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SENATE HOUSING VOUCHER PLAN WOULD PROTECT LOW-INCOME FAMILIES AND RESULT IN SOUNDER PROGRAM BUDGETING

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Summary

The omnibus appropriations bill that the Senate approved on January 23, 2003 (H.J. Res. 2) includes provisions that would establish a new funding structure for the Housing Choice Voucher Program for fiscal year 2003. The House Appropriations Committee passed a bill (H.R. 5605) containing an alternative funding proposal on October 9, 2002.

Housing Choice Vouchers (sometimes referred to as “Section 8” vouchers) enable recipients to obtain decent housing while typically paying 30 percent of their income in rent. Vouchers are widely considered to be a highly effective form of housing assistance. For example, the bi-partisan, Congressionally-chartered Millennial Housing Commission concluded in a recent report that the housing voucher program is “flexible, cost-effective, and successful in its mission,” and should be a “linchpin” of national housing policy.

The conference committee that meets in the coming weeks to draft a final appropriations bill will face a choice between the two very different proposals for funding the voucher program that are contained in the House and Senate bills. For the following reasons, the Senate bill offers a sounder approach:

- **The Senate bill would maintain the federal government’s longstanding commitment to fund all existing housing vouchers.** The House bill, by contrast, would eliminate approximately 125,000 vouchers that would otherwise have been made available to low-income households struggling to find affordable housing. This cut — the first such reduction in the history of the voucher program — would occur at a time when the need for housing assistance is large and there are long and growing waiting lists for voucher assistance in many communities.

- **The budgeting system established by the Senate bill would make it less likely than under the House bill or past practices that the voucher program would be either overfunded or underfunded.** The Senate bill provides a funding level for existing housing vouchers ($12.1 billion) that is between the level provided in the House bill ($11.7 billion) and the level provided in both the Administration’s budget for fiscal year 2003 and the original appropriations bill passed by the Senate Appropriations Committee in July 2002 ($12.5 billion). The intermediate level provided in the new Senate bill offers substantial savings compared to the Administration’s budget and appears to reflect a more realistic estimate of the amount of funding the voucher program would actually need than either the

Administration's budget or the House bill. Furthermore, the Senate bill contains new provisions that would enable the voucher program to accommodate cost shifts that occur due to changes in housing market conditions or other factors that cannot be foreseen at the beginning of the fiscal year.

- **The Senate bill would require the prompt transfer of vouchers from local housing agencies that have been unable to use them to agencies that can.** Some local housing agencies have been chronically unable to use large numbers of the vouchers they are authorized to administer, while others use all or nearly all of their vouchers and have long waiting lists for voucher assistance. HUD has established a system for reallocating unused vouchers to agencies that can use them to serve additional families, but has not implemented this system effectively and has transferred only a very small number of vouchers. The Senate bill would require HUD to reallocate additional vouchers within five months of the date the bill is enacted. The Senate bill also takes other steps to strengthen the current reallocation system, making it more likely that vouchers authorized by Congress will reach families they were intended to serve.

Congress Has Consistently Provided Funding to Renew All Housing Vouchers

Housing Choice Vouchers, also referred to as "Section 8" vouchers, are the nation's principal form of assistance to low-income renter families and elderly and disabled people. Vouchers enable recipients to pay 30 percent of their income to live in modestly priced private housing, with the voucher covering the remainder of the rent and utility costs. Due to funding limitations, the voucher program reaches only a fraction of the low-income households eligible for it. About three-fourths of the low-income households that are eligible for vouchers do not receive any form of federal housing assistance, and in most locations, there are long and growing waiting lists (frequently several years long) for the voucher program.

