

## A FAITHFUL BUDGET FOR DOMESTIC HUMAN NEEDS

### A. Introduction:

A Faithful Budget promotes social and environmental sustainability, ensuring a livable world for generations to come. Our indigenous ancestors expressed that decisions ought to be made keeping in mind their long-term effects—even to the seventh generation. We encourage our national leaders to consider decisions of revenue and spending in the context of how they will benefit our children's children as well as how they impact our own lives.

We face deep divisions in our country. People are frustrated with the current situation, anxious about their family's futures. Too many families are struggling to make ends meet and too few jobs provide sufficient wages for parents to provide for their children. Yet, rather than coming together for the betterment of our nation, incivility and intolerance appear on the rise. A Faithful Budget will advance and invest in a vision of this country that we know it can be, a country where all enjoy opportunity and financial security, a country where everyone can live with dignity, provide for their family, and contribute to their community.

### Reflecting the Need:

- In 2015, 13.5 percent of the U.S. population, and 21 percent of all children, lived below the federal poverty line (\$24,036 for a family of four).<sup>1</sup>
- Most Americans (51.4%) will live in poverty at some point before age 65.<sup>2</sup>
- In most areas, a family of four needs to earn 200 percent of the federal poverty line in order to provide children with basic necessities. In 2015, close to 1 in 3 people and more than 41 percent of children did not attain this income level.<sup>2</sup>
- As we reflect on our needs as a nation, we must consider the inequalities which exist across groups. For example, in 2015, African-Americans (24.1%), Hispanics (21.4%), and single female householders (28.2%) were more than twice as likely as the white population (9.1%) to live below the poverty threshold.<sup>3</sup> This places greater burden on these families to care for their children or other dependent members. They are at greater risk of food insecurity, homelessness, and untreated health concerns, pushing them to rely more heavily on the social safety net.

A Faithful Budget must invest in a social safety net and avenues for economic mobility and opportunity. It must provide the essential needs of our communities, ensuring safe and healthy development of families and individuals into the future, and supporting those who are most vulnerable due to unemployment, sickness, and old age, regardless of race, ethnicity, gender, or religious or sexual orientation. Many programs supporting health and public safety have been devastated in recent years, and austere budget caps and sequestration cuts threaten them further. The budget elements described below would shift the direction, taking steps toward positive development where people and communities have greater opportunity and ability to flourish and thrive.

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<sup>1</sup> U.S. Census Bureau, Community Population Survey, 2016, available at <https://www.census.gov/data/tables/2016/demo/income-poverty/p60-256.html>.

<sup>2</sup> U.S. Census Bureau, Community Population Survey, 2016, available at <https://www.census.gov/data/tables/2016/demo/income-poverty/p60-256.html>.

<sup>3</sup> *Id.*

## **B. Economic Security and Mobility**

Two general strategies bring about greater economic security, opportunity, and fairness within the United States. The first is to ensure all individuals, families, and communities can access resources allowing them to contribute their time, treasure, and talents for the betterment of their family, community, and society. The other is to ensure that when members do fall into hard times, there is a strong safety net to allow them to continue to live in dignity.

The federal budget assists with the both strategies through programs that provide economic security and mobility, asset building, education, basic assistance, and meaningful employment.

### **1. Creating Mobility through Tax Credits**

A Faithful Budget does more than simply meet the needs of poor and vulnerable people. A Faithful Budget simultaneously promotes economic opportunity, mobility, and security. Refundable tax credits for low-income working families are some of the most effective anti-poverty programs in the country. In 2015, the Earned Income Tax Credit (EITC) and Child Tax Credit lifted 9.8 million people out of poverty, including 5.1 million children. These two tax credits combined kept 31.8 million people from falling into, or deeper into, poverty, including 13.2 million children. Moreover, these tax credits reward work because the benefits increase with earnings. The EITC and Child Tax Credit also promote economic mobility. A majority of beneficiaries only receive the EITC for one or two years before moving on to higher income levels. Research shows these credits have long-term benefits for children as well. Kids in households receiving these refundable tax credits are more likely to have better health, more schooling, more hours worked, and higher earnings in adulthood. Finally, these credits help grow the economy, as recipients spend their benefits quickly and in their local communities. Every \$1 of refundable tax credits generates about \$1.26 in economic growth.

