

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Public and Indian Housing

Self-Sufficiency Programs

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Net Outlays
2021 Appropriation	155,000	129,912	-	284,912	141,797	81,056
2022 Annualized CR	155,000	143,715	-	298,715	155,000	144,000
2023 President's Budget	175,000	161,451	-	336,451	175,000	160,000
Change from 2022	20,000	17,736	-	37,736	20,000	16,000

PROGRAM PURPOSE

The programs included in this justification promote economic opportunity for HUD-assisted residents by encouraging self-sufficiency and financial stability. This allows families to benefit from supportive services that are essential, especially now facing challenges posed by the COVID-19 pandemic. These efforts are facilitated through the Family Self-Sufficiency program (FSS), the Jobs Plus Initiative (JPI or Jobs Plus) program, and the Resident Opportunity and Self-Sufficiency program (ROSS). This suite of programs focuses on employment, financial stability, and economic empowerment of HUD-assisted residents; and results in their contributing to the overall economic health of the communities served.

These programs are especially vital to very-low and low-income families of color. In 2019, it was reported that over 75 percent of FSS participants were non-white, which mirrors the overall population of those living in HUD-assisted housing.¹ Additionally, developments eligible for the Jobs Plus program are often located in communities of color. For example, the largest Jobs Plus grant award was given to Nickerson Gardens in Watts, California, a development that is over 99 percent African American and Latino. Additionally, the ROSS program has the unique ability to fund service coordinators at Native American Housing Assistance and Self-Determination Act (NAHASDA)-assisted units. In recent years, over 30 Tribal entities have been awarded grants under this program. The participation in these programs generally mirrors the population of those receiving housing assistance.

BUDGET OVERVIEW

The 2023 President's Budget requests \$175 million for Self-Sufficiency Programs, which is \$20 million more than the 2022 annualized CR level. Of that amount, \$120 million is for the FSS program, \$20 million is for JPI, and \$35 million for ROSS. With funding at the requested level, FSS will be able to fund approximately 1,450 FSS coordinators to support 67,000 families in public housing, voucher housing, and Multifamily housing. Jobs Plus funding will allow HUD to fund up to 10 new grantees, and ROSS will fund 150 ROSS coordinators to support over 65,000 households in public housing and NAHASDA-assisted units.

Housing-related challenges can trigger significant mental health distress. Training and technical assistance resources available in this account will be used to support HUD's Department-wide effort to reduce the impacts of housing-related challenges on mental and emotional well-being and improve the experience of the Department's customers. HUD will coordinate validated, evidence-based training for front-line housing professionals on the signs and symptoms of emotional distress and mental health challenges. This training will help housing professionals connect customers who are experiencing emotional distress with appropriate local resources.

¹ Public Housing Information Center (PIC) HUD-50058 Family Reports.
https://www.hud.gov/program_offices/public_indian_housing/systems/pic

JUSTIFICATION

The three Self-Sufficiency Programs' goals are to promote economic stability through self-sufficiency and financial stability:

Family Self-Sufficiency

Family Self-Sufficiency provides funds for FSS coordinators' salaries. These funds leverage an array of services provided by other national, State, and local programs for training, education, financial empowerment, and other supportive services that expand employment opportunities for the purpose of increasing economic self-sufficiency.

The requested funding level will provide one-year renewal funding for the salaries of approximately 1,300 existing (from 2021) FSS Program Coordinators and approximately 150 additional coordinators added as the result of new awards. This would continue service levels previously requested, which provides funding for these approximately 1,450 coordinators who could support an estimated 7,500 additional families. In 2022, HUD seeks to prioritize the expansion of FSS to multifamily properties, as residents in these properties are often unsupported in their efforts to become self-sufficient. The baseline funding level is critical to support those new programs as they provide service coordination through each participant's five-year Contract of Participation.

FSS grants are for one year and renewable in subsequent years. Grants fund only the coordinator's salary, while all supportive services are provided by community partners. FSS coordinators connect participants with supportive services to help participants achieve their employment goals, increase their earnings, and accumulate assets. FSS coordinators in each local program build partnerships with employers and service providers in the community to help participants obtain jobs and supportive services. These services often include childcare, transportation, basic adult education, job training, employment counseling, substance/alcohol abuse treatment, financial empowerment, asset-building programs, and homeownership counseling.

The overarching goals of the FSS program include:

- Increased educational and employment attainment leading to increased earnings;
- Engagement in financial empowerment activities leading to debt reduction, improvement in credit scores, and increased savings; and
- Decreased or eliminated need for Temporary Assistance to Needy Families (TANF) assistance and rental assistance.

