

FY 2018 Budget Proposal Rundown

This document summarizes key proposals included in the Trump Administration's fiscal year (FY) 2018 Budget Proposal ("budget"). This document compares the FY 2018 proposal to FY 2017 funding levels and is not adjusted for inflation. It also outlines the Alliance's top advocacy priorities around impacting the federal budget.

Budget Advocacy Priorities

1. McKinney-Vento Homeless Assistance Grants

The McKinney-Vento Homeless Assistance Grants program is the federal government's largest program specifically targeted to addressing homelessness in the United States. The program consists of the competitive Continuum of Care (CoC) grants, and the formula-based Emergency Solutions Grants (ESG). Both programs fund proven, effective Housing First solutions through state and local programs across the country. Communities all over the United States rely on the McKinney-Vento Homeless Assistance Grants program as the primary federal tool for ending homelessness. Additional funding is essential to continuing progress toward ending homelessness in America.

The Trump Administration's FY 2018 Budget Proposal includes the following:

- The CoC program would receive at least \$1.988 billion, a \$295 million decrease from the amount provided by Congress in FY 2017.
 - a. This funds interventions including rapid re-housing, permanent supportive housing, transitional housing, supportive services, and planning. It also supports Technical Assistance to help communities improve their homeless assistance.
- The ESG program would receive at least \$255 million, a \$15 million decrease from the amount provided by Congress in FY 2017.
 - b. This funds interventions to address emergency needs, such as emergency shelter, street outreach, essential services, homelessness prevention, and rapid re-housing.
- The National Homelessness Data Analysis project would receive \$7 million, a \$5 million decrease below the amount provided by Congress in FY 2017.

These proposed cuts are estimated to result in approximately 25,000 more people becoming homeless, severely limiting communities' abilities to continue previous progress or to address any rising needs.

2. Medicaid

Access to mainstream funding sources is one of the most effective tools to help those experiencing homelessness get the services they need to secure and maintain stable housing. For local communities combating chronic homelessness, Medicaid is essential to pay for services. And for people with disabilities, recovering from substance abuse disorders, or living in extreme poverty, especially individuals and families who experience homelessness, Medicaid is essential for coverage.

While the FY 2018 budget reflects a small increase in mandatory spending for Medicaid (\$29 million to address inflation), the budget cuts future Medicaid spending beginning in FY 2020 by changing the structure of Medicaid to a per capita cap or block grant structure to the States. This will result in a \$616 billion cut over 10 years, is intended to be made in addition to the cuts included in any final version of the American Health Care Act (AHCA), which passed the House earlier this month, and would cut Medicaid spending by *at least* an additional \$800 billion over 10 years. Combined, these reforms would effectively reduce Medicaid spending by 47-50% by 2027.

Estimates suggest that at least 14 million Americans will be jeopardized immediately, due to the cuts included in the AHCA alone. Combined with the changes in the budget proposal, this will strip away crucial resources from communities, hindering efforts to get people with disabilities, substance abuse disorders, and those living in extreme poverty the care and services they need to maintain stable housing.

3. Affordable Housing

While the Federal government's targeted homeless programs address the immediate crisis of homelessness, the root cause of the issue is a lack of affordable housing. Rental assistance for low-income people, and investments in a public and affordable housing infrastructure, help protect the most vulnerable people from becoming homeless in the first place.

The Trump Administration proposes the following cuts to affordable housing programs, among others:

- **A \$974 million cut to Tenant-Based Rental Assistance/Section 8 Housing Choice Vouchers**, to an overall funding level of \$19.318 billion. This includes primarily renewal funding but is not enough to prevent people from losing housing assistance.
- **Deep cuts to Public Housing**, including a \$1.31 billion cut to the Public Housing Capital Fund to reduce total funding to only \$628 million, a \$500 million cut to the Public Housing Operating Fund to reduce total funding to \$3.9 billion, and a \$5 million cut to Jobs Plus, an evidence based program for increasing the employment and earnings of Public Housing residents.
- **Eliminating the National Housing Trust Fund**, a critical housing resource exclusively targeted to help build and preserve housing affordable to people with the lowest incomes, including those experiencing homelessness.