This Faithful Budget proposes to strengthen refundable tax credits so they can effectively lift more individuals out of poverty and build a broader, more stable middle class. This budget:

- Fixes the glaring gap in the EITC for adults not raising children, the lone population still taxed into or deeper into poverty.
- Lowers the income threshold of the Child Tax Credit down to zero so working families can count every dollar they earn towards the credit.
- Expands the maximum Child Tax Credit to \$3,000 per child for very low-income families with young children under the age of six, as those families are most likely suffer from higher poverty and the effects are particularly lasting for young children.
- Increases funding for Volunteer Income Tax Assistance (VITA) sites so that low-income individuals can claim their tax credits without paying expensive and excessive fees to professional tax preparers.

### **2. Education**

Education is a universal human right. However time and time again, we witness this right being denied to the most vulnerable children in America – namely low income students, students of color, and students with disabilities. It is our duty as a nation that calls for justice and equality for

all, to ensure that the children who are so often left to fall through the cracks, have a safe place to land.

### **Federal Education Programs**

Quality education plays a pivotal role in determining a successful career. In order to ensure that all students are given the opportunity to participate in the national job market, investing in key education programs for early education through higher education must remain a priority:

- **Title I** is the biggest k-12 federal education program supporting high poverty public schools. This program is absolutely critical. While nearly 50 million<sup>4</sup> children are educated in public schools, these schools are not equal. The neighborhood a school resides determines the quality of education that students will have access to. While public schools in wealthy districts are thriving, schools in poorer districts are in dire need of renovation<sup>5</sup>. Due to redlining policies that sanctioned people of color into deprived neighborhoods and nudged white families into wealthier suburbs; students of color typically end up attending the schools that lack resources<sup>6</sup>. Due to this, Title I is a program that cannot be comprised. Counselors, psychologists, laptops, up to date text books, and tutors should not be things that only wealthy students have access to. In order to address both wealth and racial inequalities that manifest in this nation, we must prioritize placing funds into schools that are quite literally, falling apart.
- **After School Programs** are also extremely essential to children, especially low income children of color. Not everyone can afford childcare or private tutors. After school programs ensure that children are in a safe and stimulating place to spend the early evening while their parents work. In addition, after school programs provide children with enriching activities that actually boost their educational performance, their social skills, their engagement, their self-esteem, and their motivation to learn<sup>7</sup>.
- **Head Start** is a necessity for many low-income children and families as it eliminates cost barriers to childhood education, provides comprehensive health and developmental services, and increases parent involvement in their children's lives. As a result, Head Start graduates are more likely to complete high school and obtain a college degree. This program has done wonders to reduce inequities between low income and high income families<sup>8</sup>.
- **The Disabilities Education Act** ensures that public schools serve the education needs of students with disabilities. Today, 6.5 million children receive special education services due to the Disabilities Education Act<sup>9</sup>.

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<sup>4</sup> <https://nces.ed.gov/fastfacts/display.asp?id=372>

<sup>5</sup> <https://www.theatlantic.com/business/archive/2016/08/property-taxes-and-unequal-schools/497333/>

<sup>6</sup> <http://www.epi.org/publication/the-racial-achievement-gap-segregated-schools-and-segregated-neighborhoods-a-constitutional-insult/>

<sup>7</sup> <http://www.childrensaidsociety.org/files/upload-docs/Community%20Schools%20-%20After%20School%20Programs.pdf>

<sup>8</sup> <http://www.diversitydatakids.org/data/policy/1/head-start>

<sup>9</sup> <http://idea.ed.gov/>

- **The Federal Pell Grant** is the largest source of grants for college students. The award given depends on financial need. The program has played a pivotal role in reducing barriers to higher education for low income students.
- **Title IX** prohibits the discrimination in schools on the basis of sex and gender. Such a program must remain intact in order to ensure that all students' civil rights are maintained.

With proposed cuts to the Department of Education, such vital programs are at risk. The federal government should take an active role in continuing to fund programs which aim to bring greater equity, protecting the most vulnerable. We must ensure that all people have access to educational opportunities. Today, there are many challenges impacting the quality of education our nation's students receive. At a time when education funding is being drastically reduced, we must keep in mind the cornerstone role education plays in personal success, innovation, and the economy.

