

NPACH Perspective

Beyond Line Items and Accounts: The President's FY2007 Budget and Homelessness

In recent years, the release of the President's budget request has been cause for concern among anti-poverty advocates and social service providers. Continued cutbacks in domestic spending have created a climate in which "Budget Day" is greeted with trepidation. Which programs will be slated for cuts or termination? What kind of advocacy campaigns will be necessary to limit the harm?

Once the President's budget is made public, we tend to scan the pages looking for specific numbers to see how "our" programs fared. Once we have that information, many of us look no further – we assess the damage or lack thereof, and move on accordingly.

This year, homeless advocates and service providers might be tempted to breathe a sigh of relief. Despite massive proposed funding reductions in other areas of the budget, most federal homeless assistance programs were spared: the President requested a cut to only one homeless program (Grants to Benefit Homeless Individuals), level funding for five other programs, and an increase in two others (Health Care for the Homeless and the HUD Homeless Assistance Grants). One might conclude that, in the current economic and political context, homeless programs did well in the President's budget, and even that the proposed \$209 million increase to the HUD Homeless Assistance grants could advance the goal of "ending" homelessness.

Yet that conclusion would be wrong. If enacted, the cuts to housing and social service programs would more than cancel out the small increase in HUD's homeless assistance, making a mockery of the Administration's claim of progress toward ending "chronic homelessness" – and leaving many more without a place to call home.

Consider the following:

- The President's budget includes a fifty percent cut to housing for people with disabilities and a twenty-five percent cut to housing serving the elderly. These are the very programs that prevent people who are at risk of experiencing "chronic homelessness" from losing their housing in the first place.
- The budget zeroes out rural rental housing, and sharply cuts the Community Development Block Grant program. The budget also proposes to eliminate the Community Services Block Grant and cut \$500 million from the Social Services Block Grant. These programs help low-income people maintain their housing, thus funding reductions virtually ensure increased homelessness.
- The proposed FY2007 cuts come on the heels of the recently approved Budget Reconciliation bill, which slashed almost \$40 billion in entitlement programs, including Medicaid, Child Support Enforcement, SSI, foster care and welfare. The cuts will increase demand for homeless services, helping to swell the ranks of those who meet the very narrow definition of "chronic" homelessness and for the overwhelming majority of people experiencing homelessness who do not fit that definition.
- The President's budget heralds a \$209 million increase for homeless assistance. However, \$25 million of that amount would be transferred to the Department of Labor for prisoner reentry, leaving \$184 million for the homeless assistance grants. But rather than represent "unprecedented funding" as is claimed, this modest increase must be measured against HUD's recent "emphasis"

on permanent supportive housing. Under the Samaritan proposal, the Administration is requesting \$200 million within the McKinney-Vento account be designated exclusively to fund supportive housing for those who meet the definition of “chronically” homeless, ignoring the permanent housing needs of all other populations. In addition, HUD estimates that more than \$550 million will be required just to renew permanent housing contracts under the Shelter Plus Care and Supportive Housing programs, leaving little for new housing and services. Taken as a whole, the amount of funding in the existing competitive programs continues to decrease.

Thus, with the Samaritan Initiative as its centerpiece, the Administration’s track record on homelessness demonstrates a cynical policy of shifting grant money away from locally identified needs, toward programs that conform to and satisfy its “chronic” initiative, while at the same time gutting the very housing and social programs that prevent people from losing their housing and becoming homeless in the first place. Moreover, while HUD and other critical programs throughout the federal government face deep cuts, the budget proposal seeks a 12% increase for the US Interagency Council on Homelessness (ICH), the lead agency promoting the “chronic” homelessness initiative to the exclusion of equally vulnerable populations.

The balance sheet is clear. The FY 2007 budget request continues the Administration's smoke and mirrors policy of addressing homelessness. This budget means more demand for homeless services, not less. Any relief that the homeless assistance programs were seemingly spared the hatchet should be weighed against the much deeper cuts to housing and social service programs in general. We must resist the temptation to celebrate line item victories at the expense of the big picture. “Ending” homelessness requires more than account management masquerading as policy or advocacy. Such a posture can only lead to an opening of the front door to homelessness and a closing of the back, leaving hundreds of thousands of Americans stranded in homelessness – and many more standing at the entrance.