



Overview of Administration's FY2016 Budget Request February 2015

Overall, the budget provides \$1.091 trillion for discretionary programs, which is \$74 billion over the Budget Control Act (BCA) spending caps. The budget provides \$49.3 billion in funding for the Department of Housing and Urban Development (HUD), which is \$4 billion over the FY2015 amount enacted by Congress. Additionally, the President proposed increased funding in numerous programs inside of the Department of Health and Human Services (HHS) to better serve households that utilize supportive housing. Finally, the President also asked for additional funding for Community Development Financial Institutions (CDFIs), recognizing the critical role CDFIs play in providing access to credit for underserved areas and populations.

Funding for Housing Programs and New Initiatives:

Restoration of Housing Choice Vouchers and Targeting Vouchers: HUD's Housing Choice Voucher (HCV) request includes restoring 67,000 vouchers that were lost due to sequestration cuts and 30,000 of those vouchers would be aimed at helping homeless families, veterans and Native Americans. The \$177.5 million for the targeted vouchers includes a set aside of \$20 million for Family Unification (FUP) vouchers that are targeted at families with child welfare engagement and youth aging out of the foster care system. The remaining 37,000 will be distributed to PHAs based on relative need in the geographic area.

It is important to note that HUD included homeless veterans *regardless of discharge status* in the targeting proposal and did not ask for an additional \$75 million for HUD-VASH vouchers. As more and more communities are reaching their goal of ending chronic homelessness, HUD wants to make sure communities have the resources to provide assistance to homeless veterans who may be otherwise ineligible because of restrictions in the HUD-VASH program.

In addition, HUD included a few policy changes for housing choice vouchers. One important change is that they extended the time limit associated with Youth FUP vouchers. The proposal would extend assistance for eligible youth to 60 months, instead of the current 18 month restriction. This recommendation came from CSH and the NCHCW, after noting that 18 months is administratively restrictive for a PHA and it does not provide enough time for youth to stabilize while receiving services.

HUD also requested that families receiving voucher assistance or residing in a Project-Based Section 8 properties and are on fixed-incomes, re-certify their income every three years. CSH is exploring the possibility of expanding such policy to the Section 811 program.

Administrative Fees for PHAs: The budget includes an increase of nearly \$500 million for PHA administrative fees. HUD's budget document states that this will provide PHAs 90 percent of the administrative fees associated with the voucher program.

McKinney-Vento Homeless Assistance: HUD has requested \$2.48 billion for grants for homeless assistance. This is a \$345 million increase from FY2015. Of that, HUD states this will create 25,500 new units of supportive housing for chronically homeless and a new rapid re-housing program to serve families with children. It also asks for \$7 million for a National Homeless Data Analysis project.

Section 811, Housing for Persons with Disabilities: The proposed budget asks for \$177 million for the Section 811 program, a \$42 million increase above the FY2015 enacted level. With this amount, \$25 million would be allocated to states that have demonstrated an integrated health and housing approach to serving persons with disabilities. The agency is also requesting the authority to be able to transfer Section 811 assistance to other properties that comply with local *Olmstead* requirements. HUD is concerned that certain properties may be at financial risk and put the resource at risk of being lost. Rather than having the assistance terminate, HUD would transfer that assistance to a property that is financially feasible and in compliance with a settlement or enforcement action.

Low Income Housing Tax Credit and New Market Tax Credits: The budget also includes changes to the Low Income Housing Tax Credit (LIHTC) program and extending the New Market Tax Credit (NMTC) program. One of the LIHTC changes proposed would allow a property to use an income-averaging rule to determine the property's compliance with income eligibility guidelines. The administration proposes to extend the NMTC program with an allocation of \$5 billion.

Services and Healthcare Connected to Supportive Housing:

Enhancing Prevention and Permanency Services in the Child Welfare System: The Budget proposes to allow additional federal funding for prevention and post-permanency interventions in the child welfare system. A majority of those services must be evidence-based or evidence-informed. Providing such services is often key to preventing the removal of a child from his or her family and being placed into foster care, re-entering into foster care after reunification, or disrupting adoptions. This proposal represents a strategic shift of federal investment to the front-end of the service delivery system to prevent removals and foster care placement from the outset.