#### **A Faithful Budget will:**

- **Fully fund Title I** in order to invest in the repair, renovation, and modernization of public school facilities, particularly in low-income neighborhoods, in order to reduce institutional racial wealth gaps.
- **Increase investment in Afterschool programs** which are an essential developmental tool for low income students and students of color.
- **Continue to invest in Head Start** and other early childhood education programs offering our children the best opportunity for future success.
- **Preserve funding the Disabilities Education Act** to protect students with disabilities.
- **Continue to fund the Federal Pell Grant Program** and others like it, in order to ensure that low income students have access higher education.
- **Maintain Title IX** to prevent any discrimination bases on sex and gender.

#### **4. Worker Supports and Protections**

Work is more than a means to making a living. Work offers the opportunity for individuals to use their gifts, talents, and education to contribute to the common good. All working people, regardless of their jobs and occupations deserve dignity and respect. Work should enhance a person's humanity in a safe and dignified environment.

Yet, every year more than 3 million working people are seriously injured, and thousands more are killed on the job<sup>10</sup>. The financial and social impacts of these deaths and injuries on working people, on their families, and on their communities cannot be overstated. Often, these deaths and injuries can be avoided with adequate training and jobsite inspections.

When injuries or illnesses happen, all working people rely on assistance that allows them to remain in the workforce while caring for family members. Working people in low-wage industries and those with

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<sup>10</sup> <https://www.bls.gov/news.release/pdf/osh.pdf>

limited support structures are forced to make impossible decisions between working to put food on the table for their families and actually spending time with their loved ones. Having a new child, experiencing an illness, or needing to take care of a sick relative are instances when working people need additional support, but few receive the help they need and deserve. Currently, just 10.6% of families eligible for child-care subsidies receive them, leaving parents with limited options and putting children in perilous circumstances.<sup>11</sup> Only 14% of working people have access to paid family leave, and this access is even less common for working people in low-income industries<sup>12</sup>. 80% of the working people in industries that pay the lowest wages have no access to paid sick days<sup>13</sup>. This is not only an affront to the basic human rights that all working people deserve, but a public health crisis<sup>14</sup>. Working people also struggle with unpredictable work hours that make it hard to plan for family needs and maintain employment.

As the economy continues to evolve and industries change more and more working people will find themselves laid off and without a means to support their families. Having access to localized job training programs is important in assisting laid-off workers in finding new employment in different industries.

Whether working in a job for years or applying for a new position, nobody should face discrimination. The federal budget should include adequate financial resources to oversee the employment practices of federal contractors to ensure that they are providing equal employment opportunities and respond to and seek remedy for complaints of discrimination in all workplaces.

Finally, low-wage jobs make it impossible for working people to keep up with rising costs of living. In no state does the minimum wage meet the living wage, meaning that working people with full-time jobs making the minimum wage still cannot afford even basic necessities<sup>15</sup>. This problem is compounded by the alarming rate of wage theft, which is estimated to cost working people in the United States up to \$50 billion a year in earned pay<sup>16</sup>.

#### **A Faithful Budget will:**

- Provide adequate funding for Occupational Safety and Health Administration inspectors in order to ensure that workplaces across the country are safe.
- Fund educational grant opportunities for worker health and safety that will reach the most

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<sup>11</sup> [https://www.washingtonpost.com/news/powerpost/wp/2017/01/05/children-parents-u-s-suffer-because-quality-affordabe-child-care-is-lacking/?utm\\_term=.d6cb92db7f10](https://www.washingtonpost.com/news/powerpost/wp/2017/01/05/children-parents-u-s-suffer-because-quality-affordabe-child-care-is-lacking/?utm_term=.d6cb92db7f10)

<sup>12</sup> <http://www.nationalpartnership.org/issues/work-family/paid-leave.html>

<sup>13</sup> <http://www.paid sick days.org/about-us/?referrer=https://www.google.com/#.WR9KVMjyvcs>

<sup>14</sup> <http://www.npr.org/sections/thesalt/2015/10/19/449213511/survey-half-of-food-workers-go-to-work-sick-because-they-have-to>

<sup>15</sup> <http://livingwage.mit.edu/>

<sup>16</sup> <http://www.epi.org/publication/epidemic-wage-theft-costing-workers-hundreds/>

difficult to reach members of the workforce.

- Invest in and increase access to affordable childcare, offer comprehensive paid family leave and paid sick days that recognize the needs of working people in the 21st century.
- Increase forms of transportation assistance, such as public subsidies for transportation expenses and investments in reliable, safe public transit systems.
- Prioritize educational grants, which match instructional programs with areas of high need.
- Adequately fund the Office for Federal Contract Compliance Programs and the Equal Employment Opportunity Commission in order for them to allow them to pursue their complementary but different missions successfully.
- Ensure that the Department of Labor has adequate funding to combat the many nefarious methods in which wages are stolen from workers across the country.

