



Administration of the Emergency Food and Shelter Program (EFSP) Funding Authorized Under the FY2019 Border Supplemental

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This Insight provides a brief overview of the Emergency Food and Shelter Program (EFSP), and funding provided for it through the FY2019 Border Supplemental.

General EFSP Administration

The EFSP provides grants to private nonprofit organizations and local governments to supplement and expand ongoing efforts and local programs to provide shelter, food, and supportive services for individuals and families who are homeless or experiencing economic emergencies. It was first authorized under the Stewart B. McKinney Homeless Assistance Act of 1987 (P.L. 100-77) and later renamed the McKinney-Vento Homeless Assistance Act. The EFSP is codified in 42 U.S.C. §11331 et seq. EFSP funds may be used to provide:

- Food (i.e., served meals or groceries);
- Lodging (i.e., mass shelter or hotel);
- One month's rent or mortgage payment;
- One month's utility bill; and
- Equipment necessary to feed or shelter people (up to \$300 per item).

Although the EFSP is administered by the Federal Emergency Management Agency (FEMA), it is not linked to major disasters or emergencies. It is governed by a National Board that is chaired by a Director (by statute, the FEMA Administrator). The National Board also includes representatives from private

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7-.... www.crs.gov IN11156 nonprofit organizations. When Congress appropriates funding to the EFSP, the Director is responsible for awarding a grant to the National Board, and the National Board is responsible for establishing program guidelines and disbursing the funding. Localities (i.e., cities or counties) are generally designated for funding based on a formula that includes population, poverty, and unemployment data. Each locality designated for funding must establish a Local Board, which is responsible for advertising funding availability and determining how their allotment of local funding will be distributed, including selecting the grant recipients (i.e., private nonprofit organizations or public organizations of the local government in the individual locality). The National Board disburses funds directly to local recipient organizations (LROs) selected by the Local Boards. Additionally, localities that do not qualify under the formula may receive funds through the State Set-Aside process, and this process can also be used to allow localities that are designated for funding to receive additional funding.

EFSP Supplemental Funding

The Emergency Supplemental Appropriations for Humanitarian Assistance and Security at the Southern Border Act, 2019 (hereinafter "supplemental," P.L. 116-26) was enacted on July 1, 2019. In the supplemental, FEMA received \$30 million for the EFSP "for the purposes of providing assistance to aliens released from the custody of the Department of Homeland Security [DHS]."

With regard to eligibility, the supplemental states that the EFSP funding:

- must only be distributed to "jurisdictions or local recipient organizations serving communities that have experienced a significant influx of such aliens" (i.e., aliens released from DHS custody); and
- "may be used to reimburse such jurisdictions or local recipient organizations for costs incurred in providing services to such aliens on or after January 1, 2019."

FEMA issued a Notice of Funding Opportunity (NOFO) (DHS-19-DAD-024-00-02) for the \$30 million in EFSP supplemental funding on July 30, 2019, with a closing date of August 5, 2019. The National Board was the only eligible applicant.

The NOFO directs the National Board to issue reimbursement guidance within 30 days of FEMA awarding the grant funds. However, the supplemental requires the National Board to disburse the funding not later than 30 days from the date the funding is awarded.

Per the NOFO, the funding has been separated into a \$25 million and a \$5 million allocation, and the National Board will prioritize funding to the most impacted areas. FEMA identified the four border states of Texas, New Mexico, Arizona, and California as having experienced a significant influx of aliens when it divided the grant funding into two allocations. Thus, the states that may qualify for funding from the \$25 million allocation are the four border states. The remaining \$5 million may be allocated to any of the 50 states (including the four border states). The NOFO then requires the National Board to select the jurisdictions or LROs that have experienced a significant influx of aliens released from DHS custody on or after January 1, 2019.

The NOFO states that the National Board will use its existing structure for funding distribution and program administration (but eligible requests for reimbursement will be based on the requirements outlined in the supplemental). However, the NOFO states that the funding will be awarded *competitively*, and the NOFO and an EFSP Update Notice for the supplemental state that applicants must submit an application and supporting documentation of eligible expenditures to the Local Board by the deadline set forth in the forthcoming guidelines. The Update Notice includes additional information on the application submission and evaluation processes. Reimbursements will prioritize food and shelter expenses.

Closing Considerations

The NOFO and Update Notice leave some aspects of program administration unclear, for example:

- The National Board is required to select the jurisdictions or LROs that have experienced a significant influx of aliens. However, it is unclear what qualifies at the local level as a "significant influx of aliens," or how localities will be prioritized for funding.
- Although the NOFO provides some guidance on the next tier of services that may be reimbursed after food and shelter expenses are reimbursed, it is unclear what, if any, ancillary services may be eligible for reimbursement (e.g., medical services).
- The time constraints imposed by the supplemental and NOFO may challenge the National Board and Local Boards' ability to complete their EFSP responsibilities ahead of the supplemental's disbursement deadline. It remains to be seen if or how the National Board will be able to accommodate Congress's expressed desire to expedite funding to impacted communities, especially given the time requirements on applicants and adjudicators in a competitive process.

FEMA announced its award of \$30 million in EFSP supplemental funding to the National Board in its August 16, 2019, congressional advisory. It is possible that the forthcoming National Board-issued guidance may help address these outstanding questions. In the meantime, FEMA is directing potential applicants to the EFSP website to contact their Local Board or SSA for additional information.

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