	218	60.6%	331	80.9%	150	65.9%	779	70.3%
Plumbing	66	59.5%	265	73.7%	325	80.5%	108	48.8%	764	69.7%
Structural	76	68.4%	248	68.8%	279	68.7%	146	65.9%	748	68.1%
Electrical	64	57.8%	252	71.1%	263	64.9%	115	50.5%	694	63.2%
Building/fire code work	46	41.8%	235	67.1%	267	65.2%	102	44.8%	650	59.2%
Painting	41	37.2%	219	60.8%	256	62.5%	120	53.2%	635	57.5%
Heating, cooling, ventilation	63	57.1%	138	39.2%	266	65.0%	99	43.2%	566	51.5%
Improved safety for children	34	31.0%	212	63.3%	181	44.5%	96	41.9%	523	48.4%
Roof	45	40.3%	143	41.3%	229	57.0%	52	22.5%	469	43.0%
Health code work	38	34.6%	90	26.1%	192	47.9%	65	28.8%	386	35.6%

Source: Provider Phone Survey, Questions 14–16 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 651.

Missing Cases: 20 providers for capital investment, 4–5 providers for types of improvements.

Notes: (1) Multiple responses possible to third question.

Exhibit 3.18

Length of Time to Implement ESG–Funded Capital Improvements

Responses	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median
How long did ESG–funded improvements take, from the notification of the grant award until the project was completed?										
Number of months to complete all projects	5.3	4	5.6	6	8.0	7	6.2	7	6.2	6
Number of months to complete conversion projects (a)	8.0	16	---	---	11.4	9	7.0	7	8.8	7

Source: Provider Mailed Survey, Question 6 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 301.

Missing cases: 8 providers.

Notes: (a) No conversion projects reported by providers in essential services stratum.

providers that conducted improvements was 1 to 29 months.[27] The most typical response was 1 month, an indication that many of the renovations conducted were small jobs (add fire alarms, make a bathroom handicapped-accessible, or install a new stove). While conversion projects, *per se*, averaged 9 months, and the median number of months for conversion was 7, few of the conversion projects took significantly longer than the average for all conversion, renovation, and rehabilitation projects.

Approximately three-quarters of the providers who attempted and completed a conversion, renovation, or rehabilitation project using ESG funding experienced no delays. Among those reporting problems, the most typical were contractor delays (57.5 percent), procurement delays (38.6 percent), bidding delays (36.9 percent), and environmental review delays (23.5 percent). When asked to identify the most significant problem encountered, 60.6 percent of the providers indicated they had no significant problems. Some 20.3 percent of the providers indicated that excessive documentation was the most significant issue. No other issue was reported by more than five percent of providers.

In sum, for many of the providers, the conversion, renovation, or rehabilitation experience improved with time. According to the providers interviewed during the 15 intensive-site visits, they became more experienced with contracting for smaller projects.[28] In the case of Montgomery Alabama, the city assigned one of its employees to do all of the contracting and supervision for all of the ESG-funded projects. Currently, the need continues for this type of activity, especially for projects such as resurfacing floors, replacing windows with more energy efficient designs, and upgrading kitchens.

3.3.2 Implementation of Essential Services

To what extent has the ESG enhanced client access to social services? As shown in Exhibit 3.19, ***91.6 percent of the grantees said that ESG has increased social services offered,***

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[27] Only two providers exceeded the current 24-month ceiling for conversion, renovation, or rehabilitation. Both began their projects in 1987 or 1988, prior to the time limitation on spending of ESG funding. Given this distribution, it does not appear that this sample of providers represents those conducting conversion, renovation or rehabilitation projects in earlier years, when so much opposition was encountered that the implementation took much longer than 24 months to complete.

[28] Over time, these providers had learned that ***using ESG funds for small projects was realistic***, but using funds for major rehabilitation or conversion projects was less so. Recommendations related to this are discussed in Chapter 5 (Section 5.3.1).

Exhibit 3.19

ESG Implementation and Client Access to Social Services

Responses	State/Territory		Metropolitan City		Urban County		All Grantees	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Respondents indicating that ESG has...								
Increased social services offered	53	96.8%	197	89.4%	100	93.4%	350	91.6%
Reduced number of under–served homeless	36	66.0%	138	62.8%	66	61.9%	241	63.0%

Source: Grantee Survey, Question 31 (weighted data).
Grantee Universe=382, Survey Sample=234.

Missing Cases: None.

Notes: (1) Multiple responses possible.

and 63.0 percent indicated that the program has reduced the number of underserved homeless. These impressions are very important, and they are in line with the impacts of the programs that were discussed during the intensive-study site visits.

Homeless-services providers offered further evidence on the extent that ESG has enhanced client access to social services, as shown in Exhibit 3.20. ***Nearly fifty percent of the providers interviewed said they had added new services as a result of ESG funding***; 27.3 percent said that (at least some) of their new services were a direct result of the ESG funding, and 21.4 percent reported that new services were an indirect result of the ESG funding. The services that have been added by the providers included education and training (20.4 percent), child-related services (16.4 percent), housing-related services (13.8 percent), and transportation services (11.7 percent). Nearly sixty percent reported increased service capacity.

Exhibit 3.21 presents the same information (about client access to essential services) by shelter type. The day shelters (47.6 percent) and non-shelter providers (36.7 percent) were more likely to attribute the addition of new services directly to ESG funding. Of all of the possibilities for additional services and/or space, 45.3 percent of the day shelters reported spending the ESG funds on building improvement; night shelters, 24-hour shelters, and non-shelter providers reported spending the funding on increased service capacity (45.9 percent, 71.3 percent, and 48.4 percent, respectively). Among the non-shelter providers, 30.1 percent indicated that they had added housing and related services (management of transitional housing and provision of rental assistance) as a result of ESG funding.

Are ESG funds used to pay all or part of the salaries of those who provide essential services?[29] As shown in Exhibit 3.22, 37.7 percent of all homeless-services providers indicated that FY 91 ESG funds were used to pay for service delivery staff. Significantly more providers in the essential services stratum (61 percent) than in other strata used ESG funding to pay for at least part of the essential services offered to clients, although ESG funding for essential services was found among some providers in all strata, as indicated in Exhibit 3.23. Staff delivering essential services and working in 24-hour shelters (41.1 percent) or for non-shelter providers (43.2 percent) were most likely to be paid by ESG funds.

[29] Only those providers who were currently serving clients were asked to address this question.

Exhibit 3.20

New Services Offered by Providers as a Direct or Indirect Result of ESG Funding by Stratum

Responses	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Have providers added new services as result of ESG funding?										
Yes, direct result	177	40.7%	321	32.9%	103	25.7%	211	18.2%	813	27.3%
Yes, indirect result [a]	48	11.1%	228	23.3%	40	9.9%	321	27.7%	637	21.4%
No	210	48.2%	428	43.8%	259	64.4%	627	54.1%	1525	51.2%
TOTAL RESPONSES	**436**	**100.0%**	**978**	**100.0%**	**402**	**100.0%**	**1160**	**100.0%**	**2975**	**100.0%**
What services have been added (directly or indirectly)? [b]										
Education and training	18	7.8%	72	13.2%	25	17.5%	180	33.9%	295	20.4%
Child--related services	23	10.3%	89	16.2%	31	21.5%	95	17.8%	238	16.4%
Housing-related services	68	30.1%	54	9.8%	22	15.6%	56	10.6%	200	13.8%
Transportation services	9	4.1%	8	1.5%	15	10.5%	138	25.9%	170	11.7%
Health/medical assessments	19	8.5%	59	10.7%	7	5.2%	52	9.9%	138	9.5%
Family services	10	4.3%	38	7.0%	14	10.1%	49	9.3%	112	7.7%
Increased service capacity	98	43.2%	233	42.4%	54	37.7%	483	90.8%	868	59.8%
Building improvement	8	3.7%	95	17.2%	47	33.1%	106	19.9%	256	17.7%
Other [c]	102	44.9%	194	35.3%	32	22.7%	68	12.8%	396	27.3%

Source: Provider Phone Survey, Question 35 (weighted data).
Provider Universe = 3000–3500 (estimated). Survey Sample = 651.

Missing cases: 11 providers.

Notes: (a) Providers used other funding sources to expand services.
(b) Multiple responses possible to second question.
(c) Includes homelessness prevention services, case management, rent/mortgage assistance, utilities assistance, outreach, and new counseling programs.

Exhibit 3.21

New Services Offered by Providers as a Direct or Indirect Result of ESG Funding by Shelter Type

Responses	Day Shelter		Night Shelter		24-Hour Shelter		All Shelters		Non-Shelter	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Have providers added new services as result of ESG funding?										
Yes, direct result	59	47.6%	47	22.9%	439	23.9%	614	25.2%	200	36.7%
Yes, indirect result [a]	19	15.7%	16	7.5%	476	25.9%	533	21.9%	105	19.3%
No	45	36.7%	144	69.6%	919	50.1%	1285	52.9%	240	44.0%
TOTAL RESPONSES	124	100.0%	207	100.0%	1834	100.0%	2431	100.0%	544	100.0%
What services have been added (directly or indirectly)? [b]										
Education and training	13	16.6%	6	10.0%	196	21.4%	235	20.5%	60	19.8%
Child-related services	3	4.2%	11	16.8%	190	20.7%	205	17.9%	33	10.8%
Housing-related services	1	1.8%	6	8.9%	84	9.2%	109	9.5%	92	30.1%
Transportation services	4	5.5%	3	4.0%	153	16.7%	165	14.4%	5	1.5%
Health/medical assessments	0	0.0%	5	7.5%	95	10.4%	102	8.9%	36	11.8%
Family services	12	15.7%	7	10.6%	78	8.5%	97	8.5%	15	4.9%
Increased service capacity	11	14.0%	29	45.9%	653	71.3%	720	62.9%	147	48.4%
Building improvement	35	45.3%	6	10.2%	178	19.4%	246	21.5%	10	3.3%
Other [c]	10	12.4%	27	42.4%	236	25.8%	308	26.9%	89	29.1%

Source: Provider Phone Survey, Question 35 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 651.

Missing cases: 11 providers.

Notes: (a) Providers used other funding sources to expand services.
(b) Multiple responses possible to second question.
(c) Includes homelessness prevention services, case management, rent/mortgage assistance, utilities assistance, outreach, and new counseling programs.

Exhibit 3.22

Use of ESG Funds for Salaries of Services Staff, FY 91 by Stratum

Responses	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Are ESG funds used to pay all or part of the salaries of those who provide essential services?										
Yes	205	27.3%	666	61.3%	58	15.6%	323	29.0% (a)	1252	37.7%
No	545	72.7%	421	38.7%	315	84.4%	790	71.0%	2071	62.3%
TOTAL RESPONSES	**749**	**100.0%**	**1087**	**100.0%**	**373**	**100.0%**	**1113**	**100.0%**	**3322**	**100.0%**

Source: Provider Mailed Survey, Question 20 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 301.

Missing cases: 20 providers.

Notes: (a) This question follows a long list of essential services that providers receiving ESG funding were asked. The staffing costs are for those providing essential services only.

Exhibit 3.23

Use of ESG Funds for Salaries of Services Staff, FY 91 by Shelter Type

Responses	Day Shelter		Night Shelter		24-Hour Shelter		All Shelters		Non-Shelter	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Are ESG funds used to pay all or part of the salaries of those who provide essential services?										
Yes	30	35.6%	69	18.5%	752	41.1%	933	36.1%	318	43.2%
No	55	64.4%	303	81.5%	1077	58.9%	1653	63.9%	418	56.8%
TOTAL RESPONSES	**85**	**100.0%**	**372**	**100.0%**	**1829**	**100.0%**	**2586**	**100.0%**	**736**	**100.0%**

Source: Provider Mailed Survey, Question 20 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 301.

Missing cases: 20 providers.

According to the providers, the primary way clients learned about the services offered was from numerous referral sources, as shown in Exhibits 3.24 (by stratum) and 3.25 (by shelter type): social service agencies (mentioned by 99.2 percent of providers); clergy, friends, other shelters, citizens, doctors, police and walkins (between 89.6 and 96.3 percent); detoxification and substance abuse treatment facilities, psychiatric programs and treatment centers, courts, public housing agencies, parents, and the "hotline" (between 69.4 and 79.4 percent). The sources of client referrals were similar for all of the types of shelters, with one exception—the day shelters were much more likely to have clients referred to the program by their own outreach workers. The numbers of different referral agents reported by the providers and the substantial percentages reported for many of them underscore the strength of the providers' networks and their reputations in the community. If the providers were not offering an important service to homeless persons in the community, they would not be known to so many other local authorities and citizens.

Once referred to a shelter or other homeless-services provider, what specific essential services are clients being offered? ***The ESG-funded service providers in all strata offered and/or coordinated a wide variety of services to the homeless.*** Exhibit 3.26 summarizes the services coordinated by all providers and indicates whether the services were funded by ESG, whether the service was provided on-site (rather than at another facility), and whether the service or activity was required for all clients.[30] A factor analysis of the list of services revealed that they were offered and/or coordinated by the providers in four clusters—core services,[31] and essential services: assistance services, skills development services, and intervention/treatment services.

[30] The list of services in the survey did not include "case management."

[31] Core services are typically considered operating cost and are allowable operating costs under the ESG program regulations.

Exhibit 3.24

Sources of Client Referrals for ESG-Funded Providers, FY 91 by Stratum

Responses	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Providers indicating they receive referrals from:										
Social service agencies	765	100.0%	1144	100.0%	388	97.1%	1107	98.5%	3404	99.2%
Clergy/churches	744	97.6%	1065	95.8%	343	88.2%	1122	98.8%	3274	96.3%
Friends	751	99.6%	1086	96.5%	287	84.4%	1074	94.9%	3197	95.4%
Other shelters	661	88.7%	1115	98.9%	330	85.7%	1091	95.1%	3197	93.9%
Citizens	755	99.6%	1059	93.4%	264	80.1%	1056	93.5%	3134	93.5%
Doctors/hospitals	681	89.5%	1035	92.0%	268	81.6%	1010	90.8%	2994	90.0%
Police	657	89.4%	1060	93.6%	290	74.9%	1028	91.8%	3035	90.0%
Walk-ins	717	94.2%	997	87.6%	258	76.2%	998	92.6%	2970	89.6%
Detox/substance abuse treatment programs	567	77.3%	868	80.7%	234	76.3%	883	80.4%	2552	79.4%
Psychiatric programs and treatment centers	576	77.0%	815	75.7%	276	81.1%	828	74.2%	2496	76.1%
Courts	603	80.3%	781	72.2%	246	71.6%	795	72.8%	2424	74.2%
Public housing agencies	668	88.5%	826	74.8%	222	67.2%	691	64.9%	2407	74.0%
Parents	551	76.2%	648	58.5%	282	85.5%	779	73.3%	2261	70.1%
Hotline	378	52.0%	738	68.6%	282	72.7%	881	80.5%	2278	69.4%
Therapists	362	52.4%	790	72.8%	261	77.8%	608	62.4%	2021	65.5%
School personnel	544	74.6%	588	55.0%	213	64.6%	594	56.1%	1938	60.9%
Landlords	563	77.7%	529	49.4%	219	67.0%	459	44.9%	1769	56.3%
Outreach workers from this shelter/program	420	59.0%	541	49.7%	202	61.8%	555	54.1%	1717	54.5%
Referral center	302	43.0%	414	40.3%	181	52.9%	648	65.2%	1545	50.4%
Alliance for the Mentally Ill	164	24.0%	274	26.2%	84	26.1%	315	31.3%	838	27.4%
Utility companies	361	49.9%	184	17.6%	71	23.0%	173	18.2%	789	26.1%
Other	33	9.9%	120	34.1%	28	21.6%	115	33.0%	295	25.4%

Source: Provider Mailed Survey, Question 16 (weighted data).
Provider Universe = 3000-3500 (estimated), Survey Sample = 301.

Missing cases: 13-45 providers.

Notes: (1) Multiple responses possible.

Exhibit 3.25

Sources of Client Referrals for ESG-Funded Providers, in FY 91 by Shelter Type

Responses	Day Shelter		Night Shelter		24-Hour Shelter		All Shelters		Non-Shelter	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Providers indicating they receive referrals from:										
Social service agencies	74	100.0%	359	95.4%	1897	100.0%	2627	98.9%	778	100.0%
Clergy/churches	74	100.0%	371	100.0%	1809	95.0%	2547	96.1%	727	97.3%
Friends	74	100.0%	304	94.3%	1788	94.6%	2455	95.0%	742	96.9%
Other shelters	74	100.0%	334	88.8%	1794	95.0%	2484	93.7%	713	94.4%
Citizens	64	86.8%	304	94.3%	1748	92.3%	2404	92.9%	731	95.5%
Doctors/hospitals	62	90.0%	294	92.6%	1726	92.1%	2320	90.4%	673	88.5%
Police	64	86.8%	367	97.4%	1711	90.6%	2370	89.9%	666	90.2%
Walk-ins	64	86.8%	322	100.0%	1609	86.9%	2251	88.3%	719	93.9%
Detox/substance abuse treatment programs	72	97.3%	279	92.2%	1458	80.2%	2028	81.5%	524	72.2%
Psychiatric programs and treatment centers	57	89.2%	262	82.4%	1396	75.1%	1956	76.9%	539	73.2%
Courts	43	58.8%	218	71.2%	1402	75.8%	1869	73.6%	555	76.3%
Public housing agencies	41	58.9%	218	71.9%	1308	71.0%	1736	69.6%	672	88.2%
Parents	42	60.5%	183	58.8%	1370	73.4%	1826	72.4%	435	61.9%
Hotline	55	78.8%	226	65.4%	1417	75.4%	1922	74.2%	356	51.3%
Therapists	43	86.2%	182	60.2%	1238	70.2%	1601	66.9%	420	60.5%
School personnel	32	57.9%	147	47.9%	1197	65.2%	1508	61.2%	430	59.7%
Landlords	33	59.3%	192	65.5%	971	55.0%	1337	55.5%	433	59.0%
Outreach workers from this shelter/program	72	97.3%	136	42.2%	950	53.1%	1323	53.8%	395	56.7%
Referral center	52	74.5%	182	59.5%	943	55.3%	1264	53.6%	282	39.6%
Alliance for the Mentally Ill	19	34.1%	150	47.3%	458	26.7%	674	28.5%	165	23.5%
Utility companies	25	44.9%	102	33.8%	333	20.0%	568	24.8%	221	30.2%
Other	5	100.0%	15	13.7%	228	41.8%	253	34.2%	42	10.0%

Source: Provider Mailed Survey, Question 16 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 301.

Missing cases: 13–45 providers.

Notes: (1) Multiple responses possible.

Exhibit 3.26

Services Offered by ESG–Funded Providers, FY 91

Responses	Percent Offering Service	Percent Funding Service with ESG	Percent Providing Service On–Site	Percent Requiring Participation by All Clients
Core services				
Bed space	89.2%	66.5%	85.8%	35.2%
Breakfast	79.3%	52.2%	88.7%	10.4%
Lunch	69.3%	55.8%	85.4%	10.9%
Dinner	79.6%	49.5%	87.9%	11.9%
Essential services (beyond referrals)	93.1%	---	---	---
Assistance in obtaining benefits	94.2%	38.4%	91.0%	11.0%
Assistance obtaining permanent housing	92.2%	52.1%	91.8%	16.4%
Assistance with daily living skills	86.2%	40.1%	87.9%	30.3%
Transportation	79.1%	41.4%	95.9%	17.1%
Support groups	78.6%	17.9%	82.7%	32.0%
Nutritional counseling	50.1%	22.9%	90.1%	26.9%
Job referrals	69.8%	36.6%	87.6%	14.0%
Child care	42.2%	25.6%	67.3%	3.8%
Clothing	81.7%	17.8%	77.6%	2.9%

(continued)

Exhibit 3.26

Services Offered by ESG–Funded Providers, FY 91

Responses	Percent Offering Service	Percent Funding Service with ESG	Percent Providing Service On–Site	Percent Requiring Participation by All Clients
Essential services (beyond referrals) (cont.)				
Assistance in GED preparation	47.9%	30.5%	69.9%	14.1%
Other basic skills (e.g. budgeting)	32.0%	17.2%	60.9%	5.8%
Vocational counseling	50.6%	30.1%	65.8%	21.1%
Job training	28.1%	40.8%	56.2%	25.1%
English as a second language classes	20.3%	2.8%	38.9%	14.9%
Substance abuse counseling	53.4%	22.7%	65.6%	15.5%
Psychological counseling	45.5%	19.6%	60.6%	16.3%
Medical care	44.2%	24.1%	56.3%	12.1%
Detoxification/other drug treatment	22.5%	24.1%	13.2%	12.4%
Legal assistance	39.6%	15.5%	47.9%	13.3%

Source: Provider Mailed Survey, Question 19 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 301.

Missing cases: 3–16 providers.

Notes: (1) Multiple responses possible.

Almost 90 percent of all providers offered bed space,[32] while 79.3 percent offered breakfast, 79.6 percent offer dinner, and 69.3 percent offer lunch. Beds, meals, and clothing[33] were offered as the core services (sometimes called "concrete services") by most of the homeless-services providers. Among ESG-funded providers, a full 93.1 percent of the providers indicated that they also provide other services beyond outside referrals to their homeless or near-homeless clients.

The most common assistance services (offered by 90 percent or more of the providers) were assistance obtaining benefits and finding permanent housing. Also quite common were assistance in daily living skills such as money management (86.2 percent), transportation (79.1 percent), support groups (78.6 percent), and job referrals (69.8 percent). Nutritional counseling, child care and clothing were other forms of assistance offered by a substantial proportion of the providers.

