

EVALUATION REPORT

EMERGENCY
SUPPLEMENTAL
WELFARE

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INTRODUCTION

The Emergency Supplemental Welfare Program (ESWP) was designed to provide financial assistance to needy recipients and non-recipients of Welfare, who require aid in time of need, when such aid is not otherwise available. The current Operating Agency selected to implement the program is the Albina Ministerial Alliance (AMA). This report is based upon an eight-week evaluation of the EWSP, from January 1, 1972 to January 30, 1973, and includes, among other things, an analysis of Administration and Coordination, Internal Operation, Program Functions and Accomplishments, Impact, and Resource Utilization. In addition to this, a survey was conducted of project recipients to determine various attitudes and experiences with the program.

PROJECT DESCRIPTION

Goals - Purposes - Beneficiaries

As stated in the Project Description, "the Emergency Supplemental Welfare Program evolved out of the concept of providing a means of expanding, not duplicating, the resources of the Model Cities community, by creating an emergency relief fund which would be available to all low-income persons in the community, whether or not they were recipients of Public Welfare Assistance." The Model Cities Multnomah County Public Welfare Commission was established as part of a commitment to provide financial assistance and social services to the citizens who live in the Model Neighborhood. This pilot project was an approach in giving financial assistance to needy recipients and non-recipients of welfare to be aided in time of need when the Welfare Program fell short, but more important, to conserve and strengthen family life at the same time, aiding the individual in obtaining economic and personal independence. The ultimate goal of the program was to eventually launch a comprehensive social service program delivered in such a way so as to make a major impact upon the residents of the Model Neighborhood Area.

The beneficiaries are Model Neighborhood residents who, for some reason beyond their control, have need for emergency funds to aid them. The program would provide resources in the following areas:

- A. Persons in need who are not eligible for public assistance.
- B. Persons who have exhausted their monthly welfare check.
- C. Non-welfare recipients who recently began work and require aid until they receive a full paycheck.
- D. Welfare recipients whose check is temporarily delayed.
- E. Residents requiring to make a utility deposit.

- F. Residents who require aid, shelter, or household items, because of a disaster occurring in the household.

As stated in the Project Description, the Social Planning Department along with the Social Services Committee identified the need for MNR's who might at one time or another encounter some financial crisis. As such, a project should be designed to cover various areas as stated in the above.

The long-range objectives of the project would be a justification in demonstrating the need to encourage the State, County or City to the extent that an activity of this nature would be incorporated and supported by those agencies as a part of their total program.

Supplemental Welfare, formerly operated by the Multi-Service Center (MSC), transferred its operation to the Albina Ministerial Alliance (AMA) July 31, 1972. AMA is a non-profit organization comprised of ministers of churches in the MNA. The functional elements of the project are outlined in the project description as:

1. General Administration of the Project.
2. Grant-Loan deny or approval of request for aid.

As stated in the Project Description, there are certain eligibility requirements or guidelines for Model Neighborhood residents who wish to receive aid. They are:

1. An individual must be a MNR; a recipient of Public Welfare Assistance (PWA); non-recipients of PWA; individuals with no source of income, such as persons unemployed or looking for employment. The most significant being that the individual has

encountered some type of financial crisis, such as back mortgage or rent payments, the need for food, oil, medical needs, etc.

2. Non-recipients of Public Welfare Assistance are required to register for welfare assistance by obtaining a referral form from a staff member of the Multi-Service Center stating the applicant's eligibility for any form of public assistance, and as such is eligible and referred to Emergency Supplemental Welfare.
3. An investigation will be made to ensure that all requests for financial assistance are based upon legitimate needs.
4. All recipients of funds must meet the criteria as described in the categorical area of beneficiaries.

Grant-Loan Procedure

The procedure for applying for financial assistance is outlined as follows:

1. The individual comes to AMA and explains his financial need.
2. The secretary explains to him that he may apply for a loan or a grant, but that it is up to the Loan Review Board as to whether or not he receives a loan or grant.
3. Following this, the individual obtains a referral slip from the Multi-Service Center (MSC), stating the applicants name, whether or not he is a recipient of public assistance, and the reason for his request.
4. The referral slip is then taken directly to AMA by the applicant. Welfare aides begin to investigate the authenticity of the client's request. Questions are asked concerning income, number of dependents, monthly bills, etc.

