

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**HOMELESS FAMILIES AND
ACCESS TO AFDC**



OCTOBER 1992

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EXECUTIVE SUMMARY

PURPOSE

To examine homeless families' accessibility to Aid to Families with Dependent Children (AFDC) benefits.

BACKGROUND

At the request of the Assistant Secretary for Planning and Evaluation, we began to examine the issue of homeless families and access to AFDC. The assumption was that many homeless families were not accessing AFDC, and that the application process in particular caused significant problems for homeless families.

We interviewed directors and caseworkers from 24 emergency family shelters in 8 cities of varying size and in varying locations. We conducted an extensive review of literature and spoke with over 50 people from Federal, State, and local governments, academia and professional organizations, non-profit advocacy groups, and providers.

FINDINGS

Most homeless families are already on AFDC.

Sixty-nine percent of all homeless families interviewed in a related OIG study were receiving AFDC benefits at the time of the interview. Recent literature is consistent with this finding. For the 31 percent who were not receiving AFDC, there were legitimate reasons, such as employment of a parent or receipt of other income. A few had applied for AFDC but had not yet received benefits.

Very few shelter residents are first time applicants to AFDC.

Fifteen of 24 shelter respondents report 10 percent or less (including none) of their total population as first time applicants to the AFDC program. Even for those shelters reporting a more than 10 percent proportion, that proportion often translated into one, or less than one, family a month as first time applicants to the AFDC program.

Most shelters respondents said first time applicants do not have problems waiting for their first AFDC check because the shelter takes care of their basic needs.

Overall, 14 of 24 shelters report that the processing time does not pose a problem for first time AFDC applicants because their shelter takes care of the residents' basic needs. Shelter staff often act as advocates on behalf of homeless families for a variety of benefits and services. They also said that AFDC caseworkers respond better to clients who have such an advocate.

INTRODUCTION

PURPOSE

To examine homeless families' accessibility to Aid to Families with Dependent Children (AFDC) benefits.

BACKGROUND

At a request from the Assistant Secretary for Planning and Evaluation, we began to examine the issue of homeless families and how well they access Federal mainstream programs such as AFDC. The assumption for this study was that many homeless families were not accessing AFDC, and that the application processing time was a hindrance to AFDC access. Furthermore, several past Office of Inspector General (OIG) studies had revealed that many barriers hindered substantial numbers of homeless individuals from accessing the Federal mainstream programs of Medicaid, Supplemental Security Income, and the Alcohol, Drug Abuse, and Mental Health Services block grant. (See "Supplemental Security Income for Homeless Individuals," OEI-05-91-00060, "Alcohol, Drug, and Mental Health Services for Homeless Individuals," OEI-05-91-00062, and "Medicaid and Homeless Individuals" OEI-05-91-00063.)

Homeless families constitute a significant proportion of the homeless population. Estimates vary, but average about 30 percent. In general, the homeless family is composed of a single woman in her twenties or thirties, with two or more children. To a much lesser extent, single fathers, two parent families, and childless couples, make up the homeless family population.

The AFDC program was created by the Social Security Act of 1935 to provide cash welfare payments for needy children who have been deprived of parental support or care because their father or mother is absent from home continuously, is deceased, incapacitated, or unemployed. It is an open ended entitlement program jointly funded by the Federal Government and the States. At the Federal level, the AFDC program is administered by the Administration for Children and Families, and the Federal Government pays half of States' administrative costs, and from 50 to 83 percent of benefits (averaging 54 percent). This is based on the Federal Medicaid matching rate which is inversely related to State per capita incomes. States set benefit levels based on the "need standard," which is the income States decide is essential for basic consumption items.

Federal regulations require that States take no more than 45 days to process an application. Seventeen States allow themselves 30 days or less to process applications.

Caseloads in the AFDC program reached record levels across the country at the end of 1991. As of November 1991, there were 4.6 million families receiving AFDC, with

over 900,000 new families turning to the program since July 1989. An average of nearly 2,000 children every day had been added to the program during that time period.

From July 1989 to November 1991, every State in the country experienced growth in the AFDC program. Forty-five States experienced growth of 10 percent or more, 20 States reported growth of 20 percent or more, 20 States had 30 percent or more growth, and 10 States experienced growth over 40 percent in their AFDC caseloads. For the entire country, this averages at 24.1 percent growth.

METHODOLOGY

During pre-inspection we conducted an extensive review of available literature. We also spoke with over 50 people from Federal, State and local governments, academia and professional organizations, non-profit advocacy groups, and providers.

We examined data from an OIG study on the quality of emergency shelters for homeless families. This consisted of information from 24 emergency family shelters in 8 cities in 8 States. Two of the cities are large metropolitan areas, four are large cities, and two are small to medium size cities. The OIG staff visited all 24 shelters, and interviewed shelter directors, staff, and up to 10 different residents in each shelter. (See "Emergency Shelters for Homeless Families," OEI-07-91-00400.)

By telephone, we re-contacted directors and caseworkers at the 24 shelters and gathered information more specific to the issue of AFDC and difficulties associated with the application process.

