

On March 4, President Obama presented his budget request for fiscal year 2015 (FY15) to Congress, outlining his spending priorities for the coming year. The budget reflects the challenges posed by the federal budget caps as well as the financial realities in Washington. Even with the difficult fiscal situation, the President has chosen to make kids a priority, increasing discretionary investments by \$2.2 billion over FY14. Unfortunately, even with this increase, discretionary investments for kids are still below pre-sequester levels.

This fact sheet will look in greater detail at policy proposals in the budget that impact housing. 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 over \$20 billion, of which \$5.2 billion is dedicated to children 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 \$2 million increase over FY 2014 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 request provides about \$9.7 billion, of which \$2.5 billion is for kids through the Project Based Rental Assistance. This proposal represents a decrease over FY2014 levels of about \$520,000 for the children's share of PBRA. This program provides funding to landlords who rent a specified number of affordable apartments to low-income families or individuals.
- **McKinney Vento Homeless Assistance Grants:** The budget provides \$2.4 billion of which \$1.2 billion is dedicated to children. These grants fund local, regional, and state homeless assistance programs. The administration requested 14 percent increase over FY2014 levels, which would allow for continued implementation of the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH), yet with the more immediate focus on ending veteran and chronic homelessness in the next few years.
- **Public Housing Operating Fund:** The President proposes \$4.6 billion for the Public Housing Operating Fund, with nearly \$1.9 billion of this going to children. This fund enables local governments' housing agencies to maintain developments, pay utility bills, and keep rent affordable to low-income families.

## Notable Additional Housing Funding Request

- **National Housing Trust Fund:** The budget once again calls for the 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 approve 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 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 Program:** This program was once again level 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 of homeless students in recent years, the President's budget 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 \$2.8 billion for FY2015, compared to FY2014 enacted funding level of \$3.4 billion. Nearly \$644 million of the FY2015 would go towards spending on children. This cut is unfortunate as the Administration's 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 level-funded at \$114. The amounts for the specific activities are as follows: \$53 million for Basic Runaway Centers, \$44 for Transitional Living Programs, and \$17 for Street Outreach Grants to Reduce Sexual Abuse. As last year, the President also included \$2 million for a Prevalence and Outreach study on the needs of homeless youth.
- **Rural Rental Assistance Program:** The Rural Assistance Program was funded at \$1.1 billion, with over \$305 million of this request going to children. However, the President proposes a minimum rent of \$50 for residents who receive this assistance and occupy Rural Rental Housing or Farm Labor Housing Projects, which could harm the lowest income residents. 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 \$8 million, with a little over \$2.2 million going to children. This is a cut from FY14 levels, with the program funded at \$12.6 million with \$3.5 million going to children. Owners who own properties in rural areas often times receive subsidized loans from the U.S. Department of Agriculture (USDA). 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's important to recognize that the President's budget represents the Administration's wish list of priorities and not the force of law. It provides a blueprint for Congress to consider as it begins the process of allocating federal dollars for the coming fiscal year. With the current composition of Congress and given that it is an election year, we expect Congress's spending priorities to look different from the President's.

Every child deserves the opportunity to grow-up health, happy, and well educated. First Focus urges Congress to fully invest in the initiatives that serve as lifelines to our nation's children, many of which are at risk because of our fiscal situation. Deficit-reduction cannot and should not be at the expense of our children's well-being, our nation's future depends on it.