

## MEMORANDUM

TO: Regional Steering Committee on Homelessness and Housing  
FROM: HomeBase  
RE: Federal Budget and Other News Update  
DATE: March 17, 2006

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### FEDERAL BUDGET FISCAL YEAR (FY) 2007

#### Background

Each year, the RSC reviews the federal budget in an effort to understand the Administration's priorities, both in terms of funding and policy priorities. Items that HomeBase has paid particularly close attention to on behalf of the RSC have included funding for McKinney-Vento homeless assistance programs, and Section 8/Housing Choice Voucher programs.

#### Status

President Bush released his proposed federal budget on Monday, February 6, 2006. The proposed budget next moves to Congress, where it must be approved by both the House of Representatives and the Senate. Below are the highlights of the President's proposed budget.<sup>1</sup>

#### **Highlights of the President's FY 2007 budget:**

##### Department of Housing and Urban Development programs:

(2007 proposed by President's budget)

- **Homeless assistance grants:** \$1.536 billion  
*an increase over FY 2005 actual of \$1.241 billion and FY 2006 estimate of \$1.327 billion.* The Budget proposes a \$184 million increase for HUD's Homeless Assistance Grants.<sup>2</sup> The 2007 increase will help create and run approximately 12,000 new units of supportive housing across the country for the chronically homeless.
- **Section 8 Tenant-Based Rental Assistance:** \$15.920 billion  
*an increase from FY 2005 actual of 14.766 billion and FY 2006 estimate of 15.418 billion.*
- **Sec. 811 (housing for persons with disabilities):** \$ 119 million  
*a decrease from FY 2005 actual of \$238 million and from FY 2006 estimate of \$237 million*
- **Elderly Housing (Section 202):** \$545 million  
*a decrease from FY 2005 actual of \$741 million and from FY 2006 estimate of \$735 million.*

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<sup>1</sup> For all budgetary documents, go to: <http://www.whitehouse.gov/omb/budget/fy2007/>

<sup>2</sup> \$25 million would be transferred to the Department of Labor for a prisoner reentry initiative.

- **Public Housing:** \$5.742 billion  
*an increase from FY 2005 actual \$5.018 billion and a decrease from FY 2006 estimate of \$6.003 billion*
- **HOME:** \$1.917 billion  
*an increase from FY 2006 estimate of \$1.757 billion and from FY 2005 actual of \$1.90 billion*
- **HOPWA (Housing Opportunities for Persons with AIDS):** \$300 million  
*an increase from FY 2006 estimate of \$286 million and FY 2005 actual of \$282 million*
- **HOPE VI (Revitalization of Severely distressed Public Housing):** \$0  
*THE PRESIDENT'S BUDGET PROPOSES DE-FUNDING THIS PROGRAM*
- **Community Development Block Grant (CDBG):** \$2.975 billion.  
*A \$736 million decrease from FY 2006 estimate of \$3.711 billion and a decrease from FY 2005 actual of \$4.110 billion. The President's budget proposes consolidate several HUD programs into CDBG*

### **Department of Health and Human Services programs:**

(2007 proposed by President's budget)

The President's FY 2007 budget proposal reduces funding for Health and Human Services (HHS) discretionary programs by \$1.6 billion (2 percent). Details of the HHS budget include:

- Elimination of the Community Services Block Grant (CSBG). CSBG is an anti-poverty block grant, which funds a range of services and activities to assist the needs of low-income individuals including the homeless, migrants and the elderly. CSBG funds many Community Action Agencies (CAAs).
- Decrease in the budget for the Social Services Block Grant (SSBG) by \$500 million. The SSBG funds activities like case management, transportation, substance abuse, housing, home-delivered meals, special services for youth, and employment services.
- Increase in the funding for Community Health Centers by \$181 million. Community Health centers provide health care regardless of ability to pay and even if you have no health insurance.
- Increase in funding for Ryan White HIV/AIDS programs by \$95 million. Ryan White programs address the unmet health needs of persons living with HIV disease by funding primary health care and support services.
- Cuts to Medicaid's Targeted Case Management, which provides funding for services to homeless people with disabilities.

