United States Government Accountability Office

Report to Congressional Committees

June 2023

HUNGER AND HOMELESSNESS

Funding Distribution for Key Programs

Revised June 27, 2024 to correct figure 7 on p. 26 (specifically, the portion of the figure that presents the Round 2 funding map). The revised figure 7 accurately reflects the underlying data analysis that was reported in the report text.

GAO-23-105458

GAO Highlights

Highlights of GAO-23-105458, a report to congressional committees

June 2023

HUNGER AND HOMELESSNESS

Funding Distribution for Key Programs

Why GAO Did This Study

The COVID-19 pandemic and recent economic challenges, including inflation and increased housing costs, have raised questions about whether more U.S. households are experiencing hunger and homelessness. House Report 117-99 includes a provision for GAO to conduct a study on federal programs that address hunger and homelessness. Among its objectives, this report (1) describes the geographic distribution of EFSP, CoC, and ESG funding and how per capita program funding aligns with state-level homelessness rates, median rents, and income inequality; and (2) compares the geographic distribution of two rounds of ESG funding under the CARES Act, one using the traditional ESG funding formula and the other a formula developed to target populations experiencing homelessness.

GAO reviewed prior work and federal agency documentation and reports to identify key federal programs that can provide food or housing assistance to those experiencing or at risk of homelessness. GAO reviewed agency funding data and documentation. GAO analyzed the geographic distribution of funding of the three key programs that use formulas to allocate funding (EFSP, CoC, and ESG) and how per capita funding aligned with indicators of need that GAO determined relevant to the programs—two of which primarily focus on addressing homelessness. GAO also interviewed agency officials, advocacy groups, and recipient organizations.

View GAO-23-105458. For more information, contact Alicia Puente Cackley at (202) 512-8678 or CackleyA@gao.gov.

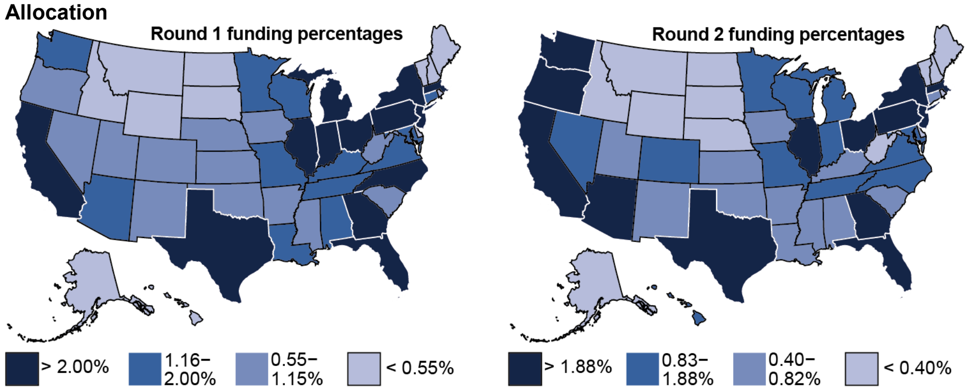
What GAO Found

Five key federal programs can provide food or housing assistance to those experiencing or at risk of homelessness: the Department of Housing and Urban Development's Continuum of Care (CoC) and Emergency Solutions Grants (ESG), Federal Emergency Management Agency's Emergency Food and Shelter Program (EFSP), and Department of Agriculture's Supplemental Nutrition Assistance Program (SNAP) and The Emergency Food Assistance Program (TEFAP).

Of the programs providing food or housing assistance, GAO analyzed the geographic distribution of funding for the three that use formulas to allocate funding to qualifying jurisdictions—EFSP, CoC, and ESG. None of the programs are required to use criteria related to homelessness in their formulas. State funding per capita for these programs did not always align with measures of homelessness, rental costs, and income inequality. For example, in fiscal year 2020, two states with some of the highest per capita funding for CoC—Connecticut and Louisiana—were among the states with the lowest level of homelessness. Another state with relatively high per capita funding for CoC, Ohio, ranked among the bottom half for each measure of need. Analysis of per capita funding also showed different geographic patterns. States in the Northeast and West tended to receive the highest EFSP and CoC funding per capita, while ESG funding tended to be concentrated in the Northeast and parts of the Midwest.

A CARES Act-related change to the ESG funding formula in 2020 resulted in better targeting of funds to states with large homeless populations than under the traditional formula. The CARES Act provided funds to be awarded in two rounds. The first round allocated $1 billion using the traditional formula, which does not factor in measures of homelessness. The second round allocated $2.96 billion using a formula that weighted indicators of homelessness. As a result, states with the largest homeless populations received a greater share of program funds in the second round. For example, California, New York, Texas, and Florida accounted for over 50 percent of funds allocated in the second round, compared to about 34 percent in the first round.

Emergency Solutions Grants – CARES ACT Round 1 and 2 Funding by Percentage of Allocation



Sources: GAO and Department of Housing and Urban Development. | GAO-23-105458

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Abbreviations

CoC	Continuum of Care
EFSP	Emergency Food and Shelter Program
ESG	Emergency Solutions Grants
ESG-CV	Emergency Solutions Grants – CARES Act
FEMA	Federal Emergency Management Agency
HUD	Department of Housing and Urban Development
SNAP	Supplemental Nutrition Assistance Program
TEFAP	The Emergency Food Assistance Program
USDA	Department of Agriculture

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June 27, 2023

The Honorable Brian Schatz
Chair
The Honorable Cindy Hyde-Smith
Ranking Member
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
Committee on Appropriations
United States Senate

The Honorable Tom Cole
Chairman
The Honorable Mike Quigley
Ranking Member
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
Committee on Appropriations
House of Representatives

The COVID-19 pandemic and recent economic challenges, including inflation and increasing housing costs, have raised questions about whether more households are experiencing hunger and homelessness in the United States. Research has shown a link between housing and food insecurity and the importance of stable housing and food access to ensure a person's health and well-being.[1] Congress provided COVID relief funding to address these issues during the pandemic.

House Report 117-99, which accompanies the Departments of Transportation, and Housing and Urban Development, and Related Agencies Appropriations Bill, 2022, contains a provision for GAO to conduct a study on federal programs that address hunger (more specifically, food insecurity) and homelessness. This report describes (1) funding and expenditures in fiscal years 2017–2022 for key federal programs that provide food or housing assistance to those experiencing

[1]"Hunger" may refer to conditions ranging in severity from rather mild food insecurity to prolonged clinical undernutrition. "Food insecurity" is the limited or uncertain availability of nutritionally adequate and safe foods, or limited or uncertain ability to acquire acceptable foods in socially acceptable ways. Sue Ann Anderson, ed., "Core Indicators of Nutritional State for Difficult to Sample Populations," *The Journal of Nutrition*, vol. 120, supplement 11 (November 1990): 1555-1600.

or at risk of homelessness; (2) data key federal programs collect about food or housing assistance; (3) the geographic distribution of funding for three of the programs; and (4) how the geographic distribution of Emergency Solutions Grants under the CARES Act compared for the two allocations (one under the traditional funding formula and the second under a formula the Department of Housing and Urban Development (HUD) developed to target populations experiencing homelessness, as directed by the CARES Act).

For this review, we selected federal programs that can provide food assistance or housing to people at risk of or experiencing homelessness. Five programs met our criteria for such programs (to which we refer as key programs):

- Emergency Food and Shelter Program (EFSP) at the Federal Emergency Management Agency (FEMA);
- Continuum of Care (CoC) programs and Emergency Solutions Grants (ESG) at HUD; and
- Supplemental Nutrition Assistance Program (SNAP) and The Emergency Food Assistance Program (TEFAP) at the Department of Agriculture (USDA).[2]

To address the first and second objectives, we obtained agency data on annual obligations and expenditures, as well as funding and expenditures related to COVID-19 relief laws. We analyzed documentation on the five key programs, including on data collection of food or housing assistance and program guidelines.

To address the third objective, we performed geographic analysis of program funding data by aggregating fiscal year 2020 CoC, ESG, and EFSP data to the state level.[3] We calculated state-level homelessness

[2]Our criteria included programs that serve the general population experiencing or at risk for homelessness, operate in all 50 states, and provide food or housing assistance or both as a primary service. We excluded programs that focus on specific groups, such as veterans. We also excluded programs that focus on specific issues, such as substance abuse, for which hunger or homelessness is not the primary focus. We consider these key programs because no other federal programs met our criteria.

[3]We determined that CoC, ESG, and EFSP data were reliable for analyzing the geographic distribution of funds. We did not include measures of food insecurity in the analysis because the scope of the objective was on the key programs that use formulas to allocate funds, of which two (CoC and ESG) primarily focus on addressing homelessness rather than food insecurity.

rates by aggregating 2020 CoC point-in-time counts by state, then dividing the total number of individuals experiencing homelessness by state population.[4] We found the 2020 CoC point-in-time count sufficiently reliable for analyzing state-level homelessness rates.[5] Finally, we downloaded median rent and Gini coefficient data from the American Community Survey 5-Year estimates and produced maps representing each variable by state.[6] We calculated correlations between per capita program funding and homelessness rates, income inequality, and median rents.

To address the fourth objective, we analyzed the share of CARES Act-authorized funds for ESG (ESG-CV) allocated to each state in two rounds, as well as per capita funding for each state in each round.[7] We then mapped our results. We also analyzed how use of different formulas would have affected state-level ESG funding allocations.

To address all three objectives, we interviewed officials at HUD, FEMA, USDA, the Department of Health and Human Services, Department of Veterans Affairs, and the United States Interagency Council on Homelessness. We interviewed representatives of four state SNAP offices (selected to reflect geographic diversity and states with higher rates of homelessness) and four advocacy groups focused on populations experiencing hunger or homelessness. In addition, we interviewed a nongeneralizable sample of 18 EFSP, CoC, and ESG funding recipients selected to reflect a diversity of geographic areas (urban and rural) and

[4]HUD requires CoCs to count sheltered and unsheltered persons experiencing homelessness at least biennially during the last 10 days of January.

[5]Previous GAO work has noted that the point-in-time count likely underestimates the size of the homeless population because identifying people experiencing homelessness is inherently difficult and some year-over-year fluctuations in the count raise questions about data accuracy. While the point-in-time count data does not provide a reliably precise estimate of individuals experiencing homelessness, we determined they provide an appropriate estimate for the purposes of our calculation of state-level homelessness rates.

[6]The Gini Index is a summary measure of income inequality. It is a single statistic that summarizes the dispersion of income across the income distribution. The Gini coefficient ranges from 0, indicating perfect equality (everyone receives an equal share), to 1, perfect inequality (only one recipient or group of recipients receives all the income).

[7]The appropriation, known as ESG-CV, was awarded to states, counties, and cities in two rounds. In the first round, HUD allocated $1 billion under the traditional ESG formula, based on the formula used to allocate Community Development Block Grants. In the second round, HUD allocated $2.96 billion under a formula targeted to persons experiencing homelessness or at risk of homelessness.

award amounts. See appendix I for more detailed information on our scope and methodology.

We conducted this performance audit from September 2021 to June 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The five key programs in our review provide food or housing assistance to people with low incomes or those experiencing or at risk for homelessness. For more information on each program, see appendix II.

- **FEMA - EFSP**. This program provides funding—for both food and housing assistance—to supplement and expand the work of local social service organizations (nonprofit, faith-based, and governmental) that provide services to individuals, families, and households experiencing—or at risk of—hunger, homelessness, or both. EFSP provides food in the form of groceries or meals and funds for related expenses.[8] EFSP funding may be used for emergency shelter (such as lodging in a mass shelter or hotel) and related expenses.[9] Funding also may be used for rent, mortgage, and utility assistance, which may help people avoid losing their homes.[10]

  EFSP is governed by a National Board that sets program guidelines and awards funding to jurisdictions. Local boards select recipient organizations that provide emergency food and shelter services to receive EFSP funding.

- **HUD - CoC**. The CoC program is the largest federal homelessness program and employs a community-based approach with the goal of ending homelessness. CoC funds can be used for permanent housing, transitional housing, supportive services only (such as moving costs, case management, and childcare), and in certain cases

[8]Related expenses include the costs of transporting groceries to people or people to mass feeding sites and equipment needed to provide food assistance.

[9]Hotel lodging assistance is limited to 90 days. Related expenses include the costs of transporting people to shelter and equipment needed to operate shelters.

[10]Rent and mortgage assistance is limited to 90 days.

homelessness prevention. Funding also may be used for administrative and Housing Management Information System expenses.[11]

A CoC is a regional or local planning body that coordinates homelessness response funding and provides homelessness services in a geographic area. HUD distributes funding directly to recipient organizations—local nonprofit or government organizations that implement programs—selected by the local CoC.

- **HUD - ESG**. ESG funds emergency shelters, street outreach, rapid rehousing, and prevention services for people experiencing or at risk of homelessness.[12] Funding also may be used for administrative and Housing Management Information System expenses. HUD distributes funding to states and local communities that, in turn, award funds to service providers such as nonprofit organizations, public housing authorities, and other entities serving persons experiencing homelessness.
- **USDA - SNAP**. SNAP is the largest federal food assistance program. It provides nutrition benefits to supplement the food budgets of low-income households. USDA distributes funding to states to administer SNAP. States, and in some cases counties, issue benefits to eligible low-income individuals and households on electronic benefit transfer cards, which can be used like debit cards to purchase food from authorized retailers.
- **USDA - TEFAP**. TEFAP provides food assistance to people with low incomes. USDA distributes bulk food assistance to states based on a formula that takes into account the number of unemployed persons and the number of people with incomes below the poverty level in the state. States provide the food to local agencies, often food banks, which then distribute the food to local organizations, such as food pantries and soup kitchens that directly serve the public.

[11]Communities use Housing Management Information System databases to collect client-level data and data on the provision of housing and services to people experiencing or at risk of homelessness.

