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ABSTRACT

This report describes how Title IV-A of the Social Security Act is being used to aid homeless families with children. The report reviews the history of the Emergency Assistance program (EA) and the special needs component of the Aid to Families with Dependent Children program (AFDC-Special Needs), discusses current policy and practice, examines the efforts of some welfare agencies to aid the homeless, describes relevant legislation, and presents data related to EA. Section 1 is an introduction. Section 2, "History," covers the following topics: (1) the emergence of EA; (2) the concept of special needs; (3) individualized service to consolidated grants; (4) EA time limit; and (5) case law regarding EA. Section 3, "Current Rules and Practice," covers the following topics with regard to EA and AFDC-Special Needs: (1) the law; (2) regulations; (3) State use of each program for shelter; and (4) a comparison of EA and AFDC-Special Needs. Section 4, "Proposed Federal Regulations to Curb Use of Welfare Hotels," covers the following topics: (1) EA regulations; (2) AFDC-Special Needs regulations; and (3) Congressional response. Section 5, "New State Initiatives to Help Homeless Families with Children," covers the following states: (1) California; (2) New York; and (3) Massachusetts. Section 6 covers the proposed legislation dealing with the use of EA or AFDC funds to help homeless families with children. Information about coverage, participation, and expenditures under EA is appended. Six tables are included. (JS)

CRS Report for Congress

Cash Welfare Funds and Homeless Families with Children

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May 23, 1988

CRS

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CASH WELFARE FUNDS AND HOMELESS FAMILIES WITH CHILDREN

SUMMARY

Data indicate that the share of homeless families with children is increasing. Although virtually all Aid to Families with Dependent Children (AFDC) families qualify for housing aid from the Department of Housing and Urban Development (HUD), 1986 funds served only about 20 percent.

Some States and localities have expanded use of cash welfare funds to shelter homeless families under the Emergency Assistance (EA) program and the special needs component of the AFDC program. But placement of a family in a hotel, a last resort that can cost more than $1,000 a month, has been controversial, and recent reports have found dangerous and squalid conditions in some such "welfare hotels."

In response, the Department of Health and Human Services (DHHS), proposed changing its EA and AFDC-special needs regulations in December 1987 to limit the use of welfare funds for emergency shelter. The DHHS proposals would (1) establish an "unambiguous" time limit on the use of EA funds and (2) forbid States from adopting, either as a special or basic need, an AFDC shelter allowance that varied by type of residence (e.g., apartment or hotel). The Department said that (1) some States were "improperly using the EA program to cover needs for an extended period of time" and (2) there was a shortage of moderately priced housing, but that special need shelter allowances, which some States use as a short-term solution, were inequitable. Data indicate that AFDC shelter maximums may be low. For example, the estimated median amount for rent (including utilities) in the State of New York in 1986 was 48 percent higher than the (apartment/house) shelter amount allocated in New York City for an AFDC family of three.

Congress has forbidden the DHHS from implementing the proposed changes before October 1988 (P.L. 100-203). Most witnesses at a March 1988 hearing on the use of AFDC funds for homeless families opposed the changes.

The DHHS recently reported that 8 of the 28 jurisdictions with EA programs were providing temporary shelter in hotels or motels with such funds: the District of Columbia, Delaware, Maryland, Massachusetts, Michigan, New Jersey, New York, and West Virginia. Surveyed by telephone, these States reported in mid-May 1988 that their EA programs specified funds ranging from the "going rate" to $1,140 monthly for a family of three and that the length of time families were able to receive assistance ranged from 30 days to an unspecified duration.

Six States used AFDC funds to cover some shelter items as "special needs": New York, Massachusetts, Minnesota, Oklahoma, California, and Michigan. California uses part of its funds to shelter families in hotels. Further, California, New York, and Massachusetts have new laws or initiatives regarding aid for homeless families.

I. INTRODUCTION

In the early 1980s, the increasing number of homeless families with children attracted the attention of the news media, the public, researchers, and policymakers, but it was thought that homelessness for families with children was a temporary situation. By the mid-1980s, this perception had changed. Recent studies indicate that "far from being temporary, homelessness appears to be a lc g-term state for large numbers." 1/

Researchers find that a large majority of the homeless are single, 2/ but reports from agencies and program surveys indicate that the share of homeless families with children is increasing. Although virtually all AFDC families qualify for housing assistance from HUD, funds are available to serve only a small minority of them, about 20 percent in 1986. Further, for at least a decade, the Federal Government has been cutting back its long-term commitments to aid additional low-income households through housing subsidies. 3/

To help needy homeless and potentially homeless families with children some State and local policymakers have increased their use of cash welfare

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1/ Freeman, Richard B., and Brian Hall. Permanent Homelessness in America? National Bureau of Economic Research. Aug. 1986. p. 14.

2/ For discussion of characteristics of the homeless, see: U.S. Library of Congress. Congressional Research Service. The Homeless: Overview of the Problem and the Federal Response. Report for Congress No. 87-927 EPW, Susan Schillmoeller and Karen Spar. Washington, 1987.

3/ U.S. Library of Congress. Congressional Research Service. Trends in Funding and Numbers of Households in HUD-Assisted Housing, Fiscal Years 1975-1988. Report for Congress No. 88-340 E, Grace Milgram. Washington, 1988. Revised May 10, 1988.

funds under title IV-A of the Social Security Act. The title IV-A money has come from two sources, the EA program and the special needs component of the AFDC program.

The Emergency Assistance to Needy Families with Dependent Children program, enacted as part of P.L. 90-248, the Social Security Amendments of 1967, permits States to furnish federally aided emergency assistance (cash, in-kind aid, medical aid) to needy families with children, including migrant families, for a period not in excess of 30 days in any 12-month period, to "avoid destitution" of the children or to provide living arrangements for them. Federal funds pay one-half the cost of a State's EA program.

"Special needs," which may be recurring or nonrecurring are usually defined as those needs that are recognized by the State as essential for some persons but not for all, and therefore must be determined on an individual basis. They are part of the total "need standard" used to measure AFDC eligibility and determine benefits amount for those families for whom such special needs items are appropriate. Some States consider shelter loss or potential loss a special need. Federal funds pay at least 50 percent of each State's AFDC benefit expenditures, which include funds spent on special need items, and about 54 percent of U.S. total AFDC benefit costs. (The Federal Government also pays one-half the cost of each State's AFDC administrative costs.)

In the last several years some States have been using AFDC special needs funds and/or emergency assistance funds to house otherwise homeless families in hotels. Moreover, a few States have been found to be using EA funds for more than the 30-day limit specified in law. Placement of a family in a hotel, a last resort that costs an average of more than $1,000 a month, has been controversial, and recent reports have found dangerous and squalid conditions in some such "welfare hotels."

Data are lacking on the number of families being aided or the amount of title IV-A funds being used to help those who have lost their apartment or house or to prevent others from losing their shelter. It also is unknown which funds, EA or AFDC-special needs, are used more often to aid homeless families with children. However, the perception is that States primarily are using the special needs component of the AFDC program to provide families with temporary housing.

