

April 26, 2023

The Honorable Kevin McCarthy
Speaker of the House of Representatives
U.S. Capitol
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader of the House of Representatives
U.S. Capitol
Washington, DC 20515

Dear Speaker McCarthy and Leader Jeffries:

On behalf of the National Alliance to End Homelessness, a nonpartisan, mission-driven organization committed to preventing and ending homelessness in the United States, I thank you for your leadership during these challenging times and offer our views of the Limit, Save, Grow Act--specifically about the impact that discretionary spending cuts and work requirements would have on our nation's efforts to end homelessness as well as on the people experiencing it.

1. Spending Cuts

By arbitrarily capping 2024 spending at 2022 levels and then allowing annual increases of just 1% for each of the next ten years, without regard to inflation, the Limit, Save, Grow Act would impose across-the-board cuts of 9% or 13%, depending on the estimate, for affordable housing and targeted homelessness programs, and other programs that provide critical supports to people experiencing homelessness and those who are at risk. These cuts would rise to 22% or even higher by 2033 resulting in these programs being funded at least 15% below their current levels at the end of ten years.

Many supporters of the Limit, Save, Grow Act insist that they will not cut funding for defense and veterans' health care programs. According to one set of estimates, if defense spending is excluded, cuts in affordable housing and targeted homelessness programs would increase to 27% in 2024 and 49% in 2033; and if both defense and veterans' health care are excluded, then affordable housing and targeted homelessness programs would have to be cut by 33% in 2024 and 59% in 2033.

Such cuts would be devastating for the nation's most vulnerable households and would likely result in many more households entering homelessness. According to the Department of Housing and Urban Development (HUD), such cuts to the Emergency Solutions Grants (ESG) program "would result in less emergency shelter, homelessness prevention, and rapid rehousing. A funding cut of 22% would result in over 24,000 fewer people receiving assistance, likely leading to large increases in the number of people sleeping on the streets."

Moreover, "providing funding at the 2022 level for (Continuum of Care, CoC) renewals would result in at least 54,000 fewer homeless people and domestic violence survivors receiving assistance than in 2023, and a 22 percent cut from 2023 levels would result in nearly 95,000 fewer people receiving assistance." The Housing Choice Voucher (HCV) program is key to helping people both avoid and emerge from homelessness. However, the popular but already under-resourced program currently can serve only one-quarter of the eligible households. HCV would lose funding for 350,000 families if funding reverted

to the 2022 level; in the event of a 22% cut to 2023 funding, the program would lose funding for 640,000 families.

Reasonable people can disagree about the extent to which discretionary spending should be cut, however, it would not be reasonable to cut funding for programs that serve our poorest and most vulnerable people, making them even more vulnerable. Programs, including those that fund affordable housing and targeted homelessness assistance, continue to be good investments not just in preservation of lives and reduction of misery and suffering but also in uplifting people to housing, success, and prosperity.

Between 2017 and 2020, the CoC and ESG programs, which would be subjected to staggering cuts by the Limit, Save, Grow Act, successfully helped an average of 900,895 people to exit homelessness each year. During that time, due largely to an affordable housing crisis and breakdowns in other systems, an average of more than 908,000 people annually entered homelessness.

Between 2020 and 2022, because of the stimulus era funding from two administrations, the anticipated spikes in homelessness were avoided. COVID-19 and its economic impacts could have led to significant increases in homelessness, however investments, partnerships and government agency outreach resulted in only a 0.3% increase in the number of people experiencing homelessness from 2020 to 2022.

In response to significant federal investments in housing discrete populations, homelessness among veterans, families, and youth has declined significantly. HUD recently fulfilled a pledge to end homelessness for 100,000 people in 15 months. The Department of Veteran Affairs fulfilled its own pledge to house at least 38,000 homeless veterans in a year.

There is no question that resources, leadership, and expertise can end homelessness. These HUD programs are currently funded to help only a small fraction of those who need help; they need to be substantially increased, not cut." Slashing funding for homelessness programs, at a time when 582,000 people are experiencing homelessness on any given evening, and housing programs, when affordable housing is still out of the reach of millions of families, will dramatically increase homelessness.

2. Work Requirements

The surface appeal of the Limit, Save, Grow Act's imposition of work requirements on Medicaid and even tougher work requirements on the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) program is obvious. Unfortunately, the record shows that such requirements have little impact on employment but do cause poor people who are otherwise eligible for these vital programs to lose their benefits because they are unable to surmount bureaucratic obstacles, and often for very trivial reasons. Studies have suggested that between 1.4 and 4.0 million Medicaid adults could lose coverage if all states were to implement Medicaid work requirements. The majority of people impacted would be among individuals who comply with the requirements (i.e., are working enough hours to satisfy requirements) and remain eligible but who lose coverage due to new administrative reporting burdens or red tape. Medicaid enrollees with limited internet access will be even more at a disadvantage because requirements are disseminated online and/or compliance must be reported online.

For people experiencing homelessness, there are even more barriers. It is estimated that one-third of people experiencing homelessness are employed, however, their wages are often insufficient to pay for housing and other necessities. Even more would like to work if the cruel deprivations and constraints of homelessness did not prevent them. People experiencing homelessness face unique barriers related to obtaining and maintaining employment including difficulty getting regular sleep; limited or no access to bathing and laundry facilities; limited to no place to store work-related attire or equipment; lack of a mailing address, reliable telephone, and or computer; and, limited access to reliable transportation. Shelters often have requirements associated with when people can come and go in order to access a bed and other programs that offer support are typically only open during normal business hours.

People experiencing homelessness and those who are at risk, most who depend on vital programs like Medicaid, SNAPs, TANF, as well as housing assistance programs, *want* to work, however, the jobs that are available to them often pay wages that are too low to cover the basic necessities like housing, health care, and food. They rely on these programs not because they do not want to work, but because they cannot afford to work—doing so will often result in a loss of eligibility for the assistance that they still need.

The imposition of work requirements on people experiencing homelessness—who are engaged every day in a truly existential struggle—is wrong—and such requirements risk depriving extremely poor people of the health care, nutritional benefits, and income supplements they desperately need.

Thanks for your consideration of our views. Please let the Alliance's John Threlkeld (jthrelked@naeh.org) know if you have any questions or concerns.

Sincerely,



Ann Oliva
Chief Executive Officer
National Alliance to End Homelessness