

# 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	Outlays
2019 Appropriation <sup>a</sup>	80,000	75,000	-	155,000	75,538	70,637
2020 Appropriation	130,000	79,000	-	209,000	130,000	78,000
2021 President's Budget	190,000	79,000	-	269,000	190,000	112,000
Change from 2020	60,000	-	-	60,000	60,000	34,000

a/ In 2019, FSS was funded in this account while Jobs-Plus and ROSS were funded in the Public Housing Capital Fund account. For 2019, this table only shows FSS; for 2019 obligations and outlays for Jobs-Plus and ROSS, please refer to the Public Housing Capital Fund justification.

#### PROGRAM PURPOSE

The programs included in this justification promote economic opportunity for HUD-assisted residents by encouraging self-sufficiency and financial stability.

Family Self-Sufficiency (FSS) provides funds for FSS coordinators' salaries. These funds leverage an array of services provided by other state and local programs for training, counseling, and other supportive services that expand employment opportunities for the purpose of economic self-sufficiency.

The Jobs-Plus Initiative is an evidence- and place-based strategy for increasing the employment opportunities and earnings of public housing residents. It accomplishes this through a three-pronged program of employment services, rent-based work incentives, and community support for work. As PHAs reposition public housing to Section 8, there is an increasing need to expand supportive services programs beyond public housing. Due to the ongoing success of the Jobs-Plus Initiative, HUD is proposing to expand the model to other place-based forms of rental housing assistance, such as Project-Based Vouchers (PBV) and Project-Based Rental Assistance (PBRA), thereby increasing economic mobility to a wider range of HUD-assisted families.

#### BUDGET OVERVIEW

The 2021 President's Budget requests for Self-Sufficiency Programs is \$190 million (\$90 million for the FSS program and \$100 million for the Jobs-Plus), which is \$60 million more than the 2020 enacted appropriation. With funding at this level, FSS would be able to fund approximately 1,500 coordinators to support over 84,000 families, including those assisted through Project-Based Rental Assistance (PBRA). For the Jobs-Plus Initiative, the Budget would allow the agency to fund up to 35 new grantees in addition to the current 35 grantees the program funds. The Budget expands eligibility for Jobs-Plus beyond Public Housing to properties assisted through Project-Based Rental Assistance and Project-Based Vouchers.

The 2020 enacted levels combined the FSS program, Resident Opportunity and Self-Sufficiency (ROSS), and the Jobs-Plus program into one Self-Sufficiency Programs account. The request continues that consolidation and does not propose funding for ROSS.

## JUSTIFICATION

### Family Self-Sufficiency

With an increase in funding from \$80 million to \$90 million, the Department will be able to renew all current grants meeting performance requirements and provide new grants to expand the program to PBRA residents. The Department will expand the annual grant competition to owners or sponsors of multifamily properties with PBRA contracts who wish to initiate FSS programs at their properties, as well as allow PHAs to enroll local PBRA residents in PHA FSS programs, in partnership with project owners. This request will fully fund existing grantees and will fund approximately 200 to 250 new FSS coordinators, serving 5,000 to 10,000 additional HUD-assisted households.

FSS grants are for one year and are renewable in subsequent years; grants fund only the coordinator's salary, while all services are provided by community partners. The grant funds FSS coordinators to help participants achieve employment goals, increase earnings, and accumulate assets. Participants typically sign a five-year contract to participate in the program. The 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 may include childcare, transportation, basic adult education, job training, employment counseling, substance/alcohol abuse treatment, financial literacy, asset-building skills, and homeownership counseling, among others. The role of the FSS coordinator is essential to the success of the FSS program.

The overarching goals of the FSS program include:

- Increased employment and educational attainment leading to increased earnings;
- Engagement in financial empowerment activities leading to debt reduction, improvement in credit scores and increased savings; and
- Participants graduating from the program do not require Temporary Assistance to Needy Families (TANF) assistance and their need for rental assistance is decreased or eliminated.