Shown on the second page of Exhibit 3.26 are five skills-development services that were commonly offered, including assistance in GED preparation (47.9 percent), vocational counseling (50.6 percent), and training in other basic skills e.g., budgeting (32.0 percent). The third cluster, intervention and treatment services, included substance abuse counseling (53.4 percent), psychological counseling (45.5 percent), and medical care (44.2 percent). Detoxification and other forms of drug treatment were the least frequent services offered (22.5 percent).

Most providers reported that participation in these services was voluntary rather than required of their clients, but 30.3 percent did require clients to take advantage of assistance with daily living skills, and 32.0 percent required participation in support groups. Most providers offered these additional services on-site, rather than referring clients to other agencies; over 80 percent of the ESG-supported providers indicated that the above-mentioned services were provided at their facility. Services less frequently provided on-site were classes in English as a Second Language (provided on-site by 38.9 percent of the agencies), medical care (provided

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[32] Recall that some providers are not shelters, and that some shelters are day-only operations that may not offer bed space.

[33] A factor analysis revealed that clothing is offered among a cluster of "assistance" services. Therefore, clothing (offered by 81.7 percent of providers) is listed among other assistance services on the bottom line of the first page of the table.

on-site by 56.3 percent), and detoxification or drug treatment (offered on-site by only 13.2 percent).

The most commonly reported services funded with ESG money were the core services: bed space (66.5 percent of providers used ESG funds) and meals (52.5 percent of providers offering meals used ESG funds). Among the essential services offered by providers, ESG money most commonly contributed to assisting clients to obtain permanent housing (52.1 percent), supporting transportation assistance (41.4 percent), developing daily living skills (40.1 percent), and providing job referrals and job training (36.6 and 40.8 percent of providers, respectively).

Few, if any, of the shelters this program supports fit the conventional image of a bare-bones, dormitory-style, night-only shelter. They are not "three hots and a cot." Instead, they are delivering an extremely wide range of services on-site. ***Over eighty percent offered and even required case management of their clients as a condition of remaining in the shelter or program.***[34] Day shelters and 24-hour facilities tended to be more services-rich. While 70.4 percent of night-only shelters offered seven or fewer services, 64.0 percent of day shelters and 42.1 percent of 24-hour facilities offer between twelve and nineteen services to their clients. ESG funds directly supported a great deal of this service activity. Chapter 4 (Section 4.3.2) examines ESG impacts on service availability.

3.3.3 Implementation of Homelessness Prevention

Service providers offering homelessness prevention assistance cited a number of activities supported by the ESG funds. There were two major types of prevention assistance. As shown in Exhibit 3.27, ***82.4 percent of the providers used the prevention funds to forestall loss of permanent housing by offering back rent or utility payment assistance to families who were threatened with eviction. At the same time, 77.5 percent of the providers used the prevention funds to resettle homeless persons by paying security deposits or first month's rent for individuals or families moving into permanent housing.***[35] Forty-one percent of the

[34] Case management was included in the survey under shelter rules, but only asked of those respondents who operated shelters.

[35] Although "resettlement" is not normally thought of as "prevention," it was included as allowable in the ESG program statute.

Exhibit 3.27

Types of Homelessness Prevention Assistance Funded by ESG, FY 91

Responses	Homelessness Prevention Providers	
	Number	Percent
Back rent/utility payments for families that received eviction/termination notices.	358	82.4%
Security deposits or first month's rent to obtain new housing for person(s) about to lose permanent housing	336	77.5%
Mediation for landlord/tenant disputes	179	41.3%
Legal services for indigent tenants	87	20.2%
Payments/loans to prevent foreclosure	172	39.9%
Referrals/Counseling	111	25.3%

Source: Provider Phone Survey, Questions 25–26 (weighted data).
Provider Universe=3000–3500 (estimated), Survey Sample=651.

Missing Cases: 2 providers.

Notes: (1) Question asked only of HP stratum. Sample=143, estimated universe=438.
(2) Multiple responses possible.

providers offered landlord/tenant mediation services, and a similar proportion provided payments or loans to help homeowners avoid foreclosure.

Providers indicated several criteria for determining who was "at risk" of homelessness and therefore eligible for prevention services, as shown in Exhibit 3.28. Eviction notices were used by 52.4 percent of the homelessness prevention providers. About one-quarter of these providers accepted utilities shut-off notices as an indication of impending homelessness, and a similar proportion qualified clients based on their reporting they had nowhere else to go (and were currently living in a shelter). Only 16.5 percent provided prevention services to resettle clients who were victims of domestic violence, in housing away from the batterer.

While prevention efforts toward placement of homeless clients in permanent housing often occurred in a shelter setting, a larger percentage of the agencies conducting homelessness prevention were non-shelter providers (compared to the rest of the program). They were often large social service agencies (e.g., multi-service centers) or community action agencies that discovered they could identify clients at-risk of loss of housing and could intervene effectively with payment of back rent or utilities ***and*** a variety of services as needed. It is likely that homelessness prevention brought such agencies into the ESG Program.

3.3.4 Implementation of Operations

Chapter 2 presented a description of the operations expenses paid by the providers in FY 91 from ESG funds. During the site visits, the evaluation team further explored with both grantees and providers their experiences in implementing the ESG Program. By FY 91, both the grantees and the providers had acquired considerable experience in providing services to the homeless. One of the trends reported was increasing requirements for case management for homeless individuals and families. This survey of providers indicated that 83.2 percent of the providers required all of their clients to meet with a case manager, while 75.1 percent of the providers expected all clients to adhere to a case management plan. Another trend has been the increasing numbers and intensity of services to clients, with the expectation that these services would have a long-lasting impact on the clients and provide a basis for a more secure future, without returns to homelessness.

However, a number of providers reported that there was still considerable room for improvement in their programs, with some assistance. This section describes the providers' use

Exhibit 3.28

Homelessness Prevention: Criteria for Identifying Clients "At Risk"

Responses	Homelessness Prevention Providers	
	Number	Percent
Criteria used to determine eligibility for homelessness prevention services:		
Eviction Notice	230	52.4%
Utilities shut–off notice	120	27.4%
Client has no place to go [a]	113	25.9%
Victim of domestic violence [a]	72	16.5%

Source: Provider Phone Survey, Question 27 (weighted data).
Provider Universe=3000–3500 (estimated), Survey Sample=651.

Missing Cases: None.

Notes: (1) Question asked only of HP stratum. Sample=143, estimated universe=438.
(2) Multiple responses possible.
(a) Homelessness prevention funds can be used to resettle those who have been living in shelters and those who are victims of domestic violence.

of technical assistance to achieve their goals and the extent to which providers no longer receiving ESG funding have been able to maintain their level of operation.

In performing the homeless assistance activities supported by ESG funds and other resources, providers have occasionally needed assistance from other agencies. Technical assistance refers to specialized support and consultation sought from an outside organization or agency. Has technical assistance been available to providers? If so, from what sources?

From the beginning of the Emergency Shelter Grants Program, technical assistance has been available, from a variety of sources. Some 77.9 percent of the grantees stated that the homeless-services providers received technical assistance, predominately from the grantee agency itself (Exhibit 3.29). Thus, they gave themselves a prominent role; 72.1 percent cited their own TA contribution, with no other TA source cited by more than 10 percent. However, only 37 percent of providers reported that they had received any technical assistance. Most of this discrepancy between the grantees' and providers' perceptions of technical assistance given and received is likely to be the difference in what each views as technical assistance. The grantees were probably including the assistance they gave with paperwork requirements, while the providers had other issues (e.g., other sources of funding for their programs, service delivery problems) in mind.

When the providers were asked the sources of technical assistance, the most typical sources reported were state and local government agencies (see Exhibit 3.30). The most frequently mentioned topics were proposal preparation, service program provision, and client record-keeping. Many of the providers interviewed during the site visits commended the support and technical assistance they had been receiving from their grantee agencies.

In what areas are there continuing needs for technical assistance? Just as nearly two-thirds of providers had not requested or used any technical assistance, very few of those surveyed indicated they had any continuing needs for technical assistance. However, those who did indicated needs for technical assistance in the following areas:

- ***Client recordkeeping;***[36]
- ***Grant-seeking and other potential funding sources for:***
  - -- Child development and education;

[36] Two respondents noted the following: "HUD should specify the required demographic information;" and "We need an easy, uniform, inexpensive computerized (IBM-compatible) system with clear instructions."

Exhibit 3.29

Grantee Views on Technical Assistance to Providers

Responses	State/Territory		Metropolitan City		Urban County		All Grantees	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Number of grantees indicating their providers receive technical assistance?	52	95.2%	169	76.6%	75	70.0%	297	77.9%
Sources of technical assistance:								
Grantee agency	49	88.7%	163	74.2%	63	59.3%	275	72.1%
County human services department	3	6.1%	13	5.8%	15	13.8%	31	8.1%
United Way	1	1.8%	14	6.4%	2	2.0%	17	4.5%
Coalition for the homeless	12	21.7%	10	4.5%	4	4.0%	26	6.8%

Source: Grantee Survey, Question 12 (weighted data).
Grantee Universe=382, Survey Sample=234.

Missing Cases: 5 grantees for second question.

Notes: (1) Multiple responses possible.
(2) Second question asked only of respondents indicating their providers receive technical assistance.

Exhibit 3.30

Provider Views on Technical Assistance

Responses	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Has the provider received any technical assistance from outside organizations or individuals in applying for or implementing ESG–funded programs?										
Yes	383	50.2%	370	31.2%	156	40.8%	397	33.6%	1306	37.2%
No	380	49.8%	815	68.8%	227	59.2%	785	66.4%	2207	62.8%
TOTAL RESPONSES	**764**	**100.0%**	**1185**	**100.0%**	**383**	**100.0%**	**1182**	**100.0%**	**3514**	**100.0%**
Who has provided this assistance?										
State government agencies	163	42.5%	122	33.0%	25	15.7%	0	0.0%	309	23.7%
Local government agencies	20	5.2%	62	16.7%	83	52.9%	105	26.5%	270	20.7%
Local development office	9	2.3%	72	19.4%	2	1.3%	97	24.5%	180	13.8%
State development office	147	38.3%	14	3.8%	0	0.0%	3	0.9%	164	12.6%
United Way	8	2.0%	0	0.0%	14	8.7%	5	1.4%	27	2.0%
HUD local office	8	2.0%	0	0.0%	4	2.5%	5	1.4%	17	1.3%
Other	21	5.4%	18	4.9%	57	36.3%	121	30.3%	216	16.5%

Source: Provider Mailed Survey, Question 23.a (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 301.

Missing cases: 4 providers.

Notes: (1) Multiple responses possible to second question.

-- Clients aged 16 to 24;
-- Transitional housing;
-- Supplementary health services;
-- Shelter operating costs.

- ***Obtaining donated federal property;***
- ***Services to clients***, including:

  -- Budgeting;
  -- Working skills;
  -- Vocational/technical training;
  -- Promoting self-sufficiency;
  -- Literacy training; and
  -- Parenting education and support.

- ***In-service training for provider staff***, including both service delivery and administrative issues:

  -- Drug and alcohol abuse training;
  -- Case management;
  -- HIV/AIDS counseling;
  -- Outreach;
  -- How to convert to a 24-hour program;
  -- Accessing services for clients;
  -- Accounting systems;
  -- Marketing and development;
  -- Volunteer recruitment and retention;
  -- Office automation;
  -- Monitoring construction contractors;
  -- Assistance with program requirement changes;
  -- Staff management;
  -- Strategic planning;
  -- Program evaluation;
  -- Program development;
  -- Development of transitional and permanent housing; and
  -- Development of on-site job opportunities; and
  -- Development of continuum of housing services.

Requests for technical assistance of this nature suggest that the service providers are approaching their responsibilities "as professionals." Delivery of effective services to homeless people requires more than just a staff of volunteers with big hearts. Instead, it requires a variety of professional skills, combining those found in social service agencies, health care facilities, and private businesses.

To what extent have provider efforts continued following completion of the ESG grant term? When ESG funding has been discontinued (typically to spread the limited funding further), 64.6 percent of the grantees indicated that the shelters and other providers continued services at the same or higher service levels (see Exhibit 3.31). Only 12.0 percent indicated that facilities and programs they had previously funded had continued, at reduced levels of service; only three grantees indicated that a shelter or provider had closed. This information is consistent with our discussions with providers during the intensive-study site visits. For most of them, budgets have continued to grow, allowing continuing expansion of services. However, in at least one case where the shelter's support from the state was cut substantially, two-thirds of the staff were terminated and the operations were cut from 24 hours per day to 40 hours per week.

3.4 Population Served

3.4.1 Grantee Strategies on Population Served

Approximately 70 percent of the grantees reported that they had "made surveys of the needs of the homeless." Our survey questions did not pursue how these were conducted. However, according to the in-depth interviews with grantees in 15 sites, most grantees consulted whatever sources were available in developing estimates of the population in need of ESG funding (see Exhibit 3.32).[37] In addition, the CHAS documents for the jurisdictions of all grantees visited, except Texas and California,[38] referenced enumerations of the various sub-populations of the homeless. The most frequently cited enumeration was from a census of emergency shelters. Other enumerations included systematic counts of the homeless found on the streets, in transitional housing, and/or in other public institutions (e.g., prisons and mental health hospitals). However, even armed with local provider and advocate information as well as various estimates of the numbers of homeless, most grantees have insufficient information to develop a detailed assessment of how best to meet the needs of the population to be served with ESG funding.[39]

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[37] In many cases, there were few statistically reliable resources.

[38] California's CHAS offered an estimate of the number of homeless at a rate of 1 percent of the state's population. Texas' CHAS relied on HUD's "rule of thumb," or .25 percent of the population.

[39] According to Interagency Council on the Homeless, *State Profiles: What States Are Doing to Help People, 1992*, only three states (Colorado, Hawaii, and Maryland) have conducted statewide reliable surveys; nine more states have developed rough estimates, and the remainder have no statistically reliable estimates or enumerations.

Exhibit 3.31

Continuation of Provider Efforts After Completion of the ESG Term

Responses	State/Territory Mean Percentage	Metropolitan City Mean Percentage	Urban County Mean Percentage	All Grantees Mean Percentage
When no further ESG funding was forthcoming, what percentage of providers have...				
Continued services at same or higher service level	62.9%	67.3%	60.0%	64.6%
Continued, but at reduced service level	16.7%	8.8%	16.1%	12.0%
Discontinued services(e.g., closed the shelter)	0.8%	2.0%	4.3%	2.7%
Does not apply – all agencies still receiving ESG funding	18.2%	21.4%	19.6%	20.4%

Source: Grantee Survey, Question 22 (weighted data).
Grantee Universe=382, Survey Sample=234.

Missing Cases: 1–5 grantees.

Exhibit 3.32

Methods for Estimating Numbers of Homeless Persons, FY 91

Intensive-Study Site	Means of Enumeration
Alabama	Counts of those in emergency shelters and living on the streets
California	Estimates only at 1 percent of the population
Maryland	Counts of those in emergency shelters and served by other providers; legislatively mandated
Ohio	Counts of those in emergency shelters; Homeless Coalition estimate is double the count
Texas	Estimates only using HUD formula of 25 homeless persons per 10,000
Birmingham, AL	Counts of those in emergency shelters
Boston, MA	Counts of those in emergency shelters and on the streets
Chicago, IL	Counts of those in emergency shelters taken from a daily census; Homeless Coalition estimate is 10 times greater than the daily census
Corpus Christi, TX	Counts of those receiving services for the homeless
New Orleans, LA	Study conducted on those in emergency shelters
Portland, OR	1990 Census count
San Francisco, CA	Counts of those in emergency shelters and various other housing arrangements for the homeless
Allegheny Co., PA	Counts of those in emergency shelters
Jefferson Co., AL	Counts of those in emergency shelters and on the streets
Morris Co., NJ	Counts furnished by service providers

In addition to grantees' assessment of client needs and how best to address those needs given limited resources, grantees have also developed strategies for targeting the unique needs of specific segments of the homeless population. To what extent have grantees' strategies for addressing the needs of the homeless recognized specific groups? As shown in Exhibit 3.33, most grantees cite numerous targets for the ESG funding. Nearly all grantees (98.6 percent) indicate that they recognized the needs of homeless families. In keeping with this, most grantees (91.4 percent) have included victims of domestic violence in their strategies. The needs of the chronically mentally ill have been recognized by 72.2 percent of the grantees. Elderly and Veterans have been recognized by 52.0 to 56.2 percent of the grantees. Others (homeless youth, migrants, those infected with HIV/AIDS, and substance abusers) have received less recognition in the deliberate development of strategies for addressing the needs of the homeless.

Despite the grantees' identification of particular groups of the homeless for development of strategies to meet their needs, their self-rating of effectiveness (on a scale of one to five) in addressing the needs of the special groups varied. Grantees indicated that their strategies were most effective (mean rating of 4.1) for victims of domestic violence. The next highest rating of the grantees was for their strategies to meet the needs of homeless youth (3.9). Given the general lack of services to this special group, as reported by providers, this grantee opinion is viewed as questionable. What is more probable is the reported effectiveness of the services for homeless families (3.8) and the homeless elderly (3.5).

Only 22.1 percent of all ESG-funded providers reported that they employed outreach workers to help identify people who might benefit from services (see Exhibit 3.34). Of those who did, 81.5 percent had their outreach staff contact social service providers, and 66.5 percent contacted local police to identify potential clients. Roughly half contacted public housing agencies, detox or substance abuse treatment facilities, and psychiatric facilities.

Providers used a variety of methods to assess the service needs of their clients, as shown in Exhibits 3.35 (by stratum) and 3.36 (by shelter type). Essentially all providers reported using intake interviews, referrals from other agencies, and self-referrals (clients' own evaluation of their needs) as ways of assessing clients' needs. There were practically no differences among the various shelter types, except that the day shelters were significantly more likely to offer/use medical examinations and diagnosis to assess the needs of the clients. ***Another indication of the trend toward requiring homeless clients to cooperate with the case***

Exhibit 3.33

Grantee Recognition of Special Needs Groups Among the Homeless

Responses	State/Territory		Metropolitan City		Urban County		All Grantees	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grantee strategies have recognized the needs of...								
Homeless families	55	100.0%	215	97.5%	107	100.0%	377	98.6%
Victims of domestic violence	55	100.0%	194	88.0%	100	93.9%	349	91.4%
Migrants	31	55.9%	52	23.8%	30	28.4%	114	29.7%
Elderly	34	61.3%	106	48.1%	59	55.1%	199	52.0%
Veterans	36	65.9%	127	57.8%	51	47.7%	215	56.2%
Chronically mentally ill	44	80.7%	162	73.8%	69	64.6%	276	72.2%
Homeless youth	26	46.8%	65	29.6%	23	21.5%	114	29.8%
HIV/AIDS	4	8.2%	28	12.9%	7	6.4%	40	10.4%
Substance abusers	8	14.9%	58	26.4%	15	13.8%	81	21.2%

Responses	State/Territory Mean	Metropolitan/City Mean	Urban County Mean	All Grantees Mean
Mean ranking, where 1 is low and 5 is high, of effectiveness of services for...				
Homeless families	3.8	3.8	3.8	3.8
Victims of domestic violence	4.2	4.0	4.0	4.1
Migrants	2.8	3.2	2.7	3.0
Elderly	3.3	3.7	3.1	3.5
Veterans	3.1	3.2	3.0	3.2
Chronically mentally ill	3.0	3.1	3.1	3.1
Homeless youth	3.8	4.0	3.9	3.9
HIV/AIDS	3.5	2.8	2.6	2.9
Substance abusers	2.2	3.2	3.5	3.1

Source: Grantee Survey, Question 25 (weighted data).
Grantee Universe=382, Survey Sample=234.

Missing Cases: 1 grantee in first question, 7–15 grantees in second question.

Notes: (1) Multiple responses possible to first question.

Exhibit 3.34

Outreach Methods of ESG–Funded Providers

Responses	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Does the provider employ outreach workers to seek potential clients?										
Yes	153	20.2%	258	22.4%	67	16.5%	291	25.2%	769	22.1%
No	605	79.8%	897	77.6%	338	83.5%	864	74.8%	2705	77.9%
TOTAL RESPONSES	**758**	**100.0%**	**1156**	**100.0%**	**404**	**100.0%**	**1156**	**100.0%**	**3474**	**100.0%**
Outreach workers contact:										
Social service providers	144	94.0%	193	74.5%	60	90.3%	231	79.2%	627	81.5%
Police	120	78.2%	162	62.9%	58	86.4%	172	59.0%	512	66.5%
Public housing agencies	138	90.4%	125	48.2%	46	69.0%	106	36.5%	415	54.0%
Detox or substance abuse treatment facilities	75	48.9%	43	16.5%	58	86.4%	190	65.2%	365	47.4%
Psychiatric facilities	87	57.1%	22	8.6%	54	81.3%	173	59.4%	337	43.8%
Private landlords	95	62.1%	78	30.1%	38	56.8%	71	24.2%	281	36.5%
Utility companies	87	56.8%	9	3.7%	22	32.7%	78	26.8%	196	25.5%
Other	33	21.6%	91	35.2%	42	62.8%	171	58.8%	337	43.8%

Source: Provider Mailed Survey, Question 17 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 301.

Missing cases: 8 providers.

Notes: (1) Multiple responses possible in second question.

Exhibit 3.35

Providers' Methods of Identifying Client Service Needs by Stratum

Responses	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Intake interview	767	99.6%	1127	99.8%	404	100.0%	1137	100.0%	3435	99.9%
Referral from agency/provider	758	100.0%	1117	100.0%	340	100.0%	1023	92.1%	3238	97.3%
Self-referral	701	91.5%	1080	96.7%	312	94.3%	1115	99.2%	3209	96.1%
Case worker assessment	591	83.2%	832	77.8%	254	81.4%	946	86.7%	2623	82.4%
Medical examination/diagnosis	160	23.3%	277	26.2%	116	37.4%	305	31.0%	857	28.2%
Standardized tests	27	3.9%	56	5.7%	19	6.5%	83	8.5%	185	6.3%
Other	131	39.9%	37	8.2%	21	27.4%	34	13.2%	223	20.2%

Source: Provider Mailed Survey, Question 15 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 301.

