



Proposed Federal Budget Reduction Impacts

HRDC is a private, non-profit organization that is not a government entity. However, HRDC has many partnerships and contracts with the state and federal government to provide services and serve communities.

Our work as an organization impacts the lives of more than 13,000 people across Gallatin, Meagher, and Park Counties each year, meaning about 1 in every 10 people in Southwest/Southcentral Montana. Federal funding represents about 46% of our annual revenue and is interwoven into our programming in various ways, meaning it touches nearly every one of those 13,000 lives. This percentage of federal funding represents a significant decrease in reliance on federal funding over the last decade, decreasing by nearly 30%.

As we continue to navigate the federal budget process closely, work alongside our local, state, and national partners, work proactively to minimize the risk to our organization, preserve essential community functions and services our team performs and the professional roles they hold in the community, we also need to educate the community about the reach of our work.

This document provides an overview of the current federal programming at risk. It is important to emphasize that HRDC understands the need for a balanced budget, hopes to be part of the solution, has weathered many

federal administrations and changing priorities in our five decades of service, and that our innovation and partnerships that make community-driven solutions actually work - happen at the local level. Still, federal decreases could have far-reaching consequences, affecting not only the programs but also the individuals and communities that rely on them. To illustrate the impact of the proposed budget reductions and eliminations, this overview highlights the reach of that programming and its beneficiaries.

Further, proposed reductions to SNAP, Medicaid, and other entitlement programs at the federal level will impact state funding and have a compounding effect on the demand for our existing services.

It is important to note that our work “...doesn’t just respond to poverty—we are actively working to change the systems that cause it. Community Action doesn’t just support communities from the outside—it powers them. Economically. Systemically. Humanly.” - Beck S. Moore

Education Programs

Federal funding is critical to supporting education at all levels, from early childhood programs to higher education. Reductions in funding could have several adverse effects.

Program	Beneficiaries	Potential Impact	Financial Dependence
Workforce Innovation	More than 20 out-of-school youth and business partners	Decreased funding for skill building, workforce placement, and work support services for disadvantaged youth.	Federal funding provides for 100% of our workforce readiness and placement programming.

Healthcare Programs

Federal funding is crucial for maintaining access to healthcare services, particularly for vulnerable populations. Funding reductions could significantly affect access to healthcare and insurance and reduce our ability to allow

seniors to maintain independence in their own homes as long as safely possible, thus reducing the cost of assisted living and prolonging placement.

Program	Beneficiaries	Potential Impact	Financial Dependence
SHIP (Senior Health Insurance Assistance Program)	More than 330 seniors across Gallatin, Park, and Meagher Counties	Loss of assistance navigating complexities of Medicare - not accessing lower Rx costs and potential of forgoing necessary medications - increasing health-related emergencies; Potential increases in premiums and out-of-pocket costs, impacting affordability and access to care.	Federal dollars provide 75% of our Senior Health Insurance Assistance program funding
Medicare Patrol (Education on Fraud & Elder Abuse)	More than 320 seniors across Gallatin, Park, and Meagher Counties	Consequences can be devastating both financially and emotionally, resulting in increased dependency, impoverished living conditions, decline in well being, higher rates of hospitalization and long-term care admissions, and poor physical and mental health.	Federal dollars provide 100% of our Fraud and Elder Abuse prevention programming funding
Homemaker (Non-Medical homecare and respite for caregivers)	More than 50 seniors and their families across Gallatin and Park Counties	Increase in loneliness, isolation, risk of depression; loss of independence for older adult and need for higher level of care; caregivers decline in physical, mental, social and/or financial health	Federal dollars provide 40% of our in home care/respite for seniors programming funding

Program	Beneficiaries	Potential Impact	Financial Dependence
RSVP (Meaningful volunteer opportunities to combat social isolation and loneliness)	More than 160 seniors across Gallatin and Park Counties	Risk of developing mental and physical health conditions	Federal dollars provide 55% of our funding to reduce isolation and loneliness for seniors

Housing Assistance Programs

Federal funding is crucial for maintaining access to housing assistance programs, particularly for vulnerable populations. Funding reductions could significantly affect housing stability and rates of homelessness.

Program	Beneficiaries	Potential Impact	Financial Dependence
Homeownership Education and Counseling	Providing education and one-on-one prepurchase counseling services to more than 200 local households. This certification allows first-time homebuyers to qualify for reduced loan terms.	Individuals and households would lose access to local counselors to secure necessary education and guidance and reduced loan terms available to those receiving completion certification.	Federal assistance to pay for education and counselling services accounts for nearly 90% of program costs.
Down Payment Assistance	First time homebuyers earning less than 80% of area median income	Down payment assistance in for the form of zero interest secondary financing to ensure first time homebuyers are able to secure and maintain affordable mortgage payments	Federal funding provides 100% of down payment assistance funding
Project-Based Rental Assistance	More than 300 low-income individuals and families,	Existing project debt will not be able to be serviced,	Federal rental assistance provides for an average of