On December 14, 1987, a proposed rule restricting use of AFDC-special needs for housing expense and reconfirming the 30-day limit on EA expenditures was published in the Federal Register. On December 22, 1987, Congress passed legislation that prohibited the DHHS from taking any action on the proposed EA and AFDC-special needs regulations. P.L. 100-203, the Budget Reconciliation Act of 1987, states:

> The Secretary of Health and Human Services may not take any action, prior to October 1, 1988, that would have the effect of implementing in whole or in part the proposed regulations published in the Federal Register on December 14, 1987, with respect to emergency assistance and the need for and amount of assistance under the program of aid to families with dependent children, or that would change current policy with respect to any of the matters addressed in such proposed regulation.

This report describes how title IV-A of the Social Security Act is being used to aid homeless families with children. The report reviews the history of the EA program and the special needs component of the AFDC program, discusses current policy and practice, examines the efforts of some welfare agencies to aid the homeless, describes relevant legislation, and presents data related to the EA program.

II. HISTORY

A. The Emergence of EA

During the House floor debate on H.R. 12080, the Social Security Amendments of 1967, Representative Wilbur Mills, chairman of the Ways and Means Committee, remarked that,

> The bill would provide for a new program of emergency assistance for families for a temporary period. This new program would allow Federal matching for a wide variety of services which families may need in an emergency situation for a short period of time. We believe that encouraging the States to move quickly in a family crisis, supplying the family promptly with appropriate services, would in many cases preclude the necessity for the family having to go on assistance on a more or less permanent basis. 4/

During the Senate floor debate on H.R. 12080, Senator Abraham Ribicoff, a member of the Senate Finance Committee, remarked that,

> Another change in the present law which the bill will make offers the States the opportunity to provide emergency assistance to families with children, either in the form of cash or as vendor payments. This is a very useful provision and takes into account the problems that poor families meet in day-to-day life. Fires, desertions, and other emergencies constantly arise and welfare agencies need to have flexibility in dealing with these situations. 5/

The Senate Finance Committee report on H.R. 12080 says that,

> The committee understands that the process of determining AFDC eligibility and authorizing payments frequently precludes the meeting of emergency needs when a crisis occurs. In the event of eviction, or when utilities are turned off, or when an alcoholic parent leaves

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4/ Mills, Wilbur. Remarks in the House. Congressional Record, Aug. 17, 1967. p. H10670.

5/ Ribicoff, Abraham. Remarks in the Senate. Congressional Record, Nov. 16, 1967. p. S16642.

> children without food, immediate action is necessary. It frequently is unavailable under State programs today.
>
> To encourage public welfare agencies to move promptly and with maximum effectiveness in such situations, the bill contains an offer to the States of 50-percent participation in emergency assistance payments 6/

The House Ways and Means Committee report on H.R. 12080 includes similar language. 7/

B. The Concept of Special Needs

The "special needs" component of the AFDC program, on the other hand, has no legislative history. When the AFDC program was established by the Social Security Act in 1935, neither a definition of need nor a minimum standard of need was included. Even today the statute does not mention basic or special needs. Within some general Federal regulations, each State decides what "need" is and to what extent it is willing and able to meet that need (maximum benefits of most States are below their need standards). The need standard is the amount of money a State determines is essential to meet a minimal standard of living in that State for a family of a specified size. In general, the standard provides for basic consumption items such as food, clothing, shelter, fuel and utilities, personal care items, and household supplies that are essential to recipients. The need standard may also provide for special (recurrent or nonrecurrent) needs, such as special dietary requirements,

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6/ U.S. Congress. Senate. Committee on Finance. Social Security Amendments of 1967. Report to Accompany H.R. 12080. Report No. 744, 90th Cong., 1st Sess. Washington, U.S. Govt. Print. Off., 1967. p. 165-167.

7/ U.S. Congress. House. Committee on Ways and Means. Social Security Amendments of 1967. Report on H.R. 12080. Report No. 544, 90th Cong., 1st Sess. Washington, U.S. Govt. Print. Off., 1967. p. 109.

pregnancy allowance, training and/or educational expenses, expenses caused by catastrophe or eviction, etc.

The first mention of special needs in Federal regulations occurred on July 17, 1968. These were interim regulations. Final regulations, with identical AFDC-special needs language, were published and took effect on January 29, 1969. Title 45, section 233.20(a)(2)(v) of the U.S. Code of Federal Regulations (1987), unchanged from the 1969 regulations, says,

> If the State agency includes special need items in its standard, (a) describe those that will be recognized, and the circumstances under which they will be included, and (b) provide that they will be considered in the need determination for all applicants and recipients requiring them.

C. Individualized Service to Consolidated Grants

According to some researchers, it was the progression from a case-by-case method of determining AFDC eligibility and benefit amount to a consolidated need standard approach that prompted some States to include special needs as part of their AFDC standard and to use the EA program in order to aid needy families with children who encountered financial problems that could not be solved by the regular cash welfare payment.

In a 1981 report prepared for the DHHS by the Institute for Research on Poverty at the University of Wisconsin, researchers maintained that,

> Until recently, emergency assistance and special needs programs had low visibility. As long as income maintenance programs were individualized, there was little to differentiate the basic welfare payment from its emergency assistance and special needs component. Two changes in this situation have made emergency assistance and special needs far more prominent. The structure of income programs is changing from individualized treatment to standardized treatment with the flat or consolidated grant, leaving coverage of emergencies and special needs to whatever special programs may exist. The second change is hard times. Welfare budgets have not kept pace with

inflation and unemployment, creating more demand for emergency assistance and special needs. 8/

D. EA Time Limit: How Long Is It?

Federal law 9/ defines EA as money payments, payments in kind, or other such payments as the State agency specifies "furnished for a period not in excess of 30 days in any 12-month period" to needy families with children to avoid destitution of the children, or to provide living arrangements for them. During the Senate Finance Committee hearings on the Social Security Amendments of 1967 (H.R. 12080) a number of witnesses said that the 30-day limit on EA should be increased; recommendations ranged from 60 days to 90 days. Most of these witnesses remarked that emergencies frequently cannot be solved in a 30-day period. 10/ In response, the Senate amended the original House bill to provide for up to 60 days of EA in a 12-month period. The Senate later receded from this amendment.

In practice, the duration of receipt of EA has often exceeded 30 days. The first regulations proposed for the new program, issued July 17, 1968 said:

> Federal matching is available only for emergency assistance which the State authorizes during one period of 30 consecutive days in any 12 consecutive months, including payments which are to meet needs which arose before such 30-day period or are for such needs as rent which extend beyond the 30-day period. [Emphasis added.]

8/ U.S. Dept. of Health and Human Services. Social Security Administration. Office of Policy, Office of Research and Statistics. AFDC and Related Income Maintenance Studies. Emergency Assistance and Special Needs Programs in Public Welfare, vol. I. Prepared by Institute for Research on Poverty. University of Wisconsin, Madison. SSA Publication No. 13-11738, Nov. 1981. p. 9-10.

9/ P.L. 90-248, section 406(e) of the Social Security Act.

10/ The Senate Finance Committee hearings on H.R. 12080, the Social Security Amendments of 1967, were held on Aug. 22, 23, and 24, 1967; Aug. 28, 29, 30, and 31; Sept. 11, 12, 18, and 19, 1967; and Sept. 20, 21, 22, and 26, 1967.

On January 10, 1969, final regulations on the EA program (including the identical language) were published and became effective. The introductory statement to the final regulations that was printed in the Federal Register indicated that no objections had been received regarding the interim EA regulations and therefore they were being codified.