Missing cases: 10–52 providers.

Notes: (1) Multiple responses possible.

Exhibit 3.36

Providers' Methods of Identifying Client Service Needs by Shelter Type

Responses	Day Shelter		Night Shelter		24-Hour Shelter		All Shelters		Non-Shelter	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Intake interview	83	100.0%	350	100.0%	1907	100.0%	2656	100.0%	779	99.4%
Referral from agency/provider	90	100.0%	265	88.2%	1858	98.2%	2488	96.6%	750	100.0%
Self-referral	90	100.0%	319	100.0%	1794	95.4%	2469	95.9%	740	96.7%
Case worker assessment	68	90.5%	242	83.1%	1479	80.8%	2030	81.9%	593	84.4%
Medical examination/diagnosis	62	73.8%	88	30.3%	453	26.4%	710	30.3%	147	21.3%
Standardized tests	19	33.3%	0	0.0%	63	3.7%	156	6.8%	29	4.4%
Other	0	0.0%	0	0.0%	64	12.0%	91	12.8%	132	33.7%

Source: Provider Mailed Survey, Question 15 (weighted data).
Provider Universe = 3000-3500 (estimated), Survey Sample = 301.

Missing cases: 10-52 providers.

Notes: (1) Multiple responses possible.

management process is the fact that case worker assessment was used by 82.4 percent of all ESG-funded providers to identify service needs.

3.4.2 Population Served by ESG Providers

Service providers varied considerably in the populations they served. Shelter providers served different clients from non-shelter providers, and different types of shelters (day-only, night-only, or 24-hour) served different homeless populations, as summarized in Exhibit 3.37.

The proportion of non-shelter providers indicating that they worked with a particular population was generally higher than the proportion of shelters reporting that they worked with the same population. This implies that the populations served by non-shelter service providers are more diverse, while shelters may have facilities and programs designed for more narrowly targeted groups. The two exceptions to the above observation are that the night-only shelters were slightly more likely to serve single men, and that the day-only shelters were significantly more likely to serve single youth. These exceptions are consistent with the remarks of providers during the intensive-study site visits.[40]

Families, which make up approximately one-third of the homeless population nationally, were the most frequently cited population served by the ESG-funded providers. Eighty-five percent of all providers indicated that they serve families, including 82.7 percent of shelters and 95.4 percent of non-shelters. Among the shelters, almost all of the day-only and 24-hour shelters served families, while only 57.7 percent of the night-only facilities reported that they could accommodate families.

While single men account for more than one-half of the homeless population nationally, they were only served by about half of the ESG-funded shelters. However, about three-quarters of the non-shelter ESG service providers reported that they offered services to single men. Two-thirds of day-only shelters and 83 percent of night-only shelters worked with single men, while only 38.4 percent of 24-hour shelters provided services to this population. In one intensive-study site, a shelter ran 24-hours for families, but single men could only be there at night.

[40] It is noteworthy that single youth, especially teenage males, are frequently not allowed in night-only or 24-hour shelters. The day shelters are their only alternative. Having to return to the streets at night, they are a very vulnerable special needs group.

Exhibit 3.37

Population Served by Shelter and Non–Shelter ESG Providers

Responses	Day–only Shelters	Night–Only Shelters	24–Hour Shelters	All Shelters	All Non–Shelters
Percent serving:					
Single men	65.6%	83.0%	38.4%	44.9%	78.5%
Single women	80.9%	81.9%	78.4%	75.7%	88.3%
Single youth	56.4%	18.7%	31.7%	30.7%	33.8%
Families	91.1%	57.7%	86.8%	82.7%	95.4%
Women and children	88.0%	53.3%	82.6%	78.6%	93.6%
Families with no children	62.2%	57.3%	43.0%	44.9%	80.1%

Source: Provider Phone Survey, Question 17 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 651.

Missing cases: 0–3 providers.

Single youth (approximately 4 percent of the homeless population nationally) were the least frequently served population across all types of ESG providers. Only about one-third of both shelter and non-shelter providers offered services to homeless single youth, and a similar proportion of shelters worked with young people. Less than 20 percent of night shelters indicated that they offered shelter to youth, but 56 percent of day shelters did offer services to individuals under 18.

Providers also reported whether they work with particular subgroups of the homeless, or with families or individuals with particular characteristics or problems. Approximately half of all providers indicated they offered services to battered women, drug dependent, or alcohol dependent clients. Between 42 and 45 percent reported working with the elderly, veterans, and the physically disabled, while 37 percent offered services to the chronically mentally ill. HIV-positive clients were served by 39 percent of the providers, and mentally retarded individuals received services from 30 percent of ESG-funded agencies. Children and youth were served by only 23 percent of the providers.

Providers' clients came to them from a variety of prior places of residency, as shown in Exhibit 3.38; no more than a quarter of the clients came from any particular situation. However, some combination of four circumstances (living on the street, living with friends/relatives, private rental housing, and/or emergency shelters) accounted for a substantial proportion of most providers' clients. As expected, among homelessness prevention providers, a substantial proportion of the client population came from a housing rather than shelter situation; a total of about 40 percent of these clients came from private rental housing, public housing, or an owner-occupied home. An additional 16 percent were living with friends or relatives. This latter group was at the greatest risk of homelessness. Other prevention efforts were directed toward placing shelter residents in permanent housing.

The prior residency of the clients of each type of shelter varied widely, as shown in Exhibit 3.39. Night shelters (59.0 percent) and day shelters (30.5 percent) tended to draw from the streets. 24-hour shelters drew most of the their clients from a combination of streets (19.1 percent), living with friends and relatives (17.7 percent), and private rental housing (11.7 percent). Non-shelter service providers tended to draw the highest percentage of their clients (21.7 percent) from private rental housing, suggesting that "people at risk of homelessness" sought help from the non-shelter service providers first. However, the non-shelter providers

Exhibit 3.38

Provider Clients' Prior Places of Residence by Stratum

Responses	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Mean Percent	Median Percent	Mean Percent	Median Percent	Mean Percent	Median Percent	Mean Percent	Median Percent	Mean Percent	Median Percent
Percent of provider clients coming from...										
Streets	15.6%	5.0%	25.5%	20.0%	19.6%	5.0%	29.7%	10.0%	24.0%	10.0%
Living with friends/relatives	16.6%	9.5%	11.8%	7.5%	17.0%	10.0%	18.5%	10.0%	15.7%	10.0%
Private rental housing	25.5%	20.0%	8.9%	2.5%	14.5%	4.5%	8.4%	0.0%	13.0%	5.0%
Emergency shelters	5.4%	3.0%	11.3%	5.0%	8.9%	5.0%	11.8%	5.0%	9.9%	5.0%
Public housing	8.9%	5.0%	5.4%	0.0%	5.0%	0.5%	3.6%	0.0%	5.5%	1.0%
Jail/prison	4.3%	0.0%	3.8%	0.0%	4.6%	0.0%	4.9%	1.0%	4.4%	1.0%
Owner-occupied home	6.4%	2.0%	9.1%	0.0%	3.9%	0.0%	4.2%	0.0%	6.3%	0.0%
Detox/substance abuse shelter/program	4.0%	0.0%	3.2%	0.0%	6.1%	1.0%	6.4%	0.0%	4.8%	0.0%
Psychiatric facility	2.2%	0.0%	1.6%	0.0%	1.9%	0.0%	1.8%	0.0%	1.8%	0.0%
Residential treatment programs	2.1%	0.0%	0.9%	0.0%	1.6%	0.0%	1.7%	0.0%	1.5%	0.0%
Transitional shelters	2.1%	0.0%	1.4%	0.0%	1.7%	0.0%	1.4%	0.0%	1.6%	0.0%

Source: Provider Mailed Survey, Question 18 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 301.

Missing cases: 5–31 providers.

Exhibit 3.39

Provider Clients' Prior Places of Residency by Shelter Type

Responses	Day Shelter		Night Shelter		24–Hour Shelter		All Shelters		Non–Shelter	
	Mean Percent	Median Percent	Mean Percent	Median Percent	Mean Percent	Median Percent	Mean Percent	Median Percent	Mean Percent	Median Percent
Percent of provider clients coming from...										
Streets	30.5%	24.5%	59.0%	60.0%	19.1%	10.0%	26.4%	10.0%	16.5%	5.0%
Living with friends/relatives	7.2%	5.0%	5.6%	1.5%	17.7%	10.0%	15.4%	10.0%	16.6%	10.0%
Private rental housing	2.5%	0.0%	4.4%	0.0%	11.7%	5.0%	10.5%	3.5%	21.7%	19.0%
Emergency shelters	22.0%	10.0%	10.5%	4.5%	7.2%	5.0%	8.8%	5.0%	13.9%	4.5%
Public housing	10.4%	5.0%	1.8%	0.0%	4.9%	1.0%	4.3%	0.0%	9.8%	4.0%
Jail/prison	3.7%	2.0%	2.5%	0.0%	5.6%	1.0%	5.3%	1.0%	1.3%	0.0%
Owner–occupied home	1.2%	0.0%	0.7%	0.0%	8.7%	0.0%	6.7%	0.0%	4.6%	1.0%
Detox/substance abuse shelter/program	6.1%	1.0%	3.3%	0.0%	5.9%	1.0%	5.6%	1.0%	1.9%	0.0%
Psychiatric facility	3.3%	0.0%	1.6%	0.0%	2.1%	0.0%	2.0%	0.0%	1.4%	0.0%
Residential treatment programs	0.5%	0.0%	1.4%	0.0%	1.4%	0.0%	1.4%	0.0%	2.0%	0.0%
Transitional shelters	8.6%	0.0%	1.4%	0.0%	0.9%	0.0%	1.3%	0.0%	2.8%	0.0%

Source: Provider Mailed Survey, Question 18 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 301.

Missing cases: 5–31 providers.

were also drawing from the streets (16.5 percent), from people living with friends and relatives (16.6 percent), and from emergency shelters (13.9 percent).

Once living in the shelter, what are the rules that govern a client's behavior? The survey of providers produced a lengthy list of rules. The most common were no drinking or drug use, found in 98.2 percent of the shelter facilities and 100 percent of the non-shelter providers (see Exhibits 3.40 by stratum, and 3.41 by shelter type). Weapons and stealing were explicitly forbidden by virtually all providers. Ninety-four percent of shelters imposed a curfew on the clients, as did 70.8 percent of non-shelter providers.[41] And the rules continue, as shown in the exhibits.

Life in a shelter is very circumscribed and designed to bring order out of the chaos that ultimately resulted in a homeless episode. Life in a shelter, while better than living on the streets or in a car, is hard work for those who must lean on the temporary emergency assistance provided, receive treatment for serious medical and psychological problems, and learn a new set of skills that may never have been assimilated at earlier stages in their lives. Not every intervention is a success. Not every contact between a homeless person and "the system" takes hold, nor does the acceptance of food and shelter necessarily make someone willing to get involved with case management or other services. But sometimes it works.

When shelter episodes result in "success stories," the shelter providers are frequently willing to share their successes. The following are five true stories. The vignettes of John, Eleanor, Mary, Rafael, and Jerry illustrate the efforts and successes achieved by some homeless-services providers using ESG funds and a variety of other resources.

[41] A number of the non-shelters offer transitional housing and rental assistance to homeless persons who are willing to abide by their rules.

Exhibit 3.40

Rules for Client Behavior in ESG–supported Facilities and Programs by Stratum

Responses	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Rules for client behavior										
No drinking/drug use in facility	255	91.7%	815	100.0%	363	97.7%	1084	98.6%	2518	98.2%
No possession of weapons	220	100.0%	815	100.0%	368	99.0%	1046	95.1%	2449	97.7%
Cannot steal from/assault persons	220	83.2%	809	99.3%	369	99.1%	1075	97.7%	2473	96.9%
Curfew	214	78.8%	798	97.9%	300	92.9%	1047	95.3%	2359	94.0%
Certain standards of personal hygiene	227	81.5%	730	89.5%	287	79.9%	966	87.9%	2210	86.6%
No engaging in prostitution	200	71.7%	687	84.3%	289	78.8%	997	90.7%	2174	84.9%
Must meet with caseworker	206	84.8%	641	78.9%	263	82.1%	943	86.2%	2053	83.1%
Client must actively seek housing	261	93.6%	583	72.2%	257	80.6%	942	85.7%	2043	81.6%
Required chores	232	83.3%	622	76.5%	292	90.6%	853	78.9%	2000	80.1%
No sexual activity in facility	182	67.7%	632	80.3%	280	75.4%	869	79.0%	1963	77.7%
Children must enroll in/attend school	175	91.3%	660	84.2%	254	84.7%	669	66.0%	1758	76.8%
Adherence to case management plan	156	56.2%	611	75.2%	270	83.7%	848	77.5%	1885	75.2%
No foul language in facility	182	65.3%	715	87.7%	214	68.3%	766	69.7%	1876	74.9%
No drinking/drug use anywhere	228	81.8%	530	65.3%	286	79.8%	829	75.5%	1874	73.5%
Limited visitors allowed	238	86.1%	709	87.0%	228	71.4%	638	60.5%	1813	73.5%
No actively suicidal clients	177	63.6%	474	60.7%	228	65.1%	720	67.0%	1600	64.4%
Loss of bed if long absence occurs	130	47.0%	613	76.7%	162	51.1%	649	60.8%	1554	63.2%
No smoking in facility	116	44.0%	483	59.6%	161	51.2%	606	57.5%	1365	55.9%

(continued)

Exhibit 3.40

Rules for Client Behavior in ESG–supported Facilities and Programs by Stratum

Responses	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
(continued)										
Must look for job unless handicapped	155	64.0%	334	41.8%	150	48.6%	636	58.4%	1275	52.3%
No sexual offenders allowed	179	64.4%	306	39.0%	112	36.6%	425	40.1%	1023	42.1%
Must attend training sessions	120	49.4%	274	33.8%	116	37.0%	494	45.9%	1004	41.1%
Health screen required upon admission	116	41.7%	140	17.3%	139	43.2%	376	34.4%	771	30.8%
No outside visitors allowed	29	10.7%	132	16.6%	141	38.0%	370	34.7%	672	26.8%
Savings (escrow) program required	28	10.3%	150	18.5%	90	29.1%	353	32.9%	621	25.2%
Location of facility kept confidential	119	42.6%	299	37.1%	94	29.2%	98	9.0%	610	24.4%
Participation in vocational counseling	98	35.1%	172	21.1%	70	21.8%	243	22.3%	582	23.3%
No violence in criminal records	87	31.3%	157	19.8%	91	29.5%	193	17.8%	528	21.4%
Non–school youth do volunteer work	42	21.7%	170	21.9%	28	9.9%	47	5.1%	286	13.2%
No police referrals	0	0.0%	37	4.5%	17	5.4%	96	8.8%	150	6.0%
Other	52	35.3%	103	56.0%	131	72.3%	239	57.9%	525	56.7%

Source: Provider Mailed Survey, Question 22 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 301.

Missing cases: 15–48 providers.

Notes: (1) Multiple responses possible.

Exhibit 3.41

Rules for Client Behavior in ESG–supported Facilities and Programs by Shelter Type

Responses	Day Shelter		Night Shelter		24–Hour Shelter		All Shelters		Non–Shelters	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Rules for client behavior										
No drinking/drug use in facility	26	100.0%	397	100.0%	1880	97.8%	2518	98.2%	401	100.0%
No possession of weapons	26	100.0%	397	100.0%	1807	96.9%	2449	97.7%	401	100.0%
Cannot steal from/assault persons	26	100.0%	397	100.0%	1830	95.9%	2473	96.9%	401	100.0%
Curfew	16	62.2%	343	98.7%	1798	93.8%	2359	94.0%	284	70.8%
Certain standards of personal hygiene	12	45.5%	354	89.2%	1657	86.2%	2210	86.6%	369	91.9%
No engaging in prostitution	26	100.0%	340	85.6%	1604	86.1%	2174	84.9%	401	100.0%
Must meet with caseworker	12	45.5%	172	49.5%	1656	88.3%	2053	83.1%	276	68.9%
Client must actively seek housing	10	37.8%	257	74.0%	1602	83.8%	2043	81.6%	374	93.3%
Required chores	10	37.8%	196	59.2%	1610	83.9%	2000	80.1%	248	61.8%
No sexual activity in facility	26	100.0%	337	84.9%	1429	75.8%	1963	77.7%	242	60.4%
Children must enroll in/attend school	0	0.0%	70	22.3%	1542	87.7%	1758	76.8%	232	60.6%
Adherence to case management plan	12	45.5%	170	49.0%	1526	79.7%	1886	75.2%	271	67.5%
No foul language in facility	26	100.0%	233	68.9%	1458	75.8%	1876	74.9%	351	87.9%
No drinking/drug use anywhere	26	100.0%	242	61.1%	1419	74.1%	1874	73.5%	321	80.0%
Limited visitors allowed	10	41.0%	173	49.8%	1495	79.7%	1814	73.5%	132	33.0%
No actively suicidal clients	10	37.8%	264	66.4%	1195	64.8%	1600	64.4%	243	60.6%
Loss of bed if long absence occurs	10	41.0%	221	63.6%	1163	62.2%	1554	63.2%	218	54.3%
No smoking in facility	16	62.2%	206	60.2%	1066	56.7%	1365	55.9%	192	47.8%

(continued)

Exhibit 3.41

Rules for Client Behavior in ESG–supported Facilities and Programs by Shelter Type

Responses	Day Shelter		Night Shelter		24–Hour Shelter		All Shelters		Non–Shelters	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
(continued)										
Must look for job unless handicapped	12	45.5%	169	48.7%	1006	54.3%	1276	52.3%	216	53.9%
No sexual offenders allowed	0	0.0%	62	17.9%	883	48.0%	1023	42.1%	271	67.4%
Must attend training sessions	12	45.5%	60	17.8%	814	43.7%	1004	41.1%	209	52.2%
Health screen required upon admission	0	0.0%	65	18.6%	615	32.1%	771	30.8%	33	8.3%
No outside visitors allowed	14	59.0%	145	38.1%	436	23.1%	672	26.8%	162	40.4%
Savings (escrow) program required	10	37.8%								
Location of facility kept confidential	0	0.0%	26	7.5%	541	28.4%	610	24.4%	180	44.8%
Participation in vocational counseling	12	45.5%	52	14.9%	445	23.3%	582	23.3%	143	35.9%
No violence in criminal records	0	0.0%	62	17.9%	423	22.6%	528	21.4%	76	18.9%
Non–school youth do volunteer work	0	0.0%	0	0.0%	247	14.6%	287	13.2%	29	7.7%
No police referrals	0	0.0%	15	4.3%	129	6.8%	150	6.0%	23	5.8%
Other	10	100.0%	47	32.0%	407	60.2%	525	56.7%	270	91.8%

Source: Provider Mailed Survey, Question 22 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 301.

Missing cases: 15–48 providers.

Notes: (1) Multiple responses possible.

John was first found crawling on hands and knees to a shelter. He had to be treated for gangrene in both feet at the local charity hospital. A physician advised that he soak the feet three times a day in a medically prescribed solution. He had no way to comply without assistance. As a homeless man, he did not possess a container to soak his feet, even if he had a place to do so. We accepted him in our lodge for four weeks, provided assistance as needed and counseling. John recovered and is presently a building engineer in one of our large companies in Oklahoma City.

Eleanor, a single parent with four children under 10, a woman accustomed to earning $30,000 a year, lost her job when the business closed down on only two weeks' notice. Also lost, in addition to income, were health insurance and pension plan. Child support had been uncollectible for over two years. The family lost their apartment, and they were living in their car. Eleanor managed to keep the two older children in school while she sought employment and housing. The youngest child required special, expensive food, and there was no money for that.

Our homeless services agency did the following: (1) found Section 8 housing for the family; (2) got a six-month supply of special food for them; (3) helped Eleanor into a retraining program; (4) secured the help of a women's civic organization to provide the family with clothing and basic household necessities until Eleanor found work and was able to resume independent functioning. Eleanor has completed the retraining program, found employment, continues on the Section 8 program, and has been able to maintain the home without further recourse to public assistance.

Mary, a single woman with four children, was determined to improve her situation. She got a Pell grant to attend the vocational technical school to become a medical transcriber. However, her landlord decided to sell the home where she and her family lived. Mary did not have any savings or extra money to find another place. Evicted and with no place to go, she ended up at our shelter, but continued to attend school throughout this. She stayed here four months, then moved to public housing while she finished school. By now, she has served on our Board for three years and was given the opportunity to become the first homebuyer in our new housing development program. Today, she is re-married, still has four children, and has been making regular payments on her mortgage for over two years!

Rafael had dreams. He wanted to be somebody. But, when he transferred to a high school with heavy drug usage, he quickly lost his focus. His world became one of parties, drugs, power, and money. Though occasionally he would remember his dreams, there was always something more pressing to tend to.

Rafael was a loner. He got close to no-one. He survived by constantly changing his address and the people in his life. He was always fighting. "Who's the toughest guy? Let me at him." His life was in constant motion. He trusted no-one. Eventually, his life-style landed him in jail -- not once, but many times. It was a call from the jail that first introduced us to Rafael.

"I almost didn't stay here," he shared with the Director, seven months after he first arrived at the shelter. "But you offered me a job and a chance to make it work." In December, Rafael graduates from school and begins his professional career. "I want to be good at what I do. I want to settle down, and," he says, "it's time to give back."

Rafael's story didn't just happen. It happened because a community cared and got involved. It happened because people were willing to take a chance on people.

