U.S. Department of Agriculture (USDA) Section 521 Rental Assistance Program Profile (Accessible Version)

About the Program

The Section 521 Rental Assistance Program provides rental subsidies to reduce the rent expenses for eligible recipients living in federally subsidized properties. The program is overseen by the Rural Housing Service and was authorized by Title V, Section 521(a)(2) of the Housing Act of 1949, as amended.

The program's rental assistance is administered in conjunction with new or existing property loans financed through other programs:

- Section 514 and 516 Farm Labor Housing Program Loan and Grant Program—provides grants and loans to build rental housing for farm laborers.

  Section 515 Rural Rental Housing Direct Loan—provides loans, subsidized to as low as 1 percent interest, to developers to build rental housing.

Projects must be established on a nonprofit or limited profit basis.

Properties receiving rental assistance must have tenants with low incomes (between 50 and 80 percent of the area median income) or very-low incomes (at or below 50 percent of the area median income). Under the Section 521 rental assistance, eligible tenants pay no more than 30 percent of their income towards rent. USDA pays the remaining amount to property owners.

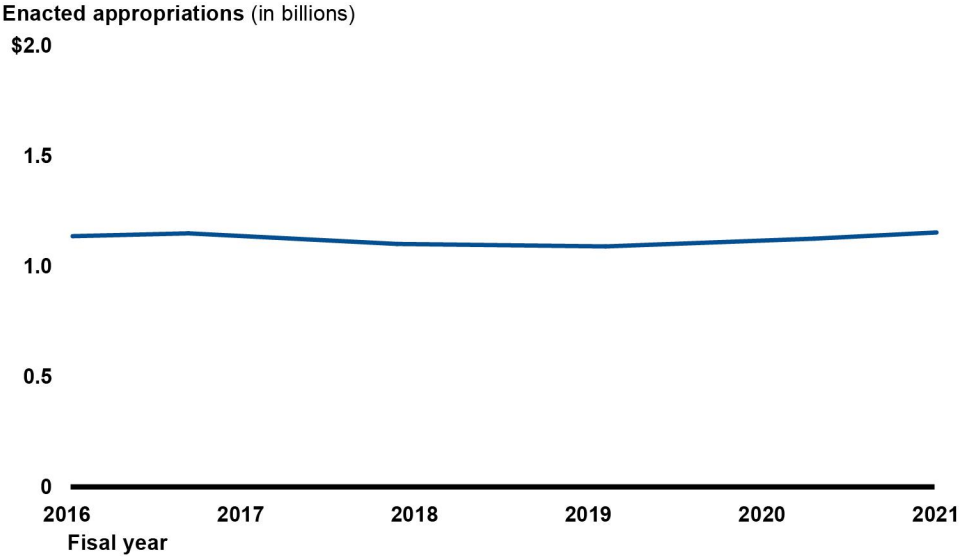
Program Recipients

Participating property owners receive rental assistance to cover the difference between the tenant's contribution and the rental amount. The program provides property owners with rental assistance funds through annual contract amounts expected to last for a 12-month period, as required under USDA's appropriations acts. Annual contracts end when the original dollar amount obligated is fully expended, even if the period covered by the contract is longer than 12 months. Many factors—including changes in vacancies, tenant incomes, and the number of rental units undergoing repair or rehabilitation—can lead to rental assistance agreements lasting shorter or longer than anticipated. Program administrators automatically renew expiring contracts if funding is available and property owners are in compliance with program requirements. Each month, property owners or their management companies must certify the number of rental assistance units that are occupied and submit a request for rental assistance payment. Additionally, property owners must certify tenants' incomes annually or when a tenant's income substantially changes.

Funding Characteristics

The program is primarily funded through 1-year, discretionary appropriations. In every fiscal year since 2017, $40 million of the program's funding has been made available for a 2-year period. As shown in figure 5, annual appropriations generally remained the same since 2016. In fiscal year 2021, the program's total appropriation was $1.41 billion.

