

# **The Repeal of Minnesota's Emergency Assistance Program Gives Way to a Patchwork of Policies**

## *A Tool for Analyzing County Plans To Help Families in Crisis*

*September 2003*

On July 1, 2003, the State Emergency Assistance (EA) program was eliminated. The State EA program provided counties with funding to assist any eligible family in crisis, in order to stabilize them in their housing and to prevent homelessness. By providing immediate help with a crisis, the State EA program also helped families avoid having to apply for public assistance after a sudden loss of income.

The 2003 legislative changes transformed EA from a statewide program with one set of policies that guaranteed help to families facing a temporary crisis to a discretionary, county-designed program financed by a block grant, the new MFIP Consolidated Fund. In essence, the new block grant formula shifts the ultimate responsibility for meeting the emergency needs of families from the State to the counties. Each county must now determine the amount of money it will spend on emergency needs, since the State will no longer provide increased funding each year as it did under the State EA program. (More information on the MFIP Consolidated Fund will be available this month at [www.lsapmn.org](http://www.lsapmn.org) )

During August 2003, the Legal Services Advocacy Project (LSAP) reviewed all of the county emergency needs plans that were submitted to the Minnesota Department of Human Services (DHS). Almost every county opted to meet emergency needs of families experiencing a temporary crisis. LSAP's review found only 2 of Minnesota's 87 counties do not intend to provide financial assistance to help families resolve a short-term crisis: Grant County will provide referrals to community services but no financial assistance, and Lac qui Parle County (which spent less than \$800 on emergency needs in 2002) will not operate a program to meet emergency needs. LSAP prepared two charts that summarize the county plans.

The repeal of the State EA program will have a significant impact on low-income families who are experiencing a crisis due to a sudden and/or temporary loss of income. It is important to understand how your county is responding to the new discretion given them under the block grants, and what the impact will be on the local community. A review of the county plans reveals a patchwork of policies is already emerging.

**1. Most counties have capped the amount of financial help that a family can receive.**

Under the State EA program, there was no limit on the amount of the payment that could be provided to meet the family's crisis. Counties were able to assess the situation and provide the most cost-effective way to resolve the problem and stabilize the family. Now, almost every county has chosen to limit the amount of the payment that will be provided to a family. Many counties will limit the maximum payment to four (4) times the MFIP cash grant based upon household size (or \$2,128 for a family of three). However, an almost equal number of counties will limit payment to three (3) times the MFIP cash grant, and several others will limit payment to two (2) times the MFIP cash grant. In addition, several counties are capping payment at a dollar amount, the most common amount being \$500.

**2. Many counties include a provision for mandatory vendoring of MFIP grants for an extended period of time.**

The State EA program provided an option for counties to vendor ongoing MFIP grants if the funds were used to help with shelter or utility costs. This provision was repealed along with the State EA program. Now, state law permits mandatory vendoring of MFIP grants by counties in only a few situations. However, several counties have enacted policies that require MFIP families who receive help with emergency needs to have their MFIP grants vendored for an extended period of time (e.g., 6 months, 1 year, or indefinitely). In late August DHS issued a memo to counties "encouraging" the counties to review their policies to see if they complied with existing MFIP provisions and to make changes if warranted. It is unclear whether DHS will take additional action on this issue.

**3. Many counties have imposed a county durational residency requirement that families must meet before they can be eligible for help.**

The State EA program required that families be residents of the State for 30 days before they could receive help with emergency needs. However, many counties are now imposing a county durational residency requirement as well. A common requirement is that the family must reside in the county for at least 30 days before they will be eligible for help. A few counties require residency for at least 60 days – and a handful impose an even longer residency requirement. DHS has instructed counties who are considering a county residency requirement to consult with their county attorney. It is unclear whether DHS will take additional action on this issue.

**4. Although counties may only use the block grants to meet the needs of families with incomes below 200% of poverty, some are limiting the use of emergency funds to families with even lower incomes.**

Under the State EA program there was no income eligibility requirement. Instead, strict asset and resource policies were in place that allowed for flexibility but ensured that, in the end, only families who truly had no other access to financial help would qualify for assistance from the state. Now, the block grant can only serve families with incomes below 200% of the federal poverty level. However, some counties are limiting emergency funds to families with incomes below 175% of poverty or even 150% of poverty. In addition, county policies on how to determine if the family's income is below the eligibility level vary: Some

counties look only at income in the month of application, while others look back 30 or even 60 days. County policies differ from other state policies relating to other TANF-funded programs, which look only at the current month's income. Although DHS has brought this issue to the attention of the counties, it is unclear whether DHS will take additional action on this issue.