Jerry and her two sons came from another area, leaving behind a very abusive husband. She told of the nights she was afraid to sleep because she wasn't sure of what he was going to do next. She also told about how she never had to worry about money or where her next meal was going to come from, and how she was torn between a comfortable lifestyle-moneywise and the horror of nights of fighting with her husband when he came home under the influence of drugs or alcohol.

Upon arrival at the shelter, she started her struggle with her new life. She received counseling for herself and her children and attended a lot of meetings held at the shelter. She learned how to budget her money and what resources were available for low-income families. Before this, she had never known what it was like to live on a budget or from paycheck to paycheck. This was a big lesson in life for her. She was encouraged by shelter staff to plan for her future and look ahead but always to remember where she had been.

Jerry had problems with her sons. They became rebellious and blamed her for the break-up of the family. She began spending time with them and learning about herself as a parent as well. She enrolled them in soccer and signed up to be a volunteer coach. She also enrolled in college, took a lot of criminology classes to learn about courts and the legal systems. By the time she left the shelter she was ready to face her husband in court. She started her divorce and filed for custody of her sons. She found a place she could afford to live after two months of searching. She was able to save enough money while at the shelter to afford the deposits and buy some used furniture. She continued to come to the support groups and counseling sessions.

Jerry has since received her degree in criminology and completed her training for police cadet. She continues to be involved with her sons' activities in sports as well as in school.

CHAPTER FOUR

EMERGENCY SHELTER GRANTS PROGRAM IMPACTS

This chapter focuses on a variety of impacts the Emergency Shelter Grants Program may have had in the jurisdictions that have received program funding. As with the implementation of the program (Chapter 3), our discussion of impacts is organized into four areas: program administration, program funding and costs, program activities, and populations served.[1] In each area, we examine the relevant data collected from the grantees, recipients, and providers involved in assisting the homeless with ESG funds. In general, we find that the entities involved with this program—be they grantees, recipients, or providers—view the program as having a variety of positive impacts, both on the capacity of the system of agencies serving the homeless and on people at risk of losing their housing or already experiencing the disruption and distress of being homeless. The ESG-supported providers served nearly 4 million individuals and families in FY 91 in a variety of ways, as well as helping prevent loss of housing for some 35,000 households. Although duplication (multiple counting of an individual or family) is a chronic problem with counting the homeless, the data gathered by this study and reported here have been closely scrutinized and (based on their consistency with other measures and data sources) appear to have substantial credibility.

4.1 Impacts Related to Program Administration

Nearly 400 state and local governments in the United States have been involved in the administration of ESG since it began. How have their efforts targeted toward the problem of homelessness been affected by participation in the program? In particular, we wish to assess the effect of program participation on:

- ***the development and success of grantee strategies***, from the point of view of both grantees and providers; and
- ***the ability of grantees to meet the needs of the homeless*** in their jurisdictions.

[1] This evaluation was conducted to address a series of research questions developed by HUD. Appendix A contains supplementary tables for each of HUD's research questions on program impact.

In addition, we will examine the ***impact of changes in program requirements*** during the FY 87 to FY 91 period, focusing on how specific changes have influenced the grantees, recipients, and providers involved with the program.

4.1.1 The Development and Success of Grantee Strategies

How successful are the grantees' strategies at matching the needs of their homeless populations with available ESG Program services and facilities? What role has the ESG played in the development of these strategies? Have some strategies been more effective than others? Chapter 3 examined the nature of the grantee's strategies for allocating funds (see Section 3.1). Here we focus more closely on the grantees' strategies for addressing the problem of homelessness and the impact of ESG participation on those broader strategies.

In general, both grantees and providers gave high ratings to strategies for matching ESG support to the needs of their homeless populations. The grantees viewed their strategies as very effective in 40 percent of the cases, somewhat effective in 51 percent of the cases, and somewhat or very ineffective in only 8.4 percent of the cases; these proportions were highly uniform across the three types of grantee (states or territories, metropolitan cities,and urban counties)[2]. The providers at a number of the intensive-study sites -- particularly Birmingham, New Orleans, Portland, Allegheny County, and Morris County -- viewed their grantee agencies as meeting needs, fitting the ESG into the broader picture, being committed to the right services (and of good quality), and focusing on the main segments of the local homeless population. However, providers in Maryland, Ohio, and Chicago thought the grantee should place a greater emphasis on homelessness prevention; in Ohio, it was also noted that the state allocation formula should take into account not just number of beds but provider performance in the past year.

The grantees identified several ways ESG had influenced their strategies for addressing the needs of the homeless. As Exhibit 4.1 shows, in equal numbers grantees indicated that their homeless programs (i.e., their support for the providers) depended on this predictable funding (38 percent) and that it enhanced their programs and services (38 percent). Availability of prevention funding and better organization of funding sources in the local jurisdiction were also

[2] The statistical significance of quantitative findings is reported at selected places in this chapter. Readers interested more generally in examining statistical significance should consult Exhibits B.22 and B.23 in Appendix B.

Exhibit 4.1

Influence of the ESG Program on Grantee Strategies

Responses	State/Territory		Metropolitan City		Urban County		All Grantees	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
How has the availability of ESG funds influenced your strategies?								
Critical, dependable source of funds	19	48.4%	65	37.2%	27	35.0%	111	38.1%
Enhances program/services	9	22.7%	70	40.4%	32	41.5%	111	38.3%
Low level of funding restricts strategies	5	12.4%	29	16.4%	16	20.5%	49	16.9%
Allows better organization in funding sources	1	2.6%	2	1.0%	5	6.0%	7	2.5%
Allows money for prevention	1	3.1%	7	3.9%	4	5.0%	12	4.1%
Allows us to deal with special populations	1	3.3%	0	0.0%	2	2.7%	3	1.1%
Other	6	14.9%	17	10.0%	3	3.6%	26	9.0%

Source: Grantee Survey, Question 29a (weighted data).
Grantee Universe=382, Survey Sample=234.

Missing Cases: 63 grantees.

Notes: (1) Base is grantees indicating some strategies have been more successful than others.
(2) Multiple responses possible.

mentioned. However, 17 percent of the respondents identified a negative influence, in that low levels of ESG funding restricted their strategies for meeting the needs of homeless and at-risk people.

Among the strategies grantees identified as particularly effective in meeting the needs of the homeless were the targeting of special populations (22.5 percent), affordable housing initiatives (18.6 percent), prevention services (9.5 percent), and rent abatement programs and other means of keeping at-risk people in their current units (7.3 percent). A small percentage of state and urban county grantees cited interagency coordination, including both public and private sector agencies, as notably effective.

Grantees among the intensive-study sites pointed to strategic successes (based on all their resources) in the following diverse areas:

- Focus on transitional housing and permanent affordable housing (State of Maryland);

- The greater stability of the formula system for allocating combined federal and state resources (State of Ohio);

- Ability to keep the shelter doors open, despite resource and cost pressures, particularly the cost of liability insurance (City of Birmingham);

- Expansion of family shelter capacity and development of an innovative homelessness prevention program; ability to provide steady support for providers at the core of the local system (Portland); and

- Use of rehabilitation funds to create shelter capacity, then operations money to keep the shelters open (Allegheny County).

4.1.2 Ability of Grantees to Meet the Needs of the Homeless

The ability of grantee jurisdictions to meet the needs of the homeless depends on a variety of factors. Elsewhere in this report we have discussed the variations in the responsibilities of grantee agencies for programs that serve the homeless (Section 2.3.1) and how grantees differ in the degree of coordination with other agencies administering such programs (Section 3.1). Here, our focus is on the share of resources the ESG contributes to the grantee agencies and how this relates to funding from other federal programs. To what extent does funding from FEMA, HHS, DOL, or the range of McKinney Act programs overlap or duplicate the ESG Program? To what extent are they complementary?

Exhibit 4.2 shows the percentages of grantees reporting funding from a variety of other federal programs addressing problems of the homeless. The programs are grouped according to the federal agency responsible for their administration. Two-thirds of the grantees reported receipt of other HUD funding in addition to ESG monies, with CDBG accounting for the largest share (at 53 percent of all grantees) and the Supportive Housing Demonstration Program next (at 10 percent). HHS programs came next, but for only 13 percent of the grantee agencies,[3] with the Emergency Community Services Homeless Grant Program (EHP) the most frequent source. Fewer than 10 percent of the grantees reported receipt of FEMA emergency food and shelter funds, but this is because FEMA monies flow to shelters and other service providers through local boards made up of representatives from FEMA and the nonprofit, charitable sector. Only a handful of grantees reported funding from DOL's job training for the homeless program or the McKinney Act programs of the Department of Veterans Affairs. Asked about the extent to which other federal programs overlap or duplicate the ESG, half the responding grantees saw no overlap, and only 5 percent saw considerable overlap.

Another way to examine the impact of the ESG Program on grantees' abilities to meet homeless needs is through the proportion of their own agency budgets coming from this program, as opposed to other sources.[4] Exhibit 4.3 shows how this proportion varies, by grantee type and for all grantees combined. Recall that not all the grantee agencies had unified responsibility for all homeless programs in their jurisdictions. Thus, the data in Exhibit 4.3 do not in most cases represent ESG monies as a proportion of the total resources being used in the jurisdiction to assist the homeless and at-risk populations. In cases where the grantee administers only a portion of homeless assistance, the proportions ***overstate*** ESG's role. On average, ESG funding represented 56.0 percent (median 53.1 percent) of the homeless funding controlled by the grantee agencies. It accounted for 46.1 percent of state grantee agency

[3] Note that the differences in administrative responsibility for homeless programs among the grantee agencies may be relevant here. Grantees were asked whether *their agency* received funds from various specified federal programs. In jurisdictions where responsibility for homeless services is divided among different agencies, these funds might flow into the area through other channels. See Section 2.3.1 for a discussion of agency coverage of homeless programs.

[4] These patterns differ greatly from those for provider budgets, discussed below.

Exhibit 4.2

Other Funding Sources for Grantees' Homeless Programs

Responses	State/Territory		Metropolitan/City		Urban County		All Grantees	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Number and percent of ESG grantees reporting that they also receive funds from...								
Department of Housing & Urban Development [a]	47	85.5%	145	66.1%	68	64.0%	261	68.3%
CDBG	21	38.4%	128	58.4%	54	50.2%	203	53.2%
Section 8 moderate rehabilitation	2	4.2%	22	9.9%	4	3.5%	28	7.3%
Supportive housing demonstration program	14	24.7%	17	7.9%	7	6.6%	38	9.9%
Supplemental assistance for facilities to assist the homeless	12	21.2%	13	5.8%	6	5.2%	30	7.8%
Department of Health & Human Services	30	54.7%	14	6.5%	4	3.6%	48	12.6%
Community mental health services for the homeless block grant	4	7.1%	3	1.6%	1	1.4%	9	2.3%
Emergency community services homeless grant program	25	44.8%	9	4.0%	1	1.3%	35	9.2%
Health care for the homeless	1	2.3%	8	3.7%	0	0.0%	9	2.5%
Department of Veteran's Affairs	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Homeless chronically mentally ill veteran's programs	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Domiciliary care for homeless veterans	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Department of Education	0	0.0%	1	0.4%	0	0.0%	1	0.2%
Adult education for the homeless	0	0.0%	1	0.4%	0	0.0%	1	0.2%
Education for homeless children and youth	0	0.0%	1	0.4%	0	0.0%	1	0.2%
Department of Labor	0	0.0%	7	3.2%	1	1.0%	8	2.1%
Homeless veteran's reintegration projects	0	0.0%	2	0.8%	0	0.0%	2	0.4%
Job training for the homeless	0	0.0%	4	1.6%	1	1.0%	5	1.2%
Federal Emergency Management Agency	0	0.0%	16	7.4%	14	13.2%	30	7.9%
Emergency food and shelter program	0	0.0%	9	4.0%	12	10.9%	20	5.3%

Source: Grantee Survey, Question 9.b (weighted data).
Grantee Universe=382, Survey Sample=234.

Missing Cases: None.

Notes: (1) Question refers to the grantee administrative agency. Where responsibility for homeless programs is divided among agencies, these funds may come to other agencies in the jurisdiction.
(a) Other than ESG.

Exhibit 4.3

Sources of Funds for Grantee Agency Budgets

Responses	State/Territory Mean percent of funds	Metropolitan City Mean percent of funds	Urban County Mean percent of funds	All Grantees Mean percent of funds
Sources of funds:				
Federal government	74.9%	84.2%	80.0%	81.7%
State government	23.1%	6.2%	10.8%	9.9%
Local government	0.8%	8.5%	8.2%	7.3%
Private foundations	0.9%	1.0%	0.4%	0.8%
Businesses	0.0%	0.0%	0.5%	0.2%
Individuals	0.0%	0.0%	0.1%	0.0%
Percent of grantee agency's budget from ESG:				
Mean	46.1%	58.5%	55.6%	56.0%
Median	46.7%	61.7%	50.4%	53.1%

Source: Grantee Survey, Question 9 (weighted data).
Grantee Universe=382, Survey Sample=234.

Missing Cases: 3 grantees from sources of funding, 1 grantee from ESG percentage.

budgets, 58.5 percent of metropolitan city grantee budgets, and 55.6 percent of the budgets of urban county grantee agencies; the mean state budget proportion is significantly less than that for cities and counties, at the 95 percent confidence level.

In general, the exhibit shows heavy grantee reliance on federal funding including ESG (mean 81.7 percent of grantee agency budgets for homeless programs). State funding for homeless programs was received by about half the state grantees (26 of 54), but only a third of county grantees (34 of 107) and less than a fourth of the city grantees (51 of 217 reporting). State monies provided 9.9 percent of resources across all the jurisdictions. Local government funds -- such as property tax, airport tax, or other general revenues -- amounted to about 8 percent of homeless funding for the city and county grantees. Other sources were very unusual for these government agencies. Thus, we see that federal resources in general, and the ESG resources in particular, account for a major portion of the homeless funding in grantee agency budgets.

The budget picture for providers is very different than that for grantees. At the provider level, ESG budgetary impact for FY 91 can be measured in terms of proportion of current operating budget. For those shelters that have done conversion, renovation, or rehabilitation with these funds, we can also examine the proportion of cumulative capital investment that has come from ESG resources. Exhibit 4.4 displays these two different measures for providers in each stratum and all providers combined.

The ***operating budget figures*** in Exhibit 4.4 refer to the providers' fiscal year during which FY 91 ESG funds were received. As we saw in Exhibit 2.19 above, for more than half the agencies in the program, ESG dollars accounted for five percent or less of operating budgets; it contributed more than a fifth of the budget for only about 10 percent of the agencies. For FY 91, the ESG resources averaged from 7.5 to 16.0 percent of provider operating budgets (lowest for operations, highest for homelessness prevention), with medians from 4.5 to 12.5 percent (for providers in the operations and essential services strata, respectively). Thus, the ESG share of provider resources for operating programs is quite modest.

The program's impact has been considerably greater on capital projects. Providers were asked for the total capital investment for improvements ***to date*** at the ESG-funded facility. They were also asked how much ESG had ***cumulatively*** contributed to these capital improvements. Thus, the capital budget data in Exhibit 4.4 reflect the much greater emphasis of ESG on capital

Exhibit 4.4

ESG Resources Compared to Total Provider Resources

Responses	Homelessness Prevention Mean	Homelessness Prevention Median	Essential Services Mean	Essential Services Median	Conversion/Rehabilitation Mean	Conversion/Rehabilitation Median	Operations Mean	Operations Median	All Providers Mean	All Providers Median
Current Operating Resources										
Total operating budget in FY 91 [a] [b]	$1,303,481	$304,519	$689,160	$275,000	$613,549	$323,500	$508,678	$300,799	$691,691	$300,000
FY 91 ESG funding excluding C/R/R [c]	$22,343	$14,000	$24,758	$28,600	$11,850	$8,739	$17,276	$13,025	$20,592	$13,565
Mean percent ESG [c]	16.0%	4.7%	11.6%	12.5%	8.0%	4.6%	7.5%	4.5%	10.3%	10.6%
Cumulative Capital Resources										
Total capital investment [d]	$342,380	$43,303	$1,702,658	$129,000	$821,149	$90,491	$656,602	$80,104	$1,046,672	$89,174
ESG capital funding [e]	$189,216	$10,942	$375,905	$40,100	$183,824	$40,700	$61,064	$31,872	$229,206	$35,100
Mean ESG percent of cumulative capital investment	38.0%	37.9%	43.0%	41.2%	56.5%	52.0%	46.8%	50.0%	48.0%	50.0%

Source: Provider Survey, Questions 9, 11, 14, and 15 (weighted data).
Provider Universe=3000–3500 (estimated), Survey Sample=651.

Missing Cases: 46 providers for operating budget, 20 providers for capital resources.

Notes:
(a) For the provider's fiscal year in which FY 91 ESG funding was received.
(b) Budget figures capped at $10 million; providers reporting agency budgets over $10 million excluded.
(c) ESG funding excluding the portion for capital projects (conversion, rehabilitation, renovation), if any. Values greater than zero only.
(d) Providers were asked the total capital investment for improvements at this facility, to date.
(e) Providers were asked the amount of ESG funds to date for these improvements.

funding in earlier years (see Section 2.3.2). They also reflect the fact that there are providers in all the strata with ESG-funded conversion or rehab experience.[5]

Across all the providers, nearly half of total cumulative capital funding has come from ESG grants. This is a high proportion, but it is consistent with what we know about the limited other sources of capital funding. As discussed in Chapter 3, CDBG is the main other resource ***available to grantees*** to support creation, expansion, or improvement of shelters and other facilities serving the homeless population. While providers may well conduct capital campaigns to raise this type of resource for major projects, raising capital from the private sector for smaller, less appealing projects -- e.g. roof replacement, handicapped access, security improvements, or electrical upgrades -- is not easy. Thus, ESG appears to have played a very significant role over time in the availability of resources for capital projects.

With regard to the effect of ESG on how well grantees can meet the needs of the homeless, we can conclude that it is currently seen as a significant resource for the grantee agencies and, over time, has been an especially important resource for providers in the area of funding for capital improvements.

4.1.3 The Impact of Changes in ESG Program Requirements

During the time the ESG Program has been in existence, from FY 87 through the year upon which this evaluation focused (FY 91), a variety of changes have been made in the program with potentially important effects on the agencies involved in the program (grantees, recipients, or providers) and on the benefits it provides to homeless and at-risk clients. Among the significant changes were the successive increases in the percentage caps on services spending, the addition of environmental review, and the inclusion of homelessness prevention as an eligible activity. What effect have changes in program requirements had on the operation and administration of the ESG Program? In particular, are there requirements that contribute to inefficiencies in its operation?

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[5] This is true for two reasons. First, the capital funding figures are cumulative over time, as noted in the text. Second, assignment of providers to strata was based on their FY 91 activity mix. Not all were funded for the single activity designated by the stratum; many were conducting multiple ESG-supported activities in FY 91. Therefore, providers in other strata than conversion/rehab may have been using ESG funds for capital work even in FY 91.

Grantees were asked how various program changes had affected their administration of the ESG. While 30 percent saw no effect, the remaining responses indicated a mixture of positive and negative impacts:

- Positive changes included raising the cap on essential services (28 percent), addition of homelessness prevention (18.6 percent), and greater flexibility (8.9 percent);

- Negative changes included environmental review (seen as restricting by 29.1 percent of the grantees), increased paperwork (5.1 percent), and the perceived 180-day restriction on homelessness prevention spending (2 percent).[6]

Providers also named a variety of effects from the ESG Program changes, with the most positive responses related to increasing the proportion of funding for essential services, as illustrated in the following survey responses:

> The increased cap [on] spending has allowed us to do more, to offer more medical care and counseling. I have also seen more independence in individuals.
>
> [The changes] made us more aware of the needs of the individual and has also afforded us the means to meet those needs.
>
> Increasing the caps has allowed us to hire more case management time, which has led to more people served, leading to more people being placed in permanent housing.

The other positive change frequently noted by providers was the addition of homelessness prevention to the program. That topic will be discussed in more detail in Section 4.3.3 below.

On the negative side, the most frequent change mentioned by providers during site visits was the problem with environmental review, which can be "time-consuming" and "onerous," with requirements "difficult to meet." The two intensive-study site grantees with experience in seeking waivers of the cap on essential services found that process time-consuming ("like

[6] There appears to be confusion about the time period applicable to expenditure of homelessness prevention funds from state grantees.

applying twice") and difficult to accomplish within the narrow time period between the Notice of Fund Availability (NOFA) and application due date.

A number of features of ESG were identified by a small proportion of grantees as contributing to inefficiencies in the operation of their programs for the homeless. These included environmental review (mentioned by 8.9 percent of all grantees), paperwork and reporting (7.9 percent), the caps on spending (4.7 percent), the tight timing between NOFA and application due dates (4.1 percent), and the 180-day homelessness prevention spending requirement (3.8 percent).

In summary, it appears that the majority of changes made to the ESG Program have had a positive effect from the point of view of the grantees and providers, although there are some issues about environmental review and homelessness prevention spending that HUD should examine for the future.[7]

4.2 Program Funding and Costs

There are two major impact questions to be addressed with regard to the area of program funding and costs. The first question concerns how the quality of services provided is affected by the statutory language limiting the percentages of program funds that can be allocated to essential services and homelessness prevention. What has been the experience of grantees operating under the caps? Has it differed for the grantees that have obtained waivers?

The second question about program impact in the area of funding and costs concerns resource complementarily or substitution. To what extent has the assistance provided by the ESG complemented existing services? Have ESG funds been substituted for other resources, and (if so) which resources have been supplanted?

4.2.1 Effects of the Spending Limitations on Essential Services and Homelessness Prevention

Limitations on the allocation of ESG Program funds to essential services spending have been a feature of the program since its inception. From an initial maximum of 15 percent, the cap on services spending was raised to 20 percent (including homelessness prevention) in FY

[7] A detailed discussion of grantee and provider recommendations for the ESG Program is presented in Chapter 5.

