

## OES EVIDENCE BRIEF:

# Evidence shows that using proxies for eligibility verification makes it easier and faster to access federal programs

### Complexities in documentation of eligibility create barriers to access

Applications for government assistance typically require applicants to demonstrate their eligibility by providing proof of their income levels. However, traditional income documentation can be particularly challenging to obtain for many lower-income people. Burdensome requirements can make it difficult for eligible applicants to receive assistance, which can exacerbate inequality.<sup>1</sup> This also creates bottlenecks for program administrators, who often have to conduct a complex review and follow-up with an applicant multiple times before they can determine eligibility. These barriers delay delivery of critical assistance to eligible persons.<sup>2</sup>

In response to the COVID-19 pandemic and economic crisis, many federal programs introduced innovative flexibilities to enable more efficient distribution of funds. As these programs wind down, the federal government can leverage lessons learned from evaluations of these flexibilities to sustain improvements to federal programs moving forward.

### Recent evaluations show that simplifying eligibility verification with proxies streamlined access to rental assistance

The U.S. Department of the Treasury (Treasury) administered the Emergency Rental Assistance (ERA) programs, which collectively provided over \$46 billion to grantees (cities, counties, states, territories, and Tribal governments) to prevent eviction and housing instability. Treasury encouraged grantees to streamline distribution of funds by leveraging [program flexibilities](#). Treasury allowed grantees to use a “fact-specific proxy”, or

reasonable proxy data such as average incomes in the household’s geographic area, to verify an applicant’s income eligibility.

*Programs can reduce administrative burden and streamline access to federal assistance by verifying eligibility through reliable proxy data, such as neighborhood income levels.*

The General Services Administration’s (GSA) Office of Evaluation Sciences (OES) collaborated with two ERA grantees to evaluate the effect of using a proxy to verify income eligibility on ERA program access. An [evaluation](#) with Virginia’s Department of Housing and Community Development found that using an applicant’s ZIP code as a proxy to verify income eligibility reduced application processing time by two weeks and increased the approval rate by 11 percentage points. These improvements in distributing assistance came without corresponding increases in the number of applications received, which is important given the high burdens already on program administrators.

A second [evaluation](#) with the Kentucky Housing Corporation (KHC) found that using median income in an applicant’s ZIP code as a proxy to verify households’ income increased the approval rate by between 7.5 and 13.2 percentage points.<sup>3</sup> OES found that the proxy was equally effective for applicants who identified as people of color, lived in rural areas, or had extremely low incomes. The use of a proxy did not have a significant impact on application reviewers’ ability to detect fraudulent applications. Together, these evaluations show that proxies are a promising strategy to reduce burden and streamline access to programs.

## Federal agencies can leverage promising evidence to reduce administrative burden

Reducing burden and wait times for applicants seeking assistance from federally-funded programs is a priority across the federal government.<sup>4</sup> These OES evaluations provide a strong evidence base for the use of proxies to streamline access to assistance and reduce administrative burden. Federal agencies should consider whether a proxy could be implemented or piloted within their programs, particularly those with long processing times and burdensome documentation requirements.

## Frequently asked questions

### How did ERA grantees use proxies?

ERA applicants were required to state and self-certify their income, and application reviewers checked that it fell below the eligibility threshold for the program. With the proxy, rather than verify this income claim using formal documentation, reviewers could corroborate it using the applicant's address and a reliable data source, such as U.S. Census area-level income. Determining and providing proof of household income can be particularly complicated when applicants have multiple sources of income, seasonal or gig employment, or have recently lost a job. Using an applicant's address to verify eligibility based on neighborhood income is simpler and quicker.

### How did the use of an income verification proxy change the ERA application process?

Proxies can reduce burden for both applicants and processors. In Virginia, applicants deemed eligible based on the median income in their ZIP code and self-certified income did not have to provide income documentation. The use of a proxy reduced application processing times by two weeks.

“Using a proxy allowed us to clear our backlog and distribute assistance more quickly for families in crisis.”

– ERA program administrator

In conversation with KHC, administrators noted that using a proxy for income verification not only sped up the delivery of assistance but also changed the nature of interactions with applicants.<sup>5</sup> Previously, case workers typically had to follow up with applicants 2-4 times for additional documentation to verify income before they could approve an application. KHC often had to reach back out to applicants because pay stubs were outdated or a screenshot was blurry or incomplete. In many cases, the updated documentation did not necessarily impact the applicant's eligibility but was required to move forward in the process. With the proxy, KHC had to do fewer follow-ups and requests were simpler and quicker to resolve, such as obtaining a copy of a driver's license.

### When can proxies be used to determine eligibility?

Agencies can review statutory requirements and program guidelines to determine whether the application process can be simplified with a proxy. If an element of eligibility, such as income, can be reasonably verified by reviewers against a trusted data source, such as ZIP-code level income, a proxy may be appropriate. [Treasury's Fact-Specific Proxy guidelines](#) outlined potential data sources for an income proxy and encouraged grantees to consider reasonably recent data from reputable local, state, and federal sources. If confirmed allowable, a variety of data sources, such as court data or local energy costs as a percent of household income, could be used to design a proxy. Program administrators could also explore using reliable data to model an applicant's likelihood of eligibility and use predicted eligibility, such as likelihood of eviction, as a proxy for documentation. Proxies could be considered to determine eligibility for assistance from time-sensitive programs including disaster relief or small business assistance.