The success of the FSS program in promoting the economic security and self-sufficiency of Public Housing and Housing Choice Voucher (HCV) participants is demonstrated by local communities achieving the following outcomes from July 2018 to June 2019:

- Over 70,000 households actively participated in the program; 5,409 families successfully completed their FSS contracts and graduated; 100 percent of graduating families did not require temporary cash assistance (TANF/welfare); 41 percent of graduates had escrow savings at graduation, at an average of approximately \$6,700; 59 percent of participants earned escrow while in the program and were allowed to use it while in the program toward reaching their self-sufficiency goals;
- 1,859 FSS program graduates (33 percent of graduates) exited rental assistance within one year of leaving the FSS program; and
- 604 FSS program graduates (11 percent of graduates) went on to purchase a home.

To improve performance outcomes of the FSS grantees, HUD developed a performance measurement system that provides an analysis of each PHA's FSS program by examining three factors: earnings performance, graduation rate, and participation rate. The scores combine to determine a "composite score." No new reporting will be required to implement the performance score; HUD will analyze data collected through the Public Housing Information Center (PIC) to calculate FSS performance scores for each FSS program that received an FSS coordinator grant in one or more of the past three fiscal years' Notice of Funding Availability (NOFA) competitions.

In fiscal years 2020 and 2021, the Department will implement a new monitoring and technical assistance plan that will create a menu of individual and group technical assistance to improve

program performance. Higher-performing programs will be reviewed to determine best practices that will be shared. The Department has offered FSS program design and policy training to more than 150 FSS practitioners in five states in fiscal year 2019, with plans for continued outreach.

In support of this effort to rigorously evaluate the impact of the program, HUD commissioned MDRC in March 2012 to conduct a national impact evaluation of FSS. The national evaluation was set to end in September 2018, allowing for roughly 36 months of post-random assignment follow up. However, the timeframe of the evaluation has now been extended to cover the full five years of a standard FSS contract of participation with a final report due in 2022. Draft findings for the first 36 months do not indicate a statistically significant change in earned income for FSS participants compared to the control group; however, they do show a significantly higher uptake of services in the FSS group, which may translate into more stable employment and potential for earned income over the longer term (including the additional two years of the study).

Congress re-authorized and modified 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 developing an FSS regulation to implement the statute.

### **Jobs-Plus Initiative**

The Budget Request for the Jobs-Plus Initiative is \$100 million to allow this highly successful employment services and support program to be expanded beyond traditional public housing communities to other HUD-assisted project-based communities (either PBV or PBRA). With the Department's Strategic Objective of repositioning Public Housing units to greater financial sustainability and programmatic viability, PHAs have converted Public Housing communities to Section 8 assistance through the Rental Assistance Demonstration (RAD) Program or other methods. As a result, it has become increasingly important for Jobs-Plus to be a program that is not limited to Public Housing. The proposed expansion of the Jobs-Plus Initiative would be accompanied by program design and policy changes needed to implement Jobs-Plus in PBV and PBRA communities.

Among the key accomplishments for the Jobs-Plus Initiative from 2014 through September 2019:

- Since its inception, Jobs-Plus sites report placing 4,174 residents into part-time or full-time employment;
- Nearly 1,500 individuals have been continuously employed for at least 180 days after placement; and
- Through the Jobs-Plus Earned Income Disregard, residents have saved over \$21.3 million in rent payments.

The following key performance indicators are reported on a quarterly basis:

- Cumulative Number of Individuals Assessed;
- Cumulative Number of Individuals Receiving a Post-Assessment Service;
- Cumulative Number of Households with Earnings Disregarded due to Jobs-Plus Earned Income Disregard;
- Employment Rate of Work-Able Residents; and
- Number of Assessed Residents Continuously Employed for at Least 180 days.

The original Jobs-Plus demonstration was launched in 1998. Of the six sites that were part of the demonstration, only three fully implemented the model. When fully implemented, the model increased tenants' earned income by 16 percent. The Jobs-Plus model was replicated in 2011 in San Antonio, TX, and Bronx County, NY, through the Social Innovation Fund (SIF).