	children, pregnant women, persons with disabilities, and seniors across Park, Gallatin, and Meagher Counties	thus resulting in default and non-compliance, losing critical housing inventory and subsidy for our communities	63.55% of our rental revenue across our project-based rental assistance programming
Tenant-Based Rental Assistance	More than 1000 low-income individuals and families, children, pregnant women, persons with disabilities, and seniors across Park, Gallatin, and Meagher Counties and their landlords	Renters and landlords would lose rental assistance and revenue, resulting in non-payment of rent and eviction of families, potentially tripling the number of people without housing in our community	Federal rental assistance provides 100% of our tenant-based rental assistance programming funding
Transitional and Supportive Housing	More than 200 youth, individuals, and families previously experiencing homelessness.	Individuals and families lose housing support and case management services supporting their path to housing stability, resulting in a return to housing instability and/or homelessness. This could also impact the ability of these units to be available in our community, putting 75 transitional and supportive housing units at risk.	Federal dollars provide 51% of our transitional and supportive housing programming funding.
Emergency Shelter	More than 900 youth, adults, women, persons with disabilities, and seniors without housing accessed shelter last year. If we had to close for 14 nights due to loss of	Loss or reduction of emergency shelter services providing necessary life-saving nightly respite from exposure to the elements, drastically increasing the number of	Federal dollars provide 4% of our emergency shelter programming funding.

funding, more than 100 people would be forced to sleep outside	people without shelter in our communities.
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Food Security Programs

Federal funding supports a wide array of social services that provide a safety net for individuals and families facing hardship. Reductions could strain these services and impact vulnerable populations.

Program	Beneficiaries	Potential Impact	Financial Dependence
Senior Grocery Program	More than 270 low-income seniors across Park and Gallatin Counties	Reduced food assistance benefits, potentially leading to increased food insecurity and hardship.	Federal dollars provide 100% of our funding to provide supplemental groceries for seniors on a fixed income

Social Service Programs

Federal funding supports a wide array of social services that provide a safety net for individuals and families facing hardship. Reductions could strain these services and impact vulnerable populations.

Program	Beneficiaries	Potential Impact	Financial Dependence
Service Coordination	Nearly 2,000 households representing more than 5,400 low-income individuals and families, children, pregnant women, persons with disabilities, and seniors across Park, Gallatin, and Meagher Counties	Loss of Service Navigation services - reducing barriers to accessing resources by assisting with applications, navigating online portals, and interviews	Federal dollars provide close to 90% of our funding for our service navigation/coordination programming. This is the critical link between people who need help and the programs and services that can provide help.

Program	Beneficiaries	Potential Impact	Financial Dependence
Energy Bill Assistance	1,300 low-income families, seniors, and individuals with disabilities across Gallatin, Park, and Meagher counties	1,300 families would not be able to pay their energy bills during the winter, which would increase the # of utility shut-offs. Families would have to decide between paying for rent, energy, or other necessities - risking eviction or health & safety	Federal dollars provide 100% funding for our energy bill assistance programming
Weatherization	More than 100 low-income families, seniors, and individuals with disabilities across Gallatin, Park, and Meagher counties	Homes would not be improved to reduce energy costs for the family, meaning losing the ability to address the root of the problem and increasing dependence on other social support programming	Federal dollars provide 75% funding for our Weatherization programming
Housing Development	Low-income families with children, persons with disabilities, seniors. More than 7,000 units are needed to meet current needs/keep pace with growth across the Gallatin Valley and more in Park County.	Increased homelessness and housing instability due to reduced rental assistance and affordable housing development. Homelessness costs the community approximately \$20-\$30,000 per person per year.	At various levels, nearly all development and preservation projects completed in recent years or planned for the future include some level of federal investment some examples include New Market Tax Credits, Low-Income Housing Tax Credits, HOME funds, Community Development Block Grant (CDBG) funds,

Program	Beneficiaries	Potential Impact	Financial Dependence
			Capital Magnet Funds, various recession and recovery funding programs, etc
PATH	More than 175 people without housing	Loss of outreach programming to connect and engage persons and families without housing to the programming that can help them get stably housed	Federal dollars provide 100% of our funding for our street outreach programming
DIC	More than 50 people per day access Drop In Center programming to assist with recovery and addiction programming but also to meet with housing counselors and service navigators to guide them on their path to stable housing.	Loss of DiC services would create a severe gap in services for guests and community members seeking recovery and addiction support. Access to housing supports, service navigation and program referrals (e.g - Veterans benefits) would also be impacted.	Federal dollars provide 100% of our funding for Drop In Center programming
Foster Youth	More than 60 area youth exiting foster care	Loss of support in gaining housing and employment and transitioning to independence for youth aging out of the foster care system	Federal dollars provide 100% of our funding for our foster youth programming

Summary

Federal funding reductions could significantly and widely impact education, healthcare, transportation, housing, food security, social services, and

affordable housing preservation and development. These reductions could disproportionately affect seniors, persons with disabilities, and families who live and work here and power our communities. It is important to understand the potential consequences of funding changes and the benefits of leveraging these funds across communities, as well as explore ways to mitigate adverse impacts on programs and beneficiaries.