

**PUBLIC AND INDIAN HOUSING
FAMILY SELF-SUFFICIENCY COORDINATORS
2013 Summary Statement and Initiatives
(Dollars in Thousands)**

FAMILY SELF-SUFFICIENCY PROGRAM COORDINATORS	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2011 Appropriation .....	...	...	...	...	...	...
2012 Appropriation/Request .....	...	...	...	...	...	...
2013 Request	<u>\$60,000</u>	...	...	<u>\$60,000^a</u>	<u>\$60,000</u>	...
Program Improvements/Offsets	+60,000	...	...	+60,000	+60,000	...

a/ Includes an estimated Transformation Initiative (TI) transfer of \$300 thousand in fiscal year 2013; the TI transfer may be up to .5 percent of Budget Authority.

1. What is this request?

The Department requests \$60 million for a Consolidated Section 8 Housing Choice Voucher (HCV) and Public Housing (PH) Family Self-Sufficiency (FSS) program to pay the salaries of FSS program coordinators. In addition, the Budget proposal expands the program to make it available to families participating in Section 8 Project-Based Rental Assistance (PBRA). The FSS program is deemed cost effective because it does not directly fund the services utilized by residents to achieve self-sufficiency. Instead, by leveraging the funding provided for coordinators' salaries, residents are able to benefit from an array of services facilitated by the Service Coordinators. Through coordination and linking to local service providers, FSS program participants receive training and counseling that enables them to increase their earned income and decrease or eliminate the need for rental assistance. FSS program coordinators that would be funded through this request ensure that families are linked to needed services.

In fiscal year 2011, \$60 million in funding for HCV FSS program coordinators was provided under the Tenant-Based Rental Assistance account, and \$15 million of the \$50 million appropriated for Resident Opportunities and Supportive Services (ROSS) under the Public Housing Capital Fund was used for PH FSS program coordinators. The Department is requesting authority to combine the funding for HCV and PH FSS program coordinators into a new account, which will result in program streamlining and will permit coordinators to provide better and more uniform services for families assisted through the HCV, PH, and PBRA programs.

Family Self-Sufficiency Coordinators

Transformation Initiative

In fiscal year 2013, the Department renews its request for the Transformation Initiative, which provides the Secretary the flexibility to undertake an integrated and balanced effort to improve program performance and test innovative ideas. Up to 0.5 percent of the funds appropriated for this account may be transferred to the Transformation Initiative Fund account for the following purposes: research, evaluations, and program metrics; program demonstrations; technical assistance; capacity building and Information Technology. An estimated Transformation Initiative (TI) transfer of \$300 thousand in fiscal year 2013 is included. Departmentwide, no more than \$120 million is estimated to be transferred to the Transformation Initiative Fund account in fiscal year 2013 although transfers could potentially total up to \$214.8 million. More details on the overall Transformation Initiative and these projects are provided in the justification for the Transformation Initiative Fund account.

2. What is this program?

The Family Self-Sufficiency (FSS) Coordinators help participants achieve employment goals and accumulate assets. Through the coordination and linking to local service providers, FSS program participants receive training and counseling that enables them to increase their earned income and decrease or eliminate the need for rental assistance. As a result, rental assistance resources become available to serve new families over time.

Services that may be needed by FSS program participants, including child care, transportation, education, job training, employment counseling, substance/alcohol abuse treatment or counseling, household skill training, and homeownership counseling, are not funded by the FSS program. It is the role of the FSS program coordinator to build partnerships with employers and service providers in the community to help participants obtain jobs and services; each local program is responsible for obtaining services in the community. As such, FSS coordinators are essential to the success of the FSS program.