Although it is clear that Congress intended that the emergency aid provided be for a temporary period, "not in excess of 30 days in any 12-month period," there has been debate over the meaning of "furnishing" aid, the concept in the law, versus "authorizing" aid, the term used in Federal regulations. The EA regulations always have stated that States can receive Federal matching funds for payments that are made to meet needs which arose before the 30-day period or which extend beyond the 30-day period. However, the Federal regulations specify neither how soon before the start of the 30 days an obligation must have been incurred for it to be included in an EA grant, nor for how long after the 30th day payments can be authorized. Under current practice, it appears that no matter how long a debt has existed, it can be paid by an EA grant if its nonpayment has created the current crisis. In many instances emergency aid has been given to pay back rent of several months if a tenant family would have otherwise been evicted.

In the December 1987 proposed EA regulations, the Administration indicated that it intended to revise Federal regulations to establish an unambiguous limit on the length of time that needs can be met under the program. It proposed to permit use of EA only for aid furnished for one period of 30 days within 12 months to meet actual expense of needs in existence during that period.

E. Case Law Regarding EA

The United States Supreme Court has addressed two EA issues. The High Court's ruling in Quern v. Mandley, 436 U.S. 725 (1978), settled a conflict in the lower courts over the validity of various eligibility requirements in State EA programs.

The first question addressed by the Court in this case was whether a State could provide emergency assistance through the already existing AFDC-special needs program in section 403(a)(1) of the Social Security Act without regard to the particular eligibility requirements of the EA program in section 406(e) of the Act. 11/ In the Quern case, the State of Illinois had set up an EA program and had applied for Federal matching funds, but had limited eligibility criteria to AFDC families, rather than offering EA to non-AFDC type families also, as permitted in section 406(e) of the Act. The question was raised whether the EA program could properly be reimbursed under section 403(a)(1) of the Act as an AFDC-special needs program. The answer was yes. The Court found that there was no inherent conflict between the already existing AFDC-special needs program and the new EA program that would prohibit a State from operating an AFDC-special needs program to meet emergency needs of AFDC recipients alone. It said: "It is clear that a plan to meet certain emergency needs of AFDC recipients--specifically actual or threatened loss of shelter due to damage or eviction--is not necessarily improper as an AFDC-special needs program simply

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11/ Section 403(a)(5) requires the Secretary of the Treasury to pay to each State with an approved AFDC plan, a sum equal to 50 percent of the total amount expended on emergency assistance to needy families with children. Section 403(a)(1) specifies the Federal matching share for AFDC benefit expenditures. The Federal share varies among States, ranging from 50 percent to 79.65 percent in FY88, and is inversely related to State per capita income. Currently, on average, 55 percent of each AFDC benefit dollar is paid by the Federal Government and 45 percent is paid by the States, some of which require local governments to share costs.

because it addresses a nonrecurring need that could alternatively be provided under an EA program." [Quern v. Mandley, 436 U.S. at 738-739]

The second question in this case was whether the EA program could be defined more narrowly than the Federal provisions allowed. The Court held that while the eligibility criteria for AFDC recipients are mandatory under section 402(a)(10) of the Social Security Act, the eligibility criteria for EA under section 406(e) of the Act are permissive. Thus, it said a State may choose to limit eligibility for aid under an EA program more narrowly than set forth in the Federal statute. It found no AFDC or EA statutory provision that imposes mandatory eligibility standards for Federal funding under the EA program.

III. CURRENT RULES AND PRACTICE 12/

A. Emergency Assistance

1. Law

The Social Security Act authorizes 50 percent Federal matching funds for EA (including money payments, payments in kind, and services) to needy families with children, "furnished for a period not in excess of 30 days in any 12-month period in the case of a needy child under the age of 21 . . . ." The child must be living with a relative in a place of residence maintained as his/her home by the relative. The child must be without available resources, and the emergency aid must be necessary "to avoid destitution" of the child or "to provide living arrangements in a home" for the child. [sec. 406(e)]

2. Regulations

Federal matching funds are available "only for emergency assistance which the State authorizes during one period of 30 consecutive days in any 12 consecutive months, including payments which are to meet needs which arose before such 30-day period or are for such needs as rent which extend beyond the 30-day period." [45 C.F.R. 233.120(b)(3) 1987]

12/ Some of the material in sections III, IV, and VI was drawn from a March 21, 1988, Congressional Research Service (CRS) memorandum to the House Ways and Means Subcommittee on Public Assistance and Unemployment Compensation written by Vee Burke, and is reproduced here with the Subcommittee's permission.

States that offer federally funded emergency assistance must specify in their State plan for AFDC the terms of EA: eligibility conditions, emergency needs that will be met, services that will be provided, methods of providing payments or care, and that EA will be given as quickly as possible. They also must state whether migrant workers with children will be covered. Unlike AFDC regulations, EA rules do not require State plans to specify a money standard to be used in determining the amount of assistance.

3. State Use of EA for Shelter

The DHHS, which proposed changing its EA regulations on December 14, 1987, said that some States were "improperly using the EA program to cover needs for an extended period of time." As an example, it said that as of the last quarter of 1986, families receiving EA in one State remained in emergency shelter for an average of 13 months.

The Commissioner of the New York State Department of Social Services has stated that "Under current practice, New York State authorizes, during a 30-day period in any 12 months, all necessary assistance to alleviate a current emergency and to provide living arrangements. Such assistance may include an indefinite stay in a hotel or motel while permanent housing is sought."13/ The Commissioner of the New Jersey Department of Human Services testified at joint field hearings on the use of AFDC funds for homeless families that "Because of the difficulty of finding housing, over the last two years, we have also extended the time period for emergencies from two to five months." He

13/ Excerpt from attachment to the testimony of Cesar Perales, Commissioner, New York State Department of Social Services before joint field hearing on the use of AFDC funds for homeless families, held by the Senate Finance Subcommittee on Social Security and Family Policy and the House Ways and Means Subcommittee on Public Assistance and Unemployment Compensation. Mar. 28, 1988. p. 4.

further stated, "We are worried that if we were to extend the time limit further we would experience a problem similar to that here in New York, where the average length of stay of emergency assistance is thirteen months." 14/

As of October 1, 1986, 11 of 28 jurisdictions with EA programs reported that their programs covered "homelessness," namely: Illinois, Maine, Maryland, Massachusetts, Michigan, New Jersey, New York, Oregon, Puerto Rico, the Virgin Islands, and Washington. 15/

Ten jurisdictions said their programs covered eviction, potential eviction, or foreclosure. 16/ Further, 18 jurisdictions (including 8 that specified homelessness or eviction as covered emergencies) said they covered some other "unspecified crisis threatening family or living arrangements." 17/

In late March 1988, the DHHS reported that eight jurisdictions were providing temporary shelter in hotels or motels with EA funds. These jurisdictions are the District of Columbia, Del_ re, Maryland, Massachusetts, Michigan, New Jersey, New York, and West Virginia. Surveyed by telephone, officials in these States reported in mid-May 1988 that their EA programs specified the following dollar amounts and time limitations for this shelter aid. (See table 1.) In all cases, the officials said that the use of hotels or motels is a last resort and that generally they try to find the least expensive facilities.