The voucher program has proven to be highly effective in providing needed housing assistance. Research indicates that vouchers not only make housing affordable to the low-income families and elderly and disabled individuals who rent units with vouchers, but also may reduce welfare receipt and have positive effects on employment, earnings, educational outcomes, and child well-being. A report by the U.S. General Accounting Office found the voucher program to be the single most cost-effective of the federal housing programs the study covered.[1]

Moreover, the unmet need for housing vouchers is large. A HUD analysis of Census data shows that in 1999 (the last year for which HUD has prepared this analysis), nearly five million households that did not receive housing assistance and had incomes below half of the median income in the local area faced what HUD terms "worst case housing needs," which means they either paid more than half of their income for rent and utilities or lived in severely substandard

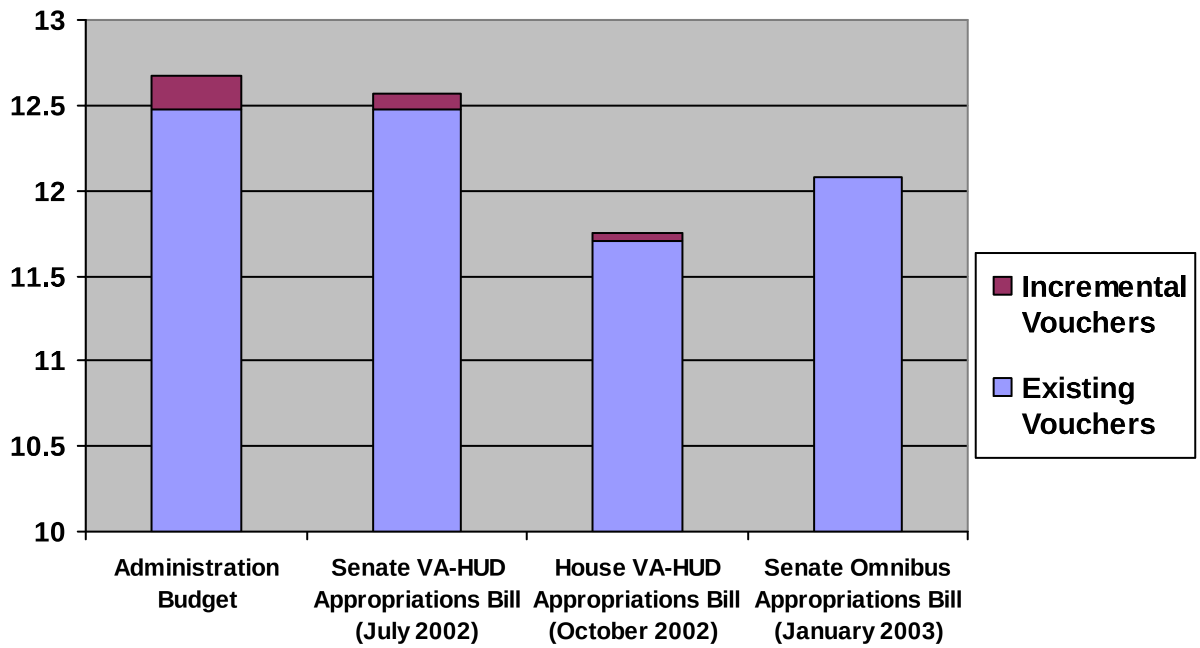
[1] For a summary of this research, see Barbara Sard and Margy Waller, "Housing Strategies to Strengthen Welfare Policy and Support Working Families," Brookings Institution Center on Urban and Metropolitan Policy, 2002. See also General Accounting Office, *Federal Housing Assistance: Comparing the Characteristics and Costs of Housing Programs*, GAO-02-76, January 31, 2002.

rental housing. Most of the low-income families (as distinguished from the elderly and disabled individuals) with “worst case” housing needs are low-income *working* families. In addition, because housing costs have increased faster than incomes since 1999, the housing affordability problem is likely to be even more severe today than it was in 1999, the year these Census data cover.

The vast bulk of the families with “worst case needs” have these needs because they are unable to find affordable housing and must pay more than half of their income for rent and utilities. Vouchers directly address this problem by reducing the rental costs that families bear.