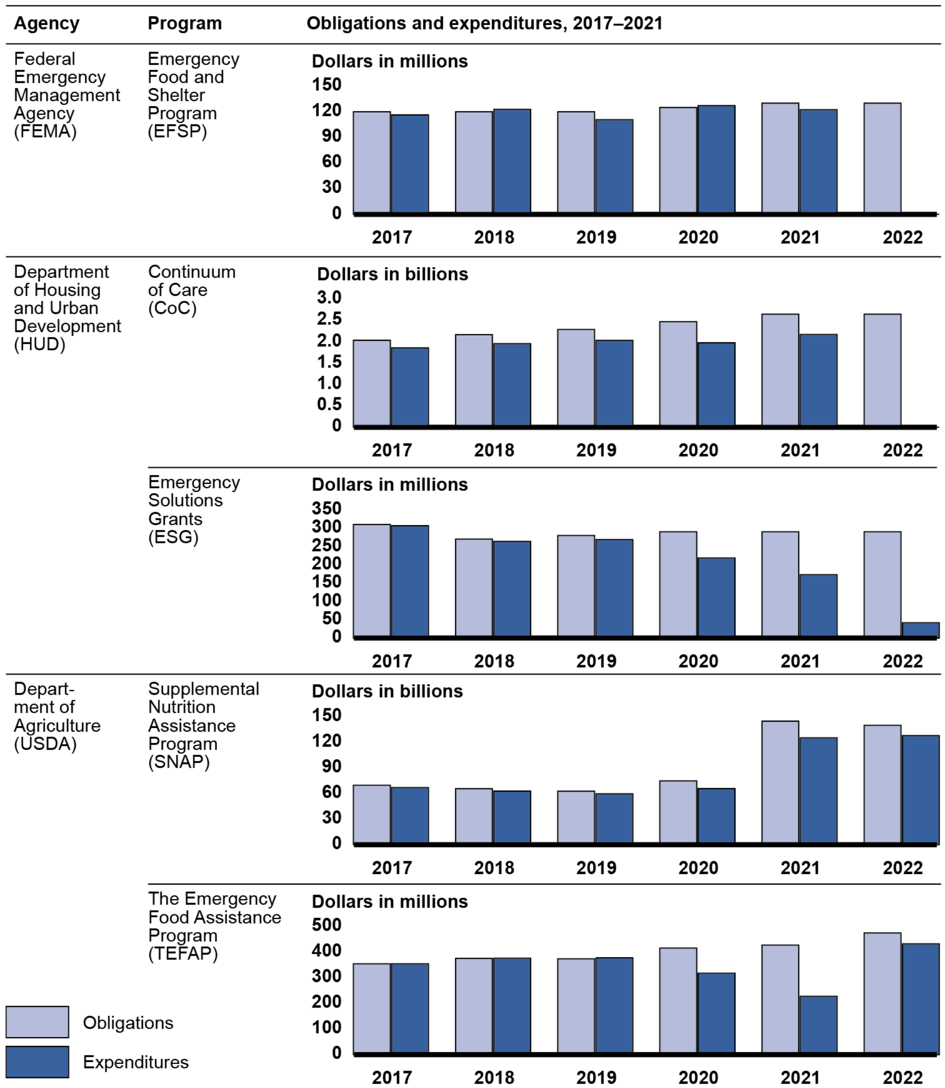
[12]Rapid rehousing assistance aims to help individuals or families experiencing homelessness move as quickly as possible into permanent housing and achieve stability in that housing through a combination of rental assistance and supportive services.

Funding for Key Federal Programs That Address Hunger and Homelessness Generally Increased from 2017 through 2022

Federal funding for key programs that address hunger and homelessness generally increased from fiscal year 2017 through fiscal year 2022 (see fig. 1). In that period, annual obligations generally increased or were stable for EFSP, CoC, and TEFAP.[13] ESG annual obligations decreased from 2017 to 2018 and then increased or stabilized from 2018 to 2021. Annual obligations for SNAP decreased from 2017 to 2019 and increased from 2019 to 2021.

[13]An obligation is a definite commitment that creates a legal liability of the government for the payment of goods and services ordered or received, or a legal duty on the part of the United States that could mature into a legal liability by virtue of actions on the part of another party beyond the control of the United States. An expenditure is the actual spending of money, or an outlay.

Figure 1: Obligations and Expenditures of Key Federal Programs That Address Hunger and Homelessness, Fiscal Years 2017–2022



Source: GAO analysis of agency data. | GAO-23-105458

Notes: Figure does not include COVID-19 relief funding. EFSP data are as of March 8, 2023; CoC data are as of March 16, 2023; ESG data are as of March 24, 2023; SNAP data are as of April 5, 2023; and TEFAP data are as of March 9, 2023. Information on EFSP expenditures for fiscal year 2022 is not yet available. Although EFSP funding for that fiscal year was granted to the National Board, local boards still are selecting recipient organizations to receive the funding. Information on CoC expenditures for fiscal year 2022 also is not yet available, because HUD has not yet announced the competitive grant awards. In fiscal years 2017, 2018, and 2019, TEFAP expenditures exceed obligations because states may continue to expend funds after the end of a fiscal year.

Four of the five programs received supplemental funding to respond to the COVID-19 pandemic that exceeded their fiscal year 2020 annual obligations.[14] The CoC program did not receive any additional funding. Table 1 lists the programs' pandemic-related funding and expenditures as of March 31, 2023.[15]

Table 1: Supplemental COVID-19 Relief Funding for Key Federal Programs That Address Hunger and Homelessness, as of March 31, 2023

Federal Agency	Program	COVID-19 relief funding, $ in millions	Total expenditures, $ in millions	Percent expended
Federal Emergency Management Agency (FEMA)	Emergency Food and Shelter Program	$710	$706	99%
Department of Housing and Urban Development (HUD)	Emergency Solutions Grants	$4,072	$3,086	76%
Department of Agriculture (USDA)	Supplemental Nutrition Assistance Program	$121,056	$97,841	81%
	The Emergency Food Assistance Program	$1,300	$1,280	98%

Source: GAO analysis of data from the Department of the Treasury and FEMA. | GAO-23-105458

Notes: The COVID-19 relief laws consist of the six laws providing comprehensive relief across federal agencies and programs that the Department of the Treasury and the Office of Management and Budget have identified for recording and tracking as COVID-19 funding. These six laws are the American Rescue Plan Act of 2021, Pub. L. No. 117-2, 135 Stat. 4; Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, div. M and N, 134 Stat. 1182 (2020); Paycheck Protection Program and Health Care Enhancement Act, Pub. L. No. 116-139, 134 Stat. 620 (2020); CARES Act, Pub. L. No.116-136, 134 Stat. 281 (2020); Families First Coronavirus Response Act, Pub. L. No. 116-127, 134 Stat. 178 (2020); and the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, Pub. L. No. 116-123, 134 Stat. 146. The amounts shown are the cumulative amount for each program under the laws. Total obligations plus total unobligated balances may not equal total COVID-19 relief funding because of certain budgetary reporting requirements.

[14]Supplemental appropriations provide additional budget authority, usually in cases in which the need for funds is too urgent to be postponed until enactment of a regular appropriation bill. Supplemental funding may include items not appropriated in the regular bills for lack of timely authorizations.

[15]For more information, see GAO, *COVID-19 Relief: Funding and Spending as of Jan. 31, 2023*, GAO-23-106647 (Washington, D.C.: Feb. 28, 2023).

In particular, the CARES Act provided approximately $20.5 billion to all four of the key programs that received supplemental appropriations. Specifically, EFSP received $200 million, ESG received $4 billion (ESG-CV funding), SNAP received $15.8 billion, and TEFAP received $450 million. The funding for EFSP and TEFAP was available for obligation until September 30, 2021, the SNAP funds were available obligation until September 30, 2022, and ESG-CV funds are available for obligation until September 30, 2023.[16]

Key Programs Collect Food or Housing Assistance Data to Fulfill Reporting Requirements

Data Collection for FEMA's EFSP

EFSP's National Board (chaired by FEMA) collects data from EFSP funding recipients on the food and housing assistance they provided but not on the homelessness status of individuals served.[17] The National

[16]Initially, ESG-CV funding had to be spent by September 30, 2022. HUD extended the expenditure date for the first and second allocations to September 30, 2023. Department of Housing and Urban Development, Office of Community Planning and Development, *Waivers and Alternative Requirements for the Emergency Solutions Grants Program Under the CARES Act (ESG-CV); Amendments and Clarifications,* CPD-22-06 (Washington, D.C.: Apr. 18, 2022).

[17]The National Board requires recipients to submit an interim and final report to receive reimbursement for eligible expenses. In addition, EFSP recipients are subject to federal regulations requiring them to retain financial records for all eligible expenses for up to 3 years after the end of each program year. 2 C.F.R. § 200.334.

Board's data collection requirements focus on ensuring that the services EFSP helps fund were provided.[18]

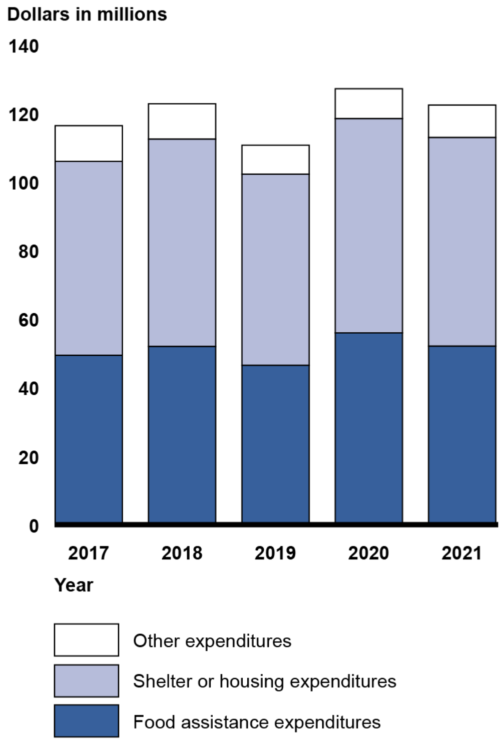
Funding recipients are not required to track or report whether people are experiencing homelessness. Recipients report aggregated data on the number of people served or individualized data narrowly focused and collected for program oversight purposes. For example, recipients that serve meals may report on the number of people served per day or a list of related expenditures. Recipients that provide hotel lodging or rent, mortgage, and utility assistance must collect and report the names of people receiving assistance.[19]

According to our analysis of EFSP data, approximately 42–44 percent of its expenditures were on food assistance and approximately 49–50 percent on shelter or housing assistance during 2017–2021. See figure 2 for more details on EFSP expenditures.

[18]In an August 2022 report, the Department of Homeland Security's Office of Inspector General described numerous weaknesses in EFSP and provided 10 recommendations to improve it. The report stated these weaknesses were due in part to inadequate documentation and implementation of policies and procedures. FEMA agreed with seven of the recommendations, including those on documenting program oversight and improving data collection and monitoring, and did not agree with three recommendations related to the reallocation of unused funds and the timing of the initial disbursement of funds to local recipient organizations. Department of Homeland Security, Office of Inspector General, *FEMA Needs to Improve Its Oversight of the Emergency Food and Shelter Program*, OIG-22-56 (Washington, D.C.: Sept. 22, 2022).

[19]Rental, mortgage, hotel lodging, and utility assistance is limited to 90 days; therefore, client information is recorded to limit duplication of services.

Figure 2: Food and Shelter or Housing Expenditures for Emergency Food and Shelter Program, 2017–2021



Source: GAO analysis of Federal Emergency Management Agency data. | GAO-23-105458

Note: Fiscal year 2022 expenditures were not available as of April 2023 because local boards were still selecting recipient organizations to receive the funding.

HUD Data Collection for CoC and ESG Programs

HUD's data collection for the CoC and ESG programs focuses on housing assistance provided to people experiencing or at risk for homelessness; it does not collect information on food assistance. HUD requires CoC and ESG grant recipients to report performance data on the primary services they provided—housing for people experiencing or at risk for homelessness.[20] HUD uses these data to measure the extent to which homelessness has been reduced and to ensure services were provided.[21]

HUD requires CoC recipients to report the estimated number of people experiencing homelessness. For example, according to HUD data, the CoC program served 582,462 people experiencing homelessness in 2022.[22] It also requires CoC and ESG recipients to report demographic data of people receiving services and information on primary services provided.[23]

Although CoC and ESG can provide food assistance, seven of eight CoCs and one of five ESG recipients we interviewed generally did not do so. Instead, nearly all of the CoC and ESG recipients we interviewed used coordinated entry and case management to refer people to food pantries or connect them with SNAP benefits.[24] As part of the provision of services, people receiving CoC or ESG services are asked to report if they receive SNAP benefits to ensure they access all the benefits for which they are eligible and to track changes in eligibility.

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[20]We use "primary services" to mean those stated directly in a program's goals and objectives and "other eligible services" to mean those indicated by agency staff as services or activities the program is eligible to provide. See GAO, *Homelessness: Fragmentation and Overlap in Programs Highlight the Need to Identify, Assess, and Reduce Inefficiencies*, GAO-12-491 (Washington, D.C.: May 10, 2012).

[21]Although HUD does not collect specific data on food assistance, the CoC and ESG programs provide it. CoC recipients can provide meals or groceries to people receiving supportive services (24 C.F.R. § 578.53) and ESG recipients can provide food as part of emergency shelter operations (24 C.F.R. § 576.102).

[22]Department of Housing and Urban Development, *HUD 2022 Continuum of Care Homeless Assistance Programs - Homeless Populations and Subpopulations* (Washington, D.C.: Dec. 6, 2022).

[23]CoC and ESG recipients report performance to HUD through the Housing Management Information System and annual performance reports. CoC and ESG recipients also are subject to federal regulations requiring them to retain financial records for all eligible expenses. 2 C.F.R. § 200.334 and 24 C.F.R. § 576.500.

[24]HUD requires that CoCs establish and operate a coordinated (community-wide) entry process, which involves assessing each person and connecting them to housing and other assistance based on their vulnerabilities and needs, rather than individual providers deciding what resources to offer to their clients. All organizations that receive CoC funding must participate in the coordinated entry process. Organizations that do not receive CoC funding may also participate if they choose to do so. For more information on this process, see GAO, *Youth Homelessness: HUD and HHS Could Enhance Coordination to Better Support Communities,* GAO-21-540 (Washington, D.C.: Sept. 30, 2021).

USDA Data Collection for TEFAP and SNAP Programs

USDA collects data on the nutrition assistance and food provided through SNAP and TEFAP, respectively, and produces annual estimates of the number of SNAP households experiencing homelessness.