Figure 5: Section 521 Rental Assistance Program Annual Appropriations, Fiscal Years 2016-2021



Source: GAO analysis of Department of Agriculture budget data. | GAO-22-104701

Accessible Data for Figure 5: Section 521 Rental Assistance Program Annual Appropriations, Fiscal Years 2016-2021

Fiscal year	Enacted Appropriations (in billions of dollars)
2016	1.389
2017	1.405
2018	1.345
2019	1.331
2020	1.375
2021	1.41

In addition to the annual appropriations shown in the figure, USDA received an additional appropriation of $100 million through the American Rescue Plan Act in fiscal year 2021 to provide grants to address income losses for residents in eligible housing during the COVID-19 pandemic.[1]

Program Outcomes

According to USDA officials, from fiscal years 2016 to 2018, the program provided more than $2.9 billion in rental assistance payments to more than 8,000 property owners on behalf of approximately 14,000 tenants residing in multi-family housing complexes in the 50 states, Puerto Rico, the U.S. Virgin Islands, and Guam.

In 2020, about 93 percent of households receiving Section 521 rental assistance were very-low income households, with an average annual household income of $11,669. The percentage of very-low income households receiving Section 521 rental assistance in 2020 was similar in 2018 and 2019.

[1]Pub. L. No. 117-2, § 3202, 135 Stat. 60 (2021).

Department of Education Predominantly Black Institutions (PBI) Formula Grants Profile

About the Program

The purpose of the PBI formula grants program is to assist predominantly Black institutions of higher education in expanding educational opportunity through a program of federal assistance. The program is part of the Higher Education account of Education's Office of Postsecondary Education. The PBI formula grants program was originally authorized in 2008 in Title III, Part A, Section 318 of the Higher Education Act. To participate in the program, schools' student bodies must meet certain demographic requirements.

According to Education officials, a cohort of grantees receive yearly funding for a 5-year period before having to reapply to the grant program. There is usually a 2-year waiting period after the end of a 5-year grant period before a school can reapply for PBI formula grants. However, that waiting period was waived in 2020 for fiscal year 2021 in response to the COVID-19 pandemic.

Program Recipients

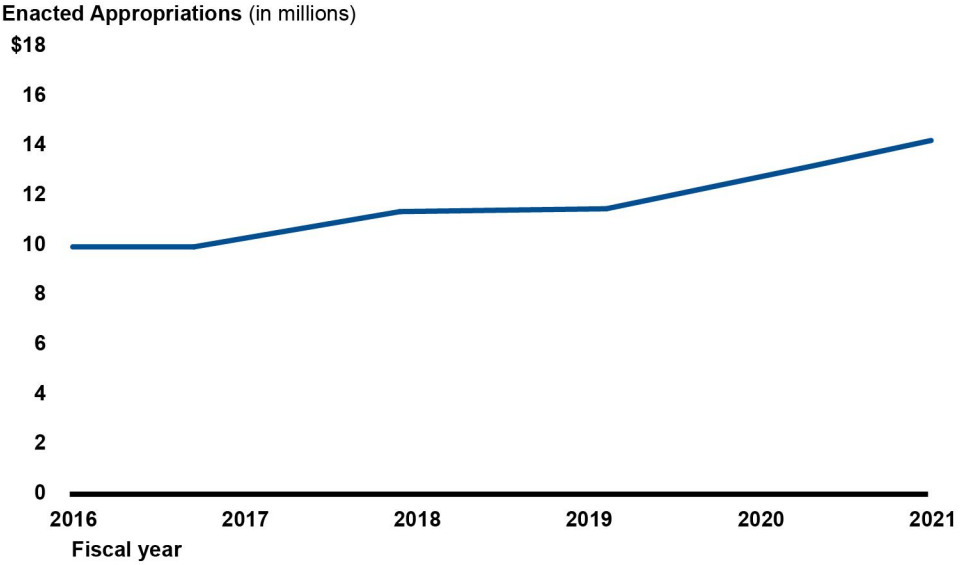
PBI formula grants are allocated each year to applicant schools that have undergraduate enrollments that are at least 40 percent Black American students and are made up by at least 50 percent low-income or first-generation students, and do not receive other specified funds. Grantees provide demographic information to Education each year to ensure that they continue to meet the grant requirements.

Grantees can use these formula grants to (1) provide academic instruction in disciplines in which Black Americans are underrepresented, (2) establish or enhance a program to qualify students to teach, (3) establish community outreach programs, (4) acquire laboratory equipment, (5) build and maintain learning facilities, (6) support faculty development, (7) develop and improve academic programs, (8) purchase books, (9) provide tutoring, (10) improve financial and economic literacy, (11) support administrative and fund management, (12) facilitate joint use of facilities, (13) establish or improve an endowment fund, and (14) create or improve facilities and equipment for remote learning.