### **C. A Strong Safety Net**

A strong safety net is necessary to support members of our communities during times they are struggling to meet basic needs, allowing them and their families to live in dignity.

#### **1. Housing**

Living in dignity demands a safe and secure place in which to live. According to the 2016 Annual Homeless Assessment Report to Congress, approximately 549,928 people in the U.S. are homeless on any given night, a decrease of 3% from January 2015 to January 2016. Much homelessness is due to insufficient housing stock for those households with the lowest income.<sup>17</sup> Religious communities have a deep moral understanding to end homelessness, a consistent calling found in nearly every faith tradition. As the numbers show, they are working tirelessly across the country to that end. Places of worship and faith based community organizations offered over 150,000 units of housing for single adults on a single given night in 2016.<sup>18</sup> But lack of affordable housing in communities is making it difficult to put an end to homelessness—particularly in helping people living with the lowest incomes.

##### **a. Affordable Housing**

Demand for rental housing is increasing due, in part, to two significant new challenges in the affordable rental market. Low-wage workers struggle to find affordable rentals, and stagnant wages exacerbates the need for additional units affordable to very-low-income and extremely low-income households. The shortage of affordable rental homes impacts the extremely low-income (ELI) level in which household income is at or below either the poverty guidelines or 30% the area median income. ELI renter households, 11.4 million, accounted for 26% of all U.S. renter households and nearly 10% of all households.<sup>19</sup>

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<sup>17</sup> “2016 Annual Homeless Assessment Report to Congress,” November 2016, U.S. Department of Housing and Urban Development <https://www.hudexchange.info/resources/documents/2016-AHAR-Part-1.pdf>

<sup>18</sup> “Faith Based Organizations: Fundamental Partners in Ending Homelessness,” May 2017, National Alliance to End Homelessness [http://www.endhomelessness.org/page/-/files/05-04-2017\\_Faith-Based.pdf](http://www.endhomelessness.org/page/-/files/05-04-2017_Faith-Based.pdf)

<sup>19</sup> “The Gap: A Shortage of Affordable Homes” March 2017, National Low Income Housing Coalition [http://nlihc.org/sites/default/files/Gap-Report\\_2017\\_interactive.pdf](http://nlihc.org/sites/default/files/Gap-Report_2017_interactive.pdf)

An effective tool to end homelessness and ensure affordable housing opportunities is through the use of the Housing Choice Voucher program, that helps over 5 million people in 2.2 million households nationwide. It is a rental assistance program that serves communities of all sizes, allows for mobility, prevents homelessness, and boosts affordable housing. Primarily, the households using Housing Choice Vouchers in the United States includes 88 % with children, people who are elderly, or people who are disabled. In 2016, less than one in four households, eligible for any form of federal housing assistance received it due to a lack of funding.<sup>20</sup> In Fiscal Year 2017 budget funded \$18.36 billion to renew 97% of Housing Choice Vouchers leaving tens of thousands fewer families able to use vouchers due to renewal funding shortfalls.

NUMBER (IN MILLIONS) OF RENTER HOUSEHOLDS AND NUMBER OF AFFORDABLE UNITS BY INCOME LEVEL IN 2010 AS COMPARED TO 2015<sup>21</sup>

Income Level as % of AMI	2010			2015		
	<30%	<50%	<80%	<30%	<50%	<80%
# of Rental Households	10.11	17.37	25.66	11.4	17.9	26.8
# of Affordable Units	5.5	14.9	33.9	7.5	15.5	34.9
Surplus (Deficit) of affordable units	(4.56)	(2.47)	8.24	(3.9)	(2.4)	8.1

In the period of 2010 – 2017, government resources and attention have focused on homeownership and foreclosure prevention, neglecting the needs of renters. Funding levels have cut assistance to low- to extremely-low income households, eliminating some programs.