USDA requires state and local agencies that administer SNAP to collect information from applicants and recipients needed to determine program eligibility and calculate benefits. This includes personally identifiable information (such as name and Social Security number), household composition, shelter expenses, and income. For example, to calculate the amount of SNAP benefits a household will receive, state and local agencies that administer SNAP ask applicants and recipients about shelter expenses, such as rent and utilities that can be deducted from their income. Individuals without permanent housing are eligible to take a standard homeless shelter deduction that takes into account other related expenses they may incur.[25] USDA officials said that the state and local offices that administer SNAP ask applicants about their potential homelessness status to determine if the applicants are eligible for the homeless shelter deduction.

According to USDA officials, they do not collect information from states on SNAP applicants' potential homelessness status. However, USDA officials said that while USDA does not collect this applicant-level information from states, the data USDA collects through quality control reviews allows USDA to produce estimates of how many SNAP households experienced homelessness. From a nationally representative sample of SNAP households in fiscal year 2019 (the most recent and complete available data), USDA estimated that 970,000 SNAP households were experiencing homelessness (of nearly 18 million

[25]The Agriculture Improvement Act of 2018 amended the Food and Nutrition Act of 2008 to require all states to offer a homeless shelter deduction to homeless households. Prior to this change, state agencies had the option to offer a homeless shelter deduction to households in which all members were experiencing homelessness. USDA officials told us that state and local agencies that administer SNAP ask applicants about their homelessness status during the certification process, both from information gathered from the SNAP application and during the certification interview. Pub. L. No. 115-334, § 4004, 132 Stat. 4490, 4627 (codified at 7 U.S.C. § 2014(e)(6)(D)).

households that participated in SNAP that year).[26] USDA officials anticipate that fiscal year 2022 estimates will be available in fall 2023 or early 2024.

Officials of selected state and local agencies that administer SNAP told us that knowing applicants' homelessness status helps connect the applicants to other state social services. Appendix III describes efforts USDA and selected state and local agencies have taken to address challenges SNAP applicants and recipients experiencing homelessness may face.

USDA administers TEFAP at the federal level and reports on the pounds of food distributed and its value. It does not collect information on the program's use among the population experiencing homelessness, according to USDA officials. In fiscal year 2021, TEFAP provided 1.3 billion pounds of food with a value of $1.7 billion.

Per Capita Funding for Selected Programs Does Not Always Align with Indicators of Need

The programs' formulas use various criteria to determine the amount of funds that qualifying jurisdictions are eligible to receive, but none use homelessness or homelessness rates as a factor.

- **EFSP**: The EFSP funding formula uses population, poverty, and unemployment data to determine a jurisdiction's eligibility.[27] The actual award amounts are determined by dividing the available funds by the number of unemployed persons in each jurisdiction that qualifies. Jurisdictions that do not qualify under the formula may

[26]The USDA estimate of SNAP households experiencing homelessness was reported in United States Interagency Council on Homelessness, *Report on Targeted Programs That Help People Experiencing or At Risk of Homelessness* (Washington, D.C.: October 2022). USDA based this estimate on SNAP quality control data. See https://www.fns.usda.gov/resource/snap-quality-control-data. The SNAP quality control system measures the accuracy of state eligibility and benefit determinations. The data collected are used for program improvement and analysis and are statistically weighted. Each state agency conducts monthly quality control reviews of a sample of participating SNAP households (about 50,000 cases nationwide each year). State quality control reviewers interview SNAP recipients and examine their circumstances to measure how accurately states determined households' eligibility and benefit amounts. USDA validates the accuracy of about 25,000 cases annually to ensure that state reviews are conducted according to SNAP regulations and policy. USDA uses the quality control data to calculate payment error rates and individual state payment error rates, as well as report on the characteristics of SNAP households.

[27]In fiscal year 2020, jurisdictions qualified for EFSP funding if they had 300 or more unemployed people and at least a 3.9 percent rate of unemployment or 300 or more unemployed with at least a 12.8 percent rate of poverty.

receive funds through the state set-aside process, and jurisdictions that do qualify may receive additional funding.[28]

- **CoC**: HUD's formula to calculate the CoC maximum funding considers local conditions, costs for ongoing CoC projects, and other costs and available funding. First HUD uses Community Development Block Grant program formulas to determine potential funding amounts based on local conditions.[29] Then HUD compares the potential funding amount to the amount needed to fund ongoing CoC projects and uses the higher of the two amounts.[30] HUD then adjusts the funding amount based on changes to local rents, administrative costs, and potential bonus funding.[31] The result is the CoC maximum funding amount.
- **ESG**: HUD uses the Community Development Block Grant program formula to distribute ESG funds. Under the formula, 70 percent of ESG funds are distributed to metropolitan cities and urban counties.[32] The remaining 30 percent are allocated to states for use in areas that do not receive funds directly.

We analyzed homelessness rates, median rents, and income inequality at the state level to assess if EFSP, CoC, and ESG funding per capita

[28]The funding allocation from the state set-aside process is based on a separate formula. Each state's percentage of the total amount available for the set-aside awards is calculated by dividing each state's average number of unemployed in nonfunded jurisdictions by the average number of unemployed in nonfunded jurisdictions nationwide. States in which all jurisdictions qualify for an award do not receive a state set-aside allocation except to satisfy minimum award requirements.

[29]The Community Development Block Grant program has two formulas to calculate need and uses the higher of the two amounts. Formula A uses population (25 percent), poverty (50 percent), and overcrowding (25 percent). Formula B uses poverty (30 percent), pre-1940 housing units (50 percent), and population growth lag (20 percent).

[30]The renewal costs are the sum of the annual renewal amounts of all projects in the CoC eligible to apply for renewal in that fiscal year's competition, before any adjustments to rental assistance, leasing, and operating line items based on fair market rent changes.

[31]HUD uses annual federal fair market rental rates. CoC administrative costs include those related to program management, monitoring, and coordination. CoC bonus funding is for projects that assist survivors of domestic violence, dating violence, sexual assault, and stalking.

[32]This allocation is distributed using the higher amount derived from Formula A and Formula B. Formula A calculates a jurisdiction's allocation based on: (1) population, (2) people in poverty, and (3) overcrowded units. Formula B calculates a jurisdiction's allocation based on (1) population growth lag, (2) people in poverty, and (3) pre-1940 housing units.

aligned with indicators of need. Prior GAO econometric analysis shows a positive and statistically significant relationship between changes in household median rents and changes in rates of homelessness.[33] A HUD analysis suggests that high median rents, overcrowding, and evictions were particularly strong predictors of total homelessness rates in urban areas and tight, high-cost housing markets.[34] In addition, recent research suggests that income inequality may drive homelessness by crowding out low-income households from the rental market.[35]

According to on our analysis, measures of homelessness, median rents, and income inequality did not always align with per capita EFSP, CoC, and ESG funding. Among the top 10 states in per capita EFSP funding, six were in the top quartile for rates of homelessness, six were in the top quartile for median rents, and five were in the top quartile for income inequality. For example, Michigan, Rhode Island, and Pennsylvania were among the top 10 states in per capita EFSP funding but were in the second-lowest quartile for homelessness rates. See table 2 for how the top 10 states in EFSP funding ranked (by quartile) for homelessness rates, median rents, and income inequality.

Table 2: Top 10 States in Per Capita Emergency Food and Shelter Program Funding, and Quartile Ranks for Homelessness Rates, Median Rents, and Income Inequality (2020)

Quartiles: 4 = >75th percentile, 3 = ≥50th–<75th percentile, 2 = ≥25th–<50th percentile, 1 = <25th percentile

Rank (by $ per capita)	State	$ per capita	Quartile (homelessness rates)	Quartile (median rent)	Quartile (income inequality)
1	NV	0.66	4	3	2
2	MA	0.55	4	4	4
3	NJ	0.54	3	4	4
4	MI	0.54	2	2	2
5	RI	0.53	2	3	3
6	CA	0.52	4	4	4

[33]GAO, *Homelessness: Better HUD Oversight of Data Collection Could Improve Estimates of Homeless Population*, GAO-20-433 (Washington, D.C.: July 14, 2020).

[34]Department of Housing and Urban Development, *Market Predictors of Homelessness: How Housing and Community Factors Shape Homelessness Rates within Continuums of Care* (Washington, D.C.: March 2019).

[35]Thomas H. Byrne, Benjamin F. Henwood, and Anthony W. Orlando, "A Rising Tide Drowns Unstable Boats: How Inequality Creates Homelessness," *The Annals of the American Academy of Political and Social Science*, vol. 693, no. 1 (January 2021).

Rank (by $ per capita)	State	$ per capita	Quartile (homelessness rates)	Quartile (median rent)	Quartile (income inequality)
7	PA	0.52	2	2	3
8	NY	0.52	4	4	4
9	DC	0.51	4	4	4
10	HI	0.51	4	4	1

Source: GAO analysis of Federal Emergency Management Agency and Census Bureau data. | GAO-23-105458

Note: The quartiles represent the distribution of the values of each category of need divided into four groups with the first quartile representing the lowest 25 percent of values, and the fourth, the highest 25 percent. For example, states in the fourth quartile for median rents are among the 25 percent of states with the highest median rent levels (greater than the 75th percentile).

Among the top 10 states in per capita CoC funding, six were in the top quartile for rates of homelessness, five were in the top quartile for median rents, and six were in the top quartile for income inequality. However, two states in the top 10 in per capita CoC funding—Connecticut and Louisiana—were in the lowest quartile in homelessness rates, while Ohio ranked among the bottom two quartiles for each indicator of need. See table 3 for how the top 10 states in CoC funding ranked (by quartile) for homelessness rates, median rents, and income inequality.

Table 3: Top 10 States in Per Capita Continuum of Care Funding, and Quartile Ranks for Homelessness Rates, Median Rents, and Income Inequality (2020)

Quartiles: 4 = >75th percentile, 3 = ≥50th–<75th percentile, 2 = ≥25th–<50th percentile, 1 = <25th percentile

Rank (by $ per capita)	State	$ per capita	Quartile (homelessness rates)	Quartile (median rent)	Quartile (income inequality)
1	DC	33.63	4	4	4
2	CT	16.99	1	3	4
3	MA	14.09	4	4	4
4	NY	12.60	4	4	4
5	CA	12.48	4	4	4
6	LA	12.28	1	2	4
7	WA	11.24	4	4	2
8	ME	10.91	3	2	1
9	OR	10.56	4	3	2
10	OH	10.44	2	1	2

Source: GAO analysis of Department of Housing and Urban Development and Census Bureau data. | GAO-23-105458

Note: The quartiles represent the distribution of the values of each category of need divided into four groups with the first quartile representing the lowest 25 percent of values, and the fourth, the highest

25 percent. For example, states in the fourth quartile for median rents are among the 25 percent of states with the highest median rent levels (greater than the 75th percentile).

Among the top 10 states in per capita ESG funding, four were in the top quartile for rates of homelessness, three were in the top quartile for median rents, and four were in the top quartile for income inequality. Of the top 10 states in per capita ESG funding, five ranked among the bottom two quartiles for homelessness rates. See table 4 for how the top 10 states in ESG funding ranked (by quartile) for homelessness rates, median rents, and income inequality.

Table 4: Top 10 States in Per Capita Emergency Solutions Grants Funding, and Quartile Ranks for Homelessness Rates, Median Rents, and Income Inequality (2020)

Quartiles: 4 = >75th percentile, 3 = ≥50th–<75th percentile, 2 = ≥25th–<50th percentile, 1 = <25th percentile

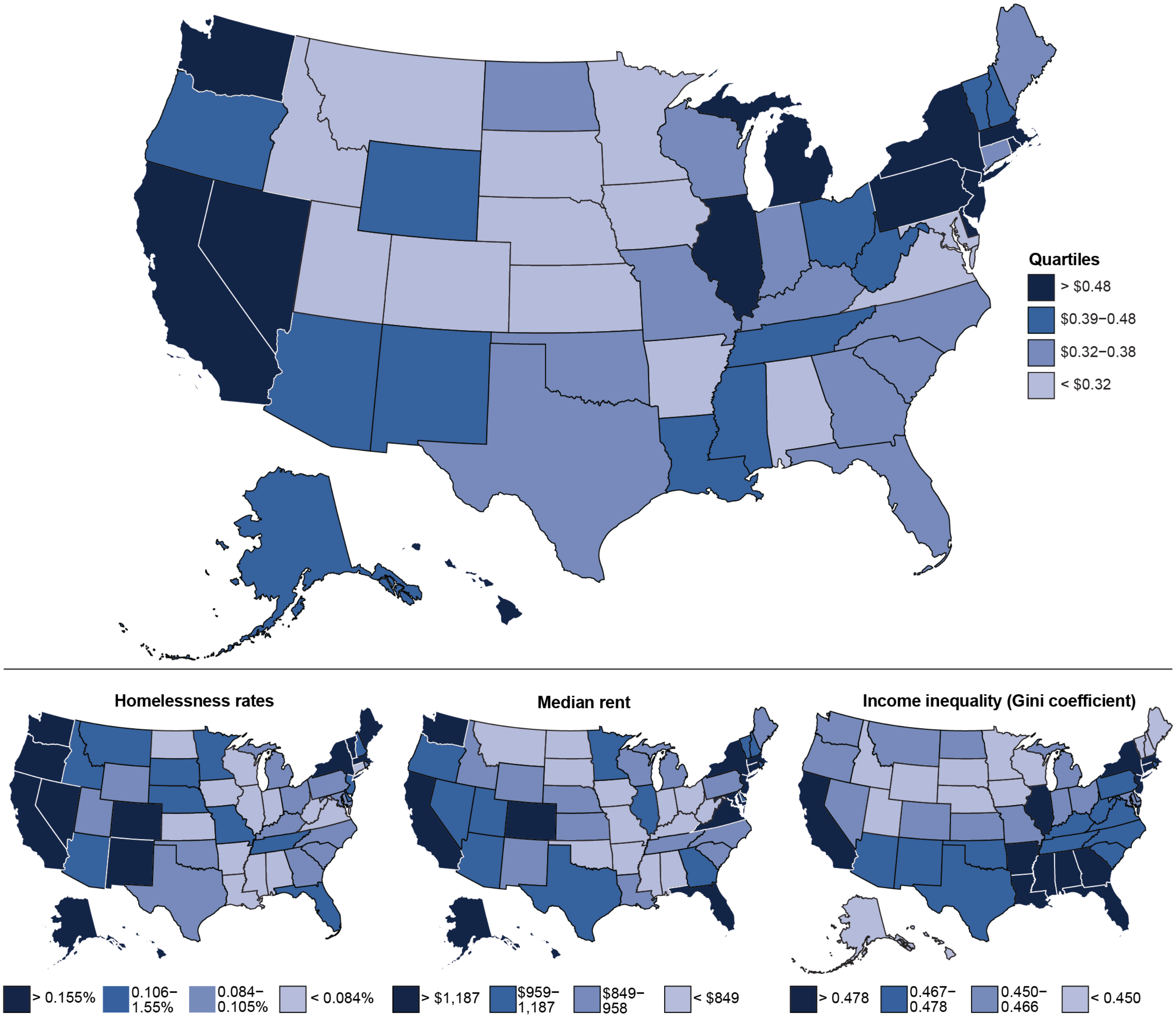
Rank (by $ per capita)	State	$ per capita	Quartile (homelessness rates)	Quartile (median rent)	Quartile (income inequality)
1	DC	1.90	4	4	4
2	NY	1.42	4	4	4
3	RI	1.36	2	3	3
4	MA	1.26	4	4	4
5	PA	1.26	2	2	3
6	ME	1.16	3	2	1
7	OH	1.13	2	1	2
8	IL	1.11	1	3	4
9	VT	1.08	4	3	1
10	MI	1.08	2	2	2

Source: GAO analysis of Department of Housing and Urban Development and Census Bureau data. | GAO-23-105458

Note: The quartiles represent the distribution of the values of each category of need divided into four groups with the first quartile representing the lowest 25 percent of values, and the fourth, the highest 25 percent. For example, states in the fourth quartile for median rents are among the 25 percent of states with the highest median rent levels (greater than the 75th percentile).