Already, close to 8.19 million low-income households are experiencing "worst-case housing needs." Many of these households will experience housing crises and even homelessness. Further cuts to affordable housing programs will put additional pressure on the already strained homeless assistance programs.

Key Mandatory Program Changes

Medicaid

The budget proposes a small increase in FY 2018 of \$29 million to address inflation, but cuts future Medicaid spending beginning in FY 2020 through structural changes that will result in a \$616 billion cut over 10 years. Combined with the proposed cuts in the American Health Care Act (AHCA), which passed the House earlier this month, this would effectively reduce Medicaid spending by 47-50% by 2027. *(See above for additional details).*

Temporary Assistance for Needy Families (TANF)

The budget proposes a \$1.2 billion reduction in this vital state block grant program that provides financial assistance and work supports to low income families, representing a 10 percent cut. States have also used TANF funds to help families escape homelessness through funding or augmenting rapid re-housing programs. The budget also eliminates the \$567 million TANF Contingency Fund, which is used to help states demonstrating increased economic hardship.

✘ National Housing Trust Fund (HTF)

The budget proposes to eliminate the National Housing Trust Fund, a critical housing resource exclusively targeted to help build and preserve housing affordable to people with the lowest incomes, including those experiencing homelessness. The budget allows the HUD secretary to direct the resources currently funding the HTF to offset the cost of salaries, contract expenses, and technology improvements at the Federal Housing Administration.

Supplemental Nutrition Assistance Program (SNAP)

The budget proposes changes to the Supplemental Nutrition Assistance Program (SNAP) (formerly known as food stamps), which provides nutritional assistance to low income households, that would lead to an estimated \$4.6 billion reduction in SNAP benefits in FY 2018. The budget proposes legislation that would restrict waivers from work requirements, eliminate minimum benefit levels, and provide a maximum benefit level per household regardless of household size. The budget also proposes that states begin to absorb some of the costs of the SNAP program. On average states would be expected to cover 25 percent of the SNAP benefit costs to be phased in between FY 2020 and FY 2023.

Key Discretionary Programs

HUD programs

McKinney-Vento Homeless Assistance Grants

The budget proposes \$2.250 billion for HUD's McKinney-Vento Homeless Assistance Grants, a \$133 million decrease below the FY 2017 level of \$2.383 billion. However, the proposed \$2.250 billion is equal to the FY 2016 level. *(See above for additional details).*

✘ United States Interagency Council on Homelessness (USICH)

The budget proposes to eliminate funding for USICH, allowing the agency to sunset when its authorization expires on October 1, 2018. The budget requests \$570 thousand for USICH to allow the agency to conduct an orderly closeout. The represents a \$3.6 million decrease below current funding.

Tenant-Based Rental Assistance/Section 8 Housing Choice Vouchers

The budget proposes \$19,318 billion for tenant-based vouchers, a significant \$974 million decrease below FY 2017. This would result in more than 250,000 households currently utilizing the program losing their housing.

Specifically, the request includes:

- \$17.6 billion for **contract renewals**, which provide funding to renew expiring Housing Choice Voucher program Housing Assistance Payments (HAP), including for the HUD-VASH, Tribal HUD-VASH, and Family Unification Program (FUP) voucher programs;
- \$107 million for the renewal of 14,000 housing vouchers for persons with disabilities through the **Section 811** Tenant Based program, a \$13 million decrease from FY 2017;
- \$1.6 billion for **administrative fees** for Public Housing Authorities to support a variety of functions, including admitting households, conducting housing quality inspections, and completing tenant income certifications;
- \$10 million to support **modernization** of Public Housing Agency information technology systems; and
- \$60 million for **Tenant Protection Vouchers**, which are provided to families impacted by housing conversion actions beyond their control such as public housing demolition, a \$50 million decrease from FY 2017.

Note: The above amounts include renewal funding for HUD-VASH, Tribal HUD-VASH, and FUP, but does not include funding for new vouchers for these programs.