14/ Testimony of Drew Altman, Commissioner, New Jersey Department of Human Services, before the Senate Finance Subcommittee on Social Security and Family Policy and the House Ways and Means Subcommittee on Public Assistance and Unemployment Compensation. Mar. 28, 1988. p. 3-4.

15/ U.S. Dept. of Health and Human Services. Family Support Administration. Office of Family Assistance. Characteristics of State Plans for Aid to Families with Dependent Children under Title IV-A of the Social Security Act. 1987 edition.

16/ The States are Georgia, Illinois, Kansas, Maryland, Massachusetts, Michigan, Minnesota, Oklahoma, Oregon, and Vermont.

17/ These jurisdictions are Arkansas, California, Delaware, District of Columbia, Illinois, Maine, Minnesota, Montana, Nebraska, New Jersey, New York, Ohio, Oregon, Pennsylvania, Vermont, Washington, West Virginia, and Wyoming.

TABLE 1. States That Use Emergency Assistance Funds To Pay for Temporary Shelter in Hotels or Motels

State	EA item	Dollar amount per month unless shown otherwise	Length of stay
District of Columbia a/	hotel/motel	"going rate"	varies
Delaware b/	hotel/motel	$200 per year	as long as money lasts
Maryland	hotel/motel	$250 per family c/	as long as money lasts
Massachusetts d/	hotel/motel	"going rate"	3 months
Michigan e/	hotel/motel	$875.10 (3 persons)	30 days
New Jersey f/	hotel/motel	"going rate"	5 months
New York (City) g/	hotel/motel	$1,140 (3 persons)	varies
West Virginia h/	hotel/motel	"going rate"	30 days

a/ The District of Columbia uses part of its EA funds to lease two hotels for the shelter of homeless families. In addition, the District has a contract with another hotel to house homeless families.

b/ In Delaware, a family that must be housed in a hotel or motel is given up to $200 (regardless of size). The family can stay in the hotel/motel as long as their $200 lasts.

c/ In Maryland, a family can apply for EA twice a year. The first time they apply they can get up to $250, the second time, $100. The family can stay in a hotel/motel as long as their money lasts.

d/ In Massachusetts, the welfare agency pays the "going rate" for hotel/motel occupancy. The maximum length of time that a family can stay in a hotel/motel is 3 months. During this time, the welfare departments's housing specialist assists the family in finding either permanent housing or a family shelter.

e/ Michigan pays $25 a day for two persons, $29.17 a day for 3 persons, and $33.33 a day for four or more persons. A welfare caseworker can authorize, without a supervisor's approval, up to 15 days worth of EA funds to pay for hotel or motel occupancy. The maximum length of time a family use EA funds is 30 days.

f/ In New Jersey, the welfare agency pays the most "reasonable charge" for hotel/motel occupancy. The maximum length of time a family can stay in a hotel or motel is 5 months.

g/ New York City pays $16 a day for the first person and $11 a day for each additional person.

h/ In West Virginia, the welfare agency pays the "going rate" for hotel/motel occupancy. The maximum length of stay is 30 days.

B. AFDC-Special Needs

1. Law

The Social Security Act authorizes AFDC cash grants to States so that they may aid "needy" dependent children and their caretakers, but it gives no definition of standard of need. Nor does it mention basic or special needs of recipients.

2. Regulations

Federal regulations require States to specify in their AFDC State plan a statewide standard, expressed in dollars, to be used in determining need of applicants and recipients and the amount of the benefit payment. Further, if the State includes "special need" items in its standard, it must describe them and the circumstances under which they will be taken into account. Regulations require that special needs in a State standard be considered for all AFDC applicants or recipients who require them, except that work expenses and child care/dependent care costs resulting from work, job search, or participation in a community work experience program cannot be defined as special needs. [45 C.F.R. 233.20(2)(v) 1987]

3. State Use of AFDC for Shelter

a. Shelter amounts in need standards versus rents. As of October 1986, 40 jurisdictions had a consolidated need standard that provided for basic consumption items such as food, clothing, shelter, fuel and utilities, personal care items, and household supplies essential to recipients. In such jurisdictions the amounts allotted for shelter are not specified. The remaining 14 jurisdictions had a standard that separated out shelter costs or had an implicit amount for shelter.

Of the 14 jurisdictions that separate shelter components; 3 had two payment schedules--one that included shelter costs and another that did not (the difference represents the implicit shelter allowance); 10 explicitly stated the shelter maximums; and 1 paid 50 percent of actual rent as paid.

Table 2 shows the October 1986 AFDC shelter maximums for a family of two, three, and four persons (amounts include utilities, unless otherwise noted) in the 14 jurisdictions that separate out shelter costs, and it also presents the median amount paid in rent (including the estimated monthly cost of utilities) by all renters in the State (as reported by the Census Bureau) in 1980. The last column shows estimates of the median amount paid in rent in 1986 in the 14 jurisdictions. Table 2 indicates that in all 14 jurisdictions AFDC shelter maximums are low compared to estimated 1986 median amounts paid for rent.

Table 2 shows that the estimated median amount of rent (including utilities) paid in the State of New York in 1986 was 48 percent higher than the amount the City allocated for shelter for an AFDC family of three (which is the average family size). In Michigan, the median amount paid for rent and utilities was nearly 64 percent higher than the highest AFDC shelter maximum for a three-person AFDC family (includes utilities).

TABLE 2. Monthly AFDC Shelter Maximums and Median Amounts Paid for Rent, 1986

State	Shelter maximums, 1986 a/ — Family size: 2 persons	3 persons	4 persons	Census estimate of median rent in 1980 b/	Median rent in 1986 (est.) c/
Arizona d/	$ 88	$110	$133	$262	$383
Florida d/	62	87	86	256	374
Hawaii	215	240	265	308	450
Idaho	222	252	252	220	321
Indiana e/	100	100	100	218	318
Kansas e/	135	135	135	220	321
Michigan (Washtenaw)	212	223	250	250	365
New Hampshire e/	144	144	144	250	365
New Mexico	88	88	105	216	315
New York (N.Y.C.)	227	244	270	248	362
Oklahoma f/	135	162	191	215	314
Vermont e/	250	250	250	227	331
Wyoming d/	115	95	80	254	371
Puerto Rico g/					

a/ In States with area differentials, figures shown are for area with highest shelter maximums. The shelter maximums include utilities, unless otherwise noted.

b/ Source for rent data: Bureau of the Census. Supplementary Report: Provisional Estimates of Social, Economic, and Housing Characteristics, States and Selected Standard Metropolitan Statistical Areas. 1980 Census of Population and Housing. PHC80-S1-1. p. 90-95. Note: the term "rent" includes a Census Bureau estimate of average monthly utility costs.

c/ 1986 estimate based on 1986 Consumer Price Index (CPI) for "rent, residential" of 280.0 relative to the corresponding 1980 CPI of 191.6.

d/ Arizona, Florida, and Wyoming have two AFDC payment schedules, one that includes shelter and another that does not. The difference between the two represents the amount described above as the shelter maximum. Amounts spent on utilities are not included in the figures.

e/ In Indiana, Kansas, New Hampshire, and Vermont utilities are included in the consolidated part of the AFDC grant amount. Therefore, shelter maximums shown exclude utilities.

f/ In Oklahoma, the shelter maximums include the following special shelter need amounts: 2 persons, $15; 3 persons, $18; and 4 persons, $23.

g/ Puerto Rico's AFDC program pays one-half of rent paid. Officials report that the average rent in Puerto Rico is $20 per month. Data on median rent paid were not available for Puerto Rico.

b. Shelter items as special needs. Some States have found that an increasing number of AFDC families are unable to find housing that they can afford. Several States provide additional amounts for shelter under their AFDC-special need provisions to help families remain in their homes or to shelter families in motels or hotels until they can find an affordable apartment.