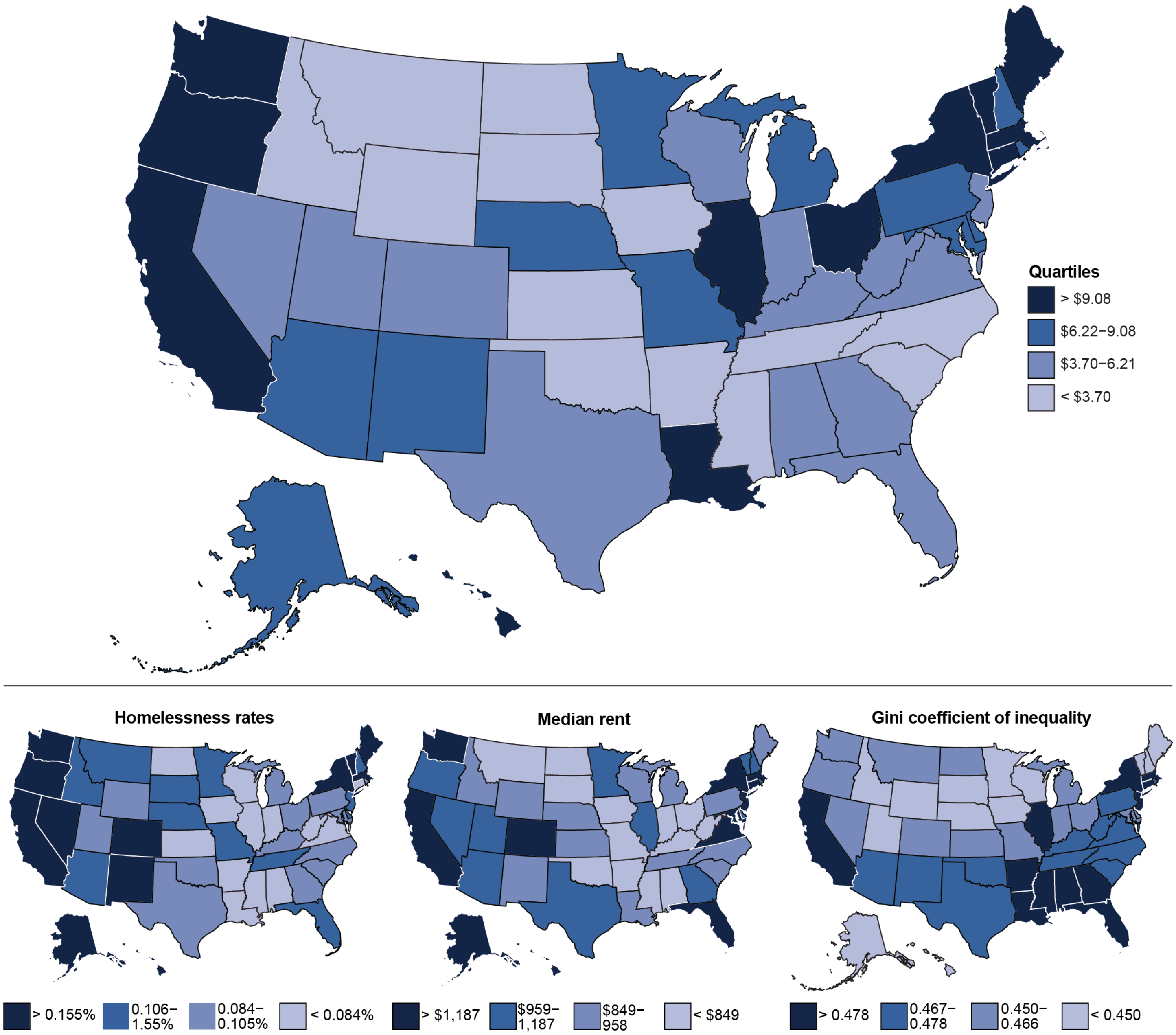
In addition, analysis of per capita funding showed different geographic patterns among the three programs. For EFSP and CoC, states in the Northeast and West tended to receive the highest funding per capita (see figs. 3 and 4). For the ESG program, per capita funding tended to be concentrated in the Northeast and parts of the Midwest (see fig. 5).

Figure 3: Emergency Food and Shelter Program Funding Per Capita and Homelessness Rates, Median Rents, and Income Inequality by State, Fiscal Year 2020



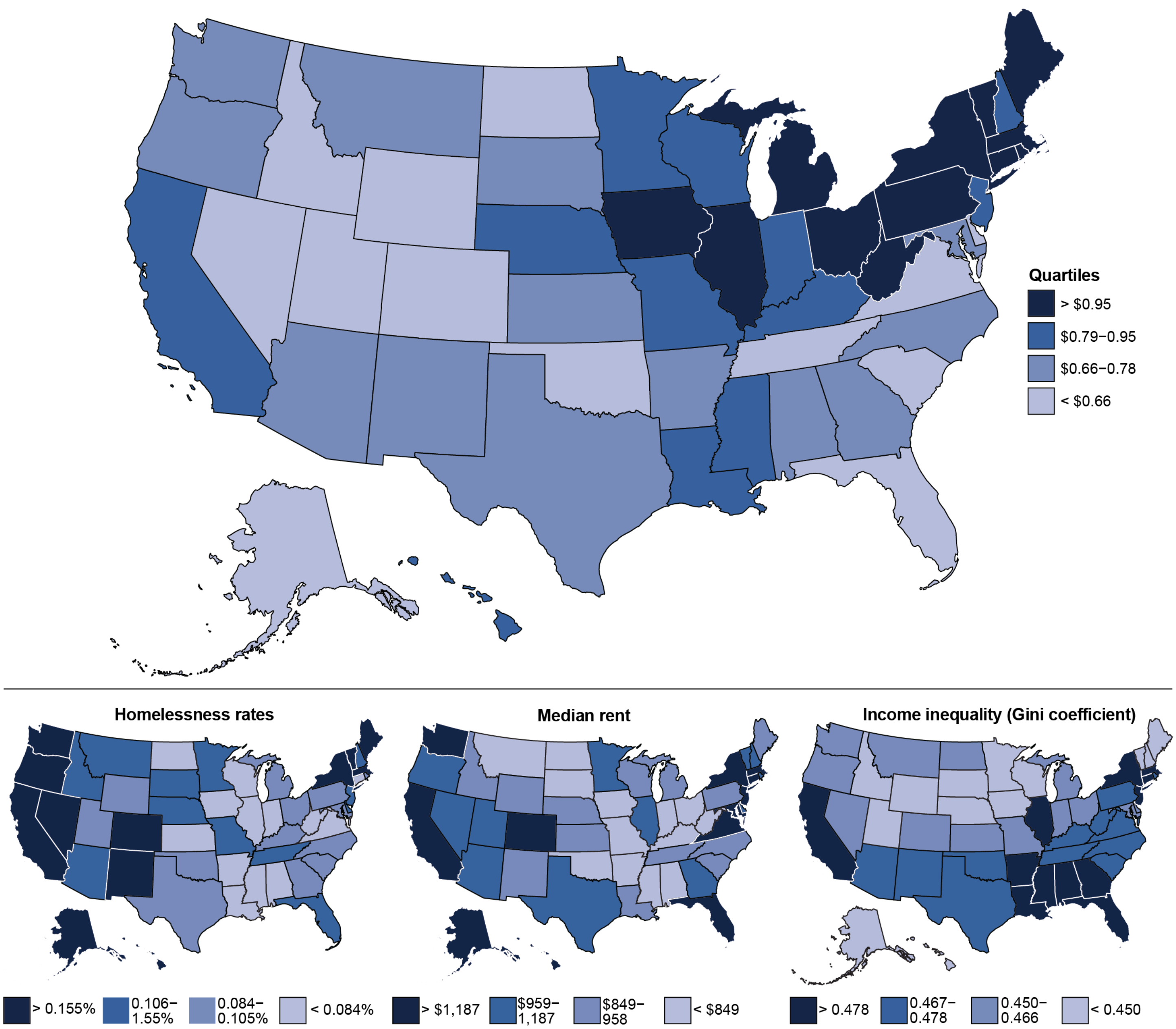
Sources: GAO, Federal Emergency Management Agency, and Census Bureau. | GAO-23-105458

Figure 4: Continuum of Care Program Funding Per Capita and Homelessness Rates, Median Rents, and Income Inequality by State, Fiscal Year 2020



Sources: GAO, Department of Housing and Urban Development, and Census Bureau. | GAO-23-105458

Figure 5: Emergency Solutions Grants Program Funding Per Capita and Homelessness Rates, Median Rents, and Income Inequality by State, Fiscal Year 2020



Sources: GAO, Department of Housing and Urban Development, and Census Bureau. | GAO-23-105458

See appendix IV for the geographic distribution of total EFSP, CoC, and ESG funding at the state level. See appendix V for more information on the correlations between per capita program funding and homelessness rates, median rents, and income inequality.

Second-Round ESG-CV Funding Formula Better Targeted Assistance to States with Larger Homeless Populations

The formula used for the second round of ESG-CV funding resulted in more funding going to areas with larger homeless populations than the first-round formula. The first round of ESG-CV funding ($1 billion) was awarded under the traditional ESG formula, which was based on the formula used to allocate Community Development Block Grants. The second round of ESG-CV allocated $2.96 billion under a formula specifically targeted to the homeless and those at risk of homelessness.[36]

The variables and weights HUD used in the second-round formula were the following:

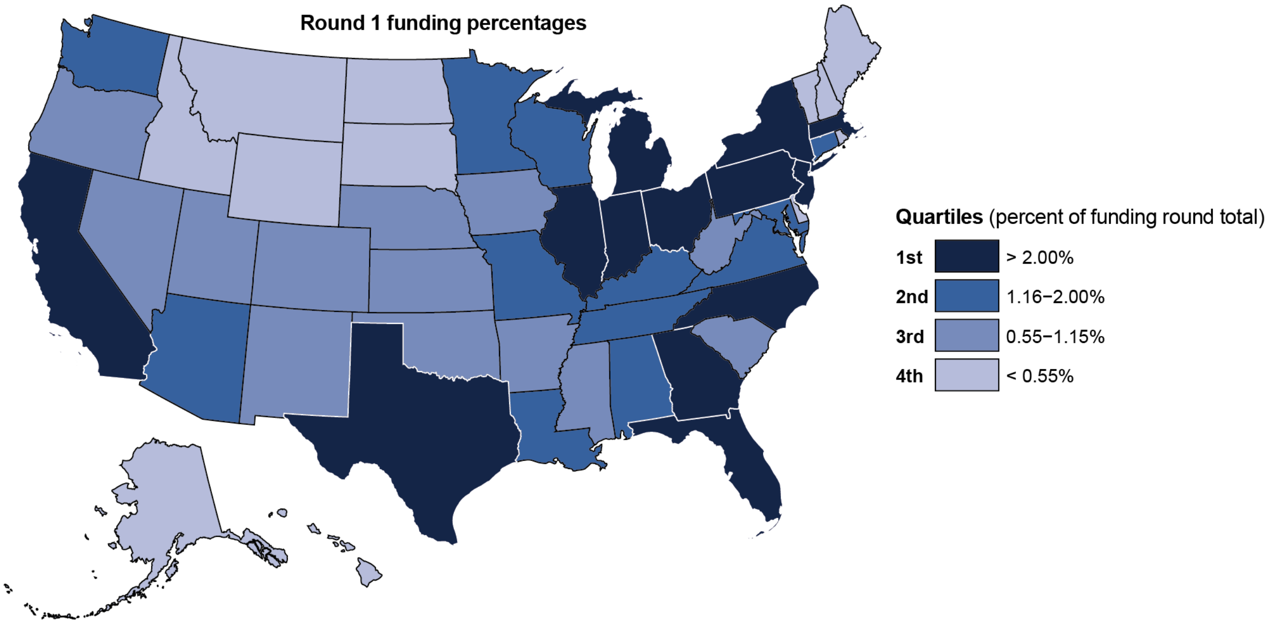
- **Share of all homeless.** Total homeless count from the 2019 point-in-time count, which is the sum of sheltered and unsheltered homeless. (50 percent)
- **Share of unsheltered homeless**. This double counts with the all-homeless variable above but provides additional funding to help locations with many unsheltered homeless (those sleeping in a place not designed for or ordinarily used as a regular sleeping accommodation). (10 percent)
- **Share of at risk for homelessness**. Total very low-income renters. A community's rate of very low-income renter households, defined as the total of very low-income renter households divided by all households in the community. (15 percent)
- **Share of at risk for unsheltered homelessness**. Very low-income renters overcrowded or without kitchen or plumbing. To help account for persons at risk for unsheltered homelessness, HUD wanted to capture economically strong locations with an at-risk population. In such locations, very low-income renters often make ends meet through overcrowding. (25 percent)

