



Funders Together

TO END HOMELESSNESS



Policy Alert

What's Happening: FY2024 Budget Negotiations Continue | Potential Government Shutdown Impacts

As the September 30th deadline to fund the government approaches, Congress remains deadlocked between both parties and chambers on the FY2024 spending bill. House Republicans are likely to vote on a [stopgap spending bill](#) on Thursday – one that would ultimately slash all non-military spending by 8% with a proposed 1% decrease from FY23 going into effect immediately until October 31st. The Senate is likely to reject many of the bill's measures with few other paths in sight to overcome deadlock and avoid a shutdown.

With 12 days to avert a government shutdown, the end of the month may mark the start of the fifth shutdown in 30 years and trigger significant harm and insecurity for many in our communities, while also costing billions. The Congressional Budget Office estimated that the 2018-2019 government shutdown cost our economy \$3 billion that was never regained and an additional \$8 billion in slowed growth.

Nationwide, the rightful beneficiaries of government programs and federal employees will experience immediate impacts, including possible increased housing insecurity, as a consequence of Congressional inaction. Unlike with other key entitlement programs, recipients of [SNAP](#), [TANF](#), and [WIC](#) are uniquely vulnerable to a shutdown as these programs will not be considered essential and will be halted if Congress doesn't act. All three programs are targeted to serve economically vulnerable individuals and families, and as products of our nation's legacy of structural racism, these programs serve a higher proportion of people of color. Another government shutdown would be devastating for millions — especially Black and brown communities — with [child poverty reported to have doubled last year](#) and homelessness and housing insecurity on a rapid rise in many communities.

How Philanthropy Can Take Action

It is vital for philanthropy to use its voice and leverage influence to let Congress know the impacts we will see locally and across the country and that communities of color will suffer most if the federal government does not take responsibility to do its job. Party leaders and members of Congress need to know that philanthropy cannot be expected to replace the role of government in providing long-term basic needs and funding. While some assume a shutdown will have minimal impact, it is important for philanthropy to amplify the message

that the effects of a shutdown will be felt widely - particularly within communities that have been historically marginalized and continue to face disparities due to structural racism and white supremacy.

The expectation that philanthropy will fill the gaps left behind by an avoidable government-made crisis ignores the fact that philanthropic funding is not distributed evenly in all parts of the country and will result in additional resource disparities in places that need it most, mainly in Black, Indigenous, and other communities of color.

As we have said during past cases of government inaction: If philanthropy is expected to invest additional funds to make up for the lack of resources during a government shutdown, it will take critical resources away from other investments in housing, homelessness, preventative programs and solutions – creating yet another crisis that requires federal resources.

If you are a public foundation or United Way and can engage in direct lobbying, call on members of Congress and party leaders to prioritize the wellbeing of our communities and pass the legislation required to sustain the critical investments we need in our federal budget including housing programs, efforts to end homelessness, and community development in 2024. Advocates can also use the National Low Income Housing Coalition's [Legislative Action Center](#) to call or email their members of Congress and urge them to pass a budget and avoid a shut down by expanding – not cutting – funding for HUD's vital affordable housing and homelessness programs in the FY24 budget.

If you are a private foundation or unable to partake in direct lobbying activities, contact your federal policymakers to educate and inform them about what your community saw in the wake of previous shutdowns and what you know from grantee partners about the risks a shutdown would pose to housing security locally. You can also encourage your trustees to utilize their voice to educate both the public and government partners about the detrimental impacts of a government shutdown and urge them to do their job.

Remember: Public and private foundations may educate legislators about a broad range of issues without referencing or providing views on specific legislation. Public and private foundations can also provide capacity for grantee partners to contact their Representatives and Senators on behalf of their community.

Focusing on the Long-Term Vision: Supporting and Sustaining Communities

As leaders in philanthropy and in our communities, we must make time **now** to ensure that there are adequate resources and backstops in place for those most likely to feel the impact of a government shutdown in its early days.

The [Congressional Budget Office's 2019 report](#) found that those receiving SNAP, WIC, and TANF benefits are most at immediate risk of losing vital government resources, in addition to the insecurity and potentially lost paychecks incurred by the nearly 20 million U.S. government employees. The CBO found that the states most [affected](#) by a government shutdown, outside the D.C. area, were New Mexico, Hawai'i, Alaska, West Virginia,

Mississippi, Alabama, and Arizona – some of the most racially diverse and economically disenfranchised states.

Early in the COVID-19 pandemic, Funders Together [created a resource to help guide philanthropy](#) in supporting communities. These recommendations also provide a framework in which philanthropy can continually support communities by being catalysts for racial and housing justice as part of our continual work, including in the midst of an impending shutdown.

We must prioritize those on the ground providing services, resources, and mutual aid to ensure that their operations are able to continue as uninterrupted as possible and that staff can practice community and self-care during these times. Philanthropy should be acting now to convene leaders and advocates to identify needs and potential funding and partnerships to bridge those gaps expediently. Likewise, funders can support community leaders, organizers, and activists in their advocacy work to hold the federal government accountable in doing what they were elected to do. While some lawmakers appear to lose focus on the wellbeing of the people of our nation, our institutions must double down and make it clear that we will stand by and for our communities and that we do so stridently when historically marginalized communities are so blatantly targeted.

Policy Resource Round-Up

- **Funders Together to End Homelessness:** [COVID-19 Response and System Redesign: Recommendations for Philanthropy to Support Solutions to End Homelessness](#)
- **Center on Budget and Policy Priorities:**
 - [Partisan House Appropriations Bills Underfund Non-Defense Priorities and Are a Sharp Break From the Bipartisan Debt Ceiling Agreement](#)
 - [Policy Basics: Introduction to the Federal Budget Process](#)
 - [Record Rise in Poverty Highlights Importance of Child Tax Credit; Health Coverage Marks a High Point Before Pandemic Safeguards Ended](#)
- **National Alliance to End Homelessness:**
 - [Long Overdue: Visibility for Native Hawaiian and Pacific Islanders Experiencing Homelessness](#)
- **National Low Income Housing Coalition:**
 - [Senate Prepares for Vote on HUD Funding Bill; Members of Congress Return to Capitol Hill with Just Weeks to Avoid Government Shutdown – Take Action!](#)

As always, we are here to answer your questions or provide insights on public policy developments and opportunities. Please reach out to me or [Amanda](#) at any time.

Lauren Bennett

Director of Communications and Policy

[Funders Together to End Homelessness](#)

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