

# HOUSING FOR CHILDREN IN THE PRESIDENT'S 2017 BUDGET

By Cara Baldari, Senior Policy Director, Family Economics | Contact: [carab@firstfocus.org](mailto:carab@firstfocus.org)  
February 2016

On February 9th, President Obama presented his final budget request for fiscal year 2017 (FY17) to Congress, outlining his spending priorities for the coming year. As in years past, the president has chosen to make kids a priority.

*The Bipartisan Budget Act of 2015* eliminated much of the sequestration budget cuts for non-defense discretionary programs for fiscal years 2016 and 2017, thereby restoring spending for FY17 and raising spending caps over these two years. Yet despite this relief, 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. With a few exceptions, the majority of the programs are not exclusively child-oriented, as most “children’s housing” programs deliver housing services to adults as well. Notable policy changes for particular programs are indicated below.

## Federal Housing Programs

- **New commitment to reduce family homelessness:** The president displayed a commitment to addressing family homelessness with a significant investment of \$11 billion over the next ten years in mandatory spending for homeless families. The majority of this funding, or 80 percent, would go towards permanent housing vouchers, and 20 percent would go towards rapid rehousing assistance.

However, in order for this investment to make real progress towards addressing family homelessness, it needs to reach the most vulnerable families. It needs to recognize all forms of family homelessness and provide supportive services and vouchers to address the barriers that are preventing families from becoming stably housed.

- **Tenant Based Rental Assistance:** The budget request provides over \$20.85 billion, an increase from \$19.6 billion in FY16, for the Housing Choice Voucher Program. In order to begin implementing the president’s plan to reduce family homelessness, \$88 million of this would go towards new vouchers for homeless families with children, with the goal of providing 10,000 new vouchers for families in FY17. In addition, \$15 million would be provided for a Housing Choice Voucher Mobility Counseling Demonstration to help families with vouchers move to areas of increased opportunity.
- **Project Based Rental Assistance (PBRA):** The budget request provides about \$10.82 billion, a slight increase from FY16. Nearly \$3 billion is for kids through 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 \$2.66 billion, an 18 percent increase from FY16. Over \$1.3 billion is dedicated to children. These grants fund local, regional, and state homeless assistance programs such as emergency shelter and supportive housing. There is also \$25 million in new funding set aside for a demonstration on approaches to significantly reduce youth homelessness.

- **Public Housing Operating Fund:** The president proposes \$4.56 billion for the Public Housing Operating Fund, another slight increase from FY16, 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 (NHTF):** It is estimated that the NHTF will receive \$136 million in 2017, \$46 million less than 2016. Created in 2008, it is designed to provide resources to build and rehabilitate housing, including rental housing, for low-income families. About one-quarter, or \$35 million, of this spending goes to children.

## Additional Children's Housing Items

- **McKinney Vento Education for Homeless Children and Youth Program:** This program received a considerable increase, with a request for \$85 million for FY17. This is a \$15 million increase over spending allocated FY16. Through this program, homeless student liaisons identify homeless students and coordinate a variety of supports to help stabilize their education. This increase is the amount allocated by Congress to fund new protections and supports for homeless students in the *Every Student Succeeds Act*.

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 billion for FY17, a 12 percent cut from last year. About \$690 million of the FY17 budget would go towards spending on children. This cut is unfortunate as 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 \$126 million for these programs in FY17, a \$7 million increase from the \$119 million allocated in FY16. The amounts for the specific activities are as follows: \$56.79 million for Basic Runaway Centers (an over \$2 million increase), \$49.54 million for Transitional Living Programs (a \$2 million increase), and basically flat funding for Street Outreach Grants to Reduce Sexual Abuse at \$17.49 million. As in past years, 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 \$1.41 billion for Section 521 Rural Assistance Program, a slight increase from FY16, with \$395 million of this request going to children. In addition, the president's budget no longer proposes a minimum rent for residents who receive this assistance and occupy Rural Rental Housing or Farm Labor Housing Projects, which would 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 whom are at risk because of our fiscal situation.