1. What is this request?

The Department requests $75 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. The FSS program is 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 leveraged from other state, City and local programs by the Service Coordinators. Through coordination and linking to local service providers, FSS program participants receive training and counseling services that enable them to increase their earned income and decrease or eliminate the need for rental assistance.

Service Coordinators facilitate the links that allow residents to leverage all possible opportunities. In fiscal year 2012, $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 and PH programs.

By creating one source of funding, the 188 PHAs running both the HCV and FSS programs will no longer have to differentiate between their populations. As a result, they will be able to serve any resident regardless of the type of housing assistance they receive. Instead of managing multiple programs, these PHAs will be able to administer a single program thereby streamlining application, tracking, budgetary and reporting requirements. In addition, combining the programs also relieves the administrative burden for HUD, which has to process two competitions and monitor two separate programs at both the Headquarters and Field
Family Self-Sufficiency Program

level. Finally, combining of the programs will result in better use of limited funds, and the program size, when combined, will allow for more participants per coordinator.

2. What is this program?

The FSS Coordinators help participants achieve employment goals and accumulate assets. Through the coordination and linkage 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.

Some services that FSS Coordinators help program participants access include: child care, transportation, literacy and education, job training, employment counseling, substance/alcohol abuse treatment or counseling, financial literacy, asset-building strategies, household skill training, and homeownership counseling. However, these services are not funded by the FSS program. It is the role of the FSS program coordinator in each local program to build partnerships with employers and service providers in the community to help participants obtain jobs and services. As such, FSS coordinators are essential to the success of the FSS program. The results of the program are considerable:

- With the combined $75 million appropriated through HCV and PH for this program in fiscal year 2011, the Department provided funding to PHAs that funded the salaries of 1,104 HCV FSS and 275 PH FSS program coordinators during calendar year 2012.
- As of March 30, 2012, a total of 57,087 families were enrolled in the HCV and PH FSS programs (47,888 in HCV FSS and 9,199 in PH FSS).
- Approximately 48 percent of PH FSS families and 60 percent of HCV FSS reported an increase in earned income.
- 2,925 families successfully completed their FSS contracts (graduated) (2,542 in HCV FSS and 383 in PH FSS).
- 100 percent of graduating families did not require temporary cash assistance (TANF/welfare). This is a requisite of graduating from the program.
- On average, 20 percent of the HCV families that completed their FSS contracts no longer needed rental assistance. Of those HCV families, approximately 15.5 percent moved to homeownership.
- Approximately 14 percent of PH FSS graduates moved to homeownership after completing their contract. 1

---

1 Public and Indian Housing Information Center (PIC) data system, during the period of April 1, 2011-March 30, 2012
Family Self-Sufficiency Program

Salaries and Expenses (S&E) and Full-Time Equivalents (FTE) Request

No additional FTEs are requested for this Program; the Department will utilize existing staff. FTE information for fiscal years 2012 and 2013 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 and from field office staff being required to monitor only one instead of two separate programs. 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 the Public and Indian Housing Information Center (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?

In order to continue our work towards meeting Goal 3, Utilizing Housing as a Platform for Improving Quality of Life for Public Housing residents, PHAs must be equipped to capitalize on Federal, State, local and philanthropic opportunities. This program makes strides to ensure that HUD’s vital investment in housing is connected to the Federal government’s other critical investments, such as a host of programs from the Departments of Health and Human Services (HHS), Labor (DOL) and Education (DoEd) related to health, education, employment and broad-band connectivity. Absent the existence of a service coordinator at the PHA to develop partnerships with these local providers, services funded by these federal dollars are often of little benefit to HUD-assisted residents.

FSS Coordinator funding addresses the lack of economic security and self-sufficiency of HCV and PH program participants. The FSS Coordinators build partnerships with employers and service providers in the community and link program participants to help participants obtain training and services that will enable them to develop the skills needed to become employed, or obtain better
Family Self-Sufficiency Program

employment. The program also provides opportunities for families to build escrow accounts toward the goal of greater economic security and self-sufficiency, as well as improve outcomes such as reduced evictions, decreased turnover and property damage.\(^2\)

Without the requested level of funding, HUD could not fund FSS coordinators to continue helping current participants and new families would not be able to enroll. This is the only dedicated asset-building program that HUD funds across HUDs’ major rental assistance programs, since HUD is not requesting funding for ROSS in the fiscal year 2014 Budget.

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 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.

Transformation Initiative

In fiscal year 2014, the Department renews its request for the Transformation Initiative Fund, which provides the Secretary the flexibility to undertake an integrated and balanced effort to improve program performance and test innovative ideas. This program may transfer up to 0.5 percent or $15 million, whichever is less, to the Transformation Initiative Fund for the operation of a second-generation Transformation Initiative (TI2). More details on TI2 and its projects are provided in the justification for the Transformation Initiative Fund account.

4. How do we know this program works?

In a study conducted by HUD’s Office of Policy Development & Research, 181 FSS participants’ outcomes were assessed from 2005 to 2009\(^3\). 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 period\(^4\). Once a family graduates from the program, they either leave rental assistance or, if they are still receiving housing assistance, they are paying a larger percentage of the rent. Either way, HUD funds for rental assistance are freed up to serve more families.

---

\(^2\) [http://residentservices.org/documents/roof_and_walls.pdf](http://residentservices.org/documents/roof_and_walls.pdf)


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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$75,000</td>
</tr>
</tbody>
</table>

75,000
Below is the italicized appropriations language for the Family Self-Sufficiency account.

For the Family Self-Sufficiency program to support family self-sufficiency coordinators under section 23 of the United States Housing Act of 1937, to promote the development of local strategies to coordinate the use of assistance under sections 8(o) and 9 of such Act with public and private resources, and enable eligible families to achieve economic independence and self-sufficiency, $75,000,000: Provided, That the Secretary may, by Federal Register notice, waive or specify alternative requirements (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) for any provision of section 23 of such Act in order to better fulfill the purposes of section 23 of such Act, as determined by the Secretary.

Note.--A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.