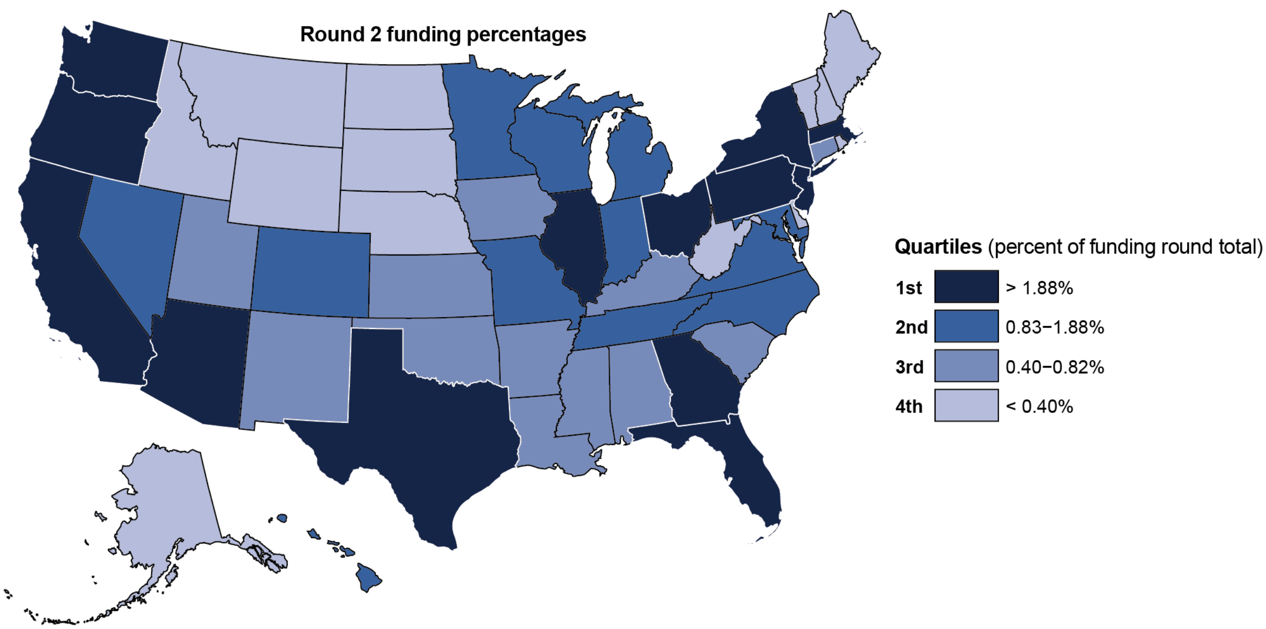
As a result of this formula, the second-round ESG-CV allocation directed a greater share of program funds to states with the largest homeless populations than did the first-round allocation (see fig. 6). The four states

[36]The CARES Act directed HUD to develop a formula to allocate the second round of ESG-CV funds for the benefit of unsheltered homeless, sheltered homeless, and those at risk of homelessness, to geographical areas with the greatest need based on factors to be determined by HUD.

with the largest homeless populations—California, New York, Texas, and Florida—accounted for over 50 percent of funds allocated in the second round (versus 34 percent in the first round). California (the state with the largest homeless population) received approximately 28 percent in the second round, compared to approximately 12 percent in the first round.

Figure 6: Emergency Solutions Grants Program Funding by State – CARES Act First and Second Rounds



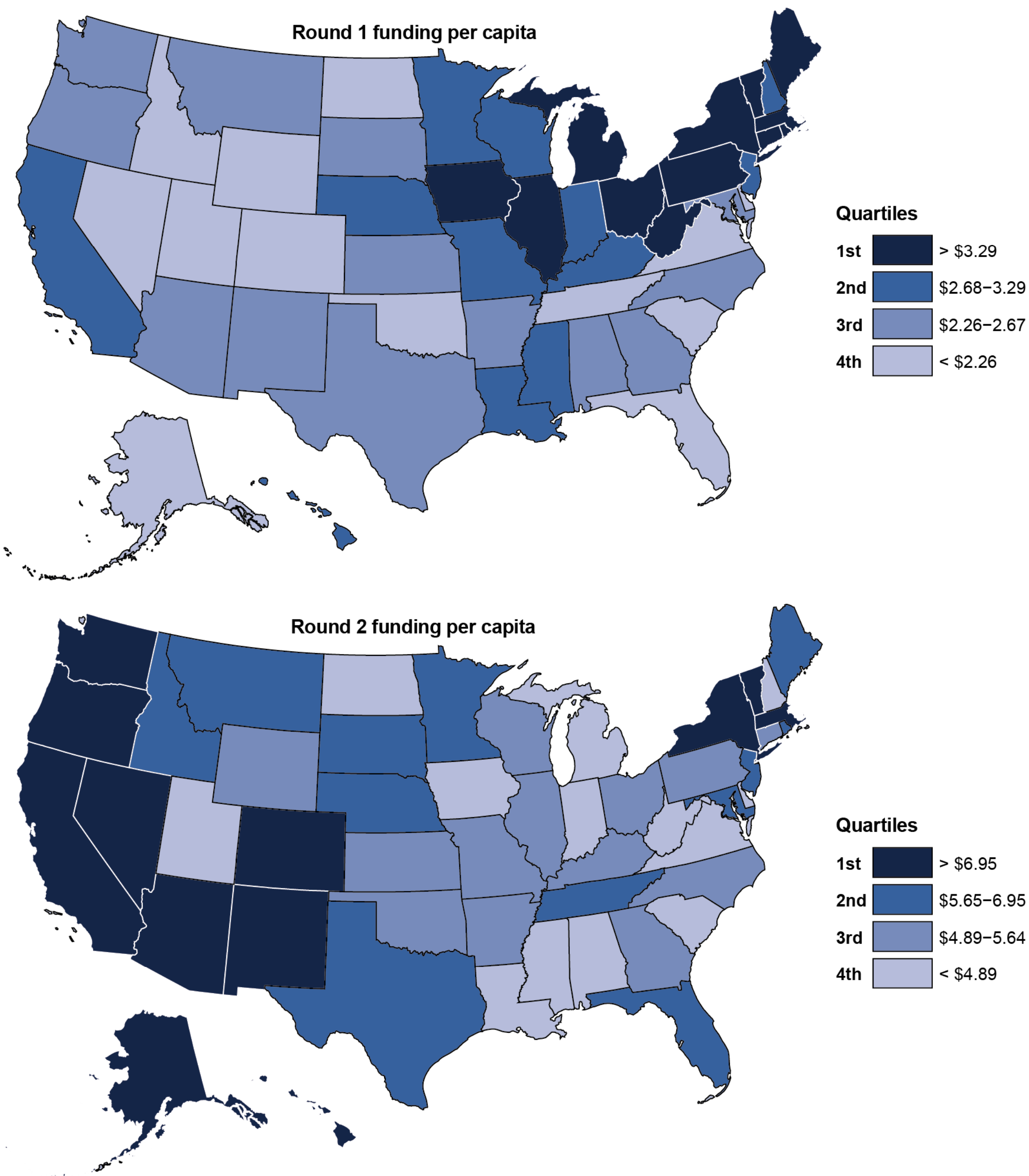


Sources: GAO and Department of Housing and Urban Development. | GAO-23-105458

Our counterfactual analysis found that under the second-round formula, 12 states received more ESG-CV funds than they would have under the first-round formula and 39 states received less.[37] Pennsylvania saw the greatest percentage point decline in its share of ESG-CV funds between the first and second rounds—from 5.7 percent to 2.3 percent of each round's total allocation. Under the first round, the states receiving the most program funds per capita were the District of Columbia, New York, Rhode Island, Massachusetts, and Pennsylvania (see fig. 7). Under the second round, the states receiving the most program funds per capita were the District of Columbia, Hawaii, New York, California, and Oregon.

[37]We conducted our counterfactual analysis to determine how the ESG-CV second-round allocation ($2.96 billion) would have been distributed under the first-round funding formula. To do so, we calculated the percentage share of funding that each state received in the first round and applied those percentages to the total amount of funds allocated in the second round of ESG-CV.

Figure 7: Emergency Solutions Grants, by Dollars Per Capita, by State, CARES Act First and Second Rounds



Sources: GAO and Department of Housing and Urban Development. | GAO-23-105458

We also analyzed the relationships between each of the two rounds of ESG-CV funding and homelessness rates, income inequality, and median rents. First-round funding was moderately correlated to homelessness rates, but second-round funding, by design, was strongly correlated. Per capita funding under the second-round formula was weakly correlated to income inequality and was strongly correlated with median rents. See appendix V for more information.

According to a 2020 HUD analysis, funding allocated through the traditional ESG formula targeted locations that had high rates of overall homelessness modestly well. It had no correlation with locations that had high rates of unsheltered homelessness.[38] HUD has not conducted any subsequent analysis of the ESG-CV second-round formula and does not have any plans to specifically evaluate the traditional ESG formula. However, HUD officials said that they have been re-evaluating the CoC funding formula, which also may inform factors used in or related to the ESG formula.

Agency Comments

We provided a draft of this report to FEMA, HUD, and USDA for their review and comment. We did not receive any comments from HUD. We received technical comments from FEMA and USDA, which we incorporated as appropriate.

We are sending copies of this report to the Administrator of FEMA, Secretary of HUD, and Secretary of Agriculture, the appropriate congressional committees and members, and other interested parties. In addition, the report is available at no charge on the GAO website at http://www.gao.gov.

[38]HUD's analysis found that the correlation between the ESG per capita grant amount and the per capita rate of homelessness was 0.359 (a correlation of 1.000 is a perfect correlation) and the ESG per capita grant amount had a -0.051 correlation with the rate of unsheltered homelessness.

If you or your staff have any questions about this report, please contact me at (202) 512-8678 or cackleya@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VI.

Alicia Puente Cackley
Director, Financial Markets and Community Investment

Appendix I: Objectives, Scope, and Methodology

This report describes (1) funding and expenditures in fiscal years 2017–2022 for key federal programs that provide food or housing assistance to those experiencing or at risk of homelessness; (2) data key federal programs collect about food or housing assistance; (3) the geographic distribution of funding for three of the programs; and (4) how the geographic distribution of Emergency Solutions Grants under the CARES Act compared for the two allocations, one under the traditional funding formula and the second under a formula the Department of Housing and Urban Development (HUD) developed to target populations experiencing homelessness, as directed by the CARES Act.

The scope of our review was federal programs whose primary service is providing food assistance or housing assistance and that may serve people at risk of or experiencing homelessness.[1] Specifically, our scope was ongoing federal programs that operate nationally, and were

- homelessness assistance programs that provide food or housing assistance to the general population of persons experiencing or at risk for homelessness, or
- (domestic) food programs that may be accessed by the general population of persons experiencing or at risk for homelessness.

We excluded programs that focus on specific groups, such as veterans or parents and children. We also excluded programs that focus on specific issues, such as substance abuse, for which food or housing assistance is not a primary service.

To identify these programs, we reviewed our prior work, government reports, and agency documents on programs. We selected the following five programs (to which we refer as key programs) that met our criteria:

- Emergency Food and Shelter Program (EFSP) at the Federal Emergency Management Agency (FEMA);
- Emergency Solutions Grants (ESG) and Continuum of Care (CoC) programs at HUD; and

[1]In a prior report, we defined “primary services” as those stated directly in a program’s goals and objectives and “other eligible services” as those indicated by agency staff as services or activities the program is eligible to provide. See GAO, *Homelessness: Fragmentation and Overlap in Programs Highlight the Need to Identify, Assess, and Reduce Inefficiencies*, GAO-12-491 (Washington, D.C.: May 10, 2012).

- Supplemental Nutrition Assistance Program (SNAP) and The Emergency Food Assistance Program (TEFAP) at the Department of Agriculture (USDA).

To address all our objectives, we reviewed relevant legislation and regulations, including legislation authorizing programs to respond to the COVID-19 pandemic. We interviewed officials at HUD, FEMA, USDA, the Department of Health and Human Services, Department of Veterans Affairs', and the United States Interagency Council on Homelessness. We also interviewed officials of the National Board and United Way Worldwide (which manage EFSP), as well as representatives of four national advocacy groups representing people experiencing hunger or homelessness (Feeding America, National Coalition for the Homeless, National Homelessness Law Center, and National Network for Youth).

In addition, we interviewed representatives of a nongeneralizable sample of 18 organizations that received funding from the five key programs. These selected funding recipients represented varied geographic areas (urban and rural areas) and award amounts. They included eight CoC recipients, five ESG recipients, and representatives from three EFSP local boards and two EFSP State Set-Aside Committees. We also spoke with SNAP office representatives from the four states with the highest rates of homelessness based on the HUD point-in-time count and U.S. Census Bureau data.

To address the first objective, we obtained data on annual obligations and expenditures for the programs from the agencies administering the programs. For the HUD and USDA programs, we obtained Disaster Emergency Fund Code account information for the six COVID-19 relief laws enacted in 2020 and 2021 as reported by agencies to the Department of the Treasury in accordance with Office of Management and Budget guidance.[2] The EFSP program is aggregated into a Disaster Emergency Fund account for COVID-19 relief laws with other FEMA programs; therefore, we obtained from FEMA the EFSP data it reports to this account. We assessed the reliability of the data by interviewing agency officials and reviewing previous GAO assessments, and

[2]These six laws are the American Rescue Plan Act of 2021, Pub. L. No. 117-2, 135 Stat. 4; Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, div. M and N, 134 Stat. 1182 (2020); Paycheck Protection Program and Health Care Enhancement Act, Pub. L. No. 116-139, 134 Stat. 620 (2020); CARES Act, Pub. L. No. 116-136, 134 Stat. 281 (2020); Families First Coronavirus Response Act, Pub. L. No. 116-127, 134 Stat. 178 (2020); and the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, Pub. L. No. 116-123, 134 Stat. 146.

determined the data to be reliable for describing obligations and expenditures for key programs.

