



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6143-N-01]

SUPPORT for Patients and Communities Act; Establishment of Funding Formula

AGENCY: Office of the Assistant Secretary for Policy Development and Research, HUD.

ACTION: Notice.

SUMMARY: This document establishes the funding formula that would allocate funds “for assistance to States to provide individuals in recovery from a substance use disorder stable, temporary housing for a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier”, as enacted by the SUPPORT for Patients and Communities Act on October 24, 2018. The law requires that the formula be established by the Secretary “not later than 60 days after the date of enactment”. At this time, no funds have been appropriated for this program.

FOR FURTHER INFORMATION CONTACT: For questions on how this formula was developed, contact Todd M. Richardson, General Deputy Assistant Secretary, Office of Policy Development and Research, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 8100, Washington, DC 20410-6000; telephone number 202-402-5706, or send an email to Todd.M.Richardson@hud.gov. (These are not toll-free telephone numbers.) A text telephone is available for persons with hearing or speech impairments at 800-877-8339.

Additional copies of this notice are available through HUD User at 800-245-2691 for a small fee to cover duplication and mailing costs.

SUPPLEMENTARY INFORMATION:

I. This Notice

Section 8071 of the "Substance Use–Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act" or the "SUPPORT for Patients and Communities Act" (Pub. L. 115-271, approved October 24, 2018) (the Act), the Secretary of HUD must establish a funding formula within 60 days of enactment to allocate whatever funds are appropriated "for assistance to States to provide individuals in recovery from a substance use disorder stable, temporary housing for a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier". The purpose of this notice is to establish this formula.

II. Data Used to Establish the Formula

The Act has specific criteria that the Secretary must use to establish the formula. Those criteria first limit the number of eligible states¹ to receive funding to just those "States with an age-adjusted rate of drug overdose deaths that is above the national overdose mortality rate, according to the Centers for Disease Control and Prevention". The national age adjusted overdose mortality rate in 2016 was 19.8 per 100,000 persons. There were 25 states, including the District of Columbia, above the national rate.

Among the eligible states, the Act requires that the formula to be needs based, with states having greater need getting more funding. The Act specifies that need be determined using the following criteria:

- The highest average rates of unemployment based on data provided by the Bureau of Labor Statistics for calendar years 2013 through 2017; with this factor weighted at 15 percent.

¹ Section 8071 (g) "includes any State as defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302) and the District of Columbia".

To calculate this factor, HUD uses the Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS) Annual Average Series data downloaded from <https://www.bls.gov/lau/rdscnp16.htm> on November 28, 2018.

- The lowest average labor force participation rates based on data provided by the Bureau of Labor Statistics for calendar years 2013 through 2017; with this factor weighted at 15%. For purposes of creating a variable that results in a larger number equaling the problem, HUD has calculated the highest average NON-participation in the labor force rate. This is calculated as the non-institutionalized population over age 16 less those employed and looking for work (unemployed). To calculate this factor, HUD uses the Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS) Annual Average Series data downloaded from <https://www.bls.gov/lau/rdscnp16.htm> on November 28, 2018.
- The highest age-adjusted rates of drug overdose deaths based on data from the Centers for Disease Control and Prevention; with this factor weighted at 70 percent. The 2016 rates were downloaded from <https://www.cdc.gov/drugoverdose/data/statedeaths.html> on November 21, 2018.

The statute is specific that the data for the first two factors of the formula be from 2013 through 2017. The statute does not specify the currency of the data to be used for determining the eligible states as well as the third factor, overdose deaths. For this Notice, and for any funds that are appropriated in FY 2019 for allocation by this formula, HUD will use the 2016 overdose death rates that were available within 60 days of the law passing. If funds are appropriated in any year after FY 2019, HUD will redetermine eligible states and recalculate the formula using the most current data on drug overdose deaths available within 60 days of when funds are appropriated.

III. Formula

For the eligible states, including the District of Columbia, HUD is establishing the formula based on rates of problems rather than on shares of the count of problems. The specific formula is represented by the following equation, where the weight specifies what percent of the funds will be allocated on that specific variable:

$$\begin{aligned}
 & [0.15 * \frac{\text{Average unemployment rate 2013 to 2017 in a state}}{\text{Sum of Average unemployment rate 2013 to 2017 in the eligible states}} \\
 & + 0.15 * \frac{\text{Average of the rates of persons outside of the labor force 2013 to 2017 in a state}}{\text{Sum of the averages of rate of persons outside of the labor force 2013 to 2017 in the eligible states}} \\
 & + 0.70 * \frac{\text{Average age-adjusted drug overdose deaths in in a state}}{\text{Sum of the averages of age-adjusted drug overdose deaths in the eligible states}}]
 \end{aligned}$$

At this time, no funds have been appropriated for this program. If funds are appropriated in FY 2019, the funds would be allocated based on the percentages shown in Table 1. Table 1 shows the percent allocated, in order of highest percent allocated to lowest among the 25 states and the District of Columbia that have an age-adjusted rate of drug overdose deaths that is above the national overdose mortality rate. For example, this allocation would provide 6.47 percent of whatever is allocated to West Virginia and 5.01 percent to the District of Columbia, the two states with the greatest need as measured by percent of problems described above.

Table 1. Allocation result of established formula

State Name	Percent of appropriated funds allocated
West Virginia	6.47
District of Columbia	5.01
Ohio	5.00
Pennsylvania	4.90
New Hampshire	4.68
Kentucky	4.56

Maryland	4.31
Massachusetts	4.30
Rhode Island	4.26
Delaware	4.17
Maine	3.88
Connecticut	3.85
New Mexico	3.84
Michigan	3.67
Tennessee	3.63
Florida	3.56
New Jersey	3.49
Indiana	3.48
Nevada	3.46
Missouri	3.43
Louisiana	3.42
Arizona	3.28
Oklahoma	3.21
Utah	3.08
Vermont	3.07
TOTAL	100.00

Findings and Certifications

Environmental Impact

This notice involves the establishment of a formula allocation and does not constitute a development decision affecting the physical condition of specific project areas or building sites. Accordingly, under 40 CFR 1508.4 of the regulations of the Council on Environmental Quality and 24 CFR 50.19(c)(6) of HUD's regulations, this notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Federalism Impact

Executive Order 13132 (entitled "Federalism") prohibits an agency from publishing any policy document that has federalism implications if the document either imposes substantial direct compliance costs on state and local governments and is not required by statute, or the document preempts state law, unless the agency meets the consultation and funding requirements of section

6 of the executive order. This notice establishes a formula as required under the SUPPORT for Patients and Communities Act, for allocating funds to states, subject to appropriations. This notice also details the technical methods used in making said formula. As a result, this notice is not subject to review under the order.

Dated: April 11, 2019.

Todd M. Richardson,
General Deputy Assistant Secretary for
Policy Development and Research.

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