As of October 1, 1986, six States included provisions in their AFDC State plans for using AFDC funds to cover some shelter items as "special needs": New York, Massachusetts, Minnesota, Oklahoma, California, and Michigan.

New York reported that it covered temporary shelter as a special need. Massachusetts, Minnesota, and Oklahoma cited additional shelter allowance as a special need. California and Michigan specified excess cost of shelter, fuel, or utilities as a special need.

Surveyed by telephone, officials of these States reported in mid-March 1988 that their AFDC programs specified the following dollar amounts (for an AFDC family of three persons) for this shelter aid. (See table 3.)

TABLE 3. States That Designate Temporary Shelter or Excess Shelter Costs as AFDC-Special Need Items

State	AFDC-special need item	Dollar amount, monthly (family of three)
New York (City)	Hotel/motel	$1,140 a/
	Temporary shelter	1,140 a/
California	Temporary shelter	900 b/
	Permanent housing aid	506+ c/
Michigan (Wayne Co.)	Excess cost of shelter, fuel, or utilities	80 d/
Minnesota	Additional shelter allowance	Varies e/
Massachusetts	Additional shelter allowance	40 f/
Oklahoma	Additional shelter allowance	18 g/

a/ Amount shown is for a 30-day month: $16 a day for the first person, $11 a day for each additional person. New York also has a need standard that includes a fixed amount for basic needs and a shelter grant that varies according to family size, region, and type of housing. Thus, a family could be housed in a hotel under the regular AFDC grant (the amounts above would apply).

b/ Amount shown is for 4 weeks. A nonrecurring special need of $30 a day is available for up to 3 weeks (or 4 if approved by the welfare department) for the cost of temporary shelter. [California statute: Welfare and Institutions Code, sec. 11450] Also, an excess shelter payment of $600 per incident is available in cases where a residence is destroyed by a catastrophe, such as earthquake, flood, or fire. The basic AFDC need standard is a flat grant.

c/ A nonrecurring special need for permanent housing assistance is available to pay for the last month's rent and security deposits when these payments are reasonable conditions of securing a residence. The last month's rent portion of the payment cannot exceed 80 percent of the maximum AFDC benefit for a given size family. [California statute]

d/ Amount for shelter in the basic need standard for a family of three in Wayne County is $155 a month.

e/ A "supplemental subsidy" to replace the portion of the housing cost equal to the property tax payment. The portion reimbursed depends on the family's income. Basic need standard is a flat grant.

f/ Regardless of family size. Available only in unsubsidized housing. Basic need standard is a consolidated grant, without a separate shelter component.

g/ Amount specified in basic need standard for snelter is $144 for three-person family in Oklahoma.

C. EA Compared With AFDC-Special Needs

Both AFDC and EA authorize payments only to families with a needy child, and only if the child is living with, or has recently been living with (in the case of EA), one or more specified relatives in a place of residence maintained by one or more such relatives as his or their own home. Both programs contain penalty provisions that deny aid to older children (and/or the relative(s) with whom they are living) who refuse to accept work or training for work. Whereas the AFDC work penalty ends public assistance benefits to the family member who fails to satisfy a work requirement (unless it is an AFDC-Unemployed Parent family), EA provisions deny aid to the entire family. In addition, because EA is a part of the AFDC title, the general administrative provisions concerning approval of a State AFDC plan by the Secretary of the DHHS also apply to EA.

The EA program allows a State to meet the emergency household needs of a broader population than that eligible for AFDC. For example, the definition of "child" for EA purposes includes persons between the ages of 18 and 21. In contrast, AFDC eligibility of a child (under P.L. 97-35, enacted in 1981) ends when he or she reaches age 18, or at State option age 19 if the person is a full-time student in a secondary or technical school who may reasonably be expected to complete the program before 19. More significantly, the EA statute and regulations do not include the AFDC requirement that a needy child be "deprived of parental support or care." Any needy child living with one or more of the relatives specified in the AFDC law may receive emergency assistance. Thus, a child may be eligible if he lives with his natural parents, even if they are healthy and working. Moreover, even if a needy child is not living with one of the specified relatives, he is eligible for EA if he has lived with such a relative within the 6 months before applying for EA.

According to several researchers, some States place more restrictions on EA than on AFDC. States sometimes limit eligibility to single-parent families (but permit AFDC for two-parent unemployed families), impose extra requirements, and adopt special verification procedures for EA. On the other hand, when a State finds it desirable or necessary to limit access to the regular AFDC program, it may loosen rules concerning EA eligibility in the hope that providing aid in the emergency situation will forestall the need for future longer-term or permanent assistance. 18/ However, as shown in appendix table A.1, 18 States have never offered EA.

18/ Gardella, Lawrence. Meeting Short-Term Needs of Poor Families: Emergency Assistance for Needy Families With Children. Cornell Law Review, v. 60. Developments in Welfare Law. p. 879-896.

IV. PROPOSED FEDERAL REGULATIONS TO CURB USE OF WELFARE HOTELS

A. EA Regulations

The DHHS has proposed to revise EA regulations in two ways:

(1) to specify that Federal matching funds for EA will be available only for assistance that a State furnishes for one period of 30 consecutive days, or less, in 12 consecutive months "to meet the actual expense of needs in existence during that period which arise from an emergency or unusual crisis situation, and which continue to exist until aid is furnished," and

(2) to require State plans to specify in dollar amounts the maximum aid that may be given for each type of emergency need covered by the EA program.

The DHHS said its first proposal would establish an "unambiguous limit" on the length of time that needs can be met with EA funds and that its second proposal would facilitate review of States' claims for Federal matching funds and help to assure "equitable treatment" of applicants and recipients by establishing a ceiling on the amount of aid available in similar cases.

B. AFDC-Special Needs Regulations

The DHHS has proposed to forbid States to include in their statewide standard of need, either as a basic need or a special need, an amount for shelter that varies according to the type of living accommodation occupied.

The DHHS said it understood that some States may have established multiple and/or special need allowances as a short-term solution in response to the lack of moderately priced housing. "We recognize that the lack of moderate housing is a problem that needs to be addressed," it said. "At the same time, Federal programs other than title IV-A [AFDC] exist, and are specifically designed to address these housing problems."

C. Congressional Response

The Congress has forbidden the DHHS Secretary to take action to implement the above changes in either EA or AFDC regulations or to otherwise change relevant policy before October 1, 1988 (P.L. 100-203, 1987).

During the joint field hearing of the Senate Finance Subcommittee on Social Security and Family Policy and the House Ways and Means Subcommittee on Public Assistance and Unemployment Compensation held March 28, 1988, in New York City, most of the witnesses opposed the proposed EA AFDC regulations. The Commissioner of New York State's Department of Social Services took the position that the intent of the EA law would be violated by regulations prohibiting Federal funding for bills in arrears that must be paid currently, or for current bills that would satisfy, at least in part, a future need (e.g., advance rental payments required by a landlord). 19/

19/ See footnote 13.