HOUSING PROGRAM FUNDING - BUDGET CHART (FIGURES IN \$ MILLIONS)<sup>22</sup>

Program	FY2010 enacted	FY2017 enacted
Tenant Protection Vouchers	120.0	110.0
Public Housing Capital Fund and Operating Funds	7,275.0	1,942.0
Housing Opportunities for Persons with AIDS	335.0	356.0
Housing for Elderly (Sect. 202)	825.0	502.0
Housing for Persons with Disabilities (Sect. 811)	300.0	146.0
Veterans Affairs Supportive	75.0	40.0

<sup>20</sup> "FY 2016 Appropriations: Housing Choice Voucher Program," July 2015, National Alliance to End Homelessness [www.endhomelessness.org/page/-/files/FY%202016%20-%20S8%20Overview.pdf](http://www.endhomelessness.org/page/-/files/FY%202016%20-%20S8%20Overview.pdf)

<sup>21</sup> National Low-Income Housing Coalition, NLIHC Tabulations of 2011 ACS PUMS, combined with 2010 data.

<sup>22</sup> National Low-Income Housing Coalition (excerpted from FY13 Budget Chart and FY17 Budget Chart), [http://nlihc.org/sites/default/files/FY13\\_Budget\\_Chart.pdf](http://nlihc.org/sites/default/files/FY13_Budget_Chart.pdf), [http://nlihc.org/sites/default/files/NLIHC\\_HUD-USDA\\_Budget-Chart.pdf](http://nlihc.org/sites/default/files/NLIHC_HUD-USDA_Budget-Chart.pdf)

Housing		
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Affordable housing stock is being lost due to upper-income households moving back to the heart of the city and the rapid increase in construction of office space in the same areas. Replacement vouchers for those displaced by this trend are increasingly available only for outlying areas, adding transportation cost and time to the difficulties faced by those in poverty. This overpowering of one group by those more powerful is in opposition to a sense of solidarity, a value to faith groups.

**b. Home Energy Assistance**

In order for a home to be safe and allow a family to live in comfort, there must be access to sufficient heat and cooling, the ability to preserve and prepare food, and sufficient energy to operate necessary appliances. The Low Income Home Energy Assistance Program (LIHEAP) serves a critical, life-saving role that protects millions of families from America’s cold winters and hot summers. LIHEAP helps the most vulnerable individuals, including seniors, veterans, many living on fixed incomes, families with young children, and those with disabilities. According to the Department of Health and Human Services, more than 70% of LIHEAP recipient households had at least one vulnerable person – a senior age 60 or older, a child age 5 and under, or an individual with a disability.<sup>23</sup>

LIHEAP is not an entitlement and does not receive increased funding as need increases. For example, in FY 2015, an estimated 6.0 million households received assistance with heating costs through LIHEAP, yet LIHEAP has seen its budget take large and drastic cuts in recent years. Between FY 2009 and FY 2015, LIHEAP’s appropriation was cut by more than one-third, down to \$3.9 billion.<sup>24</sup> Due to these reductions in funding, states have been forced to reduce the number of households served, cut benefits, or both. These reductions place people in dangerous situations, having to choose between heat and food during the bitter cold winters, or between air conditioning and medicine during the dangerously hot and humid summers. The struggle to support a home with rising rents and energy costs frequently places families at risk of not being able to meet other needs, such as health care or sufficient nutrition to keep all members healthy.

**c. Preventing and Addressing Homelessness**

In addition to the lack of affordable housing and rising home energy costs, the plague of homelessness continues to cause severe hardship, leaving millions of individuals and families without a place to call “home.” Fortunately, with the coordinated efforts of the United States Interagency Council on Homelessness our nation’s homeless population has received somewhat

<sup>23</sup> “Trump budget proposes to eliminate LIHEAP,” March 2017, National Energy and Utility Affordability Coalition <http://neuac.org/news-room/press-releases/neuac-statement-proposed-trump-budget/>

<sup>24</sup> “LIHEAP needs at least \$4.7 billion in FY16,” National Energy and Utility Affordability Coalition <http://www.neuac.org/wp-content/uploads/2014/07/LAD-2015-National-Sheet-STATISTICS.pdf>

greater attention in the past few years, decreasing by 15% (approx. 97,330 people) between 2007 and 2016.<sup>25</sup> According to the National Alliance to End Homelessness:

Faith-based organizations serve as the backbone of the emergency shelter system in this country – operating at a minimum nearly 30 percent of emergency shelter beds for families and single adults at the national level. They play a critical role in delivering services to people in crisis and significantly fewer households experiencing homelessness would be served and more would remain in crisis without them. Homelessness will not be ended without faith-based organizations.<sup>26</sup>

Low incomes, high housing costs, and a lack of supportive services often make people vulnerable to homelessness. Prevention and rapid re-housing clearly work -- this is the lesson of the Homelessness Prevention and Rapid Re-Housing Program which appears to have forestalled an increase in homelessness despite lack of affordable housing. Permanent supportive housing works to house chronically homeless people and veterans with disabilities, and continued investment will solve these problems.