With the combined \$75 million appropriated through HCV and PH for this program in fiscal year 2011, the Department provided funding to PHAs that will pay the salaries of 1,104 HCV FSS and 275 PH FSS program coordinators during calendar year 2012. As of September 30, 2011, a total of 56,618 families were enrolled in the HCV and PH FSS programs. Approximately 58 percent of those families that were enrolled in the FSS program for at least one year reported an increase in earned income. According to records in the Department's Public and Indian Housing Information Center (PIC) data system, more than 2,800 families successfully completed their FSS contracts between October 1, 2010 and September 30, 2011. At contract completion, no family member can be receiving cash welfare assistance. Approximately 20 percent of the HCV families that completed their FSS contracts in fiscal year 2011 no longer needed rental assistance. Of those HCV families, approximately 18 percent moved to homeownership. Of families that were still participating in the program, 498 had purchased homes through the HCV homeownership option.

Family Self-Sufficiency Coordinators

Staffing

<u>FTE</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Headquarters	2
Field	7
Total	9

NOTE: No additional FTEs are requested for this Program; the Department will utilize existing staff. FTE information for fiscal years 2011 and 2012 is provided in the Tenant-Based Rental Assistance and Public Housing Capital Fund Congressional Justifications.

At the Headquarters level, HUD staff members develop Notices of Funding Availability; establish procedures for application processing including eligibility screening and threshold reviews. A streamlining benefit will come from staff preparing a single consolidated NOFA and the associated program guidance. Staff will oversee and coordinate all stages of the application review process including award recommendations, Congressional notification and the obligation and contracting of funds awarded to PHAs for FSS coordinators. In addition, Headquarters staff develops overall FSS policy and issues program guidance and provide technical assistance to both HUD field staff and PHAs on program administration.

At the field office level, staff review applications for FSS coordinator funding, approve FSS Action Plans, monitor program administration by PHAs including timely submission of reports to HUD systems such as PIC and the Voucher Management System (VMS). They also provide technical assistance to PHAs that are administering FSS programs and assist local programs to establish and maintain partnerships with local employers and service providers.

The FSS program is critical to the Department's Strategic Goal #3, Utilizing Housing as a Platform for Improving Quality of Life.

Insufficient Headquarters and Field staffing would have a negative impact on HUD's funding award process and its ability to provide essential policy guidance and technical assistance on the FSS program. As a result, the ability of FSS programs to help families improve their quality of life through employment and economic security would be severely limited.

3. Why is this program necessary and what will we get for the funds?

FSS Coordinator funding addresses the lack of economic security and self-sufficiency of HCV, PH, and PBRA program participants. This proposal streamlines program operation by allowing coordinator funding to be used for families in HUD's three largest rental assistance programs, HCV, PH, and PBRA. The results allows for greater efficiency for PHAs who currently operate a PH and HCV FSS

Family Self-Sufficiency Coordinators

program, or those that now only serve participants under one program, but would like to serve participants in both programs, and eligible multifamily developments.

The FSS program coordinators help participants obtain training and services that will enable them to develop the skills they need to become employed or obtain better employment. FSS coordinators build partnerships with employers and service providers in the community and link program participants to these resources.

The program has long been a resource for increasing economic security and self-sufficiency among HCV and PH program participants. The program funds family self-sufficiency coordinators who provide families with connections to services and the opportunity to build escrow accounts toward the goal of greater economic security and self-sufficiency. In fiscal year 2011, a total of 47,756 families had been enrolled in FSS for at least one year. Of that number, 60 percent of the HCV families and 48 percent of the PH program participants reported an increase of earned income since enrollment. In a recent study conducted by HUD's Office of Policy Development & Research, 181 FSS participants' outcomes were assessed from 2005 to 2009¹. The report found that between 2005 and 2009, the average annual income for FSS graduates had increased from \$19,902 to \$33,390. The average escrow balance of graduates in that study was \$5,294. The first national evaluation of FSS conducted by HUD in 1995 revealed that the median income of FSS participants increased 72 percent during participation in the FSS program, while a similar group of non-FSS participants' median incomes increased by only 36 percent during the same period².