## **OTHER NEWS UPDATE**

### **I. Proposed Federal Rule Change Regarding Surplus Property**

The McKinney-Vento Homeless Assistance Act authorizes the Secretary of Health and Human Services (HHS) to make suitable Federal properties available to representatives of persons

experiencing homelessness. HHS suggested a policy change and invited comments (by February 27, 2006) relating to its proposal to include permanent supportive housing as an allowable use of surplus property to assist homeless persons. The following are excerpts from the January 26, 2006 Federal Register:

The purpose of this proposed change is to increase the housing and service opportunities available to communities as they respond to homelessness, and is consistent with efforts within the Federal, state, and local governments, and communities themselves, to end chronic homelessness....

The proposed policy revision would allow property acquired through the Title V process to be utilized for the development of permanent supportive housing programs that provide permanent housing along with supportive services to homeless people in need of public health assistance and/or services (e.g., substance abuse, mental health, case management, and disabled and frail elderly homeless services). This change would not preclude communities from using surplus property to develop transitional housing programs, emergency shelter programs, or any other homeless assistance program currently approvable by HHS, but simply expands the options available under Title V....

For the purpose of the Title V program, permanent supportive housing means programs that provide long-term, community-based housing that is linked to appropriate supportive health and social services (e.g., substance abuse, mental health, case management, and disabled and frail elderly services) that enable homeless individuals and homeless families with disabilities to maintain housing. Eligible populations for this program include homeless individuals with disabilities, homeless families with a disabled family member (either parent or child), and homeless frail elderly populations....

The Federal Register announcement can be found at:

<http://a257.g.akamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/E6-1016.htm>  
(accessed March 9, 2006)

## **II. Advocacy to Amend the HUD Definition of Homeless**

Various homeless and child welfare organizations are advocating for a change in HUD's definition of homelessness. On November 23, 2005, the National Law Center on Homelessness and Poverty and various other organizations sent a letter to Secretary Alphonso Jackson of the U.S. Interagency Council on Homelessness. The letter was copied to Phil Mangano and to Secretaries from the following U.S. Departments: Health and Human Services, Education, Veterans Affairs and Labor. The letter urged the revision of HUD's definition of homelessness, which "is overly narrow and often improperly excludes families and children, as well as homeless people located in rural areas." (A copy of the letter is attached.) The letter supports revising HUD's definition to conform with the definition being used by the Department of Education. Specifically, it urges HUD to clarify that for purposes of McKinney-Vento homeless programs, the term "homeless person" includes "persons who are sharing housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations."

The letter requested a meeting with Secretary Jackson. HomeBase will provide you with an update as more information becomes available.

## **Action**

HomeBase will keep you informed on the budget process and other federal actions related to these topics. You may wish to visit your Representative and/or Senators when they are in your district or if you are traveling to Washington, D.C. In addition, in order to contact your Representatives and Senators about these issues via regular mail, telephone, or email:

**To find your Representative, go to:** <http://www.house.gov>, type in your zip code and the website will automatically direct you to your Representative's home page. From there, you will find out how you can contact your Representative via telephone or email.

### **Or contact California's Senators:**

#### **Senator Dianne Feinstein**

United States Senate  
331 Hart Senate Office Building  
Washington, DC 20510  
202-224-3841 (tel) 202-228-3954 (fax)

-- or --

One Post Street, Suite 2450  
San Francisco, CA 94104  
(415) 393-0707 (tel) (415) 393-0710 (fax)

#### **PLEASE NOTE:**

Email is only available through the Senator's website:  
<http://feinstein.senate.gov/contact.html#phonefax> and click on the "email me" link.

#### **Senator Barbara Boxer**

United States Senate  
112 Hart Senate Office Building  
Washington, D.C. 20510  
(202) 224-3553 (tel)

-- or --

1700 Montgomery Street, Suite 240  
San Francisco, CA 94111  
(415) 403-0100 (tel) (415) 956-6701 fax

#### **PLEASE NOTE:**

Email is only available through the Senator's website:  
<http://boxer.senate.gov/contact/webform.cfm> and click on the "email me" link.

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