

State and Federal Budget Webinar for Housing and Homeless Programs

housingactionillinois

Thursday, March 28, 2013
1:00 PM - 2:00 PM CDT

Agenda

- State Budget
- *A Better Illinois* Campaign
- Federal Budget
- *United for Homes* Campaign

State Budget: Major Issues

- Need for FY13 supplemental appropriation of \$173 million for Department of Aging Community Care Program.
- House FY14 revenue estimate approximately \$500 million less than Governor Quinn's proposed amount.
- Major GRF Expenses : pensions, group insurance for active and retired employees, debt Service, transfers to local governments, Medicaid, payment of old bills.

Maintain funding of Emergency and Transitional Housing at \$9.1 million

- Provides comprehensive shelter services to more than 40,000 adults and children per year, with fifty percent exiting into permanent or transitional housing.
- Even at this funding level, Illinoisans are turned away more than 44,000 times a year due to insufficient resources.

Maintain Homeless Prevention funding at \$4 million.

- Illinois' homeless prevention program provides one-time rental assistance and utility assistance, which has allowed more than 96,000 families to remain in their homes and avoid homelessness.
- Homelessness prevention funds keep people in their homes and ninety percent of households stay housed 4-12 months after using homeless prevention funds.

Maintain Homeless Youth Programs funding at \$4.1 million.

- Homeless youth programs provide outreach services, emergency shelter, and longer-term housing for unaccompanied homeless youth.
- 87% of unaccompanied youth served in Illinois moved into safe, stable housing.

IL Affordable Housing Trust Fund

- Like in the current fiscal year, most of the funding for these three programs—\$13.1 million of \$17.2 million—is coming from the Illinois Affordable Housing Trust Fund, rather than state General Revenue Funds.
- In future years, we'd like to see funding for these programs go back to being funding from GRF, so the Trust Fund has as many resources as possible to create and preserve actual housing units—the most important way to end homelessness.

Fund Supportive Housing Services at \$28.5 million

- Governor Quinn's budget proposal reduces funding for services in permanent supportive housing by \$3 million from the current year amount. That \$3 million was added for the current fiscal year to assist 1,361 people in 824 recently opened units. If the General Assembly doesn't restore this \$3 million, supportive housing providers won't have the resources to provide the services crucial to people maintaining their housing next year.
- There is also a need for an additional \$1.5 million in funding for new supportive housing projects serving 479 people in 314 units scheduled to open next year.
- In total, we need to advocate for an appropriation of \$28.5 million in funding for supportive housing services in FY 2014.

April 10 Advocacy Day

- SHPA and Housing Action are joining up this year for an Advocacy Day at the State Capitol to provide an opportunity for homeless service providers, consumers and others to talk with our state legislators about line items in the budget.
- Register at:
<https://www.thedatabank.com/dpg/201/personal2.asp?formid=TrainingEvents&c=6643877>

The problem...

- **Corruption, waste and misplaced priorities that shortchange vital services like education and health care**
- **An unfair tax system that benefits the rich and big corporations while shortchanging the middle class and small businesses**



Unfair Tax System



A higher percentage of their income goes to property, sales and income tax than these guys...



A Fair Tax...A Better Illinois

- Asks more of the rich
- Helps repair the state budget long-term so we can fund the right priorities like education, human services, health care and public safety
- Helps build a strong middle class with successful small businesses.

How do we enact a fair tax?

Amend the Constitution to permit an income tax where lower levels of income are taxed less and higher levels of income are taxed more

- **ARTICLE IX – Revenue**

- **Section 3. LIMITATIONS ON INCOME TAXATION**

-  (a) A tax on or measured by income shall be at a
pro-graduated rate.

Message and Advocacy Trainings: The Case for a Fair Tax in Illinois

All trainings from 4:00 p.m. to 5:30 p.m.

Thursday, March 28-Rockford

Monday, April 1-Peoria

Tuesday, April 2-Champaign/Urbana

Wednesday, April 3-Chicago

Thursday, April 4- North Shore

Tuesday, April 9-Springfield

Wednesday, April 18-Bloomington

For more information, please contact peter@citizenaction-il.org.

FY13 McKinney Vento Funding

- \$2.033 billion, including \$200 million for the Emergency Solutions Grants, subject to 5% sequestration cut.
- Amount of funding available for the FY13 NOFA is approximately \$1.931 billion, \$30 million increase over FY12.
- NAEH estimates this could result in about 4-8% cuts to CoC renewals in the next NOFA.

FY13 Other HUD Programs

- Increases funding for the Public Housing Operating Fund to \$4.2 billion, \$300 million above FY12. This increase still leaves a significant hole in the operating account
- Increases administrative fees by \$25 million for Tenant-Based Rental Assistance (Housing Choice Vouchers). Allows funds to be set aside for unforeseen circumstances in the voucher program to be used for public housing agencies that “would otherwise be required to terminate participating families from the program due to insufficient funds.” There is no additional funding provided for the increasing cost of maintaining current vouchers in FY13, however.
- The CR reinstates the language from previous appropriations bills that allows the rescission of the Housing Certificate Fund to be directed to the Project-Based Rental Assistance account. The rescission could produce \$50 million or more for the project-based program. Even with this contribution, however, the program could face an FY13 shortfall in excess of \$800 million.

Federal Budget: FY14

- House and Senate passed respective FY14 budget resolutions during the week of March 18. Budget resolutions set the overall guidelines for federal spending and revenue. They are nonbinding and are not signed by the President.
- The House resolution, H. Con. Res. 25, would cut domestic discretionary spending deeper than the 2011 Budget Control Act, which included the FY13 sequester and nine additional years of deep discretionary spending cuts. It passed on March 21 by a 221 to 207 vote.
- The Senate's resolution, S. Con. Res. 8, passed March 23 by a 50 to 49 vote.
- Both the House and Senate resolutions would replace sequestration but still cut discretionary spending. The Senate resolution would cut non-defense discretionary spending by around \$150 billion, far less than would the House budget resolution. The House-proposed cuts would result in far deeper cuts to non-defense discretionary programs than under sequestration.
- President Obama expected to release his FY14 budget proposal on April 8, two months later than normal.

United for Homes Campaign

- NLIHC launched campaign to fund the National Housing Trust Fund (NHTF) through a modernization of the mortgage interest deduction on March 18.
- The campaign, *United for Homes*, supports Representative Keith Ellison's (D-MN) bill, H.R. 1213, the Common Sense Housing Investment Act. The bill would lower the cap on the size of a mortgage for which the interest can be deducted from \$1 million plus \$100,000 in home equity loans to \$500,000. The measure would also convert the deduction to a 15% nonrefundable tax credit. These two modifications would save approximately \$197 billion over ten years.
- H.R. 1213 would apply the majority of these savings, approximately \$109 billion over 10 years, to the NHTF. The measure would also apply a portion of the savings to the Low Income Housing Tax Credit, the Section 8 tenant-based and project-based rental assistance programs, and the Public Housing Capital Fund.

Endorse *United for Homes*

- More than 1,000 organizations have endorsed the campaign nationwide, including more than 60 in Illinois.
- Organizations can endorse the campaign at <http://nlihc.org/issues/nhtf/support>

Additional Resources

- National Low Income Housing Coalition:
www.nlihc.org
- National Alliance to End Homelessness:
www.naeh.org
- Coalition for Human Needs: www.chn.org
- Illinois Partners for Human Service:
www.illinoispartners.org

For More Information

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