88, and most recently to 30 percent separately for essential services and homelessness prevention in FY 91. (In addition, administration became an allowable activity, with a 5 percent cap, in FY 91.)

What difference have the services spending limitations made to the agencies administering the program and to the providers of services under it? From the standpoint of the grantees, would priorities for the use of ESG funds be different in the absence of such caps? Are the providers aware of the caps and (if so) do they see any effects on services?

Exhibit 4.5 shows grantees' responses to several questions regarding the spending caps. Some 41 percent expressed the view that the cap on essential services and homelessness prevention spending *has* affected service quality, with the primary specific reason being that the cap limits the opportunity for sustaining services to homeless clients. Urban counties were more likely to cite the cap as a problem. Nearly half the grantees said they would assign a different priority among the four eligible activity categories if the caps were removed. There was interest in increased essential services and homelessness prevention support, with the counties showing concentrated interest in expanded prevention funding.

Given the extent of interest in exceeding the limits on services spending, it is illuminating to examine the numbers of grantees that are allocating the maximum proportion of ESG funds to services. The FY 91 funding year was the first in which the caps were raised to 30 percent and separated for essential services and homelessness prevention. Across the whole program, the grantee census shows that only 56 grantees (14.7 percent) were putting 30 percent of funding into essential services.[8] These included 4 states (Connecticut, Idaho, New Mexico, and Nebraska), 27 metropolitan cities, and 25 urban counties. Thus, actual limitation by the cap appears to occur far less frequently than expressions of interest in exceeding it.

HUD records indicate that relatively few grantees have received waivers of the cap over the life of the ESG Program (2 in FY 89, 27 in FY 90, 4 in FY 91, with some duplication from year to year). In the telephone survey, 20 non-state grantees reported applying for a waiver and receiving it; 54 others reported that they had applied but been turned down. Exhibit 4.6 shows that a somewhat greater proportion of city than county grantees were apparently denied waivers. Among the few jurisdictions obtaining permission to exceed the spending caps, one-third

[8] No grantee was approaching the prevention cap yet in FY 91, as the effective limit on it had increased so greatly. Previously, prevention spending was included within the essential services 20 percent limit.

Exhibit 4.5

Impacts on Grantees of the Limitation on Expenditures for Essential Services

Responses	State/Territory		Metropolitan City		Urban County		All Grantees	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Has the cap affected service quality?								
Yes	22	39.8%	83	37.8%	53	49.4%	158	41.4%
No	32	58.1%	137	62.2%	54	50.6%	223	58.4%
Don't Know	1	2.0%	0	0.0%	0	0.0%	1	0.3%
TOTAL RESPONSES	55	100.0%	220	100.0%	107	100.0%	382	100.0%
How has the ES limitation affected the the quality of services ?								
Quality diminished with cap	13	68.9%	61	73.5%	33	62.0%	107	69.0%
Limits opportunity for on-going services/not enough ES money	7	38.9%	30	36.3%	26	48.6%	63	40.8%
Other	3	13.4%	8	9.1%	9	17.6%	19	12.5%
Would you assign a different priority to the 4 activities if caps on essential services and homelessness prevention were removed?								
Yes	28	50.9%	100	45.2%	52	48.5%	179	47.0%
No	27	49.1%	121	54.8%	55	51.5%	203	53.1%
TOTAL RESPONSES	55	100.0%	220	100.0%	107	100.0%	382	100.0%
If the spending limitations on ES & HP were removed, what would you do differently?								
Devote more money to HP	9	33.9%	41	41.0%	23	44.4%	73	19.2%
Devote more money to ES	13	47.6%	48	48.6%	0	0.0%	62	16.2%
Redirect funding into different categories	4	13.5%	2	1.6%	13	25.5%	19	4.9%
Fund transitional housing	0	0.0%	6	6.2%	9	17.3%	15	4.0%
Have HP available for 1 year	1	3.6%	3	2.8%	9	17.5%	13	3.4%
Expand current projects	3	9.2%	0	0.0%	7	12.6%	9	2.4%
Other	4	12.5%	8	8.2%	1	2.7%	13	3.4%

Source: Grantee Survey, Questions 27, 27a, 33a (weighted data).
Grantee Universe=382, Survey Sample=234.

Missing Cases: None.

Notes (1) Multiple responses possible to the second and fourth questions.

Exhibit 4.6

Grantee Experience with Waiver of the Limitation on Essential Services Spending

Responses	Metropolitan City		Urban County		All Non–State Grantees	
	Number	Percent	Number	Percent	Number	Percent
Has your agency ever... (counts of "Yes" responses)						
Considered applying for a waiver, but didn't	10	4.7%	5	4.7%	15	4.7%
Applied for a waiver and received it	13	5.9%	7	6.5%	20	6.1%
Applied for a waiver and been turned down	41	18.5%	14	12.7%	54	16.6%
None of the above	156	70.9%	81	76.1%	237	72.6%
TOTAL RESPONSES	**220**	**100.0%**	**107**	**100.0%**	**327**	**100.0%**
Did the waiver enable you to increase the effectiveness of ESG funding?						
Substantially	3	19.4%	4	63.4%	7	34.8%
Somewhat	10	80.6%	3	36.6%	13	65.2%
Not at all	0	0.0%	0	0.0%	0	0.0%
TOTAL RESPONSES	**13**	**100.0%**	**7**	**100.0%**	**20**	**100.0%**

Source: Grantee Survey, Question 34 (weighted data).
Grantee Universe=382, Survey Sample=234.

Missing Cases: None.

Notes: (1) State grantees excluded.
(2) Second question asked only of grantees receiving waivers.

reported that they were able to increase substantially the effectiveness of ESG funding, while the remaining two-thirds reported somewhat increased effectiveness.

Two of the 15 intensive-study sites have had experience with the waiver process. The City of Boston received a waiver somewhat inadvertently, when its funding for a legal services provider (classified initially as operations) was reclassified as essential services, putting the city's services proportion above the cap. In contrast, Morris County has operated under a waiver from FY 90 to FY 92; it has spent its ESG funds entirely on essential services and homelessness prevention, in the context of a county government with additional resources from the State of New Jersey (both for homeless services and prevention) and from FEMA and other federal agencies. Even so, the grantee does not indicate an unalterable commitment to sustaining services at this high level relative to total ESG monies. Instead, in the context of a countywide interagency Comprehensive Emergency Assistance System, the allocation decision is based on provider proposals reviewed against CHAS priorities. The grantee anticipates making a capital grant from ESG funds in the near future for a transitional housing facility being planned by two of the agencies currently operating emergency shelters.

4.2.2 Resource Complementarily or Substitution

As mentioned in Chapters 2 and 3 and in Section 4.1 above, there are strong relationships between the ESG and other federal programs that support activities to assist the homeless. We have already examined the degree to which grantees are responsible for various such programs and the multiple sources of funding at the provider level. However, the fact that funding flows coincide does not tell us whether they are adding to or enhancing impact, or whether one resource is being substituted for another.

In this discussion, we attempt to address the question of complementarily or substitution between ESG funds and other resources available to the grantees and providers. In general, it is not easy to verify substitution of funds, particularly when it is typical for the providers to have so many funding sources (see Section 2.5.2). The analysis depends to a considerable extent on the data gathered through interviews with grantee and provider agency staff at the 15 intensive-study sites. It must be kept in mind that these respondents have an incentive to indicate that ESG funding has ***added*** to rather than replaced any of their resources devoted to the homeless; they are presumably aware that the program regulations are directed towards assuring that these funds are not substituted for existing resources. On the other hand, particularly for the providers, we have seen that ESG contributes only a small portion of most agency budgets (see Exhibit 2.14) and that no difficulties have been encountered in obtaining the required matching funds (see Section 3.2). These facts give us more confidence in the denials of resource substitution, as we examine the grantee and provider responses concerning resource complementarily and substitution.

Providers were asked in the telephone survey about how ESG funding had changed the services they offer to homeless and at-risk clients. Exhibit 4.7 shows that, by and large, these agencies ***were*** offering at least some of the programs and services supported by ESG before receipt of this funding. Only 23 percent of the providers reported that they were not offering any of the ESG-funded programs or services before. ***However, the ESG grants were a significant factor in expansion of services for 95 percent of these programs***, with 65 percent reporting they were very effective in using ESG funds for expansion and 32 percent reporting they were somewhat effective in doing so.

From the perspective of the grantees, has there been any change in the level of private donations or voluntary support for homeless programs as a result of the ESG Program? Just under half the grantees nationwide (180 of the 382) indicated no change at all. Of those that did see a change in resources related to ESG funding, nearly all (165 of the 168) reported increased private and volunteer support, while only 3 reported a decrease.

Evidence from the intensive-study sites generally conforms to this pattern and explains the ways in which ESG support may affect other resource flows:

- ***Increases in other funding*** may result: 1) if the grantee requires matching funds at the provider level, so that community support must be demonstrated and maintained (Maryland); 2) if the receipt of federal funding enhances provider credibility in the eyes of private supporters (Ohio); 3) if ESG grants are too small to pay for an entire addition to a program -- e.g., a new case manager or substance abuse counselor -- so more resources of other kinds must be found (Boston, Morris County); and 4) if the use of the ESG money shifts -- for example, from operations to rehab -- and other resources must be found to maintain operations (Boston);

- ***No changes to other support*** are likely: 1) if the main sources of support are United Way or FEMA, which do not alter funding decisions on this basis (Texas, Chicago); 2) if ESG monies are used for shelter operations, while private funding is raised for more appealing items like essential services and homelessness prevention (Portland); and 3) if some other resources are shrinking anyway, so that ESG funding helps to sustain programs but cannot fill the gap (California);

Exhibit 4.7

ESG Effects on Provider Services

Responses	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Prior to receiving ESG funding, were you offering any of the ESG–supported programs or services to the homeless?										
Yes	331	79.1%	759	78.9%	295	75.3%	777	75.8%	2162	77.3%
No	87	20.9%	203	21.1%	97	24.7%	248	24.2%	636	22.7%
TOTAL RESPONSES	**418**	**100.0%**	**962**	**100.0%**	**392**	**100.0%**	**1026**	**100.0%**	**2798**	**100.0%**
How would provider rate effectiveness in using ESG funding to expand services to the homeless?										
Very effective	260	79.9%	487	64.2%	183	73.9%	415	55.2%	1345	64.5%
Somewhat effective	52	16.1%	259	34.1%	62	24.9%	288	38.3%	661	31.7%
Somewhat ineffective	12	3.7%	11	1.4%	3	1.2%	5	0.6%	30	1.5%
Very ineffective	1	0.4%	2	0.3%	0	0.0%	44	5.9%	47	2.3%
TOTAL RESPONSES	**326**	**100.0%**	**759**	**100.0%**	**248**	**100.0%**	**752**	**100.0%**	**2084**	**100.0%**

Source: Provider Phone Survey, Question 41 (weighted data).
Provider Universe=3000–3500 (estimated), Survey Sample–651.

Missing Cases: 49 providers from first question, 16 providers from second question.

Notes: (1) Only respondents answering "yes" to the first queston were asked the second.
(2) Columns may not total due to rounding.

- ***Some substitution for other resources may occur***: 1) if CDBG funds have been used for some of the same activities and providers (Birmingham, Boston); 2) if the grantee consciously uses part of the ESG allocation for "gap filling," when 1 or 2 providers each year have budget shortfalls (Portland); and 3) if provider administrative personnel have also been delivering direct services, and the ESG grant (by allowing the agency to hire staff for case management or specific counseling) frees up the administrator(s) for supervisory and fund-raising responsibilities (Corpus Christi).

Thus, the grant amounts are relatively small and the overall context of ESG funding is one in which providers are accessing a variety of funding sources and devoting constant effort to maintaining support in the private sector. These factors limit the likelihood that funding from the program will substitute for other resources supporting services for the homeless.

4.3 ESG Impacts on Program Activities

In this section, we examine the impact of ESG funding on the activities carried out by the providers to assist homeless people. The discussion focuses on three specific areas of potential service impact:

- changes in the quantity and quality of shelter;
- changes in the availability of homeless services, not only as a result of ESG funding but also after the end of the grant; and
- changes in the availability of homelessness prevention assistance.

4.3.1 ESG Impact on the Quantity and Quality of Shelter

One of the most direct possible effects of the Emergency Shelter Grants Program lies in the area of shelter availability. When the program began, in the mid-1980s, the major focus of spending was on creating more and better shelter space, through conversion, renovation, and rehabilitation projects. Capital expenditures accounted for 53 percent of the initial funding round, and 56 percent of the FY 87S grant dollars were used to expand and increase shelter space.[9] As Chapter 2 described, the proportion of program funding nationwide being applied to capital projects has been diminishing since then, with just 20 percent of ESG funds obligated for conversion, renovation, and rehabilitation in FY 91. Even so, over the period FY 87 to FY 91, some $99 million dollars of capital investment[10] has been funded by the Emergency Shelter Grants Program.

Effects on the Quantity of Shelter

To what extent has the ESG Program increased the physical quantity of shelter beds across the nation? Chapter 2 described the types of capital improvements undertaken with ESG funds, and Chapter 3 discussed the implementation of conversion, renovation, and rehabilitation projects. Here we focus on the numbers of shelters and shelter beds attributable to ESG-supported activity.

Exhibit 4.8 shows grantees' views of the importance of ESG funding to increased shelter capacity. Overall, 91 percent of the grantees reported increased numbers of shelter beds in their jurisdictions since FY 87, and 75 percent reported an increase in the number of shelters. There was also a reduction in the number of underserved homeless persons, according to 63 percent of the grantees. State grantees noted these types of changes the most, urban county grantees the least. Asked to rank on a scale of 1 to 5 (with 5 highest and 1 lowest) the importance of the ESG Program in bringing about these changes, the mean scores for all grantees ranged from 3.4 (on numbers of shelters) to 3.9 (on numbers of beds); 43.9 percent ranked ESG a "5" with respect to increased beds, and 27.4 percent ranked the program a "5" with respect to reducing the underserved population. Thus, the grantees see considerable progress in terms of the quantity of shelter available, with ESG support a significant factor in accomplishing these changes.

Provider's views on the same topics are shown in the second part of Exhibit 4.8. Almost two-thirds of these agencies reported seeing increased numbers of beds, while about half indicated an increase in the number of shelters and a reduction in the underserved homeless

[9] U.S. General Accounting Office, *Homelessness: Implementation of the Food and Shelter Programs Under the McKinney Act*, Washington, D.C., December 1987. The data from this study match those of the GAO.

[10] Measured in constant, FY 91 dollars.

Exhibit 4.8

ESG Effects on the Quantity of Shelter

Responses: Grantees	State/Territory		Metropolitan City		Urban County		All Grantees	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Since the beginning of ESG in FY 87, have the following changes occurred? ("Yes" responses)								
Increased number of beds	53	96.8%	193	87.8%	103	96.1%	349	91.4%
Increased number of shelters	53	96.8%	155	70.3%	78	72.6%	285	74.7%
Reduced number of underserved homeless	36	66.0%	138	62.8%	66	61.9%	241	63.0%

	State/Territory		Metropolitan City		Urban County		All Grantees	
	Mean Ranking	Percent Ranking 5	Mean Ranking	Percent Ranking 5	Mean Ranking	Percent Ranking 5	Mean Ranking	Percent Ranking 5
How important was ESG to this change? (5=highest, 1=lowest)								
Increased number of beds	4.1	40.8%	3.9	42.8%	3.9	47.6%	3.9	43.9%
Reduced number of underserved homeless	3.8	25.1%	3.6	29.5%	3.6	24.1%	3.6	27.4%
Increased number of shelters	3.6	29.8%	3.4	33.9%	3.4	30.8%	3.4	32.3%

Source: Grantee Survey, Question 31 (weighted data).
Grantee universe = 382, Survey Sample = 234.

Missing Cases: 0–1 grantee.

Notes: (1) Multiple responses possible to first question.

Exhibit 4.8 continued

Responses: Providers	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Have you seen the following changes since the beginning of ESG in FY87?										
Increased number of beds	241	55.1%	657	66.1%	283	68.8%	794	67.0%	1975	65.2%
Increased number of shelters	167	38.1%	529	53.2%	184	44.8%	582	49.2%	1463	48.3%
Reduced number of underserved homeless	210	47.8%	567	57.0%	186	45.2%	640	54.0%	1602	52.9%

	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Mean Ranking	Percent Ranking 5	Mean Ranking	Percent Ranking 5	Mean Ranking	Percent Ranking 5	Mean Ranking	Percent Ranking 5	Mean Ranking	Percent Ranking 5
How important was ESG to this change? (5=highest, 1=lowest)										
Increased number of beds	3.9	36.9%	3.9	42.0%	4.2	44.2%	4.4	65.2%	4.1	50.9%
Increased number of shelters	3.9	44.1%	3.6	44.1%	4.2	48.0%	4.0	54.9%	3.9	48.6%
Reduced number of underserved homeless	4.0	32.5%	3.7	28.7%	3.8	39.4%	3.9	43.4%	3.8	36.2%

Source: Provider Phone Survey, Question 39 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 651.

Missing Cases: 40–47 providers.

Notes: (1) Multiple responses possible.

Exhibit 4.8 continued

Responses: Providers	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Have ESG funds been used to increase the number of available beds?										
Yes	---	---	246	33.5%	141	35.7%	145	13.0%	532	23.7%
No	---	---	489	66.5%	254	64.3%	966	87.0%	1710	76.3%
TOTAL RESPONSES	---	---	735	100.0%	395	100.0%	1111	100.0%	2241	100.0%
Total number of beds added (a)	---	---	2585	---	2672	---	2457	---	7714	---
Mean number of beds added	---	---	11.6	---	20.2	---	20.3	---	16.9	---

Source: Provider Phone Survey, Question 34 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 651.

Missing Cases: 12 providers on number of beds added.

Notes: (1) Questions not asked of homelessness prevention providers.
(a) Number of beds added was reported for 457 providers.

population. Like the grantees, the providers credited the ESG Program with a considerable role in these expansions of capacity; on average, they ranked its importance between 3.8 and 4.1 on a scale of 1 to 5. Around half the respondents ranked the ESG Program as most important in the impact on number of shelters and beds, while 36 percent ranked it that high with regard to reduction in the number of underserved homeless persons. Providers funded for shelter operations (in the operations stratum) were most likely to see these impacts.

The third part of Exhibit 4.8 looks directly at the use of ESG to increase the number of available beds. Almost a quarter of the providers reported using ESG funds to add beds, with a total increase of 7,714 nationwide in the number of available beds (an average of 16.9 beds per provider agency).[11] Taken together, these data indicate that the Emergency Shelter Grants Program has some effect on increasing the quantity of shelter available among these providers; the added beds represent 7.1 percent of their total capacity.

Exhibit 4.9 shows how the ESG-funded shelters viewed the program's effect on the quantity of shelters (comparing among day, night, and 24-hour shelters). Like the providers more generally, shelters viewed the ESG Program as having contributed to increases in the number of available beds and shelters and to reductions in the number of underserved homeless persons.

Effects on the Quality of Shelter

To what extent has the ESG Program improved the physical quality of the shelters it supports across the nation? Such improvements could be in a variety of areas, including habitability, security, amenities, drug-free environment, handicapped accessibility, and utility of spaces for service provision. To give some specific sense of the work accomplished with ESG capital grants, Exhibit 4.10 shows examples from the selected providers in the intensive-study sites. The tremendous variety of projects undertaken -- from restoration of the structural integrity of a family shelter whose building was settling (Boston) to increased handicapped accessibility (Tuscaloosa, Chicago, California) to adding common space and a play yard (Jefferson County) -- is a reflection of the different needs and circumstances to which the ESG

[11] The 95 percent confidence interval for the number of added beds is 5,525 to 9,903. Note that this estimate of added beds covers the full program period (FY 87-FY 91), as respondents were asked whether ESG funds had *ever* been used to increase the number of available beds. Note, too, that this is probably an underestimate, because providers in the homelessness prevention stratum were not asked this question.

Exhibit 4.9

ESG Effects on the Quantity of Shelter, by Shelter Type

Responses	Day Shelters		Night Shelters		24–Hour Shelters		All Shelters [a]	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Since the beginning of ESG in FY 87, have the following changes occurred? ("Yes" responses)								
Increased number of beds	91	78.2%	129	71.8%	1282	71.4%	1657	70.5%
Increased number of shelters	76	63.1%	115	64.5%	887	49.9%	1190	51.5%
Reduced number of underserved homeless	54	58.0%	91	46.4%	995	60.3%	1340	57.4%

	Day Shelters		Night Shelters		24–Hour Shelters		All Shelters [a]	
	Mean Ranking	Percent Ranking 5	Mean Ranking	Percent Ranking 5	Mean Ranking	Percent Ranking 5	Mean Ranking	Percent Ranking 5
How important was ESG to this change? (5=highest, 1=lowest)								
Increased number of beds	4.1	57.0%	4.1	34.3%	4.1	52.9%	4.1	51.6%
Reduced number of underserved homeless	3.9	45.7%	4.0	24.7%	3.9	53.9%	3.9	49.2%
Increased number of shelters	3.8	22.9%	3.2	14.6%	4.0	39.6%	3.9	36.1%

Source: Provider Phone Survey, Question 39 (weighted data).
Provider Universe=3000–3500 (estimated), Survey Sample=651.

Missing Cases: 40–66 providers.

Notes: (1) Multiple responses possible.
(a) Includes 66 shelters of unknown type.