5. After the welfare aides compile this information, the application is sent before the Loan Review Board.

This committee is comprised of five members, with one representative from the following organizations:

- a. Multi-Service Center
- b. Portland Metropolitan Steering Committee
- c. Model Cities Social Planning Department
- d. One Model Neighborhood Resident
- e. Senior Adult Service Center

The Board convenes semi-monthly and a majority vote consists of three.

The Coordinator of ESWP sits on the board, but does not vote. He explains to the board the applicant's financial need.

6. The board makes a decision based upon the given information. In cases where an individual applies for a grant, but the board feels that he is able to repay the money, a loan is given him.
7. Upon investigation and research, it was found that the applicant is notified by letter or telephone as to the disposition for aid. As evidenced from the survey, it was found that fifty-six percent of the recipients surveyed were notified from one to two days; eighteen percent from three to four days; twenty-six percent from five or more days. Individuals receiving grants do not have to repay any money. Individuals receiving loans of any amount are asked to come in and fill out a promissory note. Monthly payments, (doesn't matter the amount of the loan) are in the amount of \$9.20/month until the loan has been paid off. This amount was decided by the LRB so as not to place a financial burden upon the applicant.

Upon researching files at AMA, from August 1, 1972 to January 30, 1973, a total of 176 emergency grants and loans were approved. Of this amount, 111 applicants were welfare recipients and 61 were non-welfare recipients. The emergency loans and grants were justifiable in that the monies were used for emergency situations whereby individuals living on a small welfare income, individuals with no source of income in need of food, oil, medical needs, clothing, etc. Even with the small income received other expenses had to be paid and, at that particular time, there was not an adequate amount of monies to meet all of their needs.

The LRB feels assured that the Coordinator can handle this type of loan or grant.

- B. Unsecured Loans/Grants - This type of financial aid is made available to MNR's when there is not other feasible way for an individual to secure funds for help. The maximum amount of money available as stated in the Project Description for 3AY was \$200.00 with no interest. However, during the latter part of January, the amount was changed by the LRB and Board of Directors to \$100.00 to allow more MNR's to benefit from the program. If it is a grant, no further payments are made to AMA. If it is a loan, a written agreement is made between AMA and the MNR concerning repayment of the loan.

It was found from August 1, 1972 to January 30, 1973, 424 unsecured grants and loans were requested and of that amount, 175 unsecured loans and grants were approved. This type of loan or

8. If the individuals request is denied, he has the right to make an appeal before the Loan Review Board (LRB).
9. Funds are disbursed in the following manner:
 - a. All payments of funds to the client, after approval by the LRB, are made by check requiring two signatures - President of AMA, and the Coordinator of the project.
 - b. The Coordinator signs checks up to \$25.00 in case of an emergency.
 - c. If the President or Coordinator is not present, AMA designates two other members of the Alliance the authority to sign checks. These two names appear on the bank record card.

Classes of Loans and Grants

According to the project description, ESWP has various classes of loans and grants. There are three categories into which loans and grants are placed. They are:

- A. Emergency Loan/Grant - The maximum amount of money allowed is \$25.00 and can be granted without the review of the LRB through the Project Coordinator. This provision is made necessary by providing funds in small amounts in emergency situations where the need is immediate, such as oil, food, etc. It provides funds to the recipient and does not tie up the LRB with a large amount of small needs. However, these applications must be documented by the Coordinator that an emergency exists from both the applicant and creditor, nature of the emergency, and the amount of money granted or loaned. In addition, there must also exist a reasonable assurance that the LRB would approve the request.

grant was made available to a majority of MNR's whose mortgage or rent payments were one or two months past due; MNR's who had to make emergency trips out of town; individuals with no insurance and in need of monies for burial expenses.