Funding Characteristics

The PBI formula grants are generally funded through 1-year, discretionary appropriations. As shown in figure 6, annual appropriations for the PBI formula grants have increased since 2016. According to Education's Congressional Budget Justification for fiscal year 2021, the total appropriation was $14.2 million.

Figure 6: Predominantly Black Institutions Formula Grants Annual Appropriations, Fiscal Years 2016-2021



Source: GAO analysis of Department of Education budget data. | GAO-22-104701

Accessible Data for Figure 6: Predominantly Black Institutions Formula Grants Annual Appropriations, Fiscal Years 2016-2021

Fiscal year	Enacted Appropriations (in millions of dollars)
2016	9.942
2017	9.942
2018	11.361
2019	11.475
2020	13.197
2021	14.22

In addition to the annual appropriations shows in the figure, the PBI program received $18.2 million in funding from the CARES Act in fiscal year 2020 to prevent, prepare for, or respond to the COVID-19 pandemic, and supplemental funding totaling $29.6 million in fiscal year 2021 through the Coronavirus Response and Relief Supplemental Appropriation Act, 2021.[2] The PBI program also received an additional $51.6 million through the American Rescue Plan Act in fiscal year 2021.[3]

Program Outcomes

In fiscal year 2021, 40 schools received PBI formula grants as part of a 5-year cohort for a total of $14.2 million. Institutions of higher education receiving PBI grants have typically met or exceeded Education's performance goals. For example, in 2020, the percentage of first-year students who continued for a second year at the same PBI met the target for 2-year institutions (56 percent) and exceeded the target for 4-year institutions (74 percent) by 1.5 percentage points.

[2]Pub. L. No. 116-136, § 18004(a)(2), 134 Stat. 281, 567 (2020); Pub. L. No. 116-260, div. M, § 314(a)(2), 134 Stat. 1182, 1932 (2020).

[3]Pub. L. No. 117-2, § 2003 (3), 135 Stat. 4, 23 (2021).

Department of Health and Human Services' (HHS) Low Income Home Energy Assistance Program (LIHEAP) Profile

About the Program

The LIHEAP grant provides home energy assistance to low-income households. It is overseen by the Office of Community Services in HHS' Administration for Children & Families. LIHEAP was authorized by the Low Income Home Energy Assistance Act of 1981, as amended. Grantees can use these funds for various purposes, such as heating and/or cooling assistance, weatherization, and energy crisis assistance.

According to agency officials, low-income households can apply to their state, territory, or tribal LIHEAP offices to participate in the program. In addition, according to HHS officials, LIHEAP offices or their local administering agencies provide financial credits to approved households' utility accounts or pay for fuel delivery to approved applicants, based on their home fuel source.

Eligible households generally must have income less than 150 percent of the federal poverty guideline or less than 60 percent of their state's median income level. States can set lower eligibility thresholds, but not less than 110 percent of the federal poverty guideline. A grantee may determine eligibility by the receipt of certain federal benefits, such as the Temporary Assistance for Needy Families program.