Homelessness Prevention and Housing Programs: SAMHSA has requested \$75 million to support the homeless services targeted to those with mental health and substance use needs. These grants support the Cooperative Agreements to Benefit Homeless Individuals (CABHI) initiatives currently taking place in states and communities across the country. This amount requested is the same amount that was enacted in FY2015.

Projects for Assistance in Transition from Homelessness (PATH): SAMHSA has requested \$64 million for the PATH program that provides funding for community-based outreach, mental health and substance abuse treatment services, case management and other supportive services for homeless populations. PATH is unique in that it is specifically authorized to address the needs of individuals with serious mental illnesses (SMI) and/or SMI with co-occurring substance use disorder who are experiencing homelessness or are at risk of homelessness.

Community Health Centers: The budget for Community Health Centers is split between discretionary funding, funding that is appropriated by Congress, and mandatory funding provided directly through the Affordable Care Act. Tight federal resources have created a situation where the ACA mandatory funding partially offsets cuts made in the discretionary account. For FY 2016, the Health Resources and Services Administration (HRSA) is budgeting \$2.7 billion in mandatory funding and \$1.491 billion for discretionary funding. This would be a total of \$4.2 billion for Community Health Centers, which represents a 9 percent cut from FY2015. However, the budget also proposes mandatory funding for three years, totaling \$8.1 billion to create stable funding for health centers. Based on this request, the Health Care for the Homeless program would receive \$365 million in FY2016.

Improving Health through Improved Care Coordination. People with multiple chronic conditions represent a growing segment of the population and currently comprise over one quarter of the U.S. population and two-thirds of Medicare beneficiaries. These individuals are at high risk for adverse health outcomes, use more health care

services, and have higher rates of disability, poor quality of life and premature death. The FY 2016 Budget includes \$12 million for a new initiative by AHRQ to improve the care and quality of life of patients with multiple chronic conditions. This initiative addresses the challenges of a growing high-cost, high-need patient population by developing and evaluating evidence-based tools to improve care coordination.

Cross-Systems Collaborations and Evidence Based Practices

The Administration has put an emphasis on cross-systems collaboration and systems innovation in this budget. Further, the Administration continues to promote testing evidence based practices and models through investments from the Social Innovation Fund (SIF) and through other new proposals.

Social Innovation Fund: The Administration has requested \$70 million for the Social Innovation Fund, with 20 percent being set aside for Pay for Performance projects. In addition the budget requests \$300 million for Pay for Success Incentive Fund at the Department of Treasury.

Performance Partnerships for Disconnected Youth: The budget requests an expansion of the Performance Partnerships (P3) to blend multiple systems' funding resources together to improve education, employment and other key outcomes. The Administration would expand the pilot to include the Department of Justice.

Upward Mobility Project: The administration includes HOME and CDBG in a newly proposed Upward Mobility Project, which would allow certain states and localities to blend funding across CDBG, HOME and two block grant programs administered by the Department of Health and Human Services: the Social Services Block Grant and Community Services Block Grant. Under this initiative, a limited number of states and localities would be able to expand beyond the current allowable purposes of each program to improve individuals' economic mobility, children's outcomes, and the capacity of communities to expand opportunity.

What's Next? How to Get Involved or Stay Connected to the Action in DC:

Congress will enact a FY2016 Budget Resolution that will set the stage for funding programs for 2016. Both the House and Senate Budget Committee have begun hearings on the President's budget proposal and will then consider a resolution in each chamber. After that, the Appropriations Committees will craft bills that set spending levels for programs based on the budget resolutions. Typically, the appropriations subcommittees consider bills in late spring or early summer and with final passage often delayed until after the August recess. However, with both chambers being controlled by one party, this process could be sped up with consideration of final bills before August recess.

To stay connected to what is happening in DC or to learn how to get involved, you can join the NOC to connect to other organizations, access policy-focused webinars and materials that advance supportive housing priorities, please contact [Hilary Swab Gawrilow](#).