The success of the FSS program in promoting the economic security and self-sufficiency of Public Housing and HCV participants is demonstrated by local communities achieving the following outcomes for 2021 (data exclude participant outcomes in Moving to Work public housing agencies):

- Over 60,000 households actively participated in the program; 3,838 families successfully completed their FSS contracts and graduated; 100 percent of graduating families did not require temporary cash assistance (TANF/welfare); and 25 percent of graduates had escrow savings at graduation. Those with escrow had an average of approximately \$9,495, and 57 percent of participants earned escrow while in the program. Many participants who accumulated escrow chose to use some of or all their escrow while in the program toward reaching their self-sufficiency goals;
- 1,048 FSS program graduates (27 percent of graduates) no longer needed rental assistance within one year of leaving the FSS program;
- 451 FSS program graduates (11 percent of graduates) ultimately purchased homes; and

- Program expansion to approximately 130 Project Based Rental Assistance (PBRA) properties via Rental Assistance Demonstration or unfunded programs.

In support of this effort to study the effectiveness of the program, HUD commissioned a national impact evaluation of FSS by MDRC. The timeframe of the evaluation was designed to cover the full five years of a standard FSS contract of participation with a final report likely to be published in late 2022. Findings for the first 36 months indicated a higher uptake of services in the FSS group. Participants were more engaged in financial empowerment programs and shifted from part-time to full-time work, each resulting in more stable employment and potential for earned income over the longer term. The study does not indicate a statistically significant change in earned income for FSS participants compared to the control group.²

The program anticipates implementing a performance measurement system in Spring 2022 that provides an analysis of each Public Housing Agency's (PHA's) FSS program by examining three factors: earnings performance, graduation rate, and participation rate. The scores combine to determine a "performance score." No new reporting is required to implement the performance score; HUD analyzes data already collected through the Public Housing Information Center (PIC). HUD will use the performance score to prioritize monitoring and oversight of FSS programs, targeting the lowest performers for the first reviews. If the Congress removes the prohibition on using the performance measurement system in funding decisions, HUD may use it to prioritize additional funding to higher-performing grantees – especially when considering expansion of existing programs.

The Congress re-authorized the FSS program in Section 306 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (Public Law No: 115-174) in 2018. HUD is on track to publish the Final Rule implementing this new statute in Spring 2022. Updated tools and guidance will also be made available.

Jobs Plus Initiative

The Jobs Plus Initiative provides an evidence- and place-based strategy for increasing the employment opportunities and earnings of HUD-assisted residents. It accomplishes this through a three-pronged program of employment services, rent-based work incentives, and community support for work. Jobs Plus awards four 5-year grants to PHAs to address poverty among residents by incentivizing and enabling employment through a financial rent incentive (earned income disregard) for working residents and a set of services designed to support work including employer linkages, job placement and counseling, educational advancement, and financial counseling. Residents in Job-Plus developments can evaluate educational, training, and work opportunities in their community to determine a pathway towards long term economic security. Through Jobs Plus, residents can address barriers that may prevent them from seeking and retaining employment. These services are particularly critical during the COVID-19 pandemic—access to readily available resources helped some Jobs Plus sites maintain or regain employment levels despite the increase in local unemployment. The Budget requests \$20 million for the Jobs Plus Initiative.

The Jobs Plus model depends on a "saturation" strategy, supporting entire developments and promoting work throughout the community, rather than assisting individual households. This facet of Jobs Plus is particularly important in communities of color that have historically lacked access to resources and information related to work opportunities. Saturation ensures that everyone in the development has equitable access to work readiness resources.

² HUD Family Self-Sufficiency Program Evaluation Report. <https://www.huduser.gov/portal/publications/FSS-Midpoint-2021.html>

Since the inception of Jobs Plus, PHA residents have been able to stabilize families through increased income, asset building, barrier reduction, and wrap around supports. Among the key accomplishments for the Jobs Plus Initiative from 2014 through June 30, 2021:

- Of the participants who have completed assessments, over 89 percent have received post-assessment services or supports;
- Jobs Plus sites report 5,762 part-time and/or full-time jobs placements;
- Approximately 1,777 individuals have been continuously employed for at least 180 days after placement; and
- Through the Jobs Plus Earned Income Disregard, PHA residents have saved over \$31.4 million in rent payments.