To address the second objective, we analyzed guidance, procedures, and other documentation related to the collection and maintenance of program data by FEMA, HUD, and USDA. Specifically, we reviewed the extent to which the five programs in our review collected data on food or housing assistance they provided.

To address our third objective, we reviewed award data from HUD's CoC and ESG programs and FEMA's EFSP for fiscal year 2020. To assess the reliability of the data, we reviewed those program award data sets for outliers and missing values, reviewed agency documentation on the collection and maintenance of program data, and interviewed agency officials about how they ensure the reliability of program data. We determined the CoC, ESG, and EFSP data were reliable for analyzing the geographic distribution of funds at the state level.

To create a measure of funding per capita for each program, we first aggregated award data to the state level. We then divided state-level funding by each state's total population using the American Community Survey 5-year estimates for 2016–2020.[3] We mapped the geographic distribution of funding per capita and analyzed differences in funding per capita based on state-level geography.[4]

We examined the relationship between funding per capita and state-level homelessness rates, economic inequality, and median rent. To calculate

[3]To assess the reliability of the Census' American Community survey data, we reviewed technical information and determined the data were sufficiently reliable for reporting community characteristics and population sizes at the county level. Findings from each survey are subject to sampling errors. The American Community Survey uses a series of monthly samples to produce annually updated estimates for different geographic units, including counties, across the United States. The survey collects data on the economic, social, housing, and demographic characteristics of communities at various geographic levels, including metropolitan areas, states, and counties.

[4]We aggregated award data for EFSP, CoC, and ESG to the state level. We chose this geographic level for our analysis because it was the common geographic level at which we could reliably perform analysis for all three programs. Specifically, we had concerns about the reliability of the location data for subrecipients of program funds. For example, HUD officials told us that CoC subrecipient data may provide a false sense of precision because many supportive services are project-based and could cover a broad geography and the recipient address listed may be somewhat arbitrary. They added that ESG subrecipient data have similar challenges.

homelessness rates, we aggregated HUD's 2020 CoC point-in-time count data on the total number of sheltered and unsheltered persons experiencing homelessness to the state level. We then divided the total number of such persons by each state's population. We used the Gini coefficient as a measure of income inequality and median gross rent as a measure of housing affordability for each state from the American Community Survey 5-year estimates for 2016–2020.[5] We mapped the geographic distribution of homelessness rates, economic inequality, and median rent and analyzed differences based on state-level geography.

Finally, we examined the linear relationship between funding per capita and, independently, homelessness rates, economic inequality, and median rent. We calculated the Pearson's correlation coefficient for each independent relationship to determine the level of association—for example, whether greater funding per capita for each program was associated with higher or lower homelessness rates.[6] Correlation coefficients were analyzed for statistical significance at the 95 percent confidence level.

To address our fourth objective, we reviewed award data from the first and second rounds of ESG CARES Act funding (ESG-CV). To assess the reliability of ESG-CV data, we cross checked first-round and second-round award data with information publicly issued by HUD, and interviewed agency officials about the systems the agency uses to maintain program data. We determined the ESG-CV data were reliable for analyzing the geographic distribution of funds for the first and second rounds at the state level.

We first aggregated ESG-CV awards in the first and second rounds to the state level.[7] To account for different funding levels allocated in the rounds and to facilitate comparisons, we calculated each state's share of funding

[5]The Gini Index is a summary measure of income inequality. It is a single statistic that summarizes the dispersion of income across the income distribution. The Gini coefficient ranges from 0, indicating perfect equality (everyone receives an equal share), to 1, perfect inequality (only one recipient or group of recipients receives all the income).

[6]The Pearson correlation coefficient is a measure of the strength of the association between two continuous variables. Pearson coefficients range from +1 to -1, with +1 representing a positive correlation, -1 representing a negative correlation, and 0 representing no relationship.

[7]Recipients of ESG-CV awards in both the first and second rounds were the same population of recipients that received awards in the fiscal year 2020 allocation of ESG program funds.

(as a percentage). We did this by dividing the funding amount received by each state by the total program funding amount. We made this calculation for the first and second rounds separately. We analyzed the state-level funding shares for each round and compared the differences in funding shares between rounds as a result of the formula change. We mapped the geographic distribution of funding shares for the first and second rounds based on state-level geography.

We created a measure of per capita funding by dividing each state's funding amount for the first and second rounds by the state's total population using the American Community Survey 5-year estimates for 2016–2020. We mapped the geographic distribution of funding per capita for the first and second rounds separately, and we analyzed differences in funding per capita between rounds based on state-level geography.

We examined the linear relationship between funding per capita for each round of the ESG-CV program and, independently, homelessness rates, economic inequality, and median rent. We calculated a Pearson's correlation coefficient for each independent relationship to determine the level of association (for example, whether greater funding per capita was associated with higher homelessness rates). Correlation coefficients were analyzed for statistical significance at the 95 percent confidence level.

Finally, we conducted a counterfactual analysis of the second-round allocation of ESG-CV funding to determine what the outcome of that round of funding would have been under the first-round formula. To do so, we calculated the percentage share of funding that each state received in the first round and applied those percentages to the total amount of funds allocated in the second round.

We conducted this performance audit from September 2021 to June 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Profiles of Key Federal Programs That Address Hunger and Homelessness

This appendix provides profiles on the five programs discussed in this report: the Emergency Food and Shelter Program, Emergency Solutions Grants, Continuum of Care program, Supplemental Nutrition Assistance Program, and The Emergency Food Assistance Program.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Emergency Food and Shelter Program

About the Program

EFSP provides funding for emergency food, shelter, and support services to local nonprofit organizations and government agencies to distribute to people in need. The primary mission of EFSP is to supplement the work of local nonprofit organizations and government agencies that provide food and housing assistance to people experiencing economic crisis.

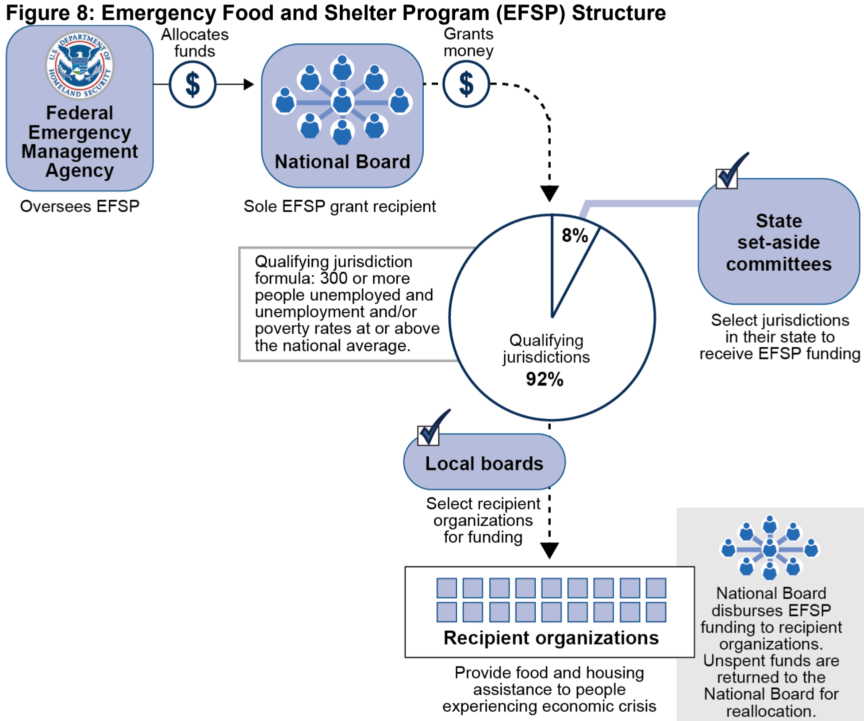
The Recovery Directorate of the Federal Emergency Management Agency (FEMA) oversees EFSP. EFSP is governed by a National Board, comprising (by statute) representatives from private nonprofit organizations and chaired by FEMA. The six private nonprofit organizations are the American Red Cross, Catholic Charities U.S.A., The Jewish Federations of North America (previously known as Council of Jewish Federations, Inc.), National Council of Churches of Christ in the U.S.A., The Salvation Army, and United Way. The National Board establishes the program’s policies, procedures, and guidelines. United Way is also the program’s fiscal agent and manages day-to-day program operations.

EFSP was created in 1983, as part of the Emergency Jobs Appropriations Act (Pub. L. No. 98-8), and established in 1987 in the McKinney-Vento Homeless Assistance Act (Pub. L. No. 100-77), codified at 42 U.S.C § 11331 et seq.

Program Recipients and Beneficiaries

The National Board is the sole recipient of Emergency Food and Shelter Program (EFSP) grant funds. State set-aside committees, local boards, and recipient organizations are considered the subrecipients. The National Board and subrecipients work together to provide services to people in need (see fig. 8). Local boards and recipient organizations can set eligibility qualifications for people receiving services.

Figure 8: Emergency Food and Shelter Program (EFSP) Structure



Source: GAO analysis of Federal Emergency Management Agency documents. | GAO-23-105458

Funding Characteristics

EFSP funds may be used for a broad range of services:

- **Emergency shelter**: Lodging in mass shelters or hotels.
- **Rent/mortgage and utility assistance**: Emergency rent or mortgage payments of principal and interest charges or utility payments.
- **Food assistance**: Costs to provide food, groceries, and seeds at public food pantries or mass feeding sites.
- **Equipment and other costs**: Purchase and repair of equipment at locations providing mass shelter and food assistance.
- **Transportation**: Costs to transport people to emergency shelter or food assistance sites or to deliver food and groceries to people.

Up to 5 percent of EFSP funding can be used for administrative expenses.

Program Outcomes

According to FEMA data, in 2021 EFSP funded over 6,700 recipient organizations that spent approximately $29.6 million on emergency shelter expenses, $30 million on rent/mortgage and utility assistance, and $47.6 million on food assistance.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Continuum of Care

About the Program

The Continuum of Care program provides housing assistance to people at risk of or experiencing homelessness. The program is designed to promote a community-wide commitment to the goal of ending homelessness. It requires communities to create a regional or local planning body, called a CoC. In its geographic area, the CoC coordinates homelessness services, planning, monitoring, and data collection and reporting. CoCs are also responsible for the collaborative process to create and submit a funding application.

HUD's Office of Special Needs Assistance Programs, within the Office of Community Planning and Development, administers the program. The CoC and Emergency Solutions Grants are collectively referred to as Homelessness Assistance Grants.

The CoC program was authorized by the McKinney-Vento Homeless Assistance Act, as amended including by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (42 U.S.C. §§ 11381-11389). The 2009 act consolidated three separate homeless assistance programs into the CoC program. The CoC grant program regulations are found in 24 C.F.R. part 578.

Program Recipients and Beneficiaries

A Continuum of Care (CoC) may have one or more grantees or recipients in its area, depending on the structure of its funding application. The recipient disburses funding to subrecipients (local nonprofit and government organizations) to provide services. People experiencing homelessness who receive CoC services must meet eligibility requirements described in the CoC program regulations and in grant agreements.

Funding Characteristics

Eligible applicants designated by CoCs annually apply to the Department of Housing and Urban Development (HUD) for funding to implement programs in their geographic area. CoC funding is awarded through a two-step process. First, a formula determines the maximum award a CoC can receive. The maximum award amount is based on the total available funding in conjunction with local conditions, costs of ongoing projects, and fair market rent increases. Second, a CoC applies through a competitive process that determines the amount awarded. CoCs are scored on available points described in the annual Notice of Funding Opportunity. HUD then provides funding to the CoC recipients, which distribute it to subrecipients. Recipients and subrecipients must match program funding.

CoC program funds may be used for five project categories or components.

- **Permanent housing**: Housing assistance and related services, including permanent supportive housing assistance for disabled people and rapid re-housing of people experiencing homelessness.
- **Transitional housing**: Housing assistance and related services for people experiencing homelessness, with the goal of interim stability and support towards permanent housing.
- **Supportive services only**: Supportive services, such as street outreach and referrals to other housing or necessary services, to people not receiving housing assistance.
- **Homeless Management Information System**: Costs related to hardware, software, and the personnel to establish and operate the system in each CoC.
- **Homelessness prevention**: Short-term or medium-term rental assistance and related services (limited to CoCs meeting certain performance standards such as having average length of homelessness of 20 or fewer days).

Up to 10 percent of a CoC recipient's funding can be used for administrative activities.

Program Outcomes

According to HUD data, in 2021, the CoC program served 326,126 people experiencing homelessness, including 41,394 families. There was a 53 percent increase in the number of people experiencing homelessness between 2021 and 2022. In 2021, 6,628 projects received more than $2.6 billion in CoC funding, with most projects (81 percent) and funding (90 percent) going towards permanent and transitional housing.

At least one CoC exists in every state and the District of Columbia, Puerto Rico, and Guam. In 2021, there were 384 CoCs.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Emergency Solutions Grants

About the Program

The ESG program provides emergency housing and shelter services to people experiencing or at risk of homelessness. HUD's Office of Community Planning and Development administers this program. ESG and Continuum of Care programs are collectively referred to as Homelessness Assistance Grants.

ESG was authorized by the McKinney-Vento Homeless Assistance Act. It was reauthorized and renamed by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (42 U.S.C. § 11371-11378). HUD regulations for the ESG program, initially effective in 2012, and as amended, are found in 24 C.F.R. part 576.

Program Recipients and Beneficiaries

Recipients of Emergency Solutions Grants (ESG) are states, territories, and metropolitan cities and urban counties. States receive and distribute ESG funding to areas that are not part of metropolitan cities and urban counties. Subrecipients receive funding from the recipients to provide services to people experiencing or at risk of homelessness

To be eligible for ESG services, a person must meet the Department of Housing and Urban Development's (HUD) definition of homeless: lacking housing and staying in emergency shelter or qualifying for homelessness prevention assistance.

Funding Characteristics

Local jurisdictions and states apply to HUD for ESG funds as part of their consolidated plan. The plan, which also covers other HUD programs, describes how housing and other resident needs will be addressed over a period of 3–5 years. The consolidated plans are collaborative efforts among local governments, public and private entities, and community members.