Over the years, Congress has authorized approximately two million housing vouchers. Each year, Congress has provided funding to renew all existing vouchers and in most years has authorized new “incremental” vouchers. The Administration’s budget for fiscal year 2003 called on Congress to maintain the federal commitment to fully fund existing vouchers and requested an appropriation of $12.5 billion for this purpose. The budget also requested $204 million to fund 34,000 incremental vouchers. In July 2002, the Senate Appropriations Committee approved a bill that provided the same full funding level for existing vouchers as the Administration had requested, but reduced the appropriation for incremental vouchers to $90 million, enough for 15,000 new vouchers.

Fiscal Year 2003 Housing Voucher Funding Under Alternative Proposals (in Billions of Dollars, Excluding Rescissions of Unspent Prior Year Funds)



House Appropriations Bill Is Intended to Improve Budgeting, but Would Force Cuts in Assistance to Low-Income Families

On October 9, 2002, the House Appropriations Committee approved a bill that would reduce the appropriation for renewal of existing vouchers to $11.7 billion and result in the loss of approximately 125,000 existing vouchers, the first such cut in the program's history. In addition, the House bill would reduce the amount provided for incremental vouchers to $36 million, enough for only 7,100 vouchers.

The reduction in funding for existing vouchers would be achieved by establishing a new funding formula that would provide funding only for housing vouchers that were actually in use during a period at least five-to-sixteen months earlier, rather than for all authorized vouchers including those not in use during this period in the past.[2] Some housing agencies are unable to use all of the vouchers they are authorized to administer, often because families cannot find apartments they can rent with their vouchers. But available data indicate that the percentage of authorized vouchers in use has risen substantially in recent years, apparently due to a combination of program improvements (a number of which were instituted at Congress' prodding) and increased availability of housing in some local markets.[3] For example, data submitted in October - November 2002 by 343 local housing agencies that responded to a survey show that the percentage of the vouchers these agencies were authorized to administer that were actually in use rose from 90.8 percent during the prior fiscal year to 96.8 percent at the time of the survey. As a result of this rise in the use of authorized vouchers, the funding formula contained in the House bill — which bases funding on past utilization — would almost certainly provide insufficient funding to cover the vouchers that would otherwise be used to assist families during fiscal year 2003.

The House bill would create a new central reserve fund that could be used under limited circumstances by local housing agencies that need additional funds. The House bill provides such limited funding for this reserve, however, that the reserve would very likely be inadequate to close the gaps in agency budgets that the new funding formula would create. The central reserve would be able to support only about 50,000 vouchers nationally, a modest fraction of the reduction in vouchers the new formula would generate. The figure cited above indicating that the new formula would lead to a loss of 125,000 vouchers is the *net* reduction after the funds in the central reserve are taken into account. The loss of these vouchers would be permanent unless Congress revised the funding formula again the future.

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[2] The House bill would base funding on utilization during the period covered by the housing agency's most recent year end statement. In some cases, this statement would cover a period as much as two years before the current fiscal year. The House bill and its implications for the voucher program are described in greater detail in *House VA-HUD Appropriations Bill Would Jeopardize Access to Housing Vouchers for Low-Income Familie*s, available on the internet at http://www.cbpp.org/10-9-02hous.htm. Estimates of the number of vouchers that would be lost in specific states and communities are available at http://www.cbpp.org/12-3-02hous.htm.

[3] The survey was conducted by the Council of Large Public Housing Authorities, the National Association of Housing and Redevelopment Officials, the National Leased Housing Association, and the Public Housing Authorities Directors Association. The local agencies that responded to the survey administer about one-third of the total number of authorized vouchers nationally.

