The Emergency Food and Shelter Program

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Summary

The Emergency Food and Shelter (EFS) Program allocates funds to local communities to fund homeless programs including soup kitchens, food banks, shelters, and homeless prevention services. The EFS program is part of the Federal Emergency Management Agency (FEMA), and after Hurricane Katrina struck, some questions arose about the use of EFS program funds for Presidentially-declared disasters. This report describes how the EFS program operates through its National Board, local boards, and local recipient organizations. It further discusses the use of EFS program funds during disasters, and recent attempts to move the program from FEMA to the Department of Housing and Urban Development (HUD).

Introduction

The Emergency Food and Shelter (EFS) program, the oldest federal program serving the homeless, was established in March 1983. The program was first funded through an emergency jobs appropriation bill (P.L. 98-8) in which Congress allocated $50 million to the Federal Emergency Management Agency (FEMA) to provide emergency food and shelter to needy individuals.[1] The program funds soup kitchens, food banks, and shelters, and also provides homeless prevention services. Local communities largely determine how funds will be used.

The EFS program was not initially authorized, but continued to exist due to annual appropriations until 1987, when the Stewart B. McKinney Homeless Assistance Act (P.L. 100-77) authorized it through FY1988.[2] Congress has since reauthorized the program three times, first in 1988 for FY1989-FY1990 (P.L. 100-628), again in 1990, for FY1991-FY1992 (P.L. 101-645), and then in 1992 for FY1993-FY1994 (P.L. 102-550). The program has not been reauthorized since 1994, but Congress has continued to fund it each year in annual appropriations bills. In FY2006, Congress funded the EFS program at $151.5 million (P.L. 109-90).

The National Board

Although funds for the EFS program are appropriated to FEMA, a National Board was established to carry out the program, including the distribution of funds to local jurisdictions.[3] The Board consists of designees from six charitable organizations—United Way of America, Salvation Army, National Council of Churches of Christ in the U.S.A., Catholic Charities USA, United Jewish Communities, and the American Red Cross—and is chaired by a representative from FEMA. The EFS program's authorizing statute gives the National Board a great deal of discretion, and itself contains only minimal requirements. In addition to establishing the National Board, the statute requires the Board to be audited annually, release an annual report to Congress, disburse funds within three months of receipt, and establish its own written guidelines. The statute states that the written guidelines must include methods to identify local jurisdictions with the highest need, methods to determine the amount of funding to give to each local jurisdiction, and eligible program costs, reporting requirements, and a requirement that homeless individuals be members of local boards.[4] These guidelines are published in the Federal Register.[5]

Identifying Eligible Local Jurisdictions

The National Board distributes funds directly to eligible local jurisdictions, which then determine how to allocate the funds among local service providers. Local jurisdictions must fulfill two requirements to be considered eligible. First, they must either be cities of 50,000 or more or counties (typically local jurisdictions are counties). Second, they must have the highest need for emergency food and shelter as determined by unemployment and poverty rates. Specifically, the

[1] P.L. 98-8 also appropriated $50 million to the states for food storage and distribution costs.

[2] The Emergency Food and Shelter Program is codified at 42 U.S.C. §§11331-11352 (2002).

[3] The National Board has been a part of the EFS program since it originated in 1983, and its composition has remained the same.

[4] 42 U.S.C. §11346.

[5] The guidelines were last updated in 1999, and can be found in volume 64, pages 22912-22947. The National Board publishes a manual of its guidelines annually and makes it available to local boards and recipient organizations.

National Board uses three measures to determine which local jurisdictions have the highest need: those with 13,000 or more residents unemployed and an unemployment rate of at least 4.7%; those with between 300 and 12,999 residents unemployed and an unemployment rate of at least 6.7%; or those with 300 or more unemployed and a poverty rate of at least 11%.[6]

Once the National Board determines which local jurisdictions are eligible to receive funds, it calculates the amount of funds each will receive by dividing the amount of available funds by the number of unemployed within all eligible local jurisdictions combined to arrive at a per capita rate of funding per unemployed person. It then distributes the funds by multiplying the per capita rate by the number of unemployed persons in each eligible local jurisdiction.