V. NEW STATE INITIATIVES TO HELP HOMELESS FAMILIES WITH CHILDREN

California, New York, and Massachusetts in 1987 or 1988 have enacted new laws regarding aid for homeless families, discussed below.

A. California

Since February 1, 1988, under a new "Homeless Families" program in California (Assembly Bill 1733, 1987), two new nonrecurring special need items have been covered under the AFDC program: (1) homeless assistance for temporary shelter--at $30 a day for up to 3 weeks (4 weeks if approved by the welfare department) and (2) permanent housing assistance--to pay for last month's rent and security deposits (the last month's rent cannot exceed 80 percent of the maximum AFDC benefit for the relevant family size). 20/ Under this new program, eligibility for both the temporary and permanent shelter allowance is limited to once every 12 months; families whose liquid resources do not exceed $100 may qualify; and payments for shelter assistance may be made directly to shelter providers. [Sec. 11450, California Welfare and Institutions Code] The State of California estimates that it will cost approximately $38 million to fully implement the program.

20/ "Last month's rent" generally is defined as a sum of money (usually equal to one month's rent) paid to the landlord upon the tenant's occupancy of the rental unit. In the event the tenant vacates before the agreed upon date, the last month's rent almost always is forfeited. The last month's rent payment generally is required in addition to a security deposit.

B. New York

Effective January 1, 1988, New York State began a Homeless Rehousing Assistance program [N.Y. Soc. Serv. Law (McKinney) sections 48-52 (1988 Supp.)] under which funds are to be used to: (1) maintain an inventory of habitable housing units, (2) refer homeless families to permanent housing units (and provide or arrange for transportation), (3) assist homeless families in securing a landlord-tenant lease agreement, (4) assist homeless families in obtaining Federal, State, and local payment for rent security deposits, furniture and other household moving expenses, (5) aid in the selection and purchase of furniture and other household equipment, (6) refer homeless families to appropriate support services. Section 48 of the New York statute, the legislative intent, states:

> The legislature finds that the number of homeless families living in unsafe and unsanitary conditions in hotels and congregate shelters in this state is increasing at an alarming rate. The legislature further finds that the provision of rehousing assistance and related supportive services is not routinely or consistently available at every hotel and congregate shelter in the state. The legislature, therefore, finds that state financial assistance should be made available solely for the purpose of increasing existing rehousing assistance and related supportive services in order to assist homeless families with children in obtaining permanent, quality, affordable housing.

Testimony from the joint field hearing and other documents indicate that New York City has largest number of homeless families in the country. It was estimated that over 11,000 homeless families lived in the City's emergency housing during FY 1987. New York City has announced a 5-year plan for housing and assisting homeless families. This plan proposes:

- To phase out the use of commercial hotels by 1992 and to eliminate all tier I shelters which provide congregate facilities and accommodate all homeless families in tier II facilities which offer more privacy.

- o To increase the number of tier II units by about 3,800 between 1988 and 1992 primarily through new construction, renovation of publicly owned facilities.
- o To renovate 4,000 Department of Housing Preservation and Development apartments for homeless or potentially homeless families each year from FY 1988 through FY 1992. Subject to approval by the State legislature, the City and State plan to initiate a joint program to construct 2,000 permanent housing units for the homeless, half in 1991 and half in 1992.
- o With a recently obtained Federal waiver, to initiate a Shared Housing Demonstration program to encourage public assistance families to share their housing with homeless families. The host families would receive the homeless families' shelter allowances in addition to their regular public assistance benefits.

New York City estimates that close to 9,000 families in the City will be homeless in FY 1992 unless its proposed initiatives are taken. The City estimates that if the proposed initiatives are implemented, the number of homeless families will drop below 5,000 in FY 1992.

C. Massachusetts

In volume 2A, title 18, section 2 of the Massachusetts statutes, a subsection called "Notes of Decisions," states:

> Department of Public Welfare has [the] obligation to provide aid sufficient to permit AFDC parents to live in home, and not simply to provide accommodations to AFDC parents in hotels, motels, and emergency shelters. Massachusetts Coalition for Homeless v. Secretary of Human Services (1987) 511 N.E. 2d 603, 400 Mass. 806.
>
> If Department of Public Welfare concludes that funds appropriated for AFDC purposes are insufficient to permit it to furnish level of financial aid to permit parents to bring up their children in their own homes, Department has obligation to bring its inability to comply with payment level to attention of legislature and to ask that it appropriate adequate sum or that it provide some other solution to dilemma. Massachusetts Coalition for Homeless v. Secretary of Human Services (1987) 511 N.E. 2d 603, 400 Mass. 806.

According to a January 1987 report entitled "Homeless Families in Massachusetts: Progress and Action," in 1983, Governor Dukakis chose homelessness as his major social welfare priority. The report says that during the last several years the State of Massachusetts has developed a four-part strategy to deal with homeless: (1) prevention, (2) emergency services, (3) supportive services, and (4) permanent housing. Under its prevention component, the State has made the following changes in the EA program.

- o Removal of caps on the amount of EA paid for fuel, utilities, rent and mortgage arrearages, advance rent, and security deposits. Under EA, people now receive payment of up to four months back rent, up to four months of utilities, moving expenses, payment of first month's rent and security deposit, and up to four months of fuel benefits.

- o Provision of emergency shelter to AFDC recipients for up to 90 days. (This is the federal reimbursement. The state pays for longer stay.)

- o Extension of EA benefits to pregnant women with no other dependents in the first two trimesters of pregnancy. 21/

Under its emergency services component, the State provides 75 percent of the operating budget of its 27 family shelters (with 439 beds, 1986 data). When no shelter beds are available, families are placed in hotels or motels. According to the State's 1987 report, between July 1985 and June 1986, 1,809 homeless families entered hotels and motels. The report also says that during the same time period, housing search workers were instrumental in moving 1,100 families from hotels/motels into permanent housing. A State official confirmed that it is not unlikely that a family currently assigned to live in a hotel would receive an AFDC-special needs allowance of from $900 to $2,000 per month depending on the family's size.

Under its permanent housing component, the State is expanding the supply of low and moderate income housing. It says that 3,000 units are currently being developed. In addition, the State provided roughly 1,000 rental assistance certificates (in FY 1987) for homeless families in hotels/motels.

21/ Executive Office of Human Services. Homeless Families in Massachusetts: Progress and Action. No. 14, 717-52-300-2-87-CR. Jan. 1987. p. 3-4.

The 1987 report said that, from September 1, 1985, through September 1, 1986, more than 2,800 families lived in the State's shelters and motels, and another d,000 were prevented from becoming homeless through the combined effort of various State agencies.

VI. PROPOSED LEGISLATION DEALING WITH USE OF EA OR AFDC FUNDS TO HELP HOMELESS FAMILIES WITH CHILDREN

H.R. 180, Representative Leland et al. National Right to Shelter Act of 1987

Requires States to offer Emergency Assistance to needy families with children as a condition of receiving AFDC and Medicaid matching funds. Removes durational limit for EA provided for <u>shelter</u>. (Same provisions are in title I of another bill sponsored by Representative Leland, H.R. 286, Homeless Persons' Survival Act of 1987.)

H.R. 274, Representative Weiss et al. Emergency Aid to Homeless Families Act

Permits States to use EA funds to purchase, construct, renovate, or rent facilities to provide emergency shelter for needy families with children.

