



On May 23rd, President Trump presented his budget request for fiscal year 2018 (FY18) to Congress, outlining his spending priorities for the coming year.

The FY18 budget request calls for \$4.1 trillion to fund government operations in the next fiscal year. This would set funding at \$69 billion in discretionary budget authority, down from \$84.1 billion in FY17. This includes slashing funding for the Department of Housing and Urban Development (HUD) by 15 percent. If implemented, the cuts proposed in this budget would be devastating to low-income families with children who are struggling to maintain stable housing and would result in an increase of child and youth homelessness in the U.S.

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

- **Tenant Based Rental Assistance (TBRA):** The budget requests \$19.3 billion, which is a 5 percent cut from the FY17 enacted level. This program helps subsidize housing for millions of extremely low- to very low-income families. About a quarter of TBRA funding, also referred to as the Housing Choice Voucher Program or Section 8, goes to children. About \$5 billion would be dedicated to children through this budget request, which is an over \$250 million decrease over FY17 levels for the children’s share of TBRA. According to the National Low Income Housing Coalition, if this cut to TBRA was implemented it would result in 250,000 families losing their housing assistance.
- **Project Based Rental Assistance (PBRA):** The budget request provides about \$10.3 billion, of which \$2.7 billion is for kids through the Project Based Rental Assistance. This proposal represents a decrease of \$121 million over FY17 enacted 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 \$2.25 billion, of which almost \$1.1 billion is dedicated to children. These grants fund local, regional, and state homeless assistance programs. This is a \$133 million decrease over the FY17 enacted level.
- **Public Housing Operating Fund:** The budget proposes \$3.9 billion for the Public Housing Operating Fund, which is a \$500 million decrease from FY17. Nearly half of this fund goes to children. It 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 eliminates the National Housing Trust Fund. Created in 2008, it is designed to provide resources to build and rehabilitate housing, including rental housing, for low-income families. About one-quarter of this spending goes to children. It is funded through fees from the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) and the budget proposes to redirect those fees.

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 a decrease of \$7 million, with proposed funding at \$70 million for FY18. The EHCY program serves over 1.2 million students experiencing homelessness in the public-school system through providing protections and services to ensure that they can enroll in and attend school, complete their high school education, and continue on to higher education. This program is already severely underfunded despite having a strong history of bipartisan support. It was strengthened in the recent Every Student Succeeds Act (ESSA) through provisions to increase resources to schools to identify homeless students and support the educational success of these students.
- **Low Income Home Energy Assistance Program (LIHEAP):** LIHEAP is eliminated in the FY18 budget. LIHEAP has been a program with positive links to the improvement of child health and well-being and nearly a quarter of spending goes to children. Low-income families already pay a disproportionate share of their income on energy.
- **Runaway and Homeless Youth Programs:** The President proposes \$119 million for these programs in FY18, which is flat from FY17. The amounts for the specific activities are as follows: \$54 million for Basic Runaway Centers, \$48 for Transitional Living Programs and \$17 for Street Outreach Grants to Reduce Sexual Abuse.
- **Legal Services Corporation (LSC):** This funding is eliminated in the FY18 budget. This important funding stream provides civil legal services for low income families, including representation for families facing eviction. Access to civil legal services is already extremely limited in the U.S., and the overwhelming majority of low-income families facing eviction and other housing disputes do not receive representation.
- **Rural Rental Assistance Program:** The FY18 budget requested \$1.34 billion for Section 521 Rural Assistance Program, a decrease from FY17. Over a quarter of this funding goes 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.

It is important to recognize that the President's budget represents the Administration's wish list of priorities and not the force of law. Ultimately, Congress, not the President, holds the reins on setting funding levels and makes the final budget decisions during the appropriations process. We are heartened that congressional leaders do not appear to support the President's spending outline and will not be using it as a guideline for their FY18 budget.

As Congress begins the FY18 budget process in the coming weeks and months First Focus will continue to remind lawmakers that investments in children are essential not only to protect their health and well-being but also to secure our nation's future economic success.