- C. Guarantee Loan - This loan is designed to improve the credit image of Model Neighborhood residents who can qualify by entering into an agreement with a Model Neighborhood bank guaranteeing repayment of a loan, secured by a low credit risk resident in need. Arrangements are: 1) first made with the bank to make the loan, 2) assuring by checking with the bank if regular payments are being made, and, 3) assuring the balance of the note in addition to any accrued interest if defaulted by the applicant. The maximum amount of this loan is \$100.00, as compared to the former \$200.00 that was allowed and stated in the Project Description.

The number of guaranteed loans secured totaled 44, none of which have been totally repaid back to AMA.

However, of the 87 unsecured and guaranteed loans made available to MNR's, ten have made at least one payment; three have made two payments, and one person has made three payments totalling 14 repayments of loans to AMA. This totals sixteen percent toward repayment of loans.

ADMINISTRATION

Operation - Coordination

The ESWP, under the Multi-Service Center, was in operation from March 24, 1971 to July 31, 1972. The purpose of the ESWP was and is to

expand the services already offered by the State of Oregon. Upon interviewing team members who worked with the program, operation of the program was not as efficient as it could have been. Monthly reports received by Model Cities Evaluation Department reflected very little information, that only being the amount of loans and grants made available to MNR's and the dollar value approved per month (See Table 1). The maximum loan/grant was \$250.00 under the MSC. This amount was not reflected in the project description but decided upon by the loan committee. Approximately seventy percent of the individuals were welfare recipients and as such, no pressure was placed upon them to repay their loans.

Because of an overload of applications, shortage of staff, mismanagement of funds, ineffective coordination and other administration problems, the ESWP was transferred to AMA July 31, 1972 as the operating agency.

When AMA began operating the project, a number of problems were encountered:

- 1) the Director devoting twenty-five percent of his time to the program;
- 2) welfare aides with little knowledge and experience in investigating and thoroughly pre-screening applicants;
- 3) poor communication and coordination among staff;
- 4) little or no coordination with other agencies clients could be referred to;
- 5) continuous problems in preparing monthly reports to CDA;
- 6) no time interval established for re-applying for a loan or grant e.g., MNR's applying two or three consecutive months for financial assistance;
- 7) Coordinator's job not being clearly defined.

One serious problem that existed was the Guaranteed Loan Program. An agreement was made between AMA and the bank guaranteeing repayment of loans in addition to any interest that was accrued on loans not being repaid. Studies indicated that one hundred percent of the loans had not

been totally repaid. Interest alone from August 1, 1972 to December 1972, totaled \$438.61 AMA, alone with the Social Planning Department, thought it best that the contract between the bank and AMA be deleted and the agreement would be made between AMA and the MNR.

The new Coordinator has been on board since January of 1973. Because this is the first time he has been exposed to this type of work, he is still in the process of learning various facets of administrative and operational procedures. Along with the Coordinator and Board of Directors of AMA, some positive changes and improvements have been made since January of 1973 in resolving the problems that previously existed:

1) loans and grants have been reduced from \$200.00 to \$100.00 in order to reach more MNR's; 2) six month interval period before a resident can reapply for aid; 3) use of oil vouchers and in some instances food stamp vouchers; 4) closer coordination between Director and staff; 5) coordination being established with other agencies such as Community Care, in providing food and clothing needs, Consumer Protection, in providing consumer education classes, LIFE in providing low cost furniture; 6) some progress in pre-screening applicants by researching and verifying monthly expenditures, income, whether or not the request is legitimate, etc.

One problem that has not been dealt with effectively is closer coordination between the MSC and AMA. The team members of the MSC provide the information requested by the AMA on the referral slips. Upon interviewing team members at the MSC, they are very skeptical towards recording requested or additional information. Because the majority of applicants are welfare recipients, the staff of the MSC have records and other

pertinent information that could be of benefit to the LRB in making a decision. However, because the referral slips are not mailed, but taken directly by the applicant to AMA, team members only record the requested information.

Because AMA is receiving an influx of applications and the fact that there is a shortage of staff, it would seem more realistic if closer coordination and communication could be established between AMA and the MSC. It is not enough to verify income or monthly expenditures of applicants. The prescreening process should be more effectively done if any kind of impact or progress is to be made. If the MSC can be of any assistance to AMA towards implementing better control of the loan/grant program, some planning should be made in this direction.