Project-Based Rental Assistance (PBRA)

The budget proposes \$10.351 billion for the Project-Based Rental Assistance (PBRA) program, a \$465 million decrease below FY 2017. This funding level is not enough to cover existing contracts for households currently utilizing the program.

The request continues to support the calendar year funding cycle, and also includes up to \$285 million for performance-based contract administrators and up to \$4 million for the Tenant Resource Network.

Note: This is not the program that allows PHAs to fund new project-based vouchers. New project-based vouchers are usually funded through the Tenant-Based Rental Assistance account. The Project-Based Rental Assistance program funds contracts that were made directly between HUD and property owners many years ago.

Public Housing

The budget proposes \$628 million for the Public Housing **Capital Fund**, a \$1.31 billion decrease below FY 2017. The budget also proposes \$3.9 billion for the Public Housing **Operating Fund**, a \$500 million decrease below FY 2017. These cuts would accelerate the loss of affordable units, while putting the health and safety of public housing's 2.2 million residents at risk.

Proposed funding includes \$10 million for Jobs Plus, an evidence-based program for increasing the employment and earnings of Public Housing residents, a \$5 million decrease below FY 2017.

Housing Opportunities for People with AIDS (HOPWA)

The budget proposes \$326 million for HOPWA, a \$19 million decrease below FY 2017.

✘ Choice Neighborhoods Initiative

The budget proposes to eliminate funding for the Choice Neighborhoods Initiative, which was funded at \$138 million in FY 2017.

✘ Community Development Block Grant (CDBG)

The budget proposes to eliminate CDBG, which was funded at \$3 billion in FY 2017.

✘ HOME Investment Partnerships Program

The budget proposes to eliminate funding for the HOME program, which was funded at \$950 million in FY 2017.

Section 811 Housing for People with Disabilities

The budget proposes \$107 million for the Section 811 program, a \$13 million decrease below FY 2017. The program provides critical funding for housing vouchers for people with disabilities.

Section 202 Housing for the Elderly

The budget proposes \$510 million for the Section 202 program, an increase of \$8 million above FY 2017.

Native American Housing Block Grants

The budget proposes \$600 million for Native American Housing Block Grants, a \$54 million decrease below FY 2017. This grant program allows tribes and their tribally designated housing entities to improve the quantity, quality, and energy efficiency of affordable housing in Indian Country.

✘ Native Hawaiian Housing Block Grants

The budget proposes to eliminate funding for Native Hawaiian Housing Block Grants, which was funded at \$2 million in FY 2017. This program provides grants for affordable housing for Native Hawaiian families, including the development of affordable communities and housing counseling to prevent homelessness and to support affordable homeownership.

HHS Programs

Runaway and Homeless Youth Programs (RHYA)

The budget proposes \$119 million for RHYA programs, the same amount the program received in FY 2017. Specifically: \$54 million for Basic Centers, \$48 million for Transitional Living Programs (TLPs), and \$17 million for Education Grants to Reduce Sexual Abuse (Street Outreach).

Community Health Centers and Health Care for the Homeless (HCH)

The budget proposes \$5.09 billion (in combined mandatory and discretionary funds) for Community Health Centers, the same amount the program received in FY 2017. Funds would be directed toward outreach and enrollment activities, new health care centers, and services for patients. Health Care for the Homeless clinics receive 8.7 percent of these funds or roughly \$443 million.

✘ Community Services Block Grant (CSBG)

The budget proposes to eliminate the Community Services Block Grant program, which was funded at \$715 million in FY 2017. This is the program that funds Community Action Agencies.

✘ Social Service Block Grant (SSBG)

The budget proposes to eliminate the Social Service Block Grant program, which was funded at \$1.58 billion in FY 2017. SSBG is a federal allocation to states that funds vital social services for vulnerable populations, including people experiencing homelessness. SSBG funds are flexible and are often used to fill gaps in service and administrative costs to states, localities, and programs.

✘ Low Income Home Energy Assistance Program (LIHEAP)

The budget proposes to eliminate LIHEAP, which was funded at \$3.4 billion in FY 2017. The program pays utility bills, which helps prevent evictions and homelessness.