Jobs Plus has evolved over time; the program launched as a demonstration in 1998 and was replicated through the Social Innovation Fund (SIF) in 2011. HUD commissioned two studies of the Federal implementation, one focusing on implementation of Jobs Plus and one focusing on the impact of the program. The interim implementation report found that the nine grantees in the first cohort implemented the model more quickly and fully than the original demonstration and the SIF replication sites. The final implementation study report (released December 2019) described how PHAs implement this ambitious program and describes challenges sites faced and how they were addressed.³ The study of program impacts is currently underway, and results are expected later in 2022.⁴

One of the main components of the Jobs Plus program is the Jobs Plus earned income disregard (JPEID). If participants in JPEID experience an increase in earned income, instead of seeing their contribution to rent increase, they are allowed to keep that extra money. Current program structure requires that this difference in rent be covered by the Jobs Plus grant—so, if a program is successful in having participants earn more income, their grant can become too small to continue to support the program. The Budget contains language in the Tenant-Based Rental Assistance, Public Housing Fund, and Project-Based Rental Assistance accounts that shift the cost of the disregard to those “source” accounts, allowing the Jobs-Plus grants to focus on funding services. Also, shifting the disregard to the source accounts will significantly minimize administrative burden for both HUD and grantees.

Resident Opportunity and Self-Sufficiency (ROSS)

The Resident Opportunity and Self Sufficiency (ROSS) Service Coordinator program provides funding to hire and maintain Service Coordinators, who assess the needs of residents of public or Indian housing and coordinate available resources in the community to meet those needs. ROSS leverages public and private resources for supportive services and resident empowerment activities.

The Budget requests \$35 million to fund 150 existing ROSS service coordinators who provide vital services to over 65,000 public housing and NAHASDA-assisted residents. ROSS is designed to assist not just workable families but also elderly/disabled residents. In 2021, ROSS added digital inclusion as a focus area of need in the Notice of Funding Opportunity (NOFO), increased salary maximums, and for the first time since 2008, the NOFO allowing the use of grant funding for direct services. In addition to funding PHAs, ROSS has the unique ability to provide grant funding to Tribes, non-profits, and Residents Associations.

³ HUD’s Jobs Plus Pilot Program for Public Housing Residents: Ongoing Implementation Experiences.

<https://www.huduser.gov/portal/publications/JobsPlusReport.html>

⁴ More information on evaluation findings can be found at <https://www.mdrc.org/project/jobs-plus-communityrevitalization-initiative-public-housing-families#overview>

SELF-SUFFICIENCY PROGRAMS

A 2019 evaluation of the ROSS program found that ROSS was often the sole source of funds for service coordination among grantees in lower-resourced areas, and therefore, a vital lifeline which allowed residents to access critical services and supports.⁵ Through ROSS, residents receive services in a range of areas, including health and wellness, education, financial literacy, employment training, and substance abuse programs.

Key findings and accomplishments for the ROSS program from 2017 through 2020:

- More than three-quarters (76 percent) of all participants received at least one service after the initial assessment. Of those who received services, most participants (70 percent) received two or more services;
- ROSS Service Coordinators provided case management services to 85 percent of elders and people with disabilities and to 67 percent of work-able adults, including comprehensive needs assessments and links to other services;
- 65 percent of elderly participants and people with disabilities gained or maintained access to health care, with 51 percent having a primary care physician; and
- 3,364 participants enrolled in an education or vocational program (4 percent), and 1,207 increased their level of education (2 percent).

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2021 Budget Authority	2020 Carryover Into 2021	2021 Total Resources	2021 Obligations	2022 Annualized CR	2021 Carryover Into 2022	2022 Total Resources	2023 President's Budget
Family Self-Sufficiency Program	105,000	79,912	184,912	79,309	105,000	105,602	210,602	120,000
Resident Opportunity and Self-Sufficiency (ROSS)	35,000	35,000	70,000	34,208	35,000	35,792	70,792	35,000
Jobs Plus Initiative	15,000	15,000	30,000	28,280	15,000	1,720	16,720	20,000
Total	155,000	129,912	284,912	141,797	155,000	143,114	298,114	175,000

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

Appropriations Language Changes

The 2023 President's Budget includes the following changes:

- **Jobs Plus Expansion beyond Public Housing:** HUD requests account language authorizing the expansion of Jobs Plus eligibility to fund place-based communities within not only Public Housing, but also Project Based Rental Assistance (PBRA) developments and Project Based Voucher (PBV) developments.
- **Jobs Plus Reduction of Grant Cost Burden:** HUD requests a provision to allow the Jobs Plus financial and rent incentive to be paid from the housing assistance source account rather than the Jobs Plus grant. Corresponding language is included in the TBRA, PBRA, and Public Housing Fund accounts.