ESG awards are noncompetitive and allocated using a formula. About 70 percent of funding goes to metropolitan cities and urban counties, about 30 percent to states, and 0.2 percent to territories. ESG funds are allocated based on the amount communities received in the prior year Community Development Block Grant funding. Metropolitan cities and urban counties are required to match ESG funds dollar-for-dollar, but states and territories are not.

ESG funds may be used for five project categories or components.

- **Street outreach:** Essential services (such as case management and transportation) to connect unsheltered people with emergency shelters and health services.
- **Emergency shelter:** Activities to operate shelters and supportive services (such as case management and child care) for people living in those shelters.
- **Rapid rehousing:** Activities to rapidly rehouse people experiencing homelessness.
- **Homelessness prevention:** Activities to prevent homelessness through relocation and stabilization services, and rental assistance.
- **Homeless Management Information System:** Costs related to hardware, software, and personnel and to other activities associated with using this data system.

In addition, up to 7.5 percent of a recipient's ESG allocation can be used for administrative activities.

Program Outcomes

According to HUD data, in fiscal year 2019, 196 metropolitan cities and 115 urban counties received ESG funding across all 50 states and five territories. Also, according to HUD data, 285,470 people received emergency shelter services in fiscal year 2022.

Appendix II

DEPARTMENT OF AGRICULTURE

Supplemental Nutrition Assistance Program

About the Program

SNAP is the largest domestic nutrition assistance program and is administered by the Department of Agriculture's Food and Nutrition Service in partnership with states, which operate the program locally. The goal of this program is to help low-income individuals and households obtain a more nutritious diet by increasing their food purchasing power.

SNAP provides benefits on an electronic benefits transfer card, which may be used to purchase food at authorized retailers. SNAP benefits generally only can be used for food to be prepared or consumed at home. As of September 2021, 254,350 retailers were authorized to accept SNAP benefits.

SNAP was authorized by the Food and Nutrition Act of 2008, as amended, but its predecessor, the Food Stamp Program, existed in some form since the 1960s. SNAP regulations are found under 7 C.F.R. part 273.

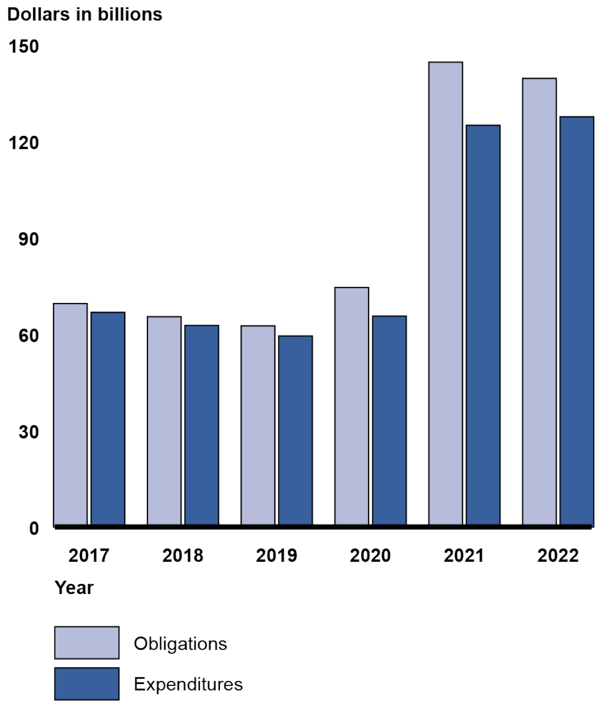
Program Recipients and Beneficiaries

The Supplemental Nutrition Assistance Program (SNAP) provides assistance to eligible low-income individuals and households. Generally, to be eligible for SNAP benefits, a household's gross monthly income cannot exceed 130 percent of the federal poverty level. SNAP benefits are provided in all 50 states, the District of Columbia, Guam, and the U.S. Virgin Islands.

Funding Characteristics

Federal funds cover the full cost of SNAP benefits. Administrative costs are shared between the federal government and the states. Program obligations increased significantly in fiscal year 2021, reflecting a higher appropriation in response to the COVID-19 pandemic, increased participation, and larger maximum benefit amounts to recipients.

Figure 9: Obligations and Expenditures for the Supplemental Nutrition Assistance Program, Fiscal Years 2017–2022



Source: GAO analysis of Department of Agriculture data. | GAO-23-105458

Note: In addition to annual obligations, SNAP received supplemental funding to respond to the COVID-19 pandemic. This figure does not include the supplemental funding from COVID-19 relief laws.

Program Outcomes

SNAP provided benefits to 41.2 million people in 21.6 million low-income households in fiscal year 2022. The average monthly individual benefit was $232.

DEPARTMENT OF AGRICULTURE

The Emergency Food Assistance Program

About the Program

USDA's Food and Nutrition Service administers TEFAP, which helps supplement the diets of low-income individuals by providing them with emergency food assistance at no cost. TEFAP provides more than 120 food products, including canned, frozen, dried, and fresh fruits and vegetables, as well as eggs, meat, poultry, fish, nuts, dairy products, and grains. The types of food USDA purchases for TEFAP vary based on the preferences of each state and agricultural market conditions.

TEFAP was first authorized in 1983 to distribute food purchased by USDA. USDA issues regulations and guidance for the program and provides oversight by reviewing and approving state TEFAP plans.

TEFAP was designed to help reduce federal food inventories while assisting low-income individuals. Because food inventories had largely been depleted by 1988, the Hunger Prevention Act of 1988 authorized funds to be appropriated for the purchase of USDA foods specifically for TEFAP. The program was formally named The Emergency Food Assistance Program under the 1990 Farm Bill. The Emergency Food Assistance Act (as amended) continues to govern program operations, while the Food and Nutrition Act authorizes funding for TEFAP's entitlement commodities.

Program Recipients and Beneficiaries

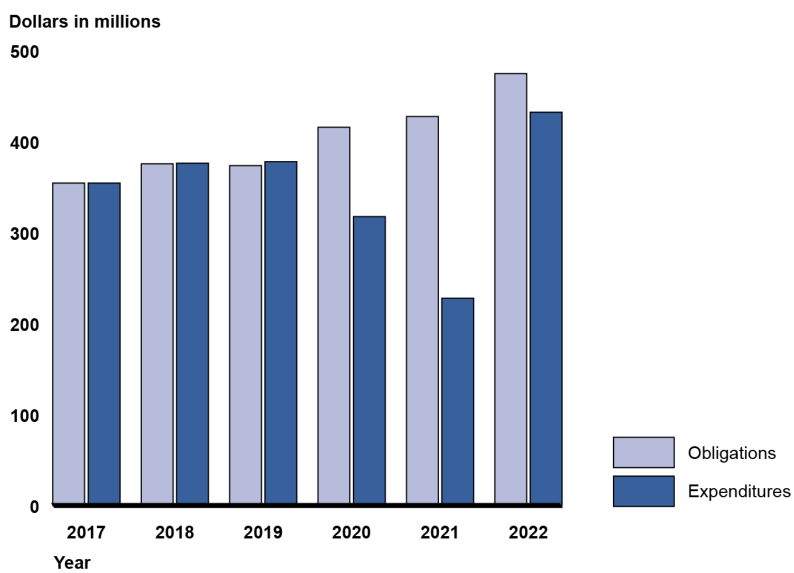
The Department of Agriculture (USDA) allocates and distributes food under The Emergency Food Assistance Program (TEFAP) to state agencies, which often are state departments of health and human services, agriculture, or education. These agencies select local agencies, usually food banks, which in turn distribute the food to local organizations, such as soup kitchens, pantries, or shelters that directly serve the public.

State agencies determine program eligibility rules and allocations to local recipient agencies. TEFAP foods may reach individuals who do not qualify for other food assistance programs or may supplement assistance provided by other programs. State~~s~~ agencies have discretion to set eligibility standards for program recipients as long as the standards meet broad requirements outlined in program regulations. Generally, eligibility standards are based on a household's income or eligibility for other income-based federal, state, or local food, health, or other assistance programs. Organizations that provide prepared meals must demonstrate that they serve largely low-income people.

Funding Characteristics

USDA allocates and distributes food and administrative funds to state agencies according to a formula that takes into account the number of people in the state who are poor or unemployed. The majority of funding is used to purchase food, and the remainder is used for administrative support for state and local agencies.

Figure 10: Obligations and Expenditures for The Emergency Food Assistance Program, Fiscal Years 2017–2022



Source: GAO analysis of Department of Agriculture data. | GAO-23-105458

Note: Figure does not include funding from COVID-19 relief laws. In some years, expenditures may exceed obligations because states may continue to expend funds after the end of the fiscal year.

Program Outcomes

In fiscal year 2021, TEFAP provided 1.3 billion pounds of food with a value of $1.68 billion.

Appendix III: Efforts to Help Homeless Populations Access the Supplemental Nutrition Assistance Program

Table 5 describes efforts reported by the Department of Agriculture (USDA) and four selected state and local agencies to help the Supplemental Nutrition Assistance Program (SNAP) better serve applicants and recipients experiencing homelessness.[1] These efforts seek to overcome challenges these individuals may face in accessing SNAP. For example, people experiencing homelessness may have difficulty retaining official documents or maintaining communication with government offices, according to officials. Such challenges are not unique to SNAP but are common among persons experiencing homelessness.

Table 5: Examples of Efforts by USDA and Selected States and Local Agencies to Better Serve Supplemental Nutrition Assistance Program (SNAP) Applicants and Recipients Experiencing Homelessness

Year	Efforts
	Department of Agriculture (USDA)
1996	Allowed homeless persons to access the SNAP Restaurant Meals Program in participating states. The program allows certain SNAP recipients to buy prepared meals at restaurants with their SNAP benefits. The option is designed for recipients who do not have permanent housing for storing and preparing food or otherwise cannot prepare their own meals. As of March 2023, Arizona, California, Illinois, Maryland, Michigan, Rhode Island, and Virginia participated in the program.
2013	Issued guidance to address common policy misconceptions relevant to homeless youth applying for SNAP. For example, the guidance clarified that a permanent address is not required for SNAP eligibility and that SNAP applicants experiencing homelessness could use the address of an authorized representative, shelter, or local SNAP office to obtain their electronic benefit transfer cards and correspondence.
2015	Issued guidance stating that chronically homeless individuals may be determined to be physically or mentally unfit for work and therefore exempt from time limits on SNAP benefits.
2019	Performed outreach to states to ensure they were implementing the homeless shelter deduction that was mandated in the Agriculture Improvement Act of 2018 (2018 Farm Bill). The deduction provides homeless SNAP recipients the opportunity to receive more SNAP benefits.
2022	Issued a priorities memorandum encouraging states to increase outreach to potentially vulnerable populations, such as veterans, students, older adults, and immigrant communities. While the memorandum did not address homelessness directly, USDA noted such groups often experience elevated homelessness rates.
	Selected State and Local SNAP Agencies
2019	New York City issued a bulletin promoting the use of the city’s mobile application that allows applicants to apply for SNAP and other services.
2020	The District of Columbia began providing SNAP applicants a list of addresses for homeless shelters during the application process, so applicants in shelters can easily identify and provide their address to receive SNAP benefits and program notices in the mail.
2022	Hawaii piloted a program that provides 11 locations at which applicants have access to a phone, scanner, printer, and the internet, so they can communicate with SNAP eligibility staff to apply for benefits, ask questions, complete an interview, and submit documents.

[1]We selected these four states because they cover different geographic areas and have high rates of homelessness.

Year	Efforts
2022	California started offering same-day registration in some counties and provided flexible scheduling options for SNAP interviews to address communication and transportation issues.

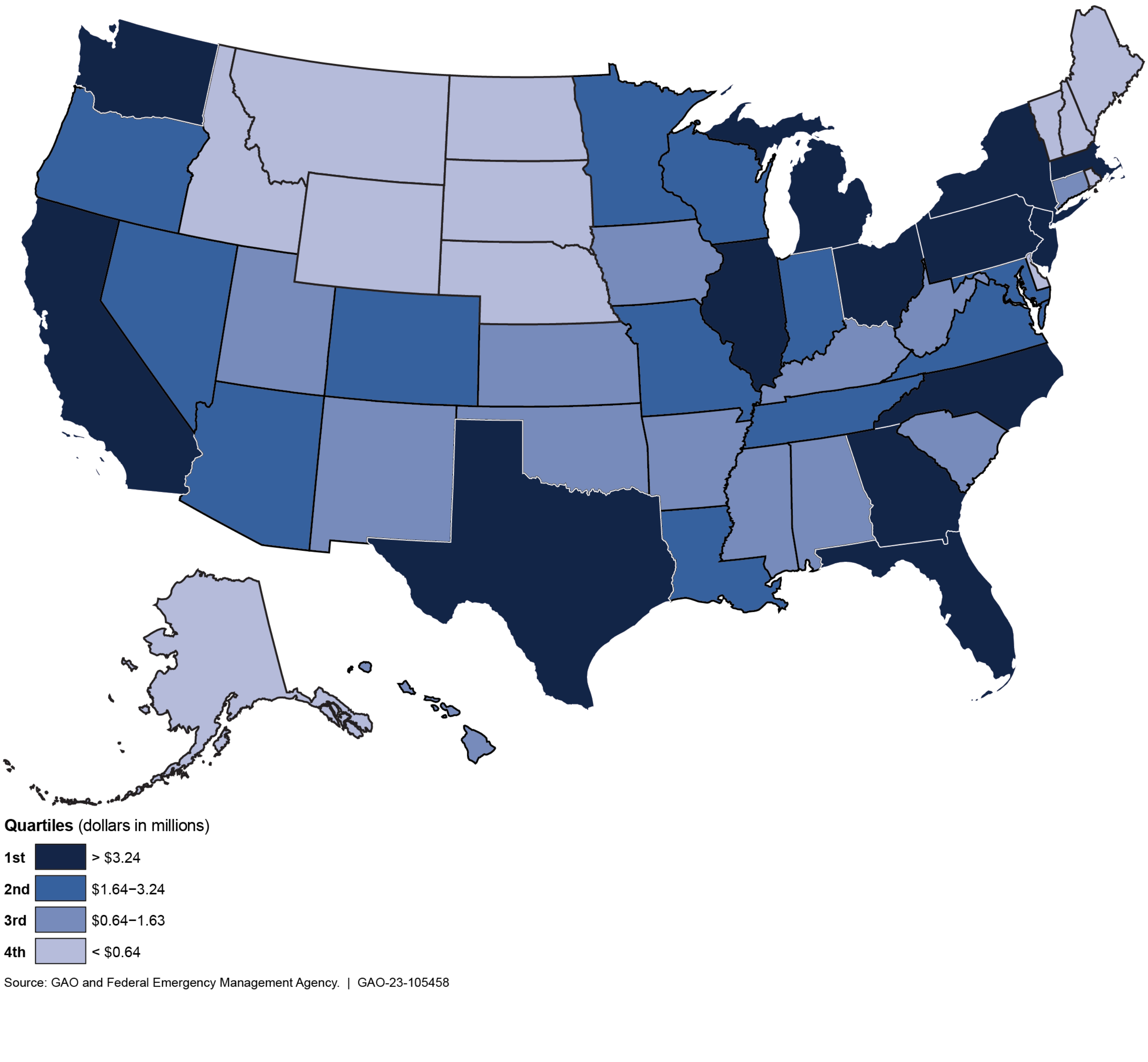
Source: GAO analysis of USDA and state and local agency information. | **GAO-23-105458**

Appendix IV: Geographic Distribution of Total EFSP, CoC, and ESG Funding

Fiscal year 2020 funding for the Emergency Food and Shelter Program (EFSP), Continuum of Care (CoC) program, and Emergency Solutions Grants (ESG) program was concentrated in large, populous states that also had large homeless populations. For instance, California, New York, Florida, and Texas accounted for over half of the total homeless population, according to HUD’s 2020 point-in-time count data. California had over 28 percent of the total homeless population and also received the largest dollar amount across all three programs. Conversely, the states with the smallest homeless populations—North Dakota, Wyoming, and South Dakota—were among the states that received the smallest amount of program funding across all three programs.