Local jurisdictions that do not qualify for funding under one of the three measures of unemployment and poverty (sometimes referred to as direct funding) may still receive funds through a state set-aside process. The National Board reserves a portion of appropriated funds so that states may either fund local jurisdictions that otherwise do not qualify for funds, or provide additional funds to jurisdictions that have already qualified. In determining the portion of state set-aside funds to allocate from the total, the National Board uses its discretion, although it attempts to minimize fluctuations in funding from year to year and maintain a constant ratio of per capita state set-aside funding to per capita direct funding.[7] The state set-aside allows states to address pockets of homelessness or poverty, help areas that undergo economic changes like plant closings, or assist communities where levels of unemployment or poverty do not quite rise to the required threshold. Each state has a set-aside committee that develops its own criteria to determine which local jurisdictions will receive set-aside funds, however the committees must give priority to those jurisdictions that did not receive funding based on unemployment and poverty measures. The National Board allocates the state set-aside funds based on a ratio of each state's average number of unemployed individuals in unfunded jurisdictions to the average number of unemployed in unfunded jurisdictions nationwide.

In FY2006, Congress appropriated $151.5 million to the EFS program. Of this, just over $138 million was distributed to eligible local jurisdictions according to measures of unemployment and poverty, and approximately $11.8 million was distributed as state set-aside funding. All 50 states, the District of Columbia, Puerto Rico, and four territories received funds totaling $150,040,072. (See **Table 1**.) Very little EFS program funding is used for administrative expenses. By statute, no more than 5% of the total appropriation may be used for administrative purposes.[8] Local jurisdictions may use up to 2% of their funds, and state set-aside committees 0.5% of state set-aside funds toward the 5% total.[9] The National Board uses no more than 1% of funds for administrative expenses.[10] In the FY2006 appropriation for the program (P.L. 109-90), Congress directed that no more than 3.5% of the total award go to pay administrative expenses. On average, no more than 2.5% of the total award is used for these expenses.[11]

[6] The formulas published in the Federal Register are outdated. The current formulas can be found at the National Board's website http://www.efsp.unitedway.org.

[7] Conversation with Sharon M. Bailey, Vice President, Emergency Food and Shelter Program National Board, September 28, 2005.

[8] 42 U.S.C. §11344.

[9] Federal Register, vol. 64, p. 22922.

[10] Conversation with Sharon M. Bailey.

[11] National Board website.

Local Boards and Distribution of Funds

Local boards determine which organizations within each jurisdiction will receive funds. Once the National Board identifies local jurisdictions that qualify for funds, it directs the United Way in each jurisdiction to convene a local board if one does not already exist. Local boards are comprised of representatives from the same six charitable organizations that make up the National Board. Instead of a FEMA representative, however, the head of the local government entity, or a designee, serves at the local level, and the chairperson of the board is elected.[12] In addition, each local board must include a member who is homeless or formerly homeless, and if the jurisdiction is located within an Indian reservation, the board must invite a Native American to serve. Boards are encouraged to expand membership with representatives from minority populations, private non-profits, or government organizations.[13]

When local boards receive their share of funds from the National Board, they invite local service providers—nonprofits and government agencies—to apply for funds. The local boards select grantees, called local recipient organizations (LROs), based on the "demonstrated ability of an organization to provide food, shelter assistance or both."[14] Funds are distributed twice per year, the first payment is automatic, and the second occurs after LROs clear an audit procedure.[15] The local boards are responsible for monitoring LROs, establishing an appeals process for applicants denied funding, and reporting to the National Board on allocations and expenditures. Eligible expenses for which LROs may use funds include items for food pantries like groceries, food vouchers, and transportation expenses related to the delivery of food; items for mass shelters like hot meals, transportation of clients to shelters or food service providers, and toiletries; payments to prevent homelessness like utility assistance, hotel or motel lodging, rental or mortgage assistance and first month's rent; and LRO program expenses like building maintenance or repair, and equipment purchases up to $300.

