

On April 10, 2013 President Obama presented his \$3.77 trillion FY 2014 budget request to Congress, outlining his spending priorities for the coming year. Among the most prominent features of this year's budget are the President's deficit-reduction proposals, repeated from "Grand Bargain" negotiations of late 2012, which seek to trim an additional \$1.8 trillion from the budget through \$580 billion in new taxes on the wealthy along with \$230 billion in savings from reductions in cost-of-living-adjustments for federal entitlement programs. The President's budget also eliminates sequester-related cuts.

Children's housing is a policy category solely comprised of discretionary spending. With a few exceptions, the majority of the included programs are not exclusively child-oriented, as most "children's housing" programs are ones that deliver housing services to adults as well. Where there are notable policy changes for particular programs, these examples are indicated below.

FEDERAL HOUSING PROGRAMS

- **Tenant Based Rental Assistance (TBRA):** The budget request provides \$5.2 billion in funding for kids through the Tenant-Based Rental Assistance Program which is also referred to as the Housing Choice Voucher Program or Section 8. This is about a \$30 million increase over FY 2013 levels for the children's share of TBRA. This program helps subsidize housing for over two million extremely low- to very low-income families.
- **Project Based Rental Assistance (PBRA):** The budget requests \$10.3 billion for Project-Based Rental Assistance, \$2.6 billion to be directed towards children. The proposal represents an increase over FY 2013 funding of over \$ 350 million dollars. PBRA helps 1.2 million extremely low- to low-income households obtain safe and clean housing.
- **McKinney Vento Homeless Assistance Grants:** The budget provides nearly \$2.4 billion of which nearly \$1.2 billion is dedicated to children. These grants fund local, regional, and state homeless assistance programs. The proposal directs funds towards maintaining existing units and expanding prevention, rapid re-housing, and permanent supportive housing.
- **Public Housing Operating Fund:** The president proposes over \$4.6 billion dollars for the Public Housing Operating Fund. Nearly \$1.9 billion of this amount would go to children. These funds enable local governments' housing agencies to maintain developments, pay utility bills, and keep rents affordable to low income families.

NOTABLE ADDITIONAL HOUSING FUNDING REQUEST

National Housing Trust Fund: The budget once again calls for National Housing Trust Fund capitalized at \$1 billion. Created in 2008, the Trust Fund is designed to provide resources to build and rehabilitate housing in low income areas. The President has requested funding for NHTF in all of his budget proposals, but Congress has yet to appropriate the funding. The program would be administered by HUD, which would distribute grants under a formula based on each state's shortage of affordable rental housing and would help minimize the homeless population and give better access to affordable homes for low income families.

NOTABLE HOUSING CHANGE

Changes to the Public Housing Operating Fund and Public Housing Capital Fund: The president's budget once again this year proposes to combine the funding requested for the Public Housing Operating Fund and Public Housing Capital Fund into one Public Housing funding stream.

NOTABLE CHILDREN'S HOUSING ITEMS WITHIN PRESIDENT OBAMA'S BUDGET REQUEST, BUT NOT WITHIN THE HUD BUDGET REQUEST

- **McKinney Vento Education for Homeless Children and Youth Act Program:** This program was once again flat funded at \$65 million. Through this program school district staff identify homeless students and coordinate a variety of supports to help stabilize their education. School districts can provide homeless students with transportation to school, tutoring, school supplies, counseling, service referrals, and a variety of other opportunities. With the increase in homeless children over the years, the President's Budget request does not go far enough to give schools the resources they need to assist all of our country's homeless children.
- **Low Income Home Energy Assistance Program (LIHEAP):** Once again this year the president's budget proposes to cut LIHEAP funding. The President's budget request funds LIHEAP at \$3.020 billion for FY2014, compared to FY2013 enacted funding level of \$3.29 billion. Nearly \$700 million of the FY2014 funding would go to spending on children. The Administration states that they will be able to provide adequate assistance to low income families and should fuel costs rise contingency funds will be made available. This cut is unfortunate as the Administrations assistance will be limited and low-income families pay a disproportionate share of their income on energy. LIHEAP has been a program with positive links to the improvement of child health and well-being.
- **Runaway and Homeless Youth Programs:** These programs were once again flat-funded at \$115 million. The amounts for specific activities are as follows: \$53 million for Basic Runaway Centers, \$44 million for Transitional Living Programs, and \$18 million for Street Outreach Grants to Reduce Sexual Abuse.
- **Rural Rental Assistance Program:** The Rural Assistance Program was funded at \$1.15 billion, with over \$280 million of this request going to children. The Rental Assistance Program's goal is to reduce the rents paid by low-income families occupying eligible Rural Rental Housing, Rural Cooperative Housing, and Farm Labor Housing projects.
- **Rural Housing Voucher Program:** The Rural Housing Voucher Program is funded at \$12.6 million, which around \$3.5 million of the President's budget request goes to children. Owners who own properties in rural areas oftentimes receive subsidized loans from the United State Department of Agriculture. In exchange for these loans, owners do not make a profit when setting rent prices and agree to rent only to low income residents, either families or the elderly. Once the owner pays off the mortgage, they are able to raise rents and are free to collect a profit. The USDA then provides the current tenants, often low-income families, with vouchers to pay the newly increased rent. This assistance is key in keeping children and families in stable housing in rural areas.

It is important to remember that the President's budget represents only the Administration's wish list of priorities, providing a blueprint for Congress to consider as it begins the process of allocating federal dollars for spending. Ultimately, Congress holds the reins on setting funding levels.

Housing for Children in the President's FY2014 Budget

With the President's budget coming out after the House and Senate budget proposals it is clear that there is wide variation among the various FY 2014 budget requests, with some of the starkest differences evident in discretionary spending programs such as housing, where the President's request repeals the sequester.

As the budget season moves forward, First Focus will continue to urge Congress to maintain support for housing programs and programs that help homeless children as these programs serve as lifelines for our nation's children. We realize that Congress has a difficult job ahead with respect to deficit reduction, but balancing the budget should not fall on the backs of children. Investments in children are essential not only to protect their health and well-being but also to secure our nation's future economic success.