H.R. 1720 (as passed by House), Representative H. Ford et al. Family Welfare Reform Act

Section 805 authorizes grants of $15 million per year for 5 years to establish a demonstration program to build permanent housing for homeless families eligible to receive AFDC. Allows up to three States to construct and renovate affordable, permanent housing for families unable to obtain decent housing at rents that can be paid with the portion of AFDC allocated for shelter and who, without such housing, would be compelled to live in a shelter for the homeless or in a hotel or motel, or other temporary accommodations, or would be homeless. To participate, a State must submit a plan showing how the demonstration would reduce net Federal payments for EA for temporary shelter over 10 years.

H.R. 1906, Representative Schumer et al.

Essentially like H.R. 1720 above.

H.R. 3148, Representative Gradison. Family Security Act of 1987 22/

Title VI contains provisions essentially like those of H.R. 1720 above.

H.R. 3366, Representative DioGuardi et al.

Affirms the right of a State to vary the amount for shelter in its need standard, depending on the type of housing occupied. Eliminates durational limit on EA that is provided for shelter. Makes it clear that a State need not specify the maximum dollar amount of aid to be provided for each type of emergency.

H.R. 3534, Representative Gray. Budget Reconciliation Act of 1987

As passed by the House, a provision of title IX authorizes the DHHS Secretary to approve projects under which States encourage landlords to make permanent shelter available to families receiving EA by paying rent for such shelter for the first year at the rate paid for comparable commercial transient accommodations and for the remainder of the lease, which must run for at least 2 more years, at the applicable AFDC housing allowance. Provision was deleted in conference.

H.R. 4237, Representative Green

Requires States to describe special need items in their State plans; allows States to vary the shelter amount according to geographic location, family circumstance, or type of living accommodation occupied; revises EA language; requires States to specify the eligibility conditions for receipt of EA but does not require States to specify the maximum amount of assistance which may be provided for any type of emergency need; requires States to limit (and after a specified period, eliminate) the use of welfare hotels for homeless families; and establishes demonstration programs under which long-term leasing agreements would be negotiated with landlords.

H.R. 4351, Representative Vento et al. McKinney Housing and Shelter for the Homeless Reauthorization Act of 1988

Extends the housing and shelter programs (authorized under the McKinney Act) for the homeless.

22/ In the Senate this bill (S. 1511) is sponsored by Senator Moynihan, who earlier introduced legislation (S. 37, Permanent Housing for Homeless Families Act) for grants to States for construction and rehabilitation of permanent housing for rental to AFDC families who otherwise would require EA in the form of temporary housing.

H.R. 4352, Representative Vento et al. Omnibus McKinney Homeless Assistance Act of 1988

Provides grants for homeless shelters, provides health care for homeless individuals and families; provides adult education programs to improve literacy and basic skills of homeless individuals; provides job training demonstration project for the homeless; changes the Food Stamp program to more effeccively serve the homeless; provides care to homeless veterans; and establishes a demonstration program to encourage landlords to make permanent shelter available to families receiving EA by paying rent for such shelter for the first year at the rate paid for comparable commercial transient accommodations and for the remainder of the lease, which must run for at least 2 more years, at the applicable AFDC housing allowance (similar to the provision in H.R. 3534).

APPENDIX A: COVERAGE, PARTICIPATION, AND EXPENDITURES UNDER EA

A. Coverage

Each State decides whether or not to have an EA program, and one-third of AFDC jurisdictions never have offered EA. Section 406(e) of the Social Security Act says that EA may be given "but only with respect to a State whose State plan approved under section 402 of the Social Security Act includes provision for such assistance." States that decide to have an EA program can end the program at any time. However, while the program is in effect all Federal guidelines and State rules must be adhered to.

In FY 1987, 25 States, the District of Columbia, Puerto Rico, and the Virgin Islands operated EA programs. During the first half of FY 1988, the same 28 jurisdictions still had EA programs. The jurisdictions with EA programs are California, Delaware, the District of Columbia, Georgia, Illinois, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Puerto Rico, and the Virgin Islands.

Although the law enacting the EA program made it effective as of January 1, 1968, it was not until 1969 that States got programs underway. In that year 18 States operated an EA program. Of those original 18 States, 11 States still have an EA program and have operated such a program in all of the intervening years. These States are Kansas, Maryland, Massachusetts, Michigan, Nebraska, New York, Oklahoma, Oregon, Washington, West Virginia, and Wyoming. (See table A.1.) Three of these States, Massachusetts, Michigan, and New York, spent 35 percent of all EA expenditures in 1969 and 54 percent of such expenditures in 1987.

As of May 1988, 18 jurisdictions never have had an EA program. These jurisdictions are: Alabama, Arizona, Colorado, Florida, Hawaii, Idaho, Indiana, Iowa, Louisiana, Maine, Mississippi, Nevada, New Hampshire, North Dakota, South Carolina, Tennessee, Texas, and Guam.

Unlike the AFDC-Special Needs provision, which is limited to AFDC families, a State may offer EA funds to all needy families with children, including those with both (able-bodied) parents in the home. In 1986, 26 of the 28 jurisdictions with EA programs offered aid to needy families other than migrant families or those receiving AFDC. Delaware restricted EA eligibility to AFDC or General Assistance recipients, and Illinois restricted eligibility to AFDC families or families with a child under age 21 that otherwise would have been eligible for AFDC.

One view with respect to State provision of EA and expenditures on EA is that States with higher AFDC maximum benefits are likely to have more comprehensive and generous EA programs than low-benefit States. The data are consistent with this observation. In 1987, in four of the five States with Federal EA expenditures in excess of $10 million, the average monthly AFDC benefit per family was higher than the national average. In 1987, the average monthly AFDC benefit per family was $360. In California, the comparable figure was $553; in Massachusetts, $490; in Michigan $467; and in New York, $492. In the fifth State, New Jersey, the average monthly AFDC benefit per family was lower than the national average; $352 versus $360.

TABLE A.1. State Participation in the Emergency Assistance Program, 1969-1987

State	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Alabama																			
Alaska	X	X	X	X	X	X													
Arizona																			
Arkansas	X	X	X	X	X	X	X					X	X	X	X	X	X	X	X
California														X	X	X	X	X	X
Colorado																			
Connecticut							X	X	X	X	X		X						
Delaware					X		X	X	X	X	X	X	X	X	X	X	X	X	X
District of Columbia		X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Florida																			
Georgia															X	X	X	X	X
Hawaii																			
Idaho																			
Illinois		X		X		X	X					X	X	X	X	X	X	X	X
Indiana																			
Iowa																			
Kansas	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Kentucky				X	X	X	X	X	X	X	X	X	X						
Louisiana																			
Maine																			
Maryland	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Massachusetts	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Michigan	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Minnesota			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Mississippi																			
Missouri												X	X						
Montana			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Nebraska	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Nevada																			
New Hampshire																			

TABLE A.1. State Participation in the Emergency Assistance Program, 1969-1987--Continued

State	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
New Jersey			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
New Mexico	x	x																	
New York	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
North Carolina		x		x		x													x
North Dakota																			
Ohio					x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Oklahoma	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Oregon	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Pennsylvania		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Rhode Island	x	x	x	x	x														
South Carolina																			
South Dakota					x		x	x	x										
Tennessee																			
Texas																			
Utah	x	x	x	x	x	x													
Vermont	x	x	x	x	x	x	x	x	x				x	x	x	x	x	x	x
Virginia				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Washington	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
West Virginia	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Wisconsin	x				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Wyoming	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Guam																			
Puerto Rico								x	x	x	x	x	x	x	x	x	x	x	x
Virgin Islands			x		x			x	x	x	x			x			x	x	x
Total	18	21	21	25	27	26	26	26	26	24	24	25	27	26	27	27	28	28	28

Source: Based on data and reports from the U.S. Department of Health and Human Services.