**d. Community Development Block Grants (CDBG) and Disaster Relief**

The Community Development Block Grant program (CDBG), first established under the Housing and Community Development Act of 1974, is one of the most critical U.S. domestic programs that helps redevelop housing through loan assistance and fostering development for communities across the country. The majority of CDBG funds, a minimum of 70%, go to areas of low and moderate incomes, and are valuable to places of worship working to revitalize marginalized neighborhoods.

*They shall build houses and inhabit them; they shall plant vineyards and eat their fruit. They shall not build and another inhabit; they shall not plant and another eat; for like the days of a tree shall the days of my people be, and my chosen shall long enjoy the work of their hands. They shall not labor in vain—*

*Isaiah 65:21-23a (NRSV)*

Beyond serving the vital needs of rehabilitating public facilities—such as rebuilding shelters, providing community services like job training, or offering down payment assistance for first home buyers—the CDBG program has been used in recent years to help localities rebuild in the aftermath of terrible disasters. The faith community has deep history of service in disaster response, and continues to offer immediate relief for recovering communities. In the midst of largescale natural disasters across the country, such as destructive hurricanes along the east

<sup>25</sup> “2016 Annual Homeless Assessment Report to Congress,” November 2016, U.S. Department of Housing and Urban Development <https://www.hudexchange.info/resources/documents/2016-AHAR-Part-1.pdf>

<sup>26</sup> “Faith Based Organizations: Fundamental Partners in Ending Homelessness,” May 2017, National Alliance to End Homelessness <http://www.endhomelessness.org/library/entry/faith-based-organizations-fundamental-partners-in-ending-homelessness>

coast, or flooding in Louisiana and across the Midwest, CDBG Disaster Relief grants have been essential in both the short-term and long-term responses in helping struggling communities.

Unfortunately, programs like the CDBG program are often the first to be considered for funding cuts—many times because the effects of rollbacks are not always immediately evident. However, the faith-based community recognizes the integral value revitalizing assistance. Churches, synagogues and mosques alike all understand firsthand that such programs are essential to cutting back on blight, and offering much needed assistance for people living in poverty. As such, religious groups firmly recommend continuing to fully fund of the CDBG program.

**e. National Housing Trust Fund (HTF)**

According to: *The GAP: A Shortage of Affordable Homes*, published by the National Low-Income Housing Coalition (3.2.17), only 35 units exist for every 100 needed. The Housing Trust Fund (HTF) is the first new housing production program for those at the extremely-low-income (ELI) level; at or below 30% of the Area Median Income (AMI).

The National Housing Trust Fund, authorized in July 2008, allocates funding to states to make available and operate additional affordable housing for those in greatest need. 90% of the HTF dollars must go to low income households of which 75% must be used to serve ELI households. Up to 10% may be used to support first-time homeownership.

In 2016, the first HTF dollars were allocated to states, according to a formula, as the state's NHTF Allocation Plan was approved and funding was available. There is no cost to the Federal Government, as the NHTF is not a part of the appropriations system. The initial source of funding is a small fee (0.042%) on Freddie Mac and Fannie Mae activity – 65% of which goes to the trust fund. Most housing produced by through the HTF is part of larger projects, often a portion of units within mixed income complexes. Additional funding may come through housing finance reform. There are current proposals for a one-time infusion of significant funding, interest of which would be used, and for funding from restructuring of the Mortgage Interest Deduction.

**f. Renter Tax Credit**

More than 75% of federal housing assistance goes to home ownership, and the bulk goes to the wealthiest 20% of households. Yet, low-income renters are far more likely to spend a higher percent of their income on housing. Rental assistance programs reach only one in four eligible households. A Renters' Tax Credit would help balance housing policy. There is not a federal Renters' Tax Credit, however legislation is being considered. There are seven states and a few cities (including Washington, D.C.) that have such a credit.