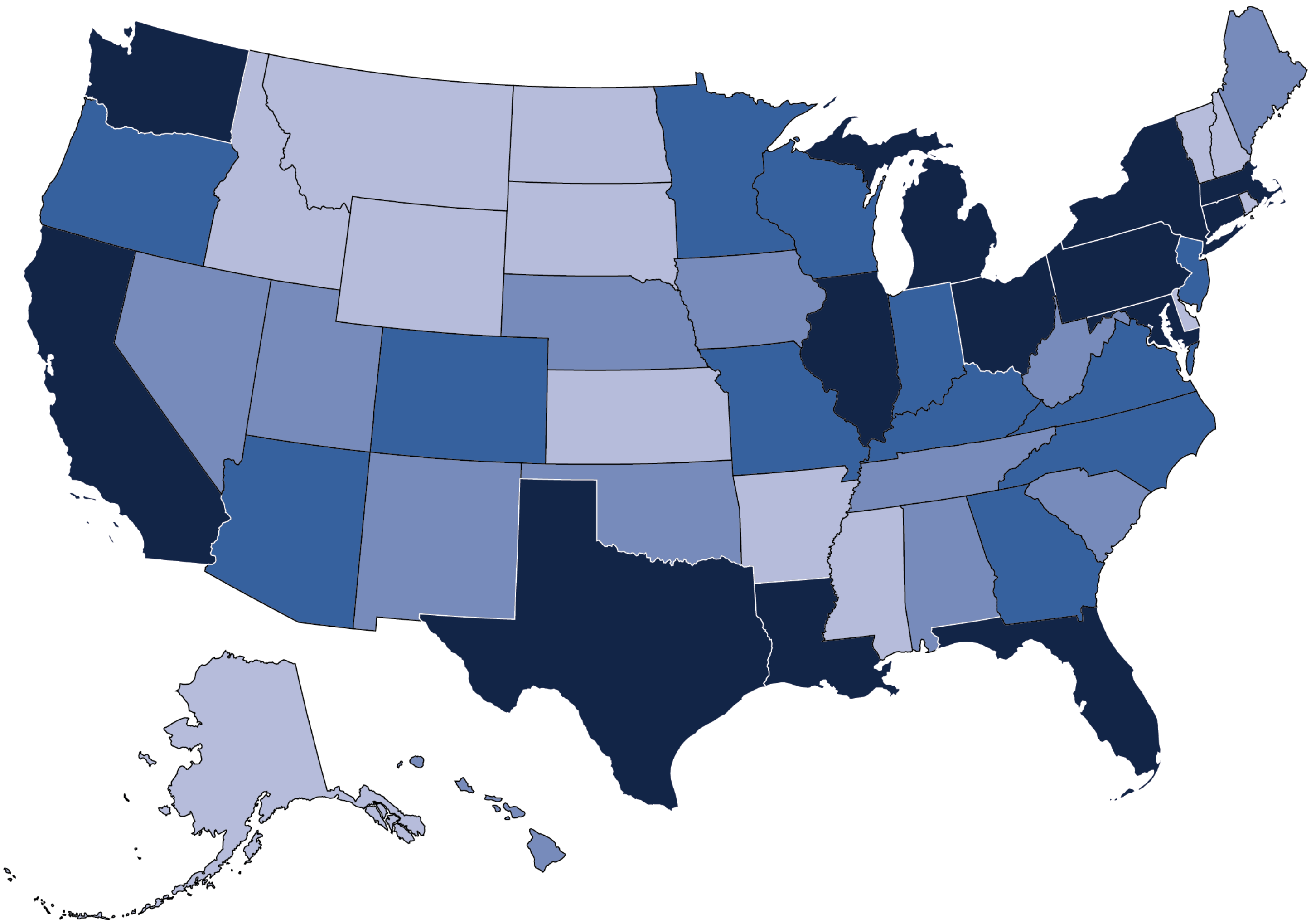
Figures 11, 12, and 13 show the funding distribution, by state, for EFSP, CoC, and ESG, respectively, in fiscal year 2020.

Figure 11: Emergency Food and Shelter Program Funding by State, Fiscal Year 2020



Source: GAO and Federal Emergency Management Agency. | GAO-23-105458

Figure 12: Continuum of Care Program Funding by State, Fiscal Year 2020

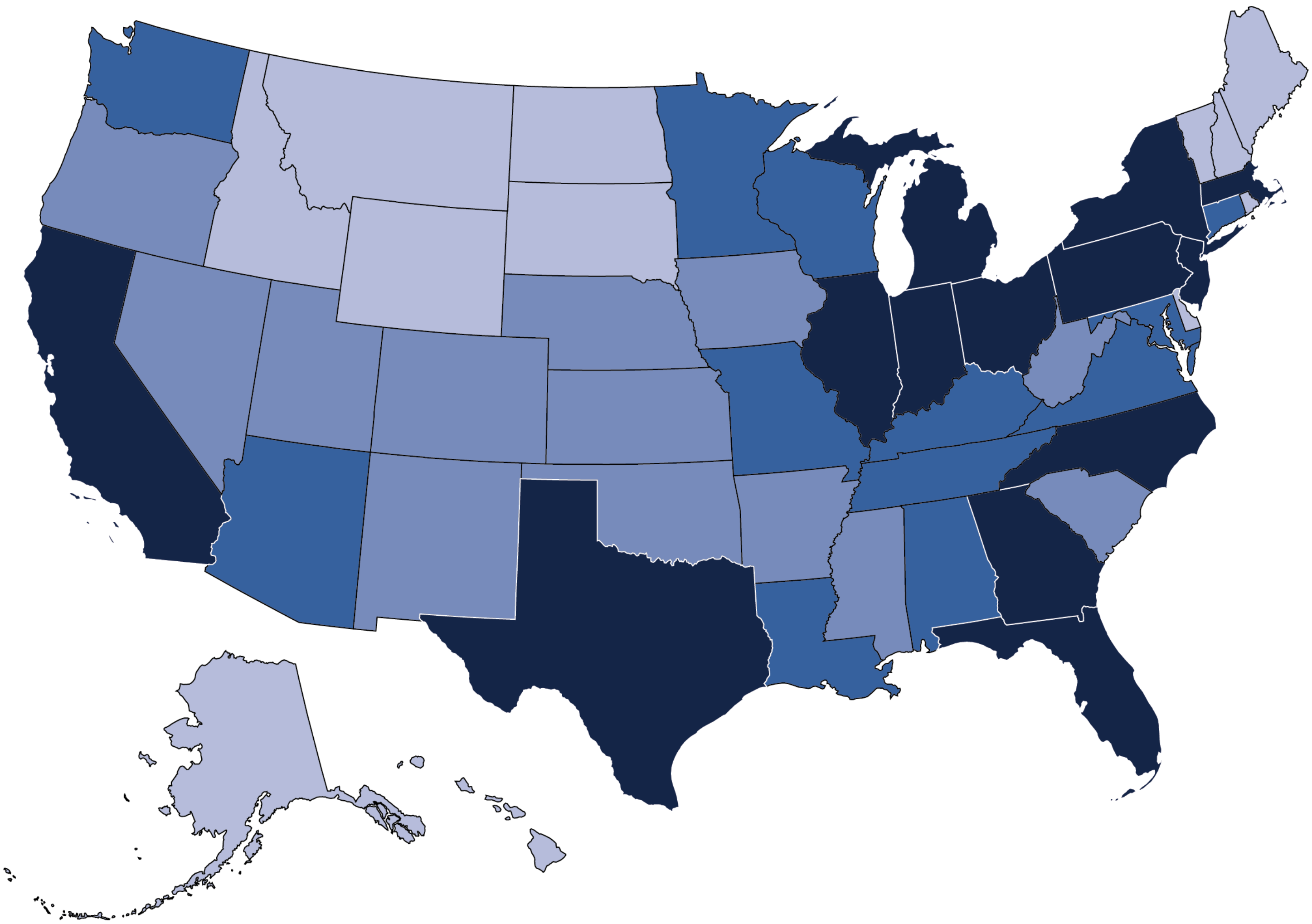


Quartiles (dollars in millions)

1st	> $53.16
2nd	$24.98–53.16
3rd	$8.75–24.97
4th	< $8.75

Source: GAO and Department of Housing and Urban Development. | GAO-23-105458

Figure 13: Emergency Solutions Grants Program Funding by State, Fiscal Year 2020



Quartiles (dollars in millions)

1st	> $5.68
2nd	$3.27−5.68
3rd	$1.57−3.26
4th	< $1.57

Source: GAO and Department of Housing and Urban Development. | GAO-23-105458

Appendix V: Analysis of Correlations between EFSP, CoC, and ESG Program Funding and Homelessness Rates, Median

For both the Emergency Food and Shelter Program (EFSP) and Continuum of Care (CoC) program in fiscal year 2020, per capita funding was positively and significantly correlated with homelessness rates, with correlations of 0.474 and 0.493, respectively (see table 6). The correlation between per capita Emergency Solutions Grants (ESG) funding and homelessness rates was not statistically significant at 0.141, which indicates a statistically weak relationship between the variables.

Table 6: Correlations between Per Capita Program Funding and Homelessness Rates, Fiscal Year 2020

Program	Emergency Solutions Grants	Emergency Food and Shelter Program	Continuum of Care
Per capita funding correlation with homeless rates	0.141	0.474*	0.493*

Source: GAO analysis of Department of Housing and Urban Development, Federal Emergency Management Agency, and Census Bureau data. | GAO-23-105458

* p<0.05

CoC and EFSP program funding per capita were both positively and moderately correlated with median rents with correlations of 0.590 and 0.453 (see table 7). The correlation between ESG funding per capita and housing costs was 0.173 and not statistically significant, indicating a statistically weak relationship between the variables.

Table 7: Correlations between Per Capita Program Funding and Median Rents, Fiscal Year 2020

Program	Emergency Solutions Grants	Emergency Food and Shelter Program	Continuum of Care
Per capita funding correlation with median rents	0.173	0.453*	0.590*

Source: GAO analysis of Department of Housing and Urban Development, Federal Emergency Management Agency, and Census Bureau data. | GAO-23-105458

*p<0.05

The correlations between EFSP and CoC funding per capita with income inequality were 0.325 and 0.490, respectively, and were not statistically significant, indicating weak and moderate relationships, respectively (see table 8). ESG funding per capita and income inequality were positively and moderately correlated, with a coefficient of 0.461.

Table 8: Correlations between per Capita Program Funding and Income Inequality, Fiscal Year 2020

Program	Emergency Solutions Grants	Emergency Food and Shelter Program	Continuum of Care
Per capita funding correlation with income inequality	0.461*	0.325*	0.490*

Source: GAO analysis of Department of Housing and Urban Development, Federal Emergency Management Agency, and Census Bureau data. | GAO-23-105458

* p<0.05

We analyzed the relationships between each of the two rounds of CARES Act-authorized funding for ESG (ESG-CV) and homelessness rates, income inequality (as measured by the Gini coefficient), and median rents. As shown in table 9, per capita funding from the first round of ESG-CV was moderately correlated to homelessness rates (0.497 correlation). However, second round allocations were strongly correlated (0.983 correlation), which could be expected because the formula focused on homelessness. Per capita funding under the second-round ESG-CV formula was also strongly correlated with median rents (0.718 correlation), although it was weakly correlated to income inequality (0.335 correlation). Both factors are strong predictors of homelessness in urban areas and tight, high-cost housing markets, according to research by academics and the Department of Housing and Urban Development.

Table 9: Correlations of Per Capita Emergency Solutions Grants - CARES Act Funding with Homelessness Rates, Income Inequality, and Median Rents

	Per capita funding and homelessness rates	Per capita funding and income inequality	Per capita funding and median rents
First Round	0.497*	0.462*	0.176
Second Round	0.983*	0.335*	0.718*

Source: GAO analysis of Department of Housing and Urban Development and Census Bureau data. | GAO-23-105458

* p<0.05

Appendix VI: GAO Contact and Staff Acknowledgments

GAO Contact

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Staff Acknowledgments

In addition to the contact named above, Allison Abrams (Assistant Director), Jason Wildhagen (Analyst in Charge), Chelsea Carter, LaToya Coleman, Leah DeWolf, Beth Faraguna, Colleen Moffatt Kimer, Alicia Martinez Melton, Marc Molino, Jason Rodriguez, Barbara Roesmann, Jessica Sandler, Joshua Stick, and Farrah Stone made key contributions to this report.

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