Exhibit 4.10
Specific Impacts of ESG Funding on the Quality of Shelter

Intensive-Study Site	Examples of ESG Capital Improvements Projects
Alabama	*Tuscaloosa Spouse Abuse Network Shelter*: make one bathroom handicapped-accessible; add secure play yard for the children *Alf Cox Fellowship House, Montgomery*: remodel kitchen and add diningroom and laundry
California	*The Depot:* remodel to make 13 rooms from 7; add 2 handicapped-accessible bathrooms and showers; add institutional kitchen and diningroom for 60 clients
Maryland	*Family Resource Center, Cumberland*: new cabinets, countertops, sinks, appliances, and fixtures for kitchen of a domestic violence shelter
Ohio	*Friends of the Homeless, Columbus*: compliance with safety and security codes
Texas	*Cove House, Copperas Cove*: renovation of a food storage building, addition of playground equipment, for a public shelter serving men, women, and children
Birmingham, AL	*Interfaith Hospitality House*: repair 92-year-old building that has housed 500 families in the last decade
Boston, MA	*Roxbury Multi-Service Center*: rehabilitation to restore structural integrity of 19-unit family shelter *Women's Lunch Place*: addition of a quiet room, nap room and primary medical care space, clothing distribution room, playroom, housing advocacy room, showers, laundry, and food storage area to a day shelter and feeding station for women and children
Chicago, IL	*Franciscan Outreach:* addition of handicapped-accessible lift and showers, resetting of sprinkler system

Exhibit 4.10, continued

Intensive-Study Site	Examples of ESG Capital Improvements Projects
Corpus Christi, TX	*The Women's Shelter:* reconstruction of space for laundry facilities and storage *Metro Ministries:* rehab of shelter floors, bathrooms, and air-conditioning system; replacement of equipment in feeding facility *Dos Mundos Day School*: reconstructed facility to provide space for toddlers, added air conditioning, and upgraded wiring
New Orleans, LA	*Recovery Works*: replacement of roof on shelter buildings for single men, women, and families
Allegheny Co., PA	*Debra House:* replacement of roof on transitional shelter for women working toward self-sufficiency (and their children)
Jefferson Co., AL	*Bread & Roses Hospitality House:* add 3,000 sqaure feet of space for common areas and children's play area

Program can respond. Exhibit 4.11 shows more generally the types of improvements undertaken with ESG rehabilitation grants. Interior remodeling, structural work, and plumbing and electrical repairs or improvements were the most common, but nearly half the providers using these funds carried out safety improvements for children.

Exhibit 4.11 also shows grantees' views of the importance of ESG funding to increased shelter quality. Between 74.6 and 94.1 percent of the grantees reported improvements in shelter security, habitability, and amenities. An enhanced drug-free environment was less frequently seen (70.7 percent). Reduction in the number of homeless persons was only observed by 30.4 percent of the grantees. Again, state grantees reported the improvements in greater proportion than the city or county grantees. Asked to rank the importance of ESG support in accomplishing these quality improvements, the grantees gave the program a rank of "5" (most important) from 22.9 to 30.1 percent of the time on most items, but 40.8 percent of the time for reducing the number of homeless.

Provider's views on the same topics are shown in the second part of Exhibit 4.11. Again, a high proportion reported observing improved habitability and amenities (76.6 to 79.4 percent); a smaller proportion noted improvements in security or drug-free environment (42.3 to 49.6 percent). Homelessness prevention providers were significantly less likely than others to have observed improvements in quality, perhaps because many fewer of them are shelter operators. When asked to rank the importance of the ESG Program's contribution to these quality improvements, 42.4 to 48.2 percent ranked the program as "5" (most important) for improved habitability and amenities, while 31.4 to 33.3 percent ranked it "5" for increased security and drug-free environment. About a fourth of the provider agencies reported observing reduced numbers of homeless persons, and 40.4 percent of those agencies indicated ESG was most important to that outcome.

For only the ***shelters*** surveyed in this study, Exhibit 4.12 shows an assessment of ESG effects on various aspects of shelter quality. The largest group, 24-hour shelters, on average, ranked ESG's importance as 4.0 or greater on improving shelter habitability and amenities. All three types of shelters saw fairly widespread improvements in these areas since ESG began in FY 91. Taken together, these data indicate that the Emergency Shelter Grants Program has had a considerable impact on increasing the quality of shelter for the homeless population nationwide.

Exhibit 4.11

ESG Effects on the Quality of Shelter

Responses: Grantees	State/Territory Number	State/Territory Percent	Metropolitan City Number	Metropolitan City Percent	Urban County Number	Urban County Percent	All Grantees Number	All Grantees Percent
Since the beginning of ESG in FY87, have the following changes occurred?								
Improved habitability of shelters	55	100.0%	203	92.4%	101	94.4%	359	94.1%
Improved amenities in shelters	53	95.6%	195	88.5%	95	88.4%	342	89.5%
Increased security of shelters	42	75.9%	170	77.4%	73	68.4%	285	74.6%
Enhanced drug–free environment	45	81.4%	143	65.2%	82	76.4%	270	70.7%
Reduced number of homeless	16	28.7%	72	32.9%	28	26.2%	116	30.4%

	State/Territory Mean Ranking	State/Territory Percent Ranking 5	Metropolitan City Mean Ranking	Metropolitan City Percent Ranking 5	Urban County Mean Ranking	Urban County Percent Ranking 5	All Grantees Mean Ranking	All Grantees Percent Ranking 5
How important was ESG to this change? (5=highest, 1=lowest)								
Improved habitability of shelters	4.2	20.0%	4.1	23.4%	3.8	23.5%	4.0	22.9%
Improved amenities in shelters	3.8	16.3%	3.7	25.8%	3.9	22.4%	3.8	23.2%
Reduced number of homeless	3.5	40.2%	3.5	40.0%	3.3	42.5%	3.5	40.8%
Increased security of shelters	3.7	24.0%	3.4	30.3%	3.2	33.1%	3.4	30.1%
Enhanced drug–free environment	3.5	22.1%	3.5	31.5%	3.3	21.7%	3.4	27.8%

Source: Grantee Survey, Question 31 (weighted data).
Grantee Universe = 382, Survey Sample = 234.

Missing Cases: None.

Notes: (1) Multiple responses possible to first question.

Exhibit 4.11 (continued)

Responses: Providers	Homelessness Prevention Number	Homelessness Prevention Percent	Essential Services Number	Essential Services Percent	Conversion/Rehabilitation Number	Conversion/Rehabilitation Percent	Operations Number	Operations Percent	All Providers Number	All Providers Percent
Have you seen the following changes since the beginning of ESG in FY87?										
Improved habitability of shelters	251	57.3%	781	78.6%	352	85.7%	1020	86.1%	2404	79.4%
Improved amenities in shelters	279	63.7%	756	76.0%	331	80.7%	952	80.4%	2318	76.6%
Increased security of shelters	123	28.0%	501	50.4%	205	50.0%	451	38.1%	1281	42.3%
Enhanced drug-free environment	185	42.3%	551	55.4%	193	46.9%	572	48.3%	1501	49.6%
Reduced number of homeless	119	27.1%	233	23.4%	74	18.1%	335	28.3%	761	25.1%

	Homelessness Prevention Mean Ranking	Homelessness Prevention Percent Ranking 5	Essential Services Mean Ranking	Essential Services Percent Ranking 5	Conversion/Rehabilitation Mean Ranking	Conversion/Rehabilitation Percent Ranking 5	Operations Mean Ranking	Operations Percent Ranking 5	All Providers Mean Ranking	All Providers Percent Ranking 5
How important was ESG to this change? (5=highest, 1=lowest)										
Improved habitability of shelters	4.2	52.8%	4.0	41.5%	4.4	59.6%	4.2	47.7%	4.2	48.2%
Improved amenities in shelters	4.2	50.2%	3.8	31.3%	4.3	50.7%	4.1	46.5%	4.0	42.4%
Reduced number of homeless	3.6	29.7%	3.8	29.2%	3.6	32.6%	3.9	53.5%	3.8	40.4%
Enhanced drug-free environment	3.7	30.9%	3.3	23.2%	3.4	32.9%	3.7	42.6%	3.5	33.3%
Increased security of shelters	3.5	29.6%	3.0	20.5%	4.0	50.6%	3.7	35.9%	3.4	31.4%

Source: Provider Phone Survey, Question 39 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 651.

Missing Cases: 21–64 providers.

Notes: (1) Multiple responses possible to first question.

Exhibit 4.12

ESG Effects on the Quality of Shelter, by Shelter Type

Responses	Day Shelters		Night Shelters		24-Hour Shelters		All Shelters [a]	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Have you seen the following changes since the beginning of ESG in FY87?								
Improved habitability of shelters	92	77.1%	189	95.2%	1628	91.0%	2096	89.6%
Improved amenities in shelters	94	81.2%	166	86.7%	1541	89.2%	1976	87.2%
Increased security of shelters	59	60.2%	93	48.5%	868	54.5%	1094	52.6%
Enhanced drug-free environment	54	58.0%	91	46.4%	995	60.3%	1229	56.2%
Reduced number of homeless	9	6.9%	51	24.9%	550	30.8%	661	27.9%

	Day Shelters		Night Shelters		24-Hour Shelters		All Shelters [a]	
	Mean Ranking	Percent Ranking 5	Mean Ranking	Percent Ranking 5	Mean Ranking	Percent Ranking 5	Mean Ranking	Percent Ranking 5
How important was ESG to this change? (5=highest, 1=lowest)								
Improved habitability of shelters	4.3	43.3%	4.0	48.7%	4.2	48.9%	4.2	49.5%
Improved amenities in shelters	3.9	29.1%	4.3	56.2%	4.0	42.9%	4.0	43.2%
Reduced number of homeless	5.0	100.0%	2.8	12.2%	4.0	43.4%	3.8	38.8%
Enhanced drug-free environment	3.7	31.7%	3.4	26.1%	3.5	33.0%	3.5	32.4%
Increased security of shelters	3.0	17.9%	4.0	57.5%	3.4	30.6%	3.4	32.7%

Source: Provider Phone Survey, Question 39 (weighted data).
Provider Universe = 3000-3500 (estimated), Survey Sample = 651.

Missing Cases: 21-66 providers.

Notes: (1) Multiple responses possible to first question.
(a) Includes 66 shelters of unknown type.

4.3.2 ESG Impact on Service Availability

How has the Emergency Shelter Grants Program affected the availability of services for homeless people? We wish to examine possible changes in homeless services, not only during the period of ESG funding but also after the end of the grant.

Over 90 percent of the grantees reported observing increased social service availability for the homeless population during the program period (FY 87 to FY 91), and 77 percent of the providers reported the same. About a quarter of the grantees and 40 percent of the providers ranked ESG support as "5" (most important) in bringing about this change.

Apart from expansions of existing services offered by the provider agencies, giving them the ability to serve more clients, the ESG funding may have contributed to the ***addition or start-up*** of specific elements of their service programs. Providers were asked, regarding some two dozen services, whether it was offered by the agency now and whether it had been offered before the receipt of ESG funds. Exhibit 4.13 compares the numbers of providers offering specific types of assistance to homeless persons and shows the expansion of services since the receipt of ESG resources. ***These are limited to services directly supported by FY 91 ESG monies.*** The services are grouped according to the analysis in Chapter 3: assistance, skills development, and treatment/counseling. Each group shows instances of striking increases in service availability; most notable are increased numbers of providers offering support groups, childcare, other basic skills training (often budget or money management), and treatment or counseling related to substance abuse and psychological or physical condition. Thus, it appears ESG support has directly contributed to the addition of these services.

We can also examine data from the intensive-study sites to identify examples of services upon which ESG support has had a major effect. In Exhibit 4.14, the examples all concern significant changes or additions to the services offered, not just expansion of existing services to accommodate more clients. For instance, a Maryland provider added childcare services in a shelter for single mothers and their children, to enable the mothers to attend job training and interviews. The agency reported that, of those who stayed in the shelter over 30 days, 52 percent of the women who had entered the shelter without employment had obtained jobs by the time they left. A Morris County shelter was able to create a day program for its own family clients and the additional families sheltered overnight in area churches; ESG funds pay for daily transportation of the latter group and the salary of a daytime program supervisor who manages

Exhibit 4.13

Expansion of Provider Services Since the Start of ESG Funding

Service Offered with ESG Support	Number of Providers Offering Service... Before ESG Funding	Only Since ESG Funding	Percent Increase in Number of Providers since ESG Funding
Assistance			
Entitlement benefits [a]	856	219	25.6%
Finding housing	880	502	57.0%
Daily living skills	762	208	27.3%
Transportation	743	239	32.2%
Support groups	188	221	117.6%
Nutrition counseling	251	87	34.7%
Job referral	512	226	44.1%
Child care	112	185	165.2%
Skills development			
GED preparation	244	175	71.7%
Other basic skills	52	103	198.1%
Vocational counseling	271	162	59.8%
Job training	300	7	2.3%
ESL classes [b]	0	17	---
Treatment/counseling			
Substance abuse	128	214	167.2%
Psychological	82	171	208.5%
Medical	135	175	129.6%
Detoxification/other drug	108	42	38.9%

Source: Provider Mailed Survey, Q.19 (weighted data).
Provider Universe=3000–3500 (estimated), Survey Sample=301.

Notes: (1) Services are grouped according to the analysis in Chapter 3.
(2) Beds, meals, and clothing are not included.
(3) Expansion figures are only for services being provided with ESG support.
(a) For example, welfare, food stamps, SSI.
(b) English as a Second Language.

Exhibit 4.14
Specific Impacts of ESG Funding on Essential Services Provision

Intensive-Study Site	Examples of ESG Impacts on Essential Services
California	Case managers or community resource specialists added to four of five providers' programs
Maryland	Provision of childcare services for female single parents in shelter, enabling attendance at job training and employment interviews
Ohio	Provision of night security and counseling, allowing 24-hour operation of shelters for single men and women
Texas	Addition of a counselor to a shelter for adolescents
San Francisco, CA	Provision of case management in evening hours at one shelter; assurance that 29 agencies providing homelessness prevention assistance also provide case management to each HP client
Allegheny Co., PA	Countywide agency provides classes in life skills and budget management to at-risk clients, who receive food and furniture vouchers from the Salvation Army when they complete classes
Jefferson Co., AL	Provision of case management for all Bread and Roses guests
Morris Co., NJ	Creation of a day counseling program for families in Morris Shelter and families from the night-only Interfaith Council church shelter Addition of an evening counselor for emergency intake and drug/alcohol counseling in a battered women's shelter

the counseling and class schedules. (Counseling staff are paid from other sources.) In California, Jefferson County, and San Francisco, several providers were able to add case management (often as a required aspect of service delivery) using these funds.[12]

The evaluation data base does not allow direct observation or estimation of service programs' capacity to serve increased numbers of clients. But the examples from the 15 sites make clear that ESG support can be critical to making major additions to service programs, thereby meeting more client needs.

How long do clients reside in ESG shelters? What factors influence their length of residency? Exhibit 4.15 presents data from the providers responding to the telephone survey on these subjects. Across all the shelters, mean length of stay was 70 days, and median length was 30 days. However, this varied from a handful of shelters with stays of less than 5 days to a handful reporting average stays over a year. For 95 percent of these agencies, the average duration of residence per client was 9 months or less. By type of shelter (Exhibit 4.16), 24-hour shelters had the longest median stays, at 30 days; the small number of day shelters showed great variability in length of stay.[13]

A range of factors were identified as influences on length of stay. The three most frequently cited by the agencies (with all providers shown in Exhibit 4.15 and shelters only in Exhibit 4.16) were the extent of the client's problems, client cooperation, and the availability of permanent housing. While the first two of these factors would affect how soon a client could be ready for transition from the shelter, the third could limit the departure of even the most ready clients. Client financial stability was among the other factors prominently mentioned, as was expiration of the shelter time limit.[14] Although nearly 80 percent of the providers in this study reported turning away eligible clients (averaging 43 per provider in the last month), availability of services or staffing or funding was not often given as a limiting factor once a homeless person or family was in a shelter.

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[12] In some shelters, all clients must have a case management plan and must attend frequent (usually weekly) meetings with their case managers. In Portland, participation in case management has been made a *system-wide requirement* for homeless persons wishing to use shelter or services.

[13] Two extremely high figures affected the mean for this group and made it much higher than the median.

[14] No direct data on shelter time limits are available from this study.

Exhibit 4.15

Client Length of Stay in ESG–Supported Programs

Responses	Homelessness Prevention		Essential Services		Conversion/Rehabilitation		Operations		All Providers	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Length of stay (in nights):										
Mean	---	---	54.5	---	92.6	---	72.6	---	70.5	---
Median	---	---	28	---	40	---	30	---	30	---
Factors influencing length of stay:										
Extent of client problems	186	42.3%	467	46.9%	121	29.5%	531	44.8%	1304	43.1%
Availability of permanent housing	135	30.8%	440	44.2%	151	36.8%	566	47.8%	1293	42.7%
Cooperation of client	100	22.9%	365	36.7%	203	49.4%	528	44.6%	1197	39.5%
Shelter time limit expires	71	16.3%	205	20.6%	92	22.5%	286	24.1%	655	21.6%
Financial stability	114	26.1%	209	21.0%	86	20.9%	238	20.1%	647	21.4%
Length of time to get entitlements	45	10.2%	74	7.4%	35	8.6%	127	10.7%	280	9.3%
Safety of client	14	3.3%	12	1.2%	38	9.2%	184	15.5%	248	8.2%
Availability of staff/services/funding	36	8.2%	78	7.8%	20	4.8%	59	5.0%	192	6.4%
Length of time to get Section 8	44	10.1%	41	4.1%	16	3.9%	54	4.5%	155	5.1%
None/no time limit	13	3.0%	39	3.9%	19	4.5%	56	4.7%	127	4.2%
Other	64	14.6%	185	18.6%	37	9.0%	143	12.1%	429	14.2%

Source: Provider Phone Survey, Question 22 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 651.

Missing cases: 15 providers.

Notes: (1) Multiple responses possible.
(2) Length of stay not asked of homelessness prevention stratum.

Exhibit 4.16

Client Length of Stay in ESG–Supported Programs, by Shelter Type

Responses	Day Shelters		Night Shelters		24–Hour Shelters		All Shelters [a]	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Length of stay (in days or nights):								
Mean	310.1	---	37.2	---	63.9	---	70.6	---
Median	10.0	---	16.0	---	30.0	---	30.0	---
Factors influencing length of stay:								
Extent of client problems	56	45.0%	86	41.3%	791	42.2%	1050	42.4%
Availability of permanent housing	30	23.9%	71	34.0%	965	51.5%	1171	47.3%
Cooperation of client	47	37.6%	68	32.4%	882	47.1%	1079	43.6%
Shelter time limit expires	15	12.4%	66	31.6%	451	24.1%	603	24.3%
Financial stability	35	28.0%	45	21.6%	394	21.0%	517	20.9%
Length of time to get entitlements	16	12.5%	24	11.7%	160	8.5%	237	9.6%
Safety of client	0	0.0%	25	11.7%	207	11.0%	243	9.8%
Availability of staff/services/funding	4	3.4%	11	5.4%	112	6.0%	138	5.6%
Length of time to get Section 8	8	6.2%	2	1.2%	103	5.5%	138	5.6%
None/no time limit	15	12.2%	19	8.9%	63	3.4%	110	4.5%
Other	20	16.0%	13	6.2%	206	11.0%	256	10.3%

Source: Provider Phone Survey, Question 22 (weighted data).
Provider Universe = 3000–3500 (estimated), Survey Sample = 651.

Missing cases: 0–66 providers.

Notes: (1) Multiple responses possible.
(a) Includes 66 shelters of unknown type.

ESG funding has been allocated to shelters and other homeless services providers that offer supportive services to their clients in addition to food, clothing, and shelter. Based upon evidence both from the surveys of ESG-funded providers and from the 15 intensive-study sites, there has been a definite positive impact on service availability brought about through ESG funding. ESG support has been important both to expansion of existing services and to start-up of new services within the provider agencies.

4.3.3 ESG Effects on Homelessness Prevention Activity

When homelessness prevention was added to the ESG Program as a separate eligible activity category in FY 89, prevention efforts were already receiving federal support under other programs. In particular, FEMA's Emergency Food and Shelter Program and HHS's Emergency Community Services Homeless Grant Program were providing prevention funds to provider agencies around the country. Given this fact, what has been the effect of adding ESG resources to the flow of funds for prevention?

Many grantees and providers have welcomed the opportunities for increased homelessness prevention activity through ESG. As one provider said, "The prevention portion has helped us get the message out and educate kids and adults about the seriousness of the problem -- the high risk of the problem." Exhibit 4.17 shows examples from the intensive-study sites of significant changes in local homelessness prevention programs that resulted from receipt of Emergency Shelter Grants Program funding. The exhibit does not list the programs at the 15 sites that simply increased the numbers of at-risk and homeless clients they could serve. Instead, it focuses on enhancements to the programs, such as the addition of case management or client follow-up for those receiving prevention assistance, or development of innovative approaches, or expansion to new areas or populations (Boston).

Grantees that funded homelessness prevention activities in FY 91 were asked how many potentially homeless individuals and families had been able to retain their housing as a result of prevention measures undertaken with ESG Program funds. Across the jurisdictions supporting prevention programs, 43 grantees reported a total of 16,790 individuals, and 76 grantees reported a total of 17,330 families assisted to retain their housing.[15] Thirty states accounted for about half the individuals and almost 40 percent of the family tally. If we place credence

[15] The estimates of families and individuals are discussed further in Section 4.4.1 below.

