



The President's Fiscal Year 2011 Budget and its Impact on Supportive Housing

On February 1, President Obama released his Fiscal Year 2011 Budget. Although the President has called for fiscal restraint, CSH is very pleased to see the Administration's strong support for many programs that assist homeless families and individuals and that help create and sustain permanent supportive housing. Although not all programs received increases, we've found a strong commitment to permanent supportive housing as evidenced by increases to key programs at the Departments of Housing and Development (HUD), Health and Human Services (HHS), Veterans Affairs (VA), and Labor (DOL).

Although the President's budget is not a binding document, it is an important guideline for the Administration's funding and programmatic priorities. Congress will now begin its own process of establishing a budget, considering program changes and appropriating funds.

While the CSH Policy Team continues to review funding levels and proposed program changes, the following are highlights of several key programs of interest to CSH:

- **HUD McKinney-Vento funding is increased from \$1.865 billion to \$2.055 billion.** This 10% increase is greatly appreciated and exceeds the growth of the vast majority of federal programs under this budget. Nevertheless, due to the program expansion under the HEARTH Act – combined with the natural growth in McKinney program expenses – CSH is concerned this funding level will severely constrain new Continuum of Care projects. Stay tuned for more on CSH's campaign for additional McKinney funding.
- **\$85 million for two Section 8 Housing Choice Voucher demonstration programs.** The budget provides for a total of \$17.31 billion for tenant-based vouchers, including \$85 million for two competitive demonstration programs to combine housing and services for individuals and families who are homeless or at risk of homelessness. The first demonstration provides 6,000 vouchers for public housing authorities (PHAs) to partner with agencies distributing Temporary Assistance for Needy Families (TANF) or with Department of Education-funded homeless liaisons. A second program proposes an allocation of 4,000 vouchers to partner PHAs with State Medicaid agencies and behavioral health entities to provide housing connected to Medicaid case management, substance abuse and mental health services. CSH congratulates HUD on this innovative proposal.
- **Deep cuts to the 202 and 811 Programs.** The HUD budget reduces funding for the 202 program (Housing for the Elderly) from \$825 million to \$274 million. The 811 program (Housing for the Disabled) is proposed to be cut from \$300 million to \$90 million. The Administration proposes eliminating all new construction under these accounts.

- **The HOME Investment Partnerships** program is proposed to be cut from \$1.825 billion to \$1.65 billion.
- Once again the Administration has **proposed \$1 billion for an initial capitalization of the National Housing Trust Fund**, but has not suggested how Congress should enact this proposal. We are very pleased about the Administration's continued support of the Trust Fund but call for HUD's leadership in indentifying how Congress should fund it.
- Although the program has yet to be authorized, Congress provided \$65 million last year for the **Choice Neighborhoods Initiative**, to transform and revitalize neighborhoods of extreme poverty. The budget proposes \$250 million for this initiative in 2011.
- Though not specific about funding breakdowns, the Department of Veterans Affairs cites a \$799 million investment to work with HUD in ending veterans' homelessness.
- The **Department of Labor's Homeless Veterans Reintegration Program (HVRP)** is proposed to be increased from \$36 million to \$41 million. This program enables grantees to operate employment programs to reach out to homeless veterans.
- The **Second Chance Act** program at the Department of Justice is proposed to continue funding at the same level \$100 million as in Fiscal Year 2010.
- The **Community Development Financial Institutions (CDFI)** fund is proposed to be funded at a total of \$250 million, a slight increase over Fiscal Year 2010 with an increase to the core program, but an elimination of direct funding for the Capital Magnet Fund.
- The **Housing Opportunities for Persons with AIDS (HOPWA)** program is proposed to be increased by \$5 million to \$340 million.
- Both the **Social Services Block Grant** and **Community Services Block Grant** Programs received no increase. They are funded at \$1.7 billion and \$700 million respectively.
- **Health Care for the Homeless Programs** received a \$25 million increase as part of the overall Community Health Center Program increase of \$290 million.
- **The Substance Abuse and Mental Health Services Administration (SAMHSA) Homeless Services Programs** received at \$12 million increase. The proposal takes this increase plus an additional \$4 million to create a new \$16 million joint HUD/SAMHSA program that couples housing with wrap-around services.
- **Within SAMHSA, the Projects for Assistance in Transition from Homelessness (PATH) program** received a \$5 million increase. This brings total PATH funding to \$70 million.

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