In terms of seeking new resources, with the idea that Model Cities will be phased out eventually, AMA is depending largely upon revenue sharing money from the Bureau of Human Resources.

Further sources being considered are: a) the probability of church organizations taking over the project as a part of a church activity; b) Volunteer Program - The Volunteer Program of ESWP will be established to coordinate, organize, and promote volunteer services to MNA residents as follows:

1. Professional and trained repairmen will be recruited as volunteers in areas of furniture and appliance repairs.
2. MNA residents will receive training by volunteer instructors.
3. MNA residents would attend classes and workshops, bring their own appliances, learn to repair them, except for the cost of repair and in turn would give a donation for these services.

4. This money goes into a Revolving Loan Fund.
5. The establishment of a volunteer moving service would operate in the same manner. MNA residents will be assisted in reducing their moving expenses through leasing a van owned by AMA. A small donation to the Revolving Loan Fund would be requested from the resident as the only cost involved and the fact that they themselves will be responsible for moving whatever is to be moved.

Analysis of Impact

In determining the impact of the Supplemental Welfare Program, two aspects were researched: 1) the attitudes of recipients towards the program, and 2) accomplishments of the program as defined in the Project Description.

The survey was administered to a random sample of fifty MNR's who were recipients of loans or grants. The purpose of this survey was to obtain information concerning attitudes of how recipients felt about the program, problems encountered, improvements they wish to see made in the program, etc. The summary of the findings are as follows:

1. How were you informed of the ESWP?

Multi-Service Center	52%
Friends - Relatives - Neighbors	30%
Model Cities	10%
Newspapers - Fliers	6%
Other	2%

2. What type of assistance did you receive?

Loan	24%
Grant	76%

3. Do you feel the amount of money received was adequate in terms of your need?

Yes	56%	No	44%
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4. How long did the procedure take from the time of your request up until the loan/grant was made available?

1 to 2 days	56%
3 to 4 days	18%
5 or more days	26%

5. Did you encounter any problems with the program (staff, referral slips, procedure in applying for monies, etc.)? If so, what was the nature of the problem?

Yes	20%
No	80%

Problems encountered

- a. Not enough money granted
- b. Procedure taking too long for emergencies

6. Was it resolved?

Yes	6%
No	14%
Not applicable	80%

(14% not resolved because they were not given the total amount of money that they requested)

7. Do you feel that a program of this nature is helpful to the community?

Very helpful	66%
Slightly helpful	34%

8. Are there any improvements or changes you would like to see made in the program?

Yes	48%
No	52%

Changes

- a. More money made available for grants and loans
- b. In case of emergencies, the procedure should take less time and processing

The second aspect researched was the accomplishments of the program from the period of January 1, 1972 to January 31, 1973. The various tables are self-explanatory. Information reflected in the tables was derived from monthly reports and confidential records of AMA and the Multi-Service Center.

Table 1
Multi-Service Center - Operating Agency
January 1, 1972 to June 31, 1972

Month	Recipients of Loans	Recipients of Grants	Dollar Value Approved
January	25	10	\$ 5,026.78
February	8	10	\$ 2,131.59
March	2	15	\$ 2,975.38
April	11	12	\$ 2,910.52
May and June	2	7	\$ 944.89
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Total number of loans	<u>48</u>		
Total number of grants		<u>54</u>	
Dollar value of loans and grants			<u>\$13,989.16</u>