B. Participation

In 1969, 7,500 families received emergency assistance payments. The average monthly number of families receiving EA increased to 38,300 in 1975, dropped to 27,500 in 1976, and rose to a new high of 49,100 in 1981. The average monthly EA enrollment dropped 44 percent in 1982 to 27,300 families. Some States reported (in various surveys) that in 1982 they increased their use of Low-Income Home Energy Assistance Program (LIHEAP) funds, which are 100 percent federally funded, for emergency aid and thus decreased their use of EA funds, which are 50 percent federally funded. In 1987, it is estimated that 41,600 families (average monthly number) received EA. (See table A.2.)

In FY 1987, New York, Massachusetts, and Michigan had the largest EA programs in terms of average monthly participants. Approximately 8.1 million families per month received EA in New York in FY 1987, 5.5 million families in Massachusetts, and 5.1 million families in Michigan. The monthly average for the Nation as a whole was 40.5 million families. In October 1987, 44.8 million families received EA and the average payment per family for that month was $383.

Information from the March 28, 1988, joint field hearing on the use of AFDC funds for homeless families indicated that New York City has the largest number of homeless families in the country. Roughly 12,000 families are reported to use the City's shelters over the course of a year.

TABLE A.2. Emergency Assistance: Average Monthly Number of Families, Total Amount of Cash Payments, and Average Monthly Payment Per Family, 1969-1987

Calendar year	Average monthly number of families	Total assistance payments during year (in millions)	Average monthly payment per family
1969.................	7,500	$ 6.7	$117
1970.................	7,500	11.4	126
1971.................	11,100	19.8	149
1972.................	19,900	44.2	185
1973.................	18,800	39.3	174
1974.................	31,300	64.0	170
1975.................	38,300	77.5	169
1976.................	27,500	55.7	168
1977.................	32,800	66.1	168
1978.................	34,500	80.9	195
1979.................	35,700	84.0	196
1980.................	48,600	113.2	194
1981.................	49,100	123.5	210
1982.................	27,300	102.3	279
1983.................	30,000	125.2	283
1984.................	31,400	107.6	286
1985.................	32,100	123.5	320
1986.................	33,800	151.4	374
1987 a/..............	41,600	198.6	398

a/ 1987 data based on 11 months of actual data; the December data was estimated.

Source: Social Security Administration, Office of Research and Statistics. Social Security Bulletin, Annual Statistical Supplement, 1986, and Monthly Benefit Statistics.

C. Expenditures

The Federal Government pays 50 percent of State expenditures on the EA program, and there is no ceiling. These expenditures include both benefit payments to individuals and administrative costs of the program.

Total EA expenditures have increased from $6.7 million in 1969 (equivalent to $13.1 million in 1987 dollars) to $198.6 million in 1987, with some fluctuations in the intervening years. (See table A.3.) The largest decrease in EA expenditures occurred between 1975 and 1976, when EA expenditures dropped 28.1 percent, from $77.5 million to $55.7 million.

The second largest decrease occurred between 1981 and 1982 when EA expenditures dropped 17.2 percent, from $123.5 million to $102.3 million. Some State officials said that in 1982 they used LIHEAP funds whenever they could instead of EA funds because of the more liberal Federal matching.

During FY 1986-1988, California, Massachusetts, and New York had the largest EA programs (in terms of expenditures). In FY 1986, the three States spent 54.8 percent of total EA funds, in FY 1987, 60.5 percent of EA funds, and in FY 1988, it is estimated that they will spend 52 percent of all EA funds.

In FY 1986, New York had the highest expenditures, followed by Massachusetts and California. In FY 1987 and 1988, the rank order changed; New York still had the highest expenditures, but it was followed by California. In FY 1987, it is estimated that New York spent 32.4 percent of EA funds, California, 14.5 percent, and Massachusetts, 13.4 percent. In FY 1988, it is projected that New York will spend 20.6 percent of EA funds, California, 17.8 percent, and Massachusetts, 13.5 percent.

Table A.3 also shows a slowing down of the growth of Federal expenditures for EA. Between FY 1986 and FY 1987, Federal expenditures for EA increased 31.5 percent, from $77.1 million to $101.4 million. Between FY 1987 and FY

1988, Federal expenditures for EA are projected to increase 16.6 percent, from $101.4 million to $118.3 million. The projected FY 1988 data show Federal expenditures for EA increasing 44 percent in California, but decreasing 26 percent in New York. The underlying assumptions for these DHHS projections were not stated.

TABLE A.3. Federal Expenditures for Emergency Assistance, FY 1986-1988

States	Emergency assistance expenditures FY 1986	FY 1987	FY 1988
Arkansas......................	$ 9,000	$ 0	$ 0
California....................	6,685,000	14,744,000	21,118,000
Delaware......................	130,000	151,000	160,000
District of Columbia..........	147,000	487,000	4,695,000
Florida.......................	0	0	1,000,000
Georgia.......................	4,553,000	3,702,000	5,867,000
Illinois......................	413,000	217,000	240,000
Kansas........................	145,000	151,000	157,000
Maine.........................	454,000	490,000	750,000
Maryland......................	2,430,000	2,263,000	2,224,000
Massachusetts.................	11,347,000	13,645,000	16,000,000
Michigan......................	5,033,000	7,907,000	9,222,000
Minnesota.....................	5,785,000	3,616,000	4,264,000
Montana.......................	197,000	120,000	175,000
Nebraska......................	572,000	489,000	545,000
Nevada........................	0	0	10,000
New Jersey....................	2,404,000	5,887,000	12,500,000
New York......................	24,216,000	32,935,000	24,432,000
North Carolina................	0	4,205,000	2,768,000
Ohio..........................	4,724,000	3,104,000	4,257,000
Oklahoma......................	1,357,000	1,668,000	1,735,000
Oregon........................	2,190,000	1,984,000	2,237,000
Pennsylvania..................	52,000	84,000	50,000
Vermont.......................	173,000	206,000	213,000
Virginia......................	35,000	33,000	32,000
Washington....................	1,547,000	1,306,000	1,439,000
West Virginia.................	957,000	656,000	700,000
Wisconsin.....................	844,000	789,000	1,340,000
Wyoming.......................	542,000	495,000	0
Puerto Rico...................	155,000	104,000	117,000
Virgin Islands................	2,000	5,000	4,000
Total.........................	$77,098,000	$101,443,000	$118,341,000

Source: U.S. Department of Health and Human Services, Social Security Administration. Justification of Appropriation Estimate for Committee on Appropriations, Fiscal Year 1988 and 1989. p. 86-87 and p. 40-41 (data for FY 1986 and FY 1988). Fiscal year 1987 data from DHHS, Family Support Administration, Office of Family Assistance.