Exhibit 4.17

Specific Effects of ESG Funding on Homelessness Prevention Programs

Intensive-Study Site	Examples of Effects on Homelessness Prevention Programs
Ohio	*Add client follow-up* for homelessness prevention clients of a Community Action Agency program
Birmingham, AL	*Add caseworker* for at-risk clients, including elders, who receive homelessness prevention assistance (rent, utilities, medicine payments assistance)
Boston, MA	*Expand* innovative homelessness prevention program in one neighborhood health center to two more centers, with 75 percent more clients served
Portland, OR	*Develop* rent co-payment program (provider and client share rent payments over 3-month period) to assist in stabilization; *establish* revolving security deposit fund for homeless families entering public housing (repaid to housing authority in 3 monthly installments)
San Francisco, CA	*Coordinate* homelessness prevention assistance (including case management) across 29 service providers, to assist approximately 600 individuals and families per year

in these counts, and divide the national ESG homelessness prevention sum of $6,698,752 in FY 91 across them, the average ESG amount spent per case to prevent loss of housing was $196.33. This is an extremely modest amount, compared to the cost of sheltering and otherwise assisting an individual or family that loses its permanent housing. It must be assumed that other resources available to the providers were also used to assist these individuals and families, i.e., for case management, counseling, and other services.

It would be desirable to know more about the long-run outcomes for those benefitting from homelessness prevention assistance, so that we could assess the probabilities and costs of long-term success. Even absent this information, it seems clear that the ESG funding has brought about an important expansion of homelessness prevention programs. Further, in FY 91, it supported intervention to prevent loss of housing for over 34,000 households nationwide.

4.4 ESG Program Impacts on Populations Served

Perhaps the most important question of all about program impacts is how many people are assisted by the ESG Program. By themselves, estimates of the number of homeless and at-risk persons receiving program benefits do not tell us a great deal. But against the full backdrop of how the program operates, the grantee and provider agencies that are part of it, and the activities they carry out, we are now able to examine such estimates and make sense of their meaning. It is also necessary to consider the continuing unmet needs of the groups the program serves.

4.4.1 Estimates of Population Served by the ESG Program

In this section, we examine various estimates of the number of homeless and at-risk persons served by the ESG Program in FY 91. Among the measures of population served are:

- the annual number of shelter days/nights provided by the ESG-funded agencies;
- the annual number of individuals served by the provider agencies;
- the annual number of families served by the provider agencies;
- for those provider agencies doing follow-up on their clients, the number placed or kept in permanent housing situations in the past year;

- for providers carrying out homelessness prevention activities, in the past year, the number of individuals and families able to retain their current housing or find other permanent housing; and

- for the grantee jurisdiction as a whole, the number of potentially homeless individuals and families able to retain their housing as a result of homelessness prevention measures undertaken with ESG Program funds.

Each of these measures refers to the population served by the entire facility or program being supported with ESG FY 91 funding. The counts are not specific to individuals or families benefitting directly from provider spending of these monies. Indeed, given what we know about the financial picture for the provider agencies -- the multiplicity of funding sources and the relatively small portion accounted for by this program (see Exhibit 4.4) -- it would be extremely difficult (and probably nonsensical) to seek the numbers of specific beneficiaries.

The responses of grantees and providers in surveys and site visit interviews often indicated that ESG funding was important to the organization as a whole, whether to the overall grantee strategy, or to the addition of a service or expansion of coverage for the full clientele of the provider agency. For this reason, one set of figures aggregates the measures of total population served across all the providers in the program. These figures may be considered an upper boundary on estimates of the number of homeless persons assisted by the ESG Program.

A second set of figures has been derived based on the relationship between ESG funding amounts and the total budgets of the provider agencies. This set of estimates is ***scaled for the relative contribution of this funding source*** compared to others received by the agencies. The scaled figures do not take into account what ESG resources may have purchased at the margin, for example a substance abuse counselor for the evening hours, available to all the shelter clients, or a day program of workshops and case management where there was no daytime programming at all before. Thus, the scaled figures may be considered a lower boundary on estimates of the number of homeless persons assisted by the ESG Program.

As noted previously (in Section 2.5.3), the reader should be aware that there may be some duplication in the population counts reported by the ESG grantees and service providers. It is possible that the counts of individuals and families served overlap, although it is most common for providers to keep separate counts. However, we will show that the population data are consistent with other facts about the providers, so that some confidence can be placed in them. Further, in the case of some day shelters and feeding programs, the counts have been adjusted to convert from numbers of meals served to numbers of individuals served.

Exhibit 4.18 presents the various measures of population served, showing for each the total served across all providers, and the mean and median numbers per provider. These are first given in total, then scaled by ESG budget contribution. The exhibit shows that nearly 28 million shelter days/nights were provided by ESG-funded shelters in FY 91; the average per shelter (about 12,600) is approximately 365 days/nights of operation in a 35-bed facility running at full capacity or 365 days/nights of operation in a 50-bed facility averaging 71 percent occupancy. This is consistent with our data about the average shelter size and occupancy in the program in FY 91. Even when the number of shelter days/nights is scaled downward according to the (often modest) ESG contribution to provider operating budgets, the figure of 1.565 million shelter days/nights represents a full year of shelter for nearly 4,300 persons.

In that same year, we estimate on the basis of provider responses that about 2.8 million[16] individuals and 1 million families were assisted by the agencies receiving FY 91 ESG funding. Although these are large numbers, recall that this ESG Program funding is (for most providers) only a small part of overall resources. The figures also show the influence of a few very large agencies in the sample; median figures of 422 individuals and 170 families served per agency are perhaps more indicative of the typical experience of ESG-funded providers. Scaled downward according to the ESG budget contribution, the estimates show nearly 166,000 individuals and more than 37,000 families assisted by the program. If the average ESG grant to a provider agency in FY 91 ($20,592) assists 89 individuals and/or 40 families, then the average per-case cost is between $231 and $515. Of course, other resources are probably used as well. Naturally, too, the services offered and the actual costs of delivering them vary among particular providers, and the outcomes vary by client. But the figures show the basic credibility of the total estimates of population served. This credibility is particularly important, because duplication in counting the homeless population is a pervasive problem for providers and policymakers alike.

Those providers carrying out follow-up on their clients were asked how many clients were known to have been placed or kept in permanent housing. These data represent a somewhat better estimate of the number of clients and families achieving independent living

[16] The 95 percent confidence interval for this figure is from 1,901,070 to 3,698,276 individuals served.

Exhibit 4.18

ESG Impacts: Measures of Population Served

Measures of Population Served (a)	Total Population Across All Providers			Population Scaled by ESGP Operating Budget Contribution (c)		
	Sum	Mean (b)	Median	Sum	Mean (b)	Median
Shelters:						
Annual number of shelter days/nights	27,932,710	12,643.5	6,214	1,565,873	850.8	365
All Providers:						
Number of individuals served	2,799,673	1,247.0	422	165,586	89.0	23
Number of families served	1,081,619	935.6	170	37,442	40.2	8
TOTAL (d)	**3,881,292**	**1471.9**	**429.0**	**203,028**	**92.2**	**21.9**
Providers doing follow-up:						
Number of individuals placed or kept in permanent housing	205,126	163.2	102	15,805	14.2	4
Number of families placed or kept in permanent housing	64,854	81.7	45	4,228	5.8	1
TOTAL (d)	**269,980**	**169.9**	**103.0**	**20,033**	**14.1**	**4.0**
Providers conducting homelessness prevention activities:						
Number of individuals retaining or finding permanent housing	17,676	79.6	75	2,151	10.6	4
Number of families retaining or finding permanent housing	22,597	76.0	60	3,223	12.9	2
TOTAL (d)	**40,273**	**107.0**	**92.5**	**5,374**	**16.6**	**3.7**
Grantees funding homelessness prevention activities:						
Number of at-risk individuals able to retain their housing as a result of homelessness prevention:	16,790	235.1	100	7,793	111.0	49
Number of at-risk families able to retain their housing as a result of homelessness prevention:	17,330	142.2	55	5,689	48.2	25
TOTAL (d)	**34,120**	**205.9**	**97.0**	**13,482**	**83.3**	**34.2**

Source: Provider Phone Survey, Questions 19, 23, 28 (weighted data); Grantee Survey, Question 36 (weighted data).
Grantee Universe=382, Survey Sample=234; Provider Universe=3000–3500 (estimated), Survey Sample=651.

Missing Cases: 66 to 124 providers; 16 to 47 grantees.

Notes: (a) The respondents to each question differ, as indicated in the labels for each row.
(b) Mean per provider or grantee reporting.
(c) Percent of agency operating budget attributable to ESG FY 91 grant, with capital funding excluded.
(d) Totals combine individuals and families, thus representing numbers of "client cases" served. Duplication in numbers is possible, but the extent is unknown.

through the assistance of the ESG-supported agencies. Across the entire program, it appears that roughly 205,000 clients and 65,000 families have ***regained or retained*** permanent housing through the intervention of the ESG-funded providers. Scaled downward according to the dollar contribution of ESG funds to provider operating budgets, some 16,000 individuals and over 4,000 families are still estimated to have ***regained or retained*** independent living through services attributable to this program.

Exhibit 4.18 also presents two sets of figures related to the numbers of homeless and at-risk people assisted by ESG-supported homelessness prevention efforts. Section 4.3 already discussed some of these estimates, concluding (on the basis of grantee responses) that it costs an average of about $200 per case in ESG funds to intervene with money for back rent, back utilities, a security deposit, or the first month's rent on a new apartment.[17] In Exhibit 4.18, the providers' and grantees' estimates of the population served by homelessness prevention programs are quite close in magnitude, although providers gave larger family figures. The estimates scaled downward by ESG budget contribution are lower for providers than grantees, following the pattern of budget shares. However, there perhaps should be less credence placed on the scaled figures for homelessness prevention, since these ESG resources are more restricted in their use and more directly traceable in their impacts.

This discussion has examined the various estimates of population served by ESG in FY 91, showing their consistency with other data and how they would differ if scaled downward according to the ESG share of operating budgets. We conclude from it that, through a diverse set of shelters and providers, the services supported by the Emergency Shelter Grants Program reached a population of more than 4 million individuals and families in FY 91 and helped prevent homelessness for over 34,000 individuals and families. In proportion to its budget share, ESG reached about 200,000 individuals and families and helped keep or place some 20,000 individuals and families in permanent housing.

4.4.2 Continuing Unmet Needs of the Homeless and At-Risk Populations

However, despite the scale of resources and the amount of energy and creativity being devoted to serving the homeless population, few believe that the full need is being met. The

[17] As previously noted, providers undoubtedly combined ESG with other resources (especially for services) to assist these clients.

grantees and providers involved with the ESG Program were asked to assess specific areas of continuing unmet needs, with ratings on a 5-point scale of unmet need (with 5 being the greatest unmet need). Exhibit 4.19 shows the responses. Grantees of all types placed "more transitional and permanent housing" as the highest ranked need. State grantees ranked "reducing the number of homeless" next, with "more homelessness prevention" following. Entitlement cities ranked "more essential services support" second only to additional housing. The providers also put "more affordable housing" and "more homelessness prevention support" as the most pressing unmet needs of the homeless population.

Most jurisdictions have put considerable effort into their Comprehensive Housing Affordability Strategy (CHAS) documentation of the unmet needs of the homeless and at-risk populations. Exhibit 4.20 gives some detail on the unmet needs of different groups for the 15 jurisdictions selected for intensive study. Most grantees packaged shelter and services together for a set of specific groups; among the special populations frequently mentioned were persons with severe mental illness, with substance abuse problems, and people with AIDS. However, shelter and services for all types of families were also widely mentioned, along with affordable permanent housing.

Conclusion

In this chapter, we have examined various impacts that the Emergency Shelter Grants Program appears to have had in the grantee jurisdictions and through the provider agencies that it supports. Specifically, we have seen that:

- according to grantees, the ESG has influenced strategies and improved abilities to meet the needs of local homeless populations;

- for both grantees and providers, the ESG has been an essential source of capital funding for facilities to serve the homeless, totalling some $99 million and representing about half of all such capital investment. Some 7,700 shelter beds have been added over the life of the program as a result of ESG funding;

- providers view the program changes adding homelessness prevention activities and raising the essential services limits as being important to overall effectiveness;

- there is little evidence of ESG resources substituting for any other funding. Indeed, receipt of ESG monies may actually help a provider increase other funding;

Exhibit 4.19

Assessment of Continuing Unmet Needs for Emergency Shelter

Responses: Grantees	State/Territory Mean Ranking	Metropolitan City Mean Ranking	Urban County Mean Ranking	All Grantees Mean Ranking
Mean ranking of unmet needs, on a scale where 1 is low and 5 is high:				
More transitional/permanent housing	4.70	5.00	4.72	4.85
More essential services support	4.41	4.36	4.34	4.36
More homelessness prevention	4.48	4.31	4.37	4.35
Reducing the number of homeless	4.65	4.18	4.14	4.24
More night shelter beds	4.38	4.08	4.25	4.17
More night shelter facilities	4.23	3.77	4.05	3.92
Improving habitability	4.12	3.77	3.85	3.84
More day shelter facilities	4.00	3.71	3.84	3.79
Improving amenities	3.94	3.60	3.81	3.71
Enhanced drug–free environment	3.50	3.32	3.33	3.35
Increased security of shelters	3.50	3.34	3.27	3.34

Source: Grantee Survey, Question 32 (weighted data).
Grantee Universe=382, Survey Sample=234.

Missing Cases: 1–3 grantees.

Exhibit 4.19 (cont.)

Assessment of Continuing Unmet Needs for Emergency Shelters

Responses: Providers	Homelessness Prevention Mean Ranking	Essential Services Mean Ranking	Conversion/Rehabilitation Mean Ranking	Operations Mean Ranking	All Providers Mean Ranking
Mean ranking of unmet needs, where 1 is low and 5 is high:					
More homelessness prevention support	4.9	4.7	4.7	4.8	4.8
More affordable housing	4.8	4.8	4.8	4.9	4.8
More essential services support	4.7	4.6	4.7	4.7	4.7
More night shelter beds	4.5	4.2	4.4	4.5	4.4
More public awareness	4.4	4.3	4.3	4.4	4.3
More night shelter facilities	4.3	3.9	4.0	4.1	4.1
More day shelter facilities	4.2	4.0	3.9	4.1	4.0

Source: Provider Phone Survey, Question 40 (weighted data).
Provider Universe=3000−3500 (estimated), Survey Sample=651.

Missing Cases: 11 providers.

Exhibit 4.20

Grantee Identification of Continuing Unmet Needs of the Homeless and At-Risk Populations

Intensive-Study Site	Continuing Unmet Needs
Alabama	*Rural areas:* lacking inventory of needs or available services; not enough emergency shelters in the western part of the state; *urban areas:* shelters for intact families and victims of domestic violence; shelters for homeless persons with severe mental illness, substance abuse, or physical handicaps (including AIDS)
California	*Overall:* shelters and services for severely mentally ill single men, for women with children (often victims of domestic violence), and for other families, *rural areas:* shelter and services for migrant workers
Maryland	*Rural areas:* shelter and services for unemployed single men and for families, transitional housing; *urban areas:* transitional housing
Ohio	*Overall:* shelters for two-parent families with children, transitional housing with links to supportive services, essential services; *urban areas:* drug abuse treatment and detoxification facilities; *rural areas*: retraining and literacy
Texas	*Overall:* shelters for two-parent families, families with adolescent children, and the chronically mentally ill; job training, education, child daycare, drop-in centers, legal aid
Birmingham, AL	Shelter and services for adolescent males, for de-institutionalized mentally ill persons, and for people with AIDS; shelter and services for families and for victims of domestic violence
Boston, MA	Shelter and services for de-institutionalized mentally ill persons; transitional and permanent, affordable housing
Chicago, IL	Continuing need for family emergency shelter; transitional housing, especially for women with children; new residential treatment centers for the homeless mentally ill and people with HIV/AIDS

Exhibit 4.20, continued

Intensive-Study Site	Continuing Unmet Needs
Corpus Christi, TX	Emergency shelter and services for families, chronically mentally ill men and women, adolescent boys and girls, battered women; case management
New Orleans, LA	Emergency shelter for families; health care for the homeless, especially families and severely mentally ill persons; more transitional and affordable permanent housing; education, job training, job search assistance; specialized programs for recovering substance abusers and severely mentally ill persons
Portland, OR	Emergency shelter for families, youth, victims of domestic violence; affordable permanent housing
San Francisco, CA	Shelter and services for severely mentally ill persons, single men, families, and youth; more affordable housing for low-income families and individuals
Allegheny Co., PA	Emergency shelter for single men and mentally ill persons; transitional shelters for families; homelessness prevention services; affordable permanent housing
Jefferson Co., AL	Shelter for single men and families
Morris Co., NJ	Shelter for families (especially with older children); a safe haven (facility with no requirement to be drug- or alcohol-free); transitional housing

- both grantees and providers noted improvements in the quality, habitability, and amenities of shelters, and nearly half the providers viewed the ESG as "most important" to these outcomes;

- there has been a definite, positive impact of ESG funding on the availability of services to the homeless, including expansion of existing services and addition of new services to provider programs;

- nearly 4 million individuals and families were served by ESG-supported service agencies in FY 91, and almost 28 million shelter days/nights were provided. More than 250,000 individuals and families appear to have achieved independent living through the intervention of ESG-funded providers. An additional 35,000 at-risk households were able to retain their permanent housing and avoid becoming homeless with the help of ESG-supported homelessness prevention programs.

- scaled downward according to the ESG budget contribution, the estimates show nearly 166,000 individuals and more than 37,000 families assisted by the program. The average ESG grant to a provider agency is FY 91 assisted 89 individuals and/or 40 families, with an average per-case cost ***to this program*** of $231 to $515.

The Emergency Shelter Grants Program cannot claim credit for the creation of these provider agencies or programs, nor is it the only (or even the major) ongoing support for them. On the other hand, the entities involved with this program -- be they grantees, recipients, or providers -- in states, counties, and cities all over the country view the program as having a variety of positive impacts, both on the capacity of the system of agencies serving the homeless and on people at risk of losing their housing or already experiencing the disruption and distress of being homeless.

CHAPTER FIVE

MAKING THE EMERGENCY SHELTER GRANTS PROGRAM MORE EFFECTIVE

This chapter presents the recommendations offered by grantees and providers concerning changes to make the Emergency Shelter Grants Program a more effective component in a continuum of care. The grantees and providers, whether interviewed by telephone or in-person during site visits, took many opportunities to offer suggestions about program changes. They exhibited an eagerness to offer HUD ideas about the ways the program could be improved, from the perspective of the agencies administering the program in the field and the organizations using the funds to serve the homeless people of their areas.

The single strongest message from grantees and providers concerning ESG is to preserve it and expand its size; recognizing the fiscal constraints facing the federal budget, many grantees said that, if the annual ESG appropriation could not be expanded, at the least it should be stabilized from year to year. The site visits for this study occurred right after Congress made the FY 93 appropriation of $50 million for ESG, a reduction of roughly 30 percent after three years of level funding (in the $70 million range). The grantees expressed great concern about the consequences of this reduction for their providers, particularly in places where they had made and kept a commitment (during three years of steady funding) to sustain a portion of a shelter's operations. From the standpoint of the providers, money for the basics (rent, utilities, maintenance, security) is the hardest to raise from the private sector; foundations, corporations, and individual donors are much more willing to contribute for essential or prevention services than for the basics. As a result, quite a number of the intensive-study site grantees have set as their top priority, for the use of ESG and other public funds, sustaining the operations of existing shelters and other providers.

The recommendations presented in this chapter -- organized along the familiar themes of administration, funding and costs, program activities, and populations served -- are thus all best understood against this background: that ***the grantees, recipients, and providers widely support the continued existence and (at a minimum) level funding of the Emergency Shelter Grants Program in the future.***

Yet it may be important, in the near future, to reaffirm the ESG Program's goals. If the "emergency shelter" in the program's name has imparted a sense of urgency to ESG funding and operation, it has also (more recently) eroded its support, as Congress and HUD have turned toward homeless assistance programs more focused on transitional housing and specific populations with longer-term supportive service needs. The Supportive Housing Program and Shelter Plus Care Program are clear examples of this direction.

The grantees and providers participating in this study expressed an eagerness to focus on preventing and reducing homelessness; they would rather prevent homelessness than operate a permanent system of facilities and services for an ever-renewing population of individuals and families in need of shelter. In their view, the expansion of essential services and the addition of homelessness prevention have been vital steps making ESG a more effective vehicle for preventing and reducing homelessness. In fact, by virtue of the range of eligible activities, ESG's flexibility has supported grantees and providers looking beyond emergency needs, to what is necessary for the longer-term stabilization of formerly homeless clients. And by virtue of the breadth of populations and localities it serves, ESG has proven broadly useful to the goals of preventing and reducing homelessness. As a result, it may be time to identify ESG as a significant long-term tool and not primarily an emergency response to crisis needs. This is consistent with HUD's goal of making its programs for the homeless aid their transition from temporary shelter to permanent homes.

5.1 Potential Improvements in Program Administration

This section examines the recommended improvements to ESG administration, including some modifications of broad program features and other, more limited improvements to program operation.

5.1.1 Reshaping a Block Grant for Homeless Assistance

ESG is a block grant program (as distinct from a categorical program); the grantees determine the allocation of available funds among eligible activities. "Make the block grant broader" was a frequent theme of grantee and provider comments in response to questions on coordination and improving effectiveness. A variety of configurations were suggested, as follows:

- combining "all" the McKinney programs into a single block grant; or
- combining ESG and FEMA's Emergency Food and Shelter Program; or
- combining ESG, SAFAH,[1] and the "soft" McKinney programs run by the Department of Health and Human Services, such as the Emergency Community Services Homeless Grant Program; or
- tying ESG into HOPE and HOME, for longer-term housing solutions.

A broader block grant was frequently suggested as a means of simplifying the process of obtaining federal funds, or as a way to reduce reporting requirements viewed as excessive relative to the size of ESG grants. There were also comments about reducing the administrative fragmentation and overhead of operating this variety of separate programs, at both the federal and state levels. State grantees and their providers seemed particularly interested in this concept.