TABLE 2

Operating Agency - AMA August 1, 1972 to January 30, 1973

	August	September	October	November	December	January	Total
(A) No. of Loans Requested	43	42	33	10	8	16	152
(B) No. of Loans Approved	6	10	16	0	4	7	43
(C) No. of Grants Requested	11	38	59	63	51	50	272
(D) No. of Grants Approved	11	17	31	19	30	24	132
(E) No. of Guarantor Loans Secured	6	10	17	0	4	7	44
(F) No. of Guarantor Loans Paid in Full	0	0	0	0	0	0	0
(G) No. of Emergency Loans/ Grants Approved	17	27	48	19	34	31	176
14 1. <u>Welfare Recipients</u>	12	14	32	15	24	14	111
Grants	9	11	24	15	24	12	
Loans	3	3	8	0	0	2	
2. <u>Non-Welfare Recipients</u>	5	13	16	4	6	17	61
Grants	2	6	7	4	4	12	
Loans	3	7	9	0	2	5	
(H) No. Referred to and Assisted by other Agencies	0	0	2	2	2	1	7
Dollar Value of Loans Approved		\$ 6,612.59					
Dollar Value of Grants Approved		\$ 7,649.83					
Total		\$14,262.43					
Dollar Value of Repayment of Loans		\$ 231.57					

Very little information could be found concerning the Supplemental Welfare Program when operated by the Multi-Service Center as reflected in Table 1. Monthly reports only accounted for the number of loans and grants and the dollar value approved. Monies were granted for emergency needs, such as out-of-town transportation, medical and dental expenses, oil vouchers, delayed welfare checks, etc. The Multi-Service Center maintained neither consistent or good records. According to AMA, no records or equipment was transferred to their agency. On the other hand, the Multi-Service Center stated that they did transfer the necessary records to Charles Wray and Ella D. Roberts. Neither could be verified. Since ESWP was a component of the Multi-Service Center and not each individual component per se. Evaluations of ESWP were basically fair, with recommendations made, but very few implemented.

It cannot be stated that the ESWP has not had any degree of impact upon MNR's. The fact is residents are receiving loans and grants. As reflected in the survey, fifty-six percent of those surveyed felt that the amount of money they received was adequate in terms of their needs; seventy-four percent indicated that the procedure and the time element involved in receiving aid took from one to four days; eighty percent encountered no problems with the program in terms of staff, referral slips, procedures, etc.

However, no definite guidelines, controls, or procedures have been established towards MNR's who have made commitments to repay their loans. This could be attributed to the fact that the majority of applicants are welfare recipients and just cannot afford to repay their loans.

In doing an income analysis of the number of beneficiaries who received

financial aid, the following information was determined:

Income Analysis of Grants/Loans Approved

<u>Net Annual Income</u>	<u>No. of Beneficiaries</u>	<u>Percentage</u>
No Income to \$2000	168	49%
\$2001 to \$4000	114	33%
\$4001 to \$6000	45	13%
\$6001 to \$8000	9	3%
\$8000 and over	7	2%
Total	343	100%

<u>Needs</u>	<u>No. of Beneficiaries</u>	<u>Percentage</u>
Clothing	9	2%
Food	43	13%
Finances *	63	18%
Furniture	14	4%
Housing (Moving Expenses)	17	5%
Medical	4	1%
Rent	91	27%
Transportation (out of town emergencies)	19	6%
Utilities (Gas, Oil, Electric telephone)	83	24%
Total	343	100%

*Finances - Automobile repairs, burial expenses, school books, legal fees, counseling, insurance payments, etc.

One can easily see that forty-nine percent of the beneficiaries (168) have an annual net income of \$2000 or less per year; thirty-three percent or 114 beneficiaries with an income of \$2001 to \$4000/year. Sixty-one individuals or eighteen percent whose income range fell between \$4001 to \$8000 and over.

Fifty-one percent of the loans/grants were approved for back mortgages, rent, and utilities that were as much as three or four months past due. Thirty-one percent of the recipients received loans/grants for finances and food.

The majority of approved loans and grants are justifiable in considering

individuals who are in dire need. The fact to be considered is whether or not the recipients have any knowledge or counseling in the area of managing their money and budgeting their expenses in accordance with their income. For example, why would an individual with an income of \$280/month continually live beyond his income level and expect EWSP to aid him in a financial crisis.

The program should not be viewed as a supplement to "monthly welfare checks" or a "hand me out" for individuals who can indeed afford to repay their loans, especially in view of the small monthly payments.

Based on the conclusions made at the end of this report and recommendations which have been made and implemented, if closer coordination with CDA Planning and Evaluation Departments can be established, ESWP can be a workable project and the probability of having a significant impact upon the MNA would be visible.