⁵ Project SOAR Closeout Site Visit Summary. <https://www.huduser.gov/portal/publications/ROSS-SOARCloseout-Rept.html>

General Provisions:

The 2023 President's Budget proposes the following new general provision(s):

- Eligibility of Rental Assistance Demonstration (RAD) Converted Properties for Resident Opportunities and Self Sufficiency (ROSS) Program: PHAs that have received grant funding under the Resident Opportunities and Self-Sufficiency (ROSS) program for public housing properties that have undergone RAD conversions to Project Based Rental Assistance or Project Based Voucher assistance remain eligible for future ROSS funding for those assisted housing developments (2023 President's Budget, Sec. 232).

The 2023 President's Budget requests the deletion of the following general provision that was enacted in the 2021 appropriations bill:

- Use of performance measures: HUD is requesting the removal of the provision that prevents HUD from using Family Self-Sufficiency performance measures to determine funding awards. In 2019, HUD released a Final Notice explaining the methodology behind a performance measurement tool for FSS programs that HUD intended to use as part of future funding decisions. Even after public comment, there remained stakeholder concerns about this tool. HUD, including the Secretary, has carefully listened to these concerns and made revisions to the performance measure and how it will be used. HUD seeks to begin using this revised measure and looks forward to continuing discussions with the appropriations staff on the best ways to ensure that FSS funds are being used effectively.

APPROPRIATIONS LANGUAGE

The 2023 President's Budget includes the appropriation language listed below.

For activities and assistance related to Self-Sufficiency Programs, to remain available until September 30, 2026, \$175,000,000: Provided, That the amounts made available under this heading are provided as follows:

(1) \$120,000,000 shall be for the Family Self-Sufficiency program to support family self-sufficiency coordinators under section 23 of the United States Housing Act of 1937 (42 U.S.C. 1437u), 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, and enable eligible families to achieve economic independence and self-sufficiency: Provided, That the Secretary may, by Federal Register notice, waive or specify alternative requirements under subsections (b)(3), (b)(4), (b)(5), or (c)(1) of section 23 of such Act in order to facilitate the operation of a unified self-sufficiency program for individuals receiving assistance under different provisions of such Act, as determined by the Secretary: Provided further, That owners or sponsors of a multifamily property receiving project-based rental assistance under section 8 of such Act may voluntarily make a Family Self-Sufficiency program available to the assisted tenants of such property in accordance with procedures established by the Secretary: Provided further, That such procedures established pursuant to the previous proviso shall permit participating tenants to accrue escrow funds in accordance with section 23(d)(2) of such Act and shall allow owners to use funding from residual receipt accounts to hire coordinators for their own Family Self-Sufficiency program;

(2) \$35,000,000 shall be for the Resident Opportunity and Self-Sufficiency program to provide for supportive services, service coordinators, and congregate services as authorized by section 34 of the United States Housing Act of 1937 (42 U.S.C. 1437z-6) and the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.); and

(3) \$20,000,000 shall be for a Jobs-Plus initiative, modeled after the Jobs-Plus demonstration: Provided, That funding provided under this paragraph shall be available for competitive grants to public housing authorities or owners or sponsors of multifamily properties receiving project-based rental assistance under section 8, that, in partnership with local workforce investment boards established under section 107 of the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3122), and other agencies and organizations provide support to help public housing residents, or tenants residing in units assisted under a project-based section 8 contract (including section 8(o)(13) of the United States Housing Act of 1937), obtain employment or increase earnings, or both: Provided further, That applicants must demonstrate the ability to provide services to such residents or tenants, partner with workforce investment boards, and leverage service dollars: Provided further, That the Secretary may allow public housing agencies to request exemptions from rent and income limitation requirements under sections 3 and 6 of the United States Housing Act of 1937 (42 U.S.C. 1437a, 1437d), as necessary to implement the Jobs-Plus program, on such terms and conditions as the Secretary may approve upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective implementation of the Jobs-Plus initiative as a voluntary program for residents: Provided further, That the Secretary shall publish by notice in the Federal Register any waivers or alternative requirements pursuant to the preceding proviso no later than 10 days before the effective date of such notice: Provided further, That the costs of any rent incentives as authorized pursuant to such waivers or alternative requirements shall not be charged against the competitive grant amounts made available under this paragraph.

Note.--A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.