The more strategic reasons offered for a broader block grant were related to housing solutions for the homeless. Providers often expressed frustration with the difficulty of assisting their clients to find permanent housing and/or gain access to housing subsidy. Judging from the intensive-study sites, a significant proportion of ESG-funded providers have also become involved in transitional housing programs, supported by other funds. They have even used some ESG monies for transitional housing, where homeless persons can remain stable (and secure) for the amount of time needed to become self-sufficient. But broadening the block grant is seen as a way for the agencies operating ESG services to grow in the direction of transitional and permanent housing for homeless clients.

Another aspect of this recommendation is that, for some jurisdictions, it could improve access to funding for housing solutions. As one provider said regarding the competitive homeless programs, "Rural areas are always left out in the cold as compared to cities. Transitional housing and other grants should not be nationally competitive; they should be locally competitive. We need transitional housing programs in rural areas." A formula-allocated broader block grant might be one way to get the funds to these areas.

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[1] SAFAH was merged with the Supportive Housing Demonstration Program, to form the Supportive Housing Program (SHP), in the Housing and Community Development Act of 1992.

5.1.2 Maintaining/Expanding Local Control

It was the strongly expressed view of many grantees and providers that the local level is where need for homeless assistance is best measured and met. Since the funds are allocated to metropolitan cities and urban counties on a formula basis, the ESG Program offers a considerable degree of local control. Some argued that local programs run more smoothly and coordinate better than programs run from Washington or the state capitol; there were also some opposing views, with frustration expressed at lack of local coordination and the needless inclusion of the local government layer between HUD and the shelters.

In the best cases, local control makes a real difference. One provider reported that, "the shelters in our area collaborated and contributed a percentage of the ESG funding they received, and we used the resulting fund for the salary of a housing counselor. I think the program requirements should have more flexibility for innovations like this at the local level." And a state grantee in one of the intensive-study sites commented, "The block grant mechanism is one of the most effective ways to be responsive to needs. It is flexible enough to operate at the grassroots level. In the event of a tornado or a burnout, it will take FEMA six weeks to respond. On the other hand, the [ESG-funded] CAP agency, made up of local people, can respond in one-to-two hours."

5.1.3 Improving Coordination Among Levels of Government

Coordination of homeless services efforts and funding were topics of considerable comment. Grantees and providers alike, in discussing how to make ESG more effective, emphasized the need for greater coordination among and between the following groups:

- HUD and other federal agencies administering McKinney programs ("Start with HHS and HUD," some stated);
- HUD and the states;
- the different state agencies involved in administering homeless programs, whether state- or federally funded;
- the states, counties, and cities with overlapping ESG jurisdictions (i.e. entitlement cities within entitlement counties), especially where there were providers eligible to receive grants from different jurisdictions;

- local grantee agencies, providers, and the local public housing agency; and
- the ESG-funded providers in the community.

Many comments emphasized the benefits of increased local coordination, including better planning, better data on client populations and outcomes, and targeting need more accurately. But the most important perceived benefit was the likelihood of greater success; as one provider said, "What *I* can't do, *we* can do."

5.1.4 Operational Improvements

In addition to these comments about the broader features of the ESG Program, grantees and providers offered a substantial number of suggestions for operational improvements to the administration of the program. The topics of these suggestions included the funding cycle, application requirements, reporting requirements, multiple funding flows, HUD administration, HUD technical assistance, and provider eligibility. The recommendations in these areas are summarized in Exhibit 5.1. Examples included stabilizing the ESG NOFA date to a regular time each year, creating uniform application and reporting forms for ESG and other McKinney programs, and updating HUD's handbook to reflect program changes since FY 89.

5.2 Potential Improvements Regarding Program Funding and Costs

In this section, we examine the issues raised and suggestions made in the area of program funding and costs. There were relatively few comments and recommendations from the grantees and providers on this topic, with the exception of the widespread request for greater -- or at least level -- amounts of total funding. For grantees, the important advantage offered by this entitlement program (ability to develop longer-term strategies and to stabilize support for selected providers in their communities) is vitiated by instability in the size of grants from year to year.

Exhibit 5.2 summarizes the strengths and recommended improvements in the area of ESG funding and costs. Formula funding and the coverage of administrative costs were the strengths most frequently cited by grantee and provider respondents. Their views with regard to overall funding level have already been noted: maintaining the funding level by a return to

Exhibit 5.1

Grantee Summary of Strengths and Potential Improvements in ESG Program Administration

Strengths of ESG
Entitlement program: because of its formula nature, grantees and providers can depend on receiving funding annually and can make long-term plans for use of the ESG funds; states can direct funds to rural areas and small cities that cannot compete effectively for newer HUD homeless program funding
Block grant: grantees can determine allocation of funds among eligible activities (within spending caps)
Local control: metropolitan cities and urban counties can tailor use of ESG funds to meet local needs
Potential Improvements for ESG
Funding cycle: a) *stabilize the HUD NOFA date* so grantees can count on timing of application cycle, or give advance notice so grantees and providers can be ready for NOFA; b) *provide a longer time period* between NOFA and application deadline, so that providers can prepare applications and grantees can review them and prepare their own; c) *lengthen the 65-day award period*; d) *permit 3-5 year contracts* between grantees and existing providers but keep 1-year contracts for newly funded providers; e) *make an official designation of funding cycles* (e.g. FY 93 is "ESG-8") and use this designation on all program notices and forms, to avoid confusion with grantee and provider fiscal years that differ from the federal one
Application requirements: a) *Create a uniform application package* for ESG and other McKinney programs or CDBG; b) *Revise the waiver procedure* so that it does not require the grantee to apply twice in a very short time period
Reporting requirements: a) *Reduce redundancy* (especially second 6-month report and then annual report a month later); b) use *standard data collection and reporting forms* for ESG and other HUD programs; c) make fewer reporting requirements, because this program distributes small grants
Multiple funding flows: a) develop a format for *consolidated reporting* when a provider receives multiple ESG grants from different grantees; b) make incentives for *better coordination among grantees*; c) develop way to *streamline the allocation process* in states still using the recipient level
HUD administration: a) *Update the Handbook* for all the changes that have occurred since FY 89; b) *train field office staff* specifically on this program, as they do not interpret the rules uniformly
Technical assistance (from HUD): a) *focus TA on service delivery* rather than grant-writing, as this is not a competitive program; b) *give field office staff more opportunity to visit the providers*, so they understand the reality of ESG and homelessness
Provider eligibility: a) relax *requirement of 501(c)(3) status* for start-up of new facilities; b) relax *prohibitions on religious organizations* when grantee has reason to select them

Exhibit 5.2

Grantee Summary of Strengths and Recommended Improvements Regarding Program Funding and Costs

Strengths of ESG
Formula funding: a formula reflecting the population, poverty, and housing characteristics of the local areas is used to allocate funding among jurisdictions
Coverage of administrative costs: beginning in FY 91, program administration is an eligible activity, with a spending cap of 5 percent
Potential Improvements for ESG
Level of funding: maintain or increase overall level of ESG funding
Funding formula: consider *revising the CDBG formula for use in ESG*, to take into account the homeless populations of local areas (after examination of the relationship between CDBG-formula changes from the 1990 Census and existing homeless population data) (Note: At present, there are no standard counts of local homeless populations.)
Matching funds requirement: a) waive the requirement for smaller providers in poorer areas (appears states were not yet using this provision regarding first $100,000); b) prohibit applying match requirement on a monthly or six-monthly basis, as reported by some providers
Level of administrative funding: a) *increase the administrative funding cap* above the five percent level to match the reporting/paperwork requirements; b) mandate that *grantees share administrative funding* with non-profit providers
Reimbursement issues: a) *reduce delays in reimbursement* to providers (mandate timely payment by grantees); b) allow *prospective payment for rehabilitation* projects, to alleviate the provider cash-flow problems caused by up-front payments to construction contractors

the $70 million range in FY 94 will enable the grantees to again pursue their longer term strategies for use of these funds.

A question about the CDBG allocation formula in use for ESG was raised during the intensive-study site grantee interviews; most of these grantees felt that (from what they knew) the distribution of funds among jurisdictions was fair. There was one thoughtful comment concerning lack of congruence between the CDBG formula and the size of the homeless population. The particular issue concerned the relative ESG dollar allocations to state versus city, in a place where the city had more than a third of the total homeless population but was getting a much smaller amount than the state. A recommendation was made to take a close look at the CDBG formula results from the 1990 Census in comparison with available data on the location of the homeless population.

There were a number of suggestions made, primarily by providers, regarding waiver of the matching funds requirement. They appeared to stem from situations where the match was more difficult than usual:

- for small providers in poor communities;
- in places where the grantee had set a minimum grant size (e.g. Texas at $35,000 and California at $100,000 over two years);[2]
- in particular jurisdictions where the grantee had enforced the match requirement month-by-month or semi-annually.

In FY 91, state grantees had authority (for the first time) to require matching funds only after the first $100,000 of their grants. The statutory language mandates that matching requirements relief be made available to the local governments, agencies, and local non-profit organizations least able to raise matching funds.[3] The data from this study, which focused on FY 91, do not yet evidence relief of this sort, which could certainly be responsive to the plight of some of the small providers in poor communities. It is likely that implementation of the change was delayed until after FY 91. A similar provision for certain cities and counties may also be worth consideration.

[2] Chapter 3 (Section 3.2.1) described some of the details concerning how matches were made.

[3] National Affordable Housing Act, P.L. 101-625, Sec. 418(e)(4).

Other recommendations regarding ESG funding and costs concerned the level of administrative funding and certain reimbursement issues. While grantees sought an increase in the administrative costs cap above 5 percent, providers sought a reduction in paperwork or a share of the administrative funding. At present, there is no requirement that state grantees pass these funds to providers, only to local governments acting as recipients.[4] Although we did not directly collect data on this point, there was little evidence of non-profit providers receiving ESG funds for administrative support.

Reimbursement issues are most often a matter of grantee practice and not related to overall program practices. However, one recommendation in this area might require a regulatory change, to allow prospective payment of ESG funds to providers carrying out conversion, renovation, or rehabilitation projects. Since it is common for construction contractors to require front-end payments, it was reported that a provider encountered significant cash-flow problems in the time interval between those payments and reimbursement by the ESG grantee.

As discussed in Chapter 3, there is great variation among grantees in the typical size of the ESG grants they make to providers.[5] Where the grants to providers are very small and can be measured in "bake-sale equivalents," provider comments indicate a clear mismatch when the paperwork requirements for application and reporting are compared to size of grant and lack of funding for administrative costs. The recommendation here is not necessarily to expand administrative cost coverage; larger grants to providers and/or a general reduction in paperwork would be greeted with favor program-wide and would reduce any pressure to shift scarce resources from actual services to administrative costs.

5.3 Potential Improvements in ESG-Eligible Activities

This section examines the recommendations from grantees and providers regarding the four eligible activity categories under ESG: conversion, renovation, or rehabilitation of shelter

[4] "A recipient may use up to 5 percent of any annual grant received under this subtitle for administrative purposes. A recipient State shall share the amount available for administrative purposes pursuant to the preceding sentence with local governments funded by the State." National Affordable Housing Act, P.L. 101-625, Sec. 418.

[5] See Chapter 3, Section 3.2.

facilities; operations; essential services provision; and homelessness prevention. In general, this study has shown the grantees and homeless-services providers to be well aware of program regulations governing their activities and to have thoughtful comments and suggestions about changes that would improve program efficiency and effectiveness. The program's strengths lie in its breadth of coverage of these eligible activities and in the flexibility given grantees to use these funds to address local needs. Both strengths and recommended improvements are shown in Exhibit 5.3.

5.3.1 Conversion, Renovation, and Rehabilitation

The ESG Program funds diverse kinds of capital projects, varying in scale from conversion of whole buildings to shelter use to minor physical improvements. We have seen that, since its inception, this funding has contributed nearly half of all the resources put into improvements in the quantity and quality of ESG-supported facilities by the providers. Chapter 4 analyzed the impact of these resources and the capital projects they supported (see Sections 4.1.2 and 4.3.1).

Of all the recommendations regarding conversion, renovation, and rehabilitation activities, the greatest number concern elimination or limitation of environmental review. Environmental review was widely reported as an impediment to implementation (see Section 3.3.1) and as a reason some grantees with alternative resources do not use ESG funding for rehab at all. As one grantee said, "No-one can get started until environmental review is done, and in a lot of cases it doesn't seem relevant. There may be a building we need to fix up and improve, and it seems like we're adding a toxic waste dump, with the whole statutory checklist we have to go through."

The second recommendation concerning capital projects funding stemmed from problems in meeting the 24-month deadline for spending ESG monies. It was noted that major construction projects may well take longer than two years, especially when the time to obtain permits is included. One grantee agency will not support a large rehab project from ESG funds unless all required permits are already in hand. If HUD wishes to encourage ESG allocation to rehab in the future, flexibility about the spending deadline for this eligible-activity category should be considered. One possibility might be to start the clock ticking on the 24 months only after the environmental review is complete.

Exhibit 5.3

Grantee Summary of Strengths and Recommended Improvements In ESG-Eligible Activities

Strengths of ESG
Block grant: grantees can determine the allocation of funds among eligible activities (within spending caps)
Breadth of coverage: the range of activities eligible for ESG support makes the program useful in virtually every jurisdiction by ensuring that this funding can fill a niche not covered by other available resources
Potential Improvements for ESG
Conversion, renovation, rehabilitation: a) *remove or limit the environmental review* requirement, as it is preventing use of ESG money for capital projects in a significant number of jurisdictions; b) consider lengthening the spending period beyond 24 months for capital projects or start clock on date of completion of environmental review
Shelter operations: a) *permit coverage of staffing costs* for shelter personnel required for operations;[1] b) relax certain restrictive details on the use of operations funding
Essential services: a) *remove (or relax further) the limitation* on essential services spending; b) specify that *case management* is the primary essential service and put regulatory emphasis on it (but without requiring it); c) create incentives for grantees to *avoid duplication of service* in their essential services grants allocation; d) remove requirement that local governments can fund only new services or quantifiable increases in the level of services; e) allow use of ESG for continuing case management, not restricted to new case management
Homelessness prevention: a) *raise further the limitation* on homelessness prevention spending: b) *clarify the differences* between regular (24-month) spending requirements for homelessness prevention and the special (180-day) provision regarding state emergency funds

[1] This change has already been made for FY 93, subject to a limitation of 10 percent of a grantee's ESG funding.

5.3.2 Shelter Operations

Recommendations from grantees and providers in relation to funding of operations costs were focused in just two areas: coverage of staffing costs (excluded in FY 91 and earlier years) and relaxation of restrictive details. The salaries and benefits of personnel necessary to keep shelters open, such as night security, cooks, and maintenance workers, are usually the largest single cost item for the operation of these facilities. These costs, it was argued, should be eligible for ESG. Payment of rent, utilities, and other direct costs is also certainly an important use of ESG funds, according to the grantees and providers. But this program would be far more useful for sustaining shelter operations if staff (even limited to specific types of positions) were included. A recent statutory change applicable to FY 93 ESG funds begins to address this recommendation, by allowing grantees to use up to 10 percent of their grants for shelter staff costs.[6]

A related recommendation concerned maintenance staffing and use of maintenance workers to keep up with the wear and tear caused by heavy shelter usage. One state grantee noted that it is an eligible expense to purchase replacement equipment for a shelter but not to pay for the equipment's installation. HUD was urged to relax restrictive details of this kind. This recommendation, too, appears to have been addressed by the statutory changes that will affect FY 93 ESG funds.

5.3.3 Essential Services

The greatest number of recommendations about eligible activity categories concerned essential services, and the persistent message was to raise further, or eliminate altogether, the 30 percent cap on essential services spending. One provider suggested it was more appropriate to put a cap on *non-essential* services, and others pointed out that this is the activity that most helps people out of homelessness and into stable, permanent housing. To quote a grantee:

> Remove the caps on spending.... Let the local level have more flexibility in the decision-making process. [Allow] more funds for housing search (for low-

[6] Housing and Community Development Act of 1992, Section 1402(e). The language applies to any operations staff. HUD had previously treated maintenance and security staff costs as allowable, so this language extends the coverage (within the 10 percent limitation) primarily to shelter management personnel. However, grantees and providers were not generally aware that HUD viewed maintenance and security staff costs as eligible expenses.

> income permanent housing). I would not like to see ESG used for more development of emergency shelters, but used for training, education, social services, rehabilitation of permanent housing. We are not solving the homeless problem if we keep funding emergency shelters.

In addition to general support for greater leeway in funding essential services, there was considerable emphasis on use of case management as the core of service provision. One of the grantees visited for this study, Portland, has instituted a system-wide requirement of case management; homeless persons must accept case management if they want to take advantage of shelter or other services in the Portland area. This grantee recommended targeting ESG essential services funding to programs that have case management and other supportive services to help people leave homelessness.

A recommendation made with some frequency by providers was that the program place greater emphasis on avoiding duplication of service. Implementing this recommendation is primarily a matter for grantees, since they are responsible for considering duplication among the services and providers they fund. Also, it is at the grantee level that greater coordination of services -- among government agencies funding homeless services and among providers -- can best be encouraged. Nevertheless, it was suggested that HUD consider ways to encourage coordination and discourage duplication of services in the ESG-supported activities.

A final recommendation about essential services concerns the regulatory requirement that grants to units of general local government be used to provide essential services "only if the service is a new service, or is a quantifiable increase in the level of a service above that which the unit of general local government provided with local funds during the 12 calendar months immediately before it received initial grant amounts...."[7] It was suggested that HUD recognize the constant turnover in the population receiving homeless assistance services, so that services to additional individuals and families qualify under the cited requirement.

5.3.4 Homelessness Prevention

As discussed in Chapters 3 and 4, the addition of homelessness prevention as an ESG-eligible was widely supported and praised by the respondents to this evaluation. If essential services are the tools for helping people to resolve their homelessness, prevention is an important

[7] 24 *CFR* Part 576.21(b).

tool for gaining access to permanent housing. Even more, it may be the key to stemming the flow of new families and individuals into shelters as fast as services assist others to leave.[8]

There were two recommendations regarding homelessness prevention made by the grantees and providers responding to this study. Consistent with the support for prevention, even among jurisdictions that did not allocate funding to this activity, there were many suggestions that the limitation on spending be raised from the current 30 percent level or removed altogether. The Ohio grantee, interviewed during a site visit, summed up a number of other responses in commenting that the unmet needs in that state are really for essential services and homelessness prevention, so the caps preclude full usage of ESG resources to meet the needs of the homeless population. It was recommended that HUD lift the caps, but not at the expense of shelter closings.

The second recommendation, much less frequent, concerned the perceived 180-day spending deadline on homelessness prevention funds for providers funded by state grantees. It appears that the regulatory language[9] is being interpreted in different ways among HUD field offices and among state grantees. Some state grantees have concluded that only 180-day prevention grants can be made to providers, while other states have acted on the advice that homelessness prevention funds have the same 24-month span as other grants except for a special emergency set-aside fund. (The latter appears to be the correct interpretation.[10]) Both grantees and providers urged HUD to move swiftly in clarifying this regulation, with the recommendation that 24 months be the usual limitation on these grants.

5.4 Potential Improvements Regarding Populations Served

There were very few recommendations made by grantees and providers concerning the populations that can be served by ESG-supported facilities and programs. The primary reasons

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[8] It was beyond the scope of this study to assess the impacts of homelessness prevention activities on the individuals and families assisted. However, such a study would be well worth pursuing, in order to determine the cost-effectiveness of prevention efforts, whether to end a spell of homelessness or to keep at-risk clients in their current housing.

[9] 24 CFR 576.55(a)(2).

[10] "A state may set aside up to 10 percent of its grant funds for homelessness prevention activities....*These set-aside funds* must be made available to State recipients within 180 days of the grant award by HUD." (24 CFR 576.55(a)(1), emphasis added).

for lack of comment are likely the breadth of the program and its flexibility in targeting efforts to particular groups among the homeless.

As Exhibit 5.4 shows, only two issues occasioned recommendations to HUD from the study respondents. Regarding the drug-free environment regulations, it was reported that some providers were taking them extremely literally, even making homeless individuals give urine samples. As a result, the observer noted, this group was being excluded from needed services. HUD was requested to clarify how programs designed to assist active substance abusers (whether among the more general population or as a targeted group) should comply with this regulation.

The other recommendation concerned eligibility for homelessness prevention assistance. Although ESG funding for prevention is more flexible than FEMA's, some providers indicated that the definition of at-risk families, which says that "the inability of a family to make the required [housing or utility] payments must be the result of a sudden reduction in income,"[11] was too restrictive for the circumstances of the at-risk clients they sought to help. It was suggested that other types of social and economic circumstances be taken into account.

Taken together, the grantee and provider recommendations presented in this chapter can assist HUD in further strengthening and improving the operation of the Emergency Shelter Grants Program as a component in a continuum of homeless care. As emphasized before, ***the grantees, recipients, and providers widely support the continued existence, improvement, and (at least) level future funding of the Emergency Shelter Grants Program.***

[11] 24 CFR 576.21(a)(4)(ii)(A).

Exhibit 5.4

Grantee Summary of Strengths and Recommended Improvements In ESG Populations Served

Strengths of ESG
Breadth of populations served: minimal restrictions, funding applicable to needs of all segments of the homeless population as well as those at-risk of homelessness
Flexibility in targeting: permits grantees and providers to use funding in ways appropriate to the needs of particular groups among the homeless
Potential Improvements for ESG
Services for substance abusers: clarify the applicability of the *drug-free environment* regulations to providers serving clients who are active substance abusers
Eligibility for homelessness prevention assistance: reduce the eligibility restrictions for homelessness prevention relating to sudden reduction in income

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