Proxies are well suited for programs where eligibility determination is known to create burden for the applicant and slow down distribution of assistance. The results of OES's study in Virginia suggest that use of a proxy can reduce application processing time without substantially increasing new applications for assistance. Proxies can be used in conjunction with program flexibilities such as categorical eligibility (eligibility based on enrollment in other programs) and self-attestation. Proxies could also be a complement to more traditional outreach-focused approaches if a program administrator wants to broaden access and increase applications for assistance.

## Where can I find resources on proxies?

Treasury and the United States Digital Service (USDS) developed [guidelines for fact-specific proxies](#). KHC also [detailed the step-by-step process](#) that it took to identify and implement a proxy. ERA grantees used a variety of data sources and tailored the specific methodology to the proxy implemented for their program.<sup>6</sup>

## How can federal agencies encourage the use of proxies for eligibility verification?

Federal agencies' guidance can play a role in encouraging the adoption of reliable proxies. Treasury identified flexibility in the authorizing statute while standing up the ERA programs and [published guidance](#) and [supplementary materials](#) strongly encouraging grantees to reduce burdensome documentation requirements. Treasury also provided resources, including [potential data sources](#) and [promising practices](#), to grantees interested in implementing a reliable proxy. Despite Treasury's encouragement, only 5% of ERA grantees surveyed by researchers reported that they used a proxy.<sup>7</sup> Some program administrators cited concerns about increased audit risks if they were to adopt flexibilities and emphasized the importance of written guidance from the federal agency that explicitly allowed the use of proxies.<sup>8</sup>

## How does using proxies affect program integrity?

In the Kentucky ERA evaluation, OES found that streamlining the eligibility determination process using a proxy for determining income eligibility of applicants did not greatly weaken or strengthen application reviewers' ability to detect fraudulent applications. KHC worked closely with other ERA program administrators to develop and continuously update fraud criteria. After instituting the proxy, KHC was able to reallocate staff resources previously focused on complex income calculations and follow-ups to other stages in the review process.

With extra staff time available due to the streamlined process, KHC was able to establish an in-house Quality Assurance team with specialized expertise and capacity to conduct more targeted and thorough reviews of potentially fraudulent applications. KHC set up its system to automatically flag applications based on an evolving set of criteria and batched those into a separate review path to be reviewed by this specialized team.

For example, KHC automatically flagged if multiple applications were submitted from the same IP address, and the review team would verify if there was an explanation, such as the address being a library, or if the applications required further investigation.

## How can I learn whether a proxy would be effective in a specific program?

Agencies interested in exploring the use of a proxy in a specific program can embed further evaluation into implementation. If an opportunity exists to modify eligibility documentation requirements and a reasonable proxy data source has been identified, the use of a proxy can be introduced as a pilot and agencies can evaluate the impact using existing administrative data. Federal agencies seeking to use or build further evidence on proxies are encouraged to reach out to [oes@gsa.gov](mailto:oes@gsa.gov) for evaluation resources and support.

## References

<sup>1</sup> The Office of Management and Budget. *Study to Identify Methods to Assess Equity: Report to the President*. 2021. [https://www.whitehouse.gov/wp-content/uploads/2021/08/OMB-Report-on-E013985-Implementation\\_508-Compliant-Secure-v1.1.pdf](https://www.whitehouse.gov/wp-content/uploads/2021/08/OMB-Report-on-E013985-Implementation_508-Compliant-Secure-v1.1.pdf).

<sup>2</sup> The Office of Management and Budget. *Tackling the Time Tax: How the Federal Government Is Reducing Burdens to Accessing Critical Benefits and Services*. 2023. <https://www.whitehouse.gov/wp-content/uploads/2023/07/OIRA-2023-Burden-Reduction-Report.pdf>.

<sup>3</sup> As discussed in the [Project Abstract](#), OES identified a range based on the results of two regression models. OES was unable to estimate the impact of the proxy on application processing time for the KHC program due to post-treatment bias.

<sup>4</sup> The Office of Management and Budget. *Delivering Excellent, Equitable, and Secure Federal Services and Customer Experience*. <https://www.performance.gov/pma/cx/>.

<sup>5</sup> OES commits to a detailed analysis plan prior to working with data. After analysis is independently reviewed and finalized, results are published. When an evaluation offers promising evidence that could inform decision-making, OES engages with partners to contextualize the results and discuss how the learnings could be applied. After the Kentucky ERA evaluation results were finalized, OES met with KHC staff to further understand the context around the findings.

<sup>6</sup> National Low Income Housing Coalition. *Implementing Fact-Specific Proxy in ERA Programs*. <https://nlihc.org/sites/default/files/Fact-Specific-Proxy-Report.pdf>.

<sup>7</sup> Ibid.

<sup>8</sup> Claudia Aiken, Ingrid Gould Ellen, Vincent Reina. "Administrative Burdens in Emergency Rental Assistance Programs." *The Russell Sage Foundation Journal of the Social Sciences* September 2023, 9 (5) 100-121.