A Renters' Tax Credit should work in tandem with the Low-income Housing Tax Credit (LIHTC) – a subsidy for affordable housing development. The LIHTC is not sufficient to push rents low

enough for low-income households to afford. In tandem, these tax credits would support struggling families and would be a win-win for renters and property owners. Renters would pay no more than 30% of their income for rent, property owners would receive a tax credit in exchange.

The renters' credit would be administered by states and implemented through a public/private partnership.

**g. Low Income Housing Tax Credit (LIHTC)**

The Low-Income Housing Tax Credit (LIHTC) is the primary program to encourage property owners to invest private equity in the development of affordable rental housing for low-income households. Since its inception in 1986 it has helped finance more than 2.4 million affordable rental-housing units for low-income households. The LIHTC subsidizes investors who claim tax credits on their federal income tax returns. The credits can be used for new construction or for significantly rehabilitated properties affordable to low-income households.

A project must set aside 40% of the units for renters earning no more than 60% of the area median income (AMI), or 20 % for renters earning 50% or less of the AMI. Once a property is operational, the tax credit is claimed annually over a 10-year period, it must comply with low-income housing rules for 15 years, and must remain affordable for 30 years.<sup>27</sup>

**A Faithful Budget will:**

- Provide additional units of housing affordable to very-low- and extremely low-income households by funding the already authorized National Housing Trust Fund.
- Ensure sufficient vouchers for all households to have access to safe and affordable living space.
- Fund the LIHEAP program at no less than the FY2017 level and increase access to energy assistance for low-income families and veterans.
- Continue to invest in the successful Homelessness Prevention and Rapid Re- Housing Program.
- Invest in improving our crisis response system to better respond to the emergency needs of unsheltered families and individuals.
- Provide funding for permanent supportive housing to chronically homeless people, homeless veterans, and homeless people with disabilities.

**2. Domestic Hunger and Nutrition**

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<sup>27</sup> Low-Income Housing Tax Credits: Affordable Housing Investment Opportunities for Banks," April 2014, Office of the Comptroller of Currency <https://www.occ.gov/topics/community-affairs/publications/insights/insights-low-income-housing-tax-credits.pdf>

Hunger and food insecurity costs the U.S. economy at least \$160 billion in poor health outcomes and additional health care every year. More than 42 million Americans, including 1 in 6 children, live in households that struggle to put food on the table. While food insecurity rates are slowly declining, they remain much higher than before the Great Recession. The need for food assistance remains high.

Our nation's nutrition programs, in conjunction with food banks and private charity, work to meet the nutrition needs of those living in and near poverty. But not all food assistance reaches everyone in need. Gaps in access and participation are particularly concerning for vulnerable children and older Americans who are at high nutritional risk.

#### **a. A Stronger Nutrition Safety Net**

Faith communities and agencies cannot end hunger alone. Our nation's federal nutrition programs provide nineteen times more food assistance than private charity. Despite an improving economy, food insecurity and poverty rates remain high and so does the need for food assistance.

The Emergency Food Assistance Program (TEFAP) typically provides food commodities through food banks, pantries, soup kitchens, and shelters. As demand for food remains high at food banks across the country, additional funding for TEFAP is needed. TEFAP funding and purchases should be allowed to respond to high unemployment levels to help meet increased emergency food needs.

Our nation's largest anti-hunger program is the Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps). SNAP helps households put food on the table during times of great need, keeping millions out of poverty. The program currently serves 42 million Americans, but only reaches about 83 percent of eligible individuals. Additionally, benefits aren't always enough to last through the month or afford a healthy diet.

#### **b. Addressing Child Hunger**

Children are especially vulnerable to the ill effects of hunger and malnutrition. Programs like SNAP, the WIC Program (Special Supplemental Nutrition Program for Women, Infants, and Children), and school meals help protect children from hunger and ensure they are well fed and ready to learn.

- Nearly half of SNAP recipients are children.
- The WIC program currently serves 7.7 million women and young children.
- More than 22 million low-income children participated in the National School Lunch program in 2016. While the same children are also eligible for the School Breakfast Program and the Summer Food Service Program, only 56 percent received breakfast and only about 15 percent received summer food.

#### **c. Addressing Elder Hunger**

Hunger and food insecurity also have serious consequences for older Americans. Unfortunately, only 42 percent of eligible older Americans participate in SNAP. While the Commodity Supplemental Food Program primarily serves seniors by providing monthly food packages designed to supply vital nutrients,

it does not operate nationwide. Nevertheless, CSFP provides a vital safety net – a monthly bag of groceries – to more than 585,000 people every month.