Without the requested level of funding, all families currently under FSS contract cannot be served and new families will not be able to enroll. It will put those currently enrolled at risk of not completing their contracts of participation and successfully graduating from the FSS program, which would result in the forfeiture of their FSS escrow account funds. Currently, this is the only dedicated asset-building program that HUD funds. In addition, because HUD is not requesting funding for ROSS in the budget, FSS will be the only dedicated funding across HUDs' major rental assistance programs, for quality of life initiatives.

In addition to the FSS program consolidation, the Budget request includes the Consolidated Opportunities for Resident Enrichment (CORE), which allows Public Housing Authorities to combine and use a portion of their funds from the Public Housing Operating and Capital Funds, and Tenant-Based Rental Assistance administrative fees towards additional service coordination. This could

¹ United States. Dept. of Housing and Urban Development. Office of Policy Development and Research., Planmatics, and Abt Associates. *Evaluation of the Family Self-Sufficiency Program: Prospective Study*. [Washington, D.C.]: U.S Dept. of Housing and Urban Development, Office of Policy Development and Research, 2011.

² United States. Dept. of Housing and Urban Development. Office of Policy Development and Research., WESTAT and JBS. *Evaluation of the Family Self-Sufficiency Program: Retrospective Analysis, 1996 to 2000*. [Washington, D.C.]: U.S Dept. of Housing and Urban Development, Office of Policy Development and Research, 2004.

Family Self-Sufficiency Coordinators

complement the FSS program or provide residents with other supportive services that promote positive resident outcomes related to education, health, self-sufficiency and quality of life.

4. How do we know this program works?

The effectiveness of the FSS program is demonstrated by studies such as the two HUD studies mentioned in the previous section. Those studies documented that average annual income for FSS graduates between 2005 and 2009 increased from \$19,902 to \$33,390 and, in the earlier study, found a much higher increase in median income for participants in the FSS program as compared to a similar group not enrolled in FSS.

To encourage critical program functions, the Department is prioritizing FSS program coordinator applications through its annual competitive process that fosters specific policy priorities. Those priorities are job creation/employment, capacity building and knowledge sharing and using housing as a platform for improving other outcomes. PHAs select specific activities and outputs in connection with those priorities and must report on corresponding outcomes. For example, in connection with job creation/employment, a PHA may partner with a Workforce Investment Board to establish apprenticeship programs and/or job opportunities and would report on the number of apprenticeship programs and/or job placements resulting from the partnership.

In addition, the FSS program will benefit from the Department's broader Next Generation Voucher Management System (NGVMS) initiative. This initiative is a comprehensive development plan to improve over several years the business processes for administering HUD's rental assistance programs; one component of the automated system will address FSS. The FSS program will benefit specifically by having traditional paper-based processes such as the participation contract and escrow account documentation integrated into electronic paperless processes.

Family Self-Sufficiency Coordinators

**PUBLIC AND INDIAN HOUSING
FAMILY SELF-SUFFICIENCY COORDINATORS
Summary of Resources by Program
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2011 Budget Authority</u>	<u>2010 Carryover Into 2011</u>	<u>2011 Total Resources</u>	<u>2011 Obligations</u>	<u>2012 Budget Authority/ Request</u>	<u>2011 Carryover Into 2012</u>	<u>2012 Total Resources</u>	<u>2013 Request</u>
Grants	<u>\$60,000</u>
Total	60,000

Family Self-Sufficiency Coordinators

**PUBLIC AND INDIAN HOUSING
FAMILY SELF-SUFFICIENCY COORDINATORS
Appropriations Language**

The fiscal year 2013 President's Budget includes proposed changes in the appropriation language listed below. New language is italicized and underlined, and language proposed for deletion is bracketed.

To provide funding for family self-sufficiency coordinators under section 23 of the United States Housing Act of 1937, \$60,000,000, to remain available until expended, to promote the development of local strategies to coordinate the use of assistance under sections 8 and 9 of such Act with public and private resources, to enable eligible families to achieve economic independence and self-sufficiency: Provided, That the Secretary may waive or specify alternative requirements for (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) any provision of such section 23 in order to fulfill the purposes of this heading.