

On February 2nd, President Obama presented his budget request for fiscal year 2016 (FY16) 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. The budget proposes to eliminate sequestration for non-defense discretionary programs in FY16, resulting in an increase of \$37 billion in non-defense discretionary spending. 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 \$21.1 billion, of which almost \$5.5 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 an almost \$5 million increase over FY 2015 levels for the children's share of TBRA and would restore 67,000 Housing Choice Vouchers lost during sequestration. HUD would target 22,500 of these vouchers for vulnerable populations, including homeless families. 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 \$10.7 billion, of which \$2.8 billion is for kids through the Project Based Rental Assistance. This proposal represents an increase of \$2.6 million over FY2015 levels 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 \$2.5 billion, of which almost \$1.3 billion is dedicated to children. These grants fund local, regional, and state homeless assistance programs. This is a 16 percent increase over FY2015 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 individual veteran and chronic homelessness in the next few years rather than family homelessness.
- **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.
- **National Housing Trust Fund:** The budget estimates that \$120 million will be provided to the Housing Trust Fund from the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). 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 previous budget proposals, but Congress has yet to approve the funding. The 2016 funds would create approximately 1,000 housing units over time. 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 received an increase, receiving funding at \$71.5 million for FY16. This is a \$6.5 million increase over FY15. 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 increase in the President's budget is a good first step towards giving 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 \$3.2 billion for FY2016, a 6 percent cut. Nearly \$736 million of the FY2016 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:** The President proposes \$121 million for these programs in FY16, a considerable increase from \$113 in FY15. The amounts for the specific activities are as follows: \$54 million for Basic Runaway Centers (a \$1 million increase), \$50 for Transitional Living Programs (a \$7 million increase - \$1 million of which would be directed to support services to LGBTQ youth), and flat funding at \$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 President requested \$1.7 billion for Section 521 Rural Assistance Program, a slight increase from FY15, with over \$470 million of this request going to children. However, the President once again 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.

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, 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.