**5. Many counties are limiting the frequency with which families can receive help with emergency needs.** The State EA program provided help with emergency needs once in a 12 month period. Now many counties are limiting receipt of emergency help to once every 18 months, and a few have gone even further – limiting assistance to once in 5 years or once in a lifetime. Some counties are denying assistance if any adult member of the household received assistance in the past year; some counties are denying assistance if any member – including a child – was in a household that received assistance in the past year. Stricter limits on how often families can receive help will result in more families being homeless and or unable to retain employment due to unresolved crises.

**6. Some counties have policies that may not completely resolve the family's crisis because certain payments are not covered.** Under the State EA program, the list of shelter related payments was very broad and provided the counties a great deal of flexibility in helping to stabilize a family in their housing. In particular, the program allowed counties to pay the required security deposit for an apartment. Now, a number of counties will not assist the family with the security deposit. Other counties will deny help with the security deposit if the family has already moved into the unit. These policies ignore the reality of today's rental market. Families must move quickly to take advantage of an opportunity to secure affordable housing. This exclusion of payments when families have already moved in may result in families being homeless for longer periods of time. Another policy adopted by many counties is the exclusion of late fees and/or court costs as an allowable use of emergency funds. If a family is facing an eviction for not paying rent, payment of late fees and court costs may be necessary to re-instate the tenancy. Excluding these payments could prevent some families from being able to remain in their housing.

**7. Most counties do not have specific policies that provide families with emergency funds to help with work-related expenses.** The State Diversionary Assistance (DA) program was also eliminated effective July 1, 2003. That program gave counties the flexibility to help families with incomes below 200% meet emergency needs and avoid having to go on public assistance. Many counties used those funds to pay for transportation and other work-related expenses. Now, very few counties have adopted policies to provide help with expenses unrelated to housing. Assistance with unexpected childcare costs, car repairs, car insurance and similar expenses might be all a family needs to find or maintain employment.

## ***Policy Considerations for Analyzing County Emergency Needs Plans:***

***Maintain Historic Spending Levels:*** *In preparing their budgets under the block grants, counties should continue to spend the same percentage on meeting emergency needs as they did in 2002. Counties should not shift resources from meeting crisis needs to other activities under the block grant.*

***Eliminate policies that are more restrictive than state and federal laws:*** *DHS has informed the counties that certain policies (e.g., mandatory vendoring of MFIP grants, county residency requirements and methods of determining household income) need to comply with state and federal laws. Counties, while given great discretion under the block grant to design their own emergency needs plans, must ensure that their plans do not conflict with existing state and federal laws. Specifically, counties should not impose greater waiting periods on Minnesota residents moving within the State; should not require vendoring of MFIP payments except in circumstances authorized by law, and should determine household income in accordance with other TANF-funded programs by looking only at the current month's income.*

***Provide help as quickly as possible:*** *Immediate help with a crisis can often stabilize a family, prevent homelessness and divert the family from applying for public assistance as means of resolving the crisis. County residency requirements, delays in approving applications and imposing income verification requirements for previous months can all result in unnecessary delays that did not exist under the State EA program.*

***Have flexible and realistic policies that will resolve the crisis:*** *County policies must reflect the trends and the realities of the local housing market, utility costs, and local economic conditions. Counties should allocate money throughout the year in line with historic trends (e.g., by providing more resources during months when families are likely to seek help with utility costs; allowing damage deposits even after a family has moved in; assisting with late fees). Counties should have policies that provide sufficient flexibility to completely resolve the crisis.*

**See:** [County Plans at a Glance](#)

**See:** [Summary of County Plans to Meet Emergency Needs](#)

*IMPORTANT NOTE: Many counties have revised their plans after the initial submission to DHS, and many counties are continuing to refine and amend their plans to meet emergency needs. For this reason, the information should be used for informational purposes only, and may not reflect the current policy in use by each county. LSAP welcomes corrections or additional information on county level plans. LSAP will review county budget information as it becomes available from DHS and will provide information on budgets in the future.*