Congregate and home-delivered nutrition services for seniors like those included in the Older Americans Act are also critical in alleviating senior hunger. These two programs alone serve nearly 1 million meals to older Americans in communities across the country every year.

**A Faithful Budget will fully fund our nation’s nutrition programs, covering all who are eligible, by:**

- Protecting SNAP and permanently adjusting benefit levels to reflect the cost of a healthy diet.
- Allowing TEFAP commodity purchases to respond to high unemployment levels to help meet increased emergency food assistance needs.
- Funding the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to cover all eligible women and young children.
- Funding school breakfast and childcare feeding grants and summer EBT demonstration projects to better connect eligible children with available child nutrition programs.
- Fully funding and expanding the Commodity Supplemental Food Program so it can operate nationwide.

**3. Temporary Assistance for Needy Families**

Temporary Assistance for Needy Families (TANF) was a key element of welfare reform 20 years ago. A booming economy in the 90s and effective tax credits for working families led to a reduction in poverty that hid faults in TANF’s structure. Unfortunately, economic slowdown and especially the Great Recession have exposed serious flaws that prevent TANF from effectively supporting families experiencing poverty. While almost seven in 10 poor families with children were helped by TANF in 1996, that number shrunk to less than one in four by 2015, which is particularly concerning as we know poverty was on the rise.<sup>1</sup>

As a flat-funded block grant program, TANF has lost value over time and has proven incapable of responding to increased need during recession. Further, strictly defined work requirements and time limits do not take into account a lack of good paying jobs or other barriers to employment, such as child-care, transportation, and criminal records.

**A Faithful Budget will:**

- Provide states with a substantial increase in TANF funding and an emergency fund for recessions
- Give states incentives to assist more children and families out of poverty, potentially including minimums in assistance levels and/or percent of families in poverty assisted
- Encourage states to focus on helping struggling families achieve stability by changing the measure of success and creatively broadening work requirements to include job training, apprenticeship, and other employment search support
- Require states to use TANF funds for TANF while there are families in need of aid who do not receive assistance

**4. Office of Refugee Resettlement (ORR) and the Refugee and Entrant Assistance (REA) Account:**

More than 21 million refugees worldwide have been displaced due to persecution because of their race, religion, nationality, political opinion, or membership in a particular social group. Due to this world refugee crisis, refugees are desperately seeking safety for themselves and their families in the United States. Those lucky enough to make it to the U.S. often arrive with nothing but the clothes on their backs, but filled with the eagerness to work hard and contribute to their new communities. To successfully adjust to their new lives in the U.S. the Office of Refugee Resettlement (ORR) must be adequately funded to meet the needs of refugees arriving. Likewise, the Refugee and Entrant Assistance (REA) Account also needs additional funds to ensure refugees have access to basic necessities and opportunities to integrate, pursue employment, and thrive in their communities.

**A faithful budget will:**

- Robustly fund the Office of Refugee Resettlement (ORR) and the Refugee and Entrant Assistance (REA) Account to provide quality services to refugees, asylees, Special Immigrant Visa recipients, unaccompanied children, and all other populations under ORR's jurisdictions arriving in the United States and those already in the country to allow them to thrive.

**5. Count Everybody in an Equitable Census**

As mandated by the Constitution, a census is undertaken every ten years to count the population. This data guides the allocation of over \$450 billion in federal assistance every year, which is used to provide job training, health care, housing, economic development, and other important human needs. This is the largest mobilization conducted in the U.S., and it takes research, preparation, and federal investment to ensure the census is accurate. In the past, the census has tended to undercount communities of color, people experiencing poverty, young children, and rural residents, which decreases these communities' access to federal funding and proportional representation. The systematic undercounting of these communities perpetuates structural oppression and institutionalized racism and measures must be taken to correct this.

- Significantly ramp up funding for the Census Bureau in FY 2018 to ensure the Bureau has adequate resources to prepare for an accurate, modern, and equitable 2020 Census.
- The funding needed for the Census Bureau is cyclical, meaning it must be steadily increased in the years leading up to the decennial census. After years of insufficient funding, the upcoming 2020 Census is at risk for an undercount unless funding is ramped up significantly in FY 2018. To ensure all communities have economic opportunity and a strong safety net, we must invest in the census to ensure they are counted accurately.