Property Owners Say Funding Cuts Would Have a "Chilling Impact" on their Participation in the Housing Voucher Program

The housing voucher program depends for its effectiveness on the willingness of property owners to lease units to voucher-holders. In the past, Congress has encouraged owners to participate in the voucher program by consistently renewing all existing voucher contracts. While the Senate bill would maintain this commitment, the House bill would fail to ensure — for the first time in the program's history —that sufficient funding is provided to renew all vouchers. The mere possibility that voucher commitments would be withdrawn may deter some private-sector parties from participating. That in turn could make it more difficult for low-income families with vouchers to find landlords who will accept vouchers and consequently reduce the number of families who are able to use their vouchers.

Concerned about the reliability of voucher funding under the House bill, nine associations representing property owners, developers, and realtors — the National Association of Homebuilders, the National Association of Realtors, the National Apartment Association, the National Leased Housing Association, the National Assisted Housing Management Association, the Council for Affordable Rural Housing, the Institute for Responsible Housing Preservation, the Institute of Real Estate Management, and the National MultiHousing Council — submitted a letter to the chair and ranking member of the Senate Appropriations Committee opposing the approach in the House bill and urging renewal of all vouchers. The letter noted that "apartment owners and managers rely on the voucher administrator's ability to make the required rental payments under the Housing Assistance Payment contract. The House proposal will no doubt create uncertainty in this regard, the results of which will have a chilling impact upon market participation in the program."

The new funding formula in the House bill would have adverse consequences for the voucher program and the families it serves. Local housing agencies would be able to assist fewer low-income families from their waiting lists and, in some cases, might be forced to reduce assistance to families that are already using vouchers. Furthermore, as is discussed in the box on page 6, some property owners might lose confidence in the voucher program — reasoning that the federal government was backing away from its commitment to renew for all authorized vouchers — and decline to lease housing units to voucher holders.

While their effects on the voucher program would be harmful, the voucher provisions in the House bill are intended to address a real problem: incomplete spending of voucher funds. As noted above, Congress has traditionally provided funding for all existing vouchers, but some housing agencies have not been able to use a substantial number of their vouchers. As a consequence, some of the funds that Congress has appropriated for the voucher program have gone unspent. When underspending occurs, Congress "recaptures" the unused funds through rescissions and channels them to other uses. Nonetheless, because federal budget rules have placed an overall limit on the amount of funding that Congress can appropriate, providing more funding to the voucher program than it is likely to need has the effect of reducing the amount of funding that appropriators have available to commit for other purposes. By linking the voucher program's budget to past utilization of vouchers, the House Appropriations Committee sought to limit the extent of unneeded voucher appropriations.

The overfunding that occurs under the current system and the funding shortfall that would result from the House bill both reflect a fundamental budgeting challenge that faces the housing voucher program: the total cost of providing a given number of vouchers cannot be predicted with precision. Congress sets the number of vouchers that local housing agencies are authorized to provide, but actual costs depend on how many of the authorized vouchers are used and on how much each voucher costs. These factors depend in turn on local housing market conditions and other variables that cannot be predicted precisely. As a result, there is a strong probability that *any* fixed estimate of funding needs will provide either too much or too little budget authority. The traditional approach to funding the voucher program, which was used in both the Administration's budget and the original Senate appropriations bill, is designed to avoid funding shortfalls. This approach is, however, likely to provide more funding than is needed. The House approach is designed primarily to avoid overfunding, and it would almost certainly result in inadequate funding being provided.

Senate Bill Would Maintain Commitment to Renew All Vouchers and Match Funding to Actual Program Needs

The omnibus appropriations bill that the Senate approved on January 23rd would establish a funding structure that is more closely linked to the voucher program's actual needs and that would be far less likely than either the House bill or the approach contained in the Administration's budget (and the original Senate appropriations bill) to result in underfunding or overfunding. The new Senate bill would provide no funding for incremental vouchers and reduces funding for renewal of existing vouchers to approximately $12.1 billion, $400 million less than the amount requested in the Administration's budget. Like the House bill, the Senate bill sets aside a portion of these funds in a central reserve.