Ryan White HIV/AIDS Programs

The budget proposes \$2.26 billion for Ryan White HIV/AIDS programs, a \$59 million decrease below FY 2017.

Family Violence Prevention and Services

The budget proposes \$151 million for the Family Violence Prevention and Services, the same amount the program received in FY 2017. The budget also proposes \$8 million for the Domestic Violence Hotline.

Promoting Safe and Stable Families

The budget proposes \$60 million in discretionary funding for the Promoting Safe and Stable Families program, the same amount the program received in FY 2017.

Note: This program receives both discretionary and mandatory funding.

Projects for Assistance in Transition from Homelessness (PATH)

The budget proposes \$65 million for the PATH program, the same amount the program received in FY 2017.

Mental Health and Substance Abuse Block Grants

The budget proposes to provide \$400 million to the Mental Health Block Grant, \$110 million below FY 2017. The budget proposes to provide \$1.775 billion to the Substance Abuse Block Grant, the same amount the program received in FY 2017.

SAMHSA Homelessness Grants

The budget proposes just over \$41 million for targeted homelessness grants within the Substance Abuse and Mental Health Services Administration (SAMHSA), a \$28 million decrease below FY 2017. This constitutes a steep 40 percent cut to programs which include Grants for the Benefit of Homeless Individuals (GBHI), Cooperative Agreements to Benefit Homeless Individuals (CABHI), and Treatment Systems for the Homeless.

Child Care and Development Block Grant (CCDBG)

The budget proposes \$2.76 billion for the CCDBG, \$10 million less than the program received in FY 2017.

Head Start

The budget proposes \$9.17 billion for head Start in FY 2018, representing a decrease of \$85 million below FY 2017 funding.

Domestic Trafficking

The budget proposes \$6 million for Domestic Trafficking services, the same amount the program received in FY 2017.

VA Programs

The budget proposes \$1.728 billion for the Department of Veterans Affairs (VA) homelessness programs, a \$66 million increase above FY 2017. The request includes:

- \$320 million for **Supportive Services for Veteran Families (SSVF)**, equal to the amount the program received in FY 2017.
- \$257 million for the **Grant and Per Diem (GPD) Program**, equal to the amount the program received in FY 2017.
- \$543 million for **HUD-VASH Case Management**, \$45 million above the amount the program received in FY 2017.

Other Agencies

Second Chance Act programs

The budget proposes \$48 million for the Department of Justice's (DOJ) Second Chance Act programs, a \$20 million decrease below FY 2017.

Transitional Housing Assistance Grants for Survivors of Domestic Violence

The budget proposes \$30 million for the DOJ's Office of Violence Against Women program, the same amount the program received in FY 2017.

Homeless Veterans Reintegration Program (HVRP)

The budget proposes \$45 million for the Department of Labor's (DOL) Homeless Veterans Reintegration Program, essentially the same amount the program received in FY 2017.

✘ Emergency Food and Shelter Program (EFSP)

The budget proposes to eliminate the Department of Homeland Security's Emergency Food and Shelter Program, which was funded at \$120 million in FY 2017.

Workforce Innovation and Opportunity Act (WIOA)

The budget proposes significantly decreased total funding for the **Workforce Innovation and Opportunity Act (WIOA)**, a reform of the federal workforce system which aims to provide increased employment and economic opportunity for jobseekers, especially low-income and homeless jobseekers. The proposed total funding is \$1.797 billion for these DOL programs, which is a \$1.258 billion decrease below FY 2017. This total includes:

- \$490 million for **Adult Employment and Training Activities**, a decrease of \$324 million below FY 2017;
- \$699 million for **Dislocated Worker Employment and Training Activities**, a decrease of \$540 million below FY 2017; and
- \$608 million for **Youth Activities**, a decrease of \$394 million below FY 2017.

Education for Homeless Children and Youth Program (EHCYP)

The budget proposes \$70 million for this Department of Education program, a \$7 million decrease below FY 2017.

Key:

✘ = *The program would be eliminated.*