LROs may apply to local boards for variances in their budgets or waivers to use funds in a way not addressed in the guidelines, but which is in line with the program's intent. If a local board determines that the way it has allocated funds in its local jurisdiction is not meeting the actual need for services, or if any LRO is not using its grant effectively, the local board may reprocess and reallocate funds among other LROs.[16]

Recent Issues

The EFS Program and Presidentially-Declared Disasters

According to the National Board's guidelines, although EFS program funds are targeted to special emergency needs, the term applies to "economic, not disaster related, emergencies." When Congress created the program in 1983, the country was in the midst of a recession and high unemployment,[17] so it gave jurisdiction to FEMA, the nation's emergency response agency, so

[12] 42 U.S.C. §11332.

[13] Federal Register, vol. 64, p. 22914.

[14] Ibid., p. 22915.

[15] Ibid., p. 22919.

[16] Ibid., pp. 22915-22916.

[17] (name redacted), "The Emergency Food and Shelter Program," CRS Report, April 10, 1986. Archived, available (continued...)

that funds would be delivered quickly and efficiently.[18] EFS funds are not distributed in a manner that is responsive to Presidentially-declared disasters, and LROs may not use funds to purchase supplies in anticipation of a natural disaster.[19] However, there is no prohibition on using funds to provide services to those displaced by disaster as long as the services fall within the parameters of the program. In fact, there is past precedent for focusing EFS program funds on those individuals affected by disaster. After the Los Angeles riots in 1992, the Los Angeles area's local board issued special instructions to its LROs to provide help to those who needed it as a result of the riots. The National Board also fast tracked the Los Angeles board's second annual payment. Finally, local boards, supported by the National Board, issued to Congress and the White House "an urgent appeal to supplement this current year's allocation of the Emergency Food and Shelter Program in light of the increasing need both before and following the riots."[20] Congress did not supplement the EFS Program funds, however.

Location of the EFS Program

Beginning in FY2003 and continuing through FY2005, the President's budget request proposed moving the EFS program from FEMA to the Department of Housing and Urban Development (HUD) in order to consolidate homeless programs. Both the House and Senate Appropriations Committees specifically chose to keep the program within FEMA. In its FY2004 report for the Veterans Affairs, HUD and Independent Agencies Appropriations Bill (S.Rept. 108-143), the Senate Appropriations Committee explicitly stated that it was not including the President's proposal to transfer the program to HUD in its bill. And Senator Robert Byrd, in a hearing before the Senate Appropriations Committee on Homeland Security appropriations for FY2004, noted that the EFS program had been "well run" and "well managed by FEMA." In its report for FY2005 (S.Rept. 108-280), the Senate Appropriations Committee stated that the program is appropriately run within FEMA, and that it would not move it to HUD as the President requested. The President's FY2006 budget request left the EFS program within the Department of Homeland Security's Office of Emergency Preparedness and Response, also known as FEMA.

Table 1. Emergency Food and Shelter Program Grant Allocations to States and Territories, FY2003-FY2006

State or Territory	FY2003	FY2004	FY2005	FY2006
Alabama	$2,495,215	$2,233,087	$2,308,283	$2,142,102
Alaska	$309,260	$391,950	$398,787	$376,723
American Samoa	$161,422	$159,043	$159,043	$157,453
Arizona	$2,872,716	$2,958,182	$2,668,814	$2,588,501
Arkansas	$1,315,066	$1,219,666	$1,389,454	$1,351,977

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upon request.

[18] Edward P. Boland, Remarks in the House. *Congressional Record*, daily edition, vol. 129, pp. H812-813, Mar. 3, 1983.

[19] Federal Register, vol. 64, p. 22921.

[20] Mark Talisman, Testimony before the Senate Governmental Affairs Committee. "Reauthorization of the Emergency Food and Shelter National Board Program and the Interagency Council on the Homeless," S.Hrg. 102-676, p. 11, May 14, 1992.