HUD commissioned a study to begin documenting the expansion of Jobs-Plus in its nine original sites. An interim report was released in September 2017, and it found that the nine grantees in the

first cohort sites have implemented the model more quickly and fully than the original demonstration and the SIF replication sites. Within the first 18 months, all nine sites had begun structuring their programs, building partnerships, and implementing the core components of the Jobs-Plus model. The final report was released in November 2019. <sup>1</sup>

**SUMMARY OF RESOURCES BY PROGRAM**

(Dollars in Thousands)

Budget Activity	2019 Budget Authority	2018 Carryover Into 2019	2019 Total Resources	2019 Obligations	2020 Appropriation	2019 Carryover Into 2020	2020 Total Resources	2021 President's Budget
Family Self-Sufficiency Program	80,000	75,000	155,000	75,538	80,000	79,000	159,000	90,000
Resident Opportunity and Self-Sufficiency (ROSS) <sup>a/</sup>	[35,000]	-	-	-	35,000	-	35,000	-
Jobs Plus Initiative <sup>a/</sup>	[15,000]	-	-	-	15,000	-	15,000	100,000
<b>Total</b>	<b>80,000</b>	<b>75,000</b>	<b>155,000</b>	<b>75,538</b>	<b>130,000</b>	<b>79,000</b>	<b>209,000</b>	<b>190,000</b>

a/ ROSS and Jobs Plus Initiative were appropriated into the Capital Fund program in 2019.

**LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS**

Appropriations Language

The 2021 President’s Budget proposes the following changes to appropriations language from the 2020 enacted bill:

- **Account Structure and Transfers:** The Department seeks to continue the self-sufficiency consolidation in the appropriations account language that was in the 2020 enacted. HUD also seeks to add provisions in the 2021 request that would allow for recaptured funds from prior year appropriations for self-sufficiency programs in the Public Housing Capital Fund to be transferred to this account for purposes of Jobs Plus activities.
- **Expanded Eligibility:** The Budget proposes to expand Jobs Plus eligibility to Project-Based Rental Assistance and Project-Based Voucher developments; currently only residents assisted through Public Housing are able to participate in this program.
- **Earned-Income Disregard:** The Budget contains language in the Tenant-Based Rental Assistance, Public Housing Fund, and Project-Based Rental Assistance accounts that addresses the Jobs-Plus Earned Income Disregard. The proposal shifts the cost of the disregard to those accounts, allowing the Jobs-Plus grants to focus on funding services.

**APPROPRIATIONS LANGUAGE**

The 2021 President's Budget includes proposed changes in the appropriation language listed below. New language is italicized, and language proposed for deletion is bracketed.

For activities and assistance related to Self-Sufficiency Programs, to remain available until September 30, 2023 (*except as otherwise specified under this heading*), [~~\$130,000,000~~] *\$190,000,000*: *Provided*, That the amounts made available under this heading are provided as follows:

(1) [~~\$80,000,000~~]*\$90,000,000* 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

<sup>1</sup> HUD’s Jobs Plus Pilot Program for Public Housing Residents: Ongoing Implementation Experiences. (<https://www.huduser.gov/portal/publications/JobsPlusReport.html>)

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 the Act, as determined by the Secretary: *Provided further*, That an owner or sponsor of a multifamily property receiving project-based rental assistance under section 8 shall be eligible to receive awards from the Secretary under this paragraph to support family self-sufficiency coordinators: *Provided further*, That owners or sponsors of a [privately owned] multifamily property [with a section 8 contract]receiving project-based rental assistance under section 8 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) 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

(2[3]) [\$15,000,000] *\$100,000,000* shall be available *until September 30, 2024* 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 [partnerships between] 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, [that] provide support to help public housing residents, or tenants residing in a unit assisted under a project-based section 8 contract (including section 8(o)(13) of the United States Housing Act of 1937), obtain employment [and]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: *Provided further*, That amounts made available for the Jobs-Plus initiative in prior acts under the heading "Public Housing Capital Fund" that remain available or are subsequently recaptured shall be transferred to this account and shall be available for the purposes of this paragraph. (Department of Housing and Urban Development Appropriations Act, 2020.)