See Appendixes A and B for a list of contacts, list of cities, and a bibliography.

SCOPE

In general, we examined the issue of homeless families accessing AFDC. Specifically we examined the issue of timeliness -- whether the amount of time that it takes to process an AFDC application creates significant problems for homeless families trying to access AFDC.

Although we did not set out to examine the capacity of the AFDC program to prevent family homelessness, this issue arose repeatedly during interviews with respondents from the shelters, the government, professional organizations, and academia. We also discovered that this issue is well documented in the literature on homeless families.

This review was conducted in accordance with the *Interim Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

FINDINGS

MOST HOMELESS FAMILIES IN SHELTERS ARE ALREADY ON AFDC.

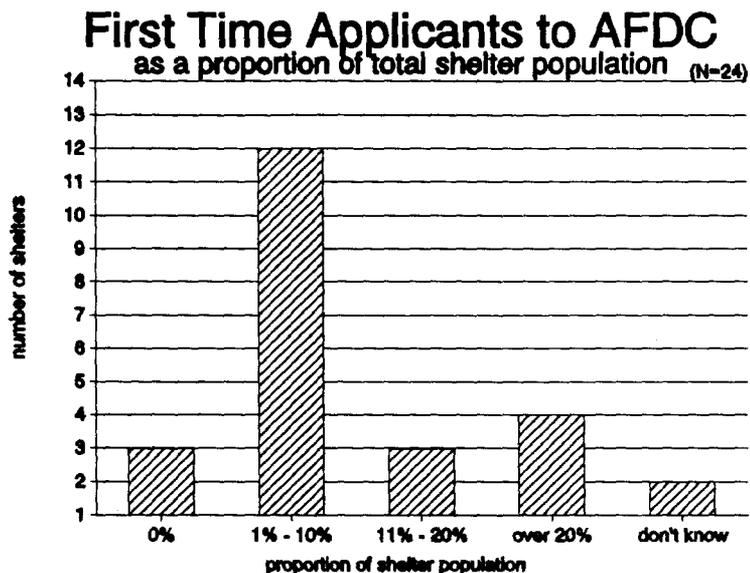
Sixty-nine percent of all families interviewed in the ongoing OIG study on homeless family shelters were receiving AFDC benefits at the time of the interview. For the 31 percent who were not currently receiving AFDC, there were a number of legitimate reasons. These included: employment of the single mother, employment by the husband, the mother or father received Supplemental Security Income or Social Security Administration benefits, they had applied and were waiting for benefits, and one shelter did not allow families to receive benefits.

Recent literature and our interviews with local government and service providers support these findings. Our research indicates that most homeless families are already receiving AFDC benefits at the time they become homeless, or have received AFDC sometime in the past, but have lost their benefits due to sanctions, changes in eligibility, or other administrative reasons.

- Eighty-two percent of families in a Los Angeles (LA) shelter listed AFDC as a source of income at the time they became homeless (Forbes, 1991).
- Seventy-three percent of homeless families in LA were on AFDC at the time of shelter intake (Wood 1989).
- Sixty-four percent of homeless women in Chicago shelters were receiving welfare benefits and another 19 percent had received public aid in the past, (McCourt, 1989).
- Ninety-five percent of families are receiving AFDC benefits at the time of shelter intake, according to the New York City Human Resources Administration (HRA).
- In New York State, the Westchester County Rehabilitation Center processes all homeless families in the county prior to placement in a shelter or other housing situation. They reported a 95 percent AFDC caseload.
- Respondents in rural Wisconsin and Illinois reported that most homeless families are already on AFDC when they enter the shelter system.

VERY FEW RESIDENTS IN THE 24 SHELTERS ARE FIRST TIME APPLICANTS TO AFDC.

Directors and caseworkers from the 24 shelters we contacted told us that very few of their shelter population are first time applicants to the AFDC program. The graph below illustrates their responses.



Source: OIG interviews with directors and caseworkers at 24 shelters.

As shown, 15 of the 24 shelter respondents report 10 percent or less (including none) of their total population as first time applicants to the AFDC program. Even for those shelters reporting a more than 10 percent proportion, that proportion often translated into one, or less than one, family a month as first time applicants to the AFDC program.

Shelter respondents reporting a higher proportion of their residents as first time applicants to the AFDC program do not report any more problems with the application process than shelters reporting a smaller proportion.

Most of the shelter respondents say that eligible first time applicants wait 30 days or less to receive their first check.

- 1 shelter: 60 days,
- 3 shelters: 45 days,
- 10 shelters: 30 days,
- 5 shelters: 21 days, and

- 5 shelter respondents did not know how long.

In only one case (60 days) was the reported processing time longer than the Federal and State specified 45-day application processing time limit. At 11 shelters the directors and caseworkers reported processing times less than the State-allowed processing time. Seven of the shelters reported processing times equal to the State-allowed processing time.