CONCLUSIONS

The Emergency Supplemental Welfare Program has had some degree of impact upon the Model Neighborhood in that Model Neighborhood residents are receiving loans and grants. Residents are fully aware that the program does exist and are utilizing the services of the agency. Some positive changes have been made in the program since being transferred to AMA. However, numerous problems still exist. The Social Planning Department, along with AMA, is beginning to work and deal with these problems for Fourth Action Year (4AY). Various aspects of the administrative structure, internal organization, coordination, operating procedures, and other facets have been previously discussed and analyzed.

Based upon this evaluation, the following can be concluded:

1. Under the MSC, the Supplemental Welfare Loan Program encountered a number of problems such as an influx of applicants, shortage of staff, mismanagement of funds, numerous administrative problems, and little or no coordination with Model Cities Social Planning and Evaluation Departments.
2. The program was transferred to AMA July 31, 1972. Numerous problems still existed: a) Director devoting 1/4 of his time to the program; b) untrained and inexperienced welfare aides; c) no organized administrative structure with various internal operational problems; d) problems in areas of investigating and thoroughly pre-screening clients seeking financial assistance.
3. Under the new Coordinator, being employed since January of 1973, some positive changes have been made: a) closer coordination has been established with other agencies whose resources AMA could utilize in the event that a request was denied; b) deleting the Guaranteed Loan Contract between MNR's and the bank; c) establishment of a six month time interval before an individual can reapply for another loan/grant.
4. AMA is not adequately seeking viable resources with the idea that Model Cities will be phased out. To depend upon the Bureau of Human Resources and church organizations in continuing the program is not realistic. More definite areas should be explored.
5. Of the total amount of loans made, totalling \$6,612.59, only \$231.57 has been repaid to AMA. No pressure is being placed upon recipients to make some type of payment on their loans. Interest accrued from August, 1972 to December, 1972 totaled \$438.61, with regard to the Guaranteed Loan Program. AMA then decided to delete

this as a part of their program and make the agreement between MNR's and AMA.

It is, therefore, recommended that the program not be funded at the same level of 3AY (44,056) for Fourth Action Year (4AY) unless the following recommendations are implemented immediately.

RECOMMENDATIONS

1. Appointment of a full-time director with some knowledge and experience in the field of Social Service.
2. Additional staff, if necessary, and trained welfare aides to investigate the authenticity of applicants requesting assistance.
3. The Coordinator's duties and responsibilities be more clearly defined. Who is the Coordinator of ESWP, the Director of AMA or ? .
4. Referral slips obtained from the Multi-Service Center be mailed directly to AMA and not be taken to the agency by the applicant.
5. If coordination with the Multi-Service Center is going to be maintained, the staff of the Multi-Service Center and AMA should work closer together in bringing about a systematic delivery of services to Model Neighborhood residents, especially in the area of providing as much information as possible concerning the applicant.
6. A member of the Multi-Service Center Team Concept, not the Director of the Multi-Service Center, be on the Loan Review Board, since he is in contact more with Model Neighborhood residents at the Multi-Service Center.
7. Strict guidelines should be adhered to in terms of the maximum amount of money that can be approved for applicants requesting a loan or grant.
8. Establish procedures that are more clearly defined in areas of in-

vestigating and pre-screening applicants.

9. Individuals requesting assistance should receive counseling in areas of personal and family counseling, that is, better ways and means of managing their money so that it will not become a continual habit of going to AMA.
10. A separate Loan Review Board be established to serve those applicants who have been denied assistance and wish to make an appeal.
11. If the loan program continues to exist, greater controls should be implemented and some kind of policy be established in applying pressure to **those** residents who can indeed afford to repay their loans. If this does not seem feasible, the program should be changed to a grant program.
12. AMA should be looking for more viable resources for the program when Model Cities is phased out, instead of depending upon revenue sharing money from the Bureau of Human Resources.
13. Establish a maximum income criteria level for MNR's applying for loans/grants.
14. Definable eligibility standards are needed e.g., the category of Finances is too general and covers too many areas.

6/29/73