Program Recipients

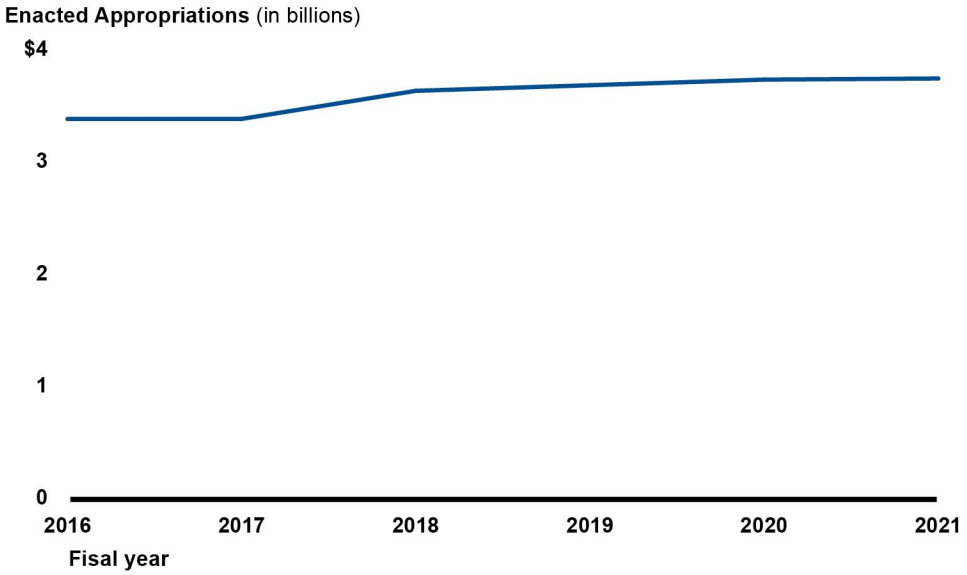
According to HHS officials, federal LIHEAP funds are disbursed in the form of grants to the 50 states, the District of Columbia, approximately 150 tribes and tribal organizations, and five U.S. territories (grantees). In addition, according to HHS officials, grantees can work in-house or contract with local administering agencies and utility companies to provide financial credits or fuel to households that have applied for and been approved to receive benefits. Funds can by granted directly to the tribal organization or, if there is no tribal organization, to an entity HHS determines has the capacity to provide assistance.

Each year, grantees are required to submit a plan to HHS that outlines, among other things, eligibility requirements used and estimates on the use of funds.

Funding Characteristics

LIHEAP is generally funded through one-year, discretionary appropriations. As shown in figure 7, annual appropriations for the program have increased slightly over time. In fiscal year 2021, its total appropriation was $3.75 billion.

Figure 7: Low Income Home Energy Assistance Program Annual Appropriations, Fiscal Years 2016-2021



Source: GAO analysis of Department of Health and Human Services budget data. | GAO-22-104701

Figure 7: Low Income Home Energy Assistance Program Annual Appropriations, Fiscal Years 2016-2021

Fiscal year	Enacted Appropriations (in billions of dollars)
2016	3.39
2017	3.39
2018	3.64
2019	3.69

Fiscal year	Enacted Appropriations (in billions of dollars)
2020	3.74
2021	3.75

In addition to the annual appropriations shows in the figure, LIHEAP received an additional $900 million through the CARES Act in fiscal year 2020 to prevent, prepare for, or respond to the COVID-19 pandemic.[4] LIHEAP also received an additional $4.5 billion through the American Rescue Plan Act in fiscal year 2021.[5]

According to HHS officials, funds are allocated to state grantees based on two formulas, as specified by appropriations acts each year. The "old" formula—which uses a methodology from 1981—is primarily based on state heating needs, allocating more money to colder states. The "new" formula—which uses a methodology from 1984—is primarily based on recent population and energy data. In addition, according to HHS officials, in fiscal year 2021, $2.99 billion of LIHEAP's annual appropriation was directed to be allocated based on the "old" formula. The remaining $760 million of its annual appropriation was to be allocated to grantees based on the "new" formula.

Allotments for tribal grantees are taken from the LIHEAP allocations of the states—within which tribes are located and for which states would otherwise be paid—and may be based on either (1) the number of low-income Native American households on tribal land as a proportion of all low-income households in the state, or (2) an agreed upon amount with the state. U.S. territories are to receive a flat rate between 0.1 and 0.5 percent of the total LIHEAP appropriation for the year. In fiscal year 2019, LIHEAP funding was divided between the five territories based on population, with Puerto Rico receiving about 90 percent of the funds.

Some grantees also have access to other sources of funding for their programs, such as allocations from state appropriations or collection of fees from customers of utility companies.

Program Outcomes

According to HHS, preliminary data indicates that during fiscal year 2020, the program's grants resulted in an estimated:

- $2.02 billion in heating assistance for 4.8 million households,
- $464 million in cooling assistance for 820,445 households,
- $402 million for residential weatherization or repairs for 50,424 households, and
- $916 million in crisis assistance for households at immediate risk of losing utilities.

[4]Pub. L. No 116-136, 134 Stat. 281, 557 (2020).

[5]Pub. L. No 117-2, tit. II, § 2911, 135 Stat 4. 51 (2021).