Shelters in States with longer processing times do not report more problems caused by waiting than the shelters in States with shorter processing times. For example, in the five States with a 45-day processing time, three-quarters of the sample shelters (11 out of 15) said their residents do not have problems because of the processing time. In contrast, in the three States with a 30-day processing time, only one-quarter of the shelters (2 out of 7) said residents have no problems with the processing time.

MOST SHELTER STAFF SAID FIRST TIME APPLICANTS TO AFDC DO NOT HAVE PROBLEMS WITH WAITING FOR THEIR FIRST CHECK BECAUSE THE SHELTER TAKES CARE OF THEIR BASIC NEEDS.

Overall, 14 shelters (60 percent) report that the processing time does not pose a problem for first time AFDC applicants. Eleven of these 14 shelters said this is because their shelter takes care of the residents' basic needs. The other three shelters say that residents can access emergency assistance money which takes care of immediate cash needs. Two respondents did say, however, that homeless families in other shelters, or on their own, might encounter difficulties with a waiting period.

Shelter staff often act as advocates on behalf of homeless families for a variety of benefits and services. Respondents also said that AFDC caseworkers respond better to clients who have such an advocate. Some of the shelters require that families save their AFDC checks until they have enough money to pay for a deposit and first month's rent for housing. Food stamps are also "banked" so the family will have more resources from which to get started. Respondents mentioned also that it is in the shelters' best interests to ensure that homeless families are receiving the total amount of aid for which they are eligible.

Of the nine shelter respondents who said residents have problems with waiting for their first AFDC check, three said it was because their shelter could not provide for residents' basic needs until the check arrives, and another three said it was because the maximum length of stay at their shelter was too short to apply and receive benefits.

At the three shelters where the shelter did not have the resources to provide completely for the family, personal items (such as toiletries and diapers), transportation money, and medical needs were most frequently listed as the things they could not provide. Also mentioned were "catch-22" situations in which the

shelter could not provide the money a family needed to obtain the necessary documentation (such as birth certificates) for AFDC applications.

Three of the shelters said there were problems because the maximum stay in their shelter was too short. Generally, housing does not become available in the short time period these families stay in these shelters. However, if housing is available, there is little a family can do but move to another shelter, without money for a security deposit and first month's rent.

Also, factors in addition to the processing time might contribute to problems while waiting for an AFDC check. For example, in one city, the average length of stay in emergency shelters ranged from 14 days to 30 days. Furthermore, the city's housing authority will not allow anyone to apply for public housing unless they are actually receiving their welfare checks. A family could be approved by AFDC, but if they have not actually received a check they cannot apply for housing. Therefore, although the State has an expedited process, and shelters are reporting 21 to 30-day waits for a check, all of the shelters from that city are reporting problems with that wait.

The remaining three respondents, as well as a few who mentioned shelter resources and length of stay, brought up various problems such as the "exhausting" nature of the application process, the "unfriendly" attitude of some AFDC caseworkers, complicated application forms, and the inability of AFDC to prevent family homelessness.

Although we did not ask respondents about the capacity of AFDC to prevent family homelessness, many respondents (including those who say their residents have no problems while waiting for an AFDC check) pointed out that due to such issues as low benefit levels, and sanctioning measures, receipt of AFDC benefits does not, in many cases, prevent family homelessness. These problems are also documented in the literature about homeless families.

APPENDIX A

Contacts

California

California Dept. of Social Services
Western Center on Law and Poverty, Los Angeles

Illinois

Illinois Department of Public Aid, Chicago
Illinois Department of Public Aid, Springfield
City of Chicago Department of Human Services, Homeless Services and Programs
Chicago Coalition Against Homelessness, Chicago
Chicago Institute on Urban Poverty, Chicago
Public Welfare Coalition, Chicago
Cornerstone Shelter, Chicago
Pacific Garden Mission, Chicago
St. Martin de Porres Shelter, Chicago
Salvation Army Lodge, Chicago
Traveler's and Immigrant Aid, Project Linkage, Chicago
Traveler's and Immigrant Aid, Health Care for the Homeless, Chicago
Circle Family Care, Homeless Project, Chicago
Volunteer Services, Marion
BCMw Community Action Agency, Centralia

Missouri

OEI Regional Office, Kansas City

New York

Human Resources Administration, New York City
Westchester County Rehabilitation Services

Texas

Coalition for the Homeless of Houston/Harris County

Washington, D.C.

U.S. Dept. of Health and Human Services, Administration for Children and Families
Debra Rog, Vanderbilt U./ Robert Wood Johnson Foundation

Martha Burt, Urban Institute
Mark Greenburg, Center for Law and Social Policy
Julie Strawn, Center on Budget and Policy

Wisconsin

Dane County Department of Social Services, Madison
Family Crisis Shelter, Milwaukee
Family Crisis Shelter, Stevens Point
West Central Wisconsin Community Action Agency
Wisconsin Department of Health and Social Services

3 Shelters from Each City:

Atlanta, GA
Boston, MA
Chicago, IL
Cleveland, OH
Little Rock, AK
Louisville, KY
Los Angeles, CA
Minneapolis, MN

APPENDIX B

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