

Rundown of the Administration's FY 2009 Budget

February 5, 2008

1. The Administration's budget for fiscal year 2009 was released on February 4. It proposes increased funding for the Department of Defense, cuts to health care programs, and about \$2.4 billion less for domestic discretionary programs other than Homeland Security. These programs include most of the housing, human service, veterans, education, and infrastructure programs that help low-income people. After accounting for inflation, these programs would be cut by 4 percent from last year. The budget also proposes to cut Medicaid by \$18 billion over 5 years.

Homeless Programs

2. The Budget proposes increasing funding for **HUD's homeless assistance** programs by \$50 million to \$1.636 billion. HUD would reserve up to \$50 million of that amount for the Samaritan Housing Initiative, which is a bonus to communities that prioritize projects serving chronically homeless individuals. In previous budgets, HUD had wanted to use \$25 million of homeless assistance for a prisoner reentry initiative. This budget does not include that provision. It also includes no funding for a rapid rehousing program for homeless families, which was included in the FY 2008 Appropriation bill passed by Congress. Other features of the program such as the 30 percent set-aside for permanent housing and non-competitive funding for Shelter Plus Care renewals would remain the same.

The funding level would be inadequate. Permanent housing renewals alone will increase by approximately \$95 million (preliminary estimate).

3. Several other targeted homelessness programs, including the following, would receive the same amount of funding as in 2007.
 - **Runaway and Homeless Youth programs** -- \$113 million
 - **Education for Homeless Children and Youth** -- \$64 million
4. Some programs would receive increases in funding.
 - **Health Care for the Homeless** -- \$2 million increase to \$178 million.
 - **Projects to Assist in the Transition from Homelessness (PATH)** -- \$7 million increase to \$60 million
 - **Homeless Veterans Reintegration Program** -- \$2 million increase to \$26 million
 - **HUD-VASH** -- Another \$75 million for incremental HUD-VASH Vouchers.

5. One program would receive decreased funding.
 - **Emergency Food and Shelter Program** -- \$53 million cut to \$100 million
6. Funding levels for some programs is unknown, including: **Veterans Grant and Per Diem** and **SAMHSA Grants for the Benefit of Homeless Individuals**.

HUD programs

7. Funding for the **Section 8 Housing Choice Voucher** program would be about \$1.3 billion less than is needed to fund existing vouchers. The funding would result in the loss of at least 100,000 vouchers. There would be some money for new vouchers, including \$75 million (about 8,000 vouchers) for the HUD Veterans Affairs Supportive Housing (HUD-VASH) program, and \$39 million (approximately 5,000 vouchers) for Katrina survivors who are elderly or have a disability and for whom the Disaster Housing Assistance Program is ending.
8. The **Project Based Rental Assistance Program**, which funds about 1.2 million project based subsidies, would see a dramatic increase of \$618 million to \$7 billion. That would not fund additional vouchers; it merely reflects the fact that HUD has been able to draw from other sources of funding in previous years to lower the costs of running the program.
9. The Administration proposed cutting **Public Housing** funding by \$315 million. Public Housing operating funding would increase by \$100 million, while Public Housing capital funding would be cut by \$415 million. The \$100 million HOPE VI program would be eliminated. The Administration has tried to eliminate the HOPE VI program for several years, but Congress has continued to fund it.
10. **CDBG** would be cut by \$659 million to \$2.934 billion. Other HUD programs (Rural Housing and Economic Development, Brownfields, and Section 108 Loan Guarantees) would be eliminated. The Administration made a similar proposal last year, and it was very unpopular.
11. **HOME**, which funds rental and homeownership housing, would increase by \$263 million to \$1.967 billion.
12. **Housing for the Elderly (Section 202)** would be cut by \$195 million to \$535 million.
13. **Housing for People with Disabilities (Section 811)** would be cut by \$77 million to \$160 million.

The Administration proposed cutting Section 202 and 811 last year by similar amounts, and Congress rejected the proposal.

14. **Housing Opportunities for People With AIDS (HOPWA)** would receive the same \$300 million level as in FY 2008.

HHS Programs

15. The **Community Services Block Grant (CSBG)**, which funds job training and other services in low-income communities, would be eliminated. CSBG funded community action agencies provide many services to homeless people. Last year, CSBG received \$654 million.

The Administration has proposed eliminating CSBG many times in the past, but it is a popular program in Congress.

16. The **Social Services Block Grant (SSBG)** would be cut by \$500 million to \$1.2 billion.
17. **Community Health Centers** would receive a small increase of \$26 million to \$2.048 billion.

This would be a much smaller increase than the program has received in recent years.

18. **Ryan White HIV/AIDS** programs would be virtually unchanged, increasing by \$1 million to \$2.143 billion.
19. **LIHEAP**, the Low Income Home Energy Assistance Program, would be cut by \$570 million to \$2 billion.

Rural Housing

20. Rural Housing programs are a mixed bag. The Section 515 program, which funds the development of rental housing, would receive no funding compared to \$70 million last year. The Section 521 program, which provides rental assistance, would rise from \$479 million to \$997 million. Much of that increase is a result of a change in the way renewals are funded; however, there would be funding for new vouchers as well.

Juvenile Justice

21. The Administration is proposing consolidating several juvenile justice programs, including the Juvenile Justice and Delinquency Prevention Block Grant and cutting funding by \$217 million (60 percent).