State or Territory	FY2003	FY2004	FY2005	FY2006
California	$22,134,169	$21,639,052	$21,165,103	$19,935,251
Colorado	$2,036,337	$2,485,981	$2,488,562	$2,493,502
Connecticut	$1,221,553	$1,523,396	$1,671,457	$1,586,072
Delaware	$291,115	$292,673	$298,652	$318,216
District of Columbia	$385,842	$365,325	$396,222	$485,196
Florida	$8,286,940	$7,708,570	$7,206,467	$7,172,435
Georgia	$3,348,748	$3,587,748	$3,112,516	$3,903,602
Guam	$153,735	$151,470	$151,470	$149,955
Hawaii	$564,339	$271,932	$305,473	$250,000
Idaho	$628,077	$624,432	$546,304	$506,892
Illinois	$7,522,743	$7,500,328	$7,434,738	$7,322,269
Indiana	$2,793,466	$2,499,885	$2,683,723	$2,834,171
Iowa	$856,293	$973,091	$1,023,491	$1,243,427
Kansas	$1,055,005	$1,140,037	$1,168,604	$1,409,798
Kentucky	$2,176,424	$1,903,387	$1,989,768	$1,856,886
Louisiana	$2,600,279	$2,293,708	$2,372,522	$2,311,248
Maine	$558,643	$558,615	$605,339	$613,671
Maryland	$2,369,849	$1,896,808	$2,052,058	$2,070,127
Massachusetts	$2,888,695	$3,364,650	$3,387,218	$3,051,053
Michigan	$6,155,037	$5,763,163	$6,578,020	$7,134,055
Minnesota	$1,897,090	$1,895,371	$2,138,653	$2,023,275
Mississippi	$1,692,911	$1,588,799	$1,367,369	$1,775,542
Missouri	$2,779,030	$2,698,161	$2,757,606	$3,169,054
Montana	$406,919	$354,194	$387,046	$390,013
Nebraska	$486,975	$503,313	$538,899	$592,729
Nevada	$1,246,454	$1,018,196	$979,674	$904,169
New Hampshire	$505,540	$511,809	$394,002	$346,656
New Jersey	$3,908,424	$4,380,208	$3,975,034	$3,398,589
New Mexico	$973,556	$906,223	$1,014,041	$1,031,400
New York	$10,014,366	$10,273,739	$10,575,458	$9,491,104
No. Mariana Islands	$99,928	$98,455	$98,455	$97,470
North Carolina	$5,320,344	$4,819,027	$4,640,307	$4,258,640
North Dakota	$258,284	$250,000	$250,000	$250,000
Ohio	$5,734,330	$5,884,457	$6,157,197	$6,791,164
Oklahoma	$1,444,552	$1,480,385	$1,622,097	$1,480,793
Oregon	$2,803,647	$2,571,031	$2,658,207	$2,516,462
Pennsylvania	$6,205,010	$6,322,321	$5,685,709	$6,110,157

State or Territory	FY2003	FY2004	FY2005	FY2006
Puerto Rico	$2,870,459	$2,630,809	$2,532,125	$2,488,959
Rhode Island	$428,821	$492,501	$497,851	$457,721
South Carolina	$2,311,781	$2,207,589	$2,493,358	$2,759,892
South Dakota	$261,297	$250,000	$250,000	$250,000
Tennessee	$2,813,914	$2,508,371	$2,849,659	$3,155,932
Texas	$12,317,346	$12,918,899	$12,909,084	$12,526,537
Utah	$1,180,789	$1,245,303	$1,111,546	$1,150,485
Vermont	$261,712	$250,000	$250,000	$250,000
Virgin Islands	$215,229	$212,058	$212,058	$209,937
Virginia	$2,341,660	$2,109,872	$2,047,970	$1,965,809
Washington	$4,402,318	$4,118,539	$4,082,342	$3,666,596
West Virginia	$873,094	$862,309	$800,895	$745,137
Wisconsin	$2,556,812	$2,613,979	$2,555,892	$2,271,668
Wyoming	$258,249	$250,000	$250,000	$250,000
Totals	**$154,051,809**	**$151,732,097**	**$151,644,622**	**$150,040,472**

Source: the Emergency Food and Shelter Program National Board, compiled by Congressional Research Service.

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