The Senate bill, however, explicitly states that Congress intends to maintain the federal commitment to renew all vouchers and provides $366 million more for renewal of existing vouchers than is provided in the House bill.[4] This level appears to reflect a more realistic estimate of the program's actual needs than either the House bill or the Administration's budget. Based on the Administration's projections of average per-voucher costs, the Senate funding level would be sufficient to cover approximately 97 percent of the total number of authorized vouchers. As noted above, this is roughly the same proportion as was reported to be in use in late 2002 by a group of 343 local housing agencies.[5]

To ensure that enough funds would be available to meet the costs of funding the vouchers that Congress has authorized if the appropriators' estimate of the number of authorized vouchers

[4] Overall, the Senate bill provides $240 million more for the Housing Certificate Fund (which includes the voucher program) than the House bill. The additional $366 million that the Senate would provide for renewal of existing vouchers and administrative fees is partially offset by a larger rescission of unspent housing assistance funds from previous years ($1.4 billion in the Senate bill compared with $1.3 billion in the House bill) and the absence of any funds for incremental vouchers ($36 million in the House bill). There are also small differences in the funding provided for other expenditures covered by the account. In addition, the amounts in the Senate bill would be reduced by across-the- board cuts in every account. The House bill does not contain across-the-board funding reductions.

[5] Data from the same survey indicate that costs per voucher are likely to be higher than the Administration's estimates. If actual utilization were lower than 97 percent this could offset all or part of the higher costs

that actually will be used proves to be inadequate, the Senate bill also provides standby budget authority (referred to technically as a "current, indefinite appropriation").[6] Within strict controls, HUD would be able to draw on the standby authority to fund authorized vouchers if the $12.1 billion appropriation in the Senate bill were exhausted. No funds could be used to support vouchers beyond the fixed number that Congress has authorized; that fixed number is stated as an absolute, nationwide cap in the Senate bill and cannot be exceeded. Program rules already in place would control per-voucher costs, and the Senate's approach would restrict HUD's ability to modify those rules in ways that would increase costs. Furthermore, HUD would be required to use unobligated or unspent funds from both the voucher program and the related Section 8 project-based housing assistance program *before* making use of the standby authority.

There is a substantial possibility that the standby authority provided under the Senate bill would not be used. The Congressional Budget Office did not assign any cost to the standby authority when estimating the cost of the funding provisions for the voucher program in the Senate bill. The standby authority is, however, very important. Housing agencies might turn out to be able to use a somewhat larger proportion of their authorized vouchers than expected, or per-voucher costs could rise more than expected. The standby authority would provide an indispensable safety valve should either or both of these unforeseen events occur.

Furthermore, the standby authority, together with the Senate bill's affirmation that Congress intends to renew all existing vouchers, offers important benefits *even if it is not used.* By providing confidence that the federal government will make good on its commitment to fully fund the vouchers it has authorized, the Senate bill would help persuade property owners that vouchers are a reliable source of rental revenue and consequently would encourage them to lease units to voucher holders. In addition, local housing agencies would be able to plan the operation of their voucher programs with the knowledge that that they would have funding to administer all of the vouchers they are authorized to provide. Finally, families that rely on voucher assistance to make ends meet would have greater assurance that that assistance would not be arbitrarily cut off, and families that have recently received a voucher could search for housing with confidence that the voucher would not be withdrawn.

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[6] The bill directs HUD to enter into contracts with public housing agencies (PHAs) for the full number of authorized vouchers. This is different from the House bill, which appears to maintain authorization only for the reduced number of vouchers for which it would provide funding. While continuing the commitment to the full number of authorized vouchers, the Senate bill reduces the amount of budget authority needed, by limiting the funding initially committed by HUD to PHAs to the amount actually expected to be used for vouchers. The bill sets aside $11.676 billion for this purpose, plus more than $400 million in a central reserve that can be used if housing agencies need more funds because they are able to use a larger proportion of their authorized number of vouchers than initially anticipated. If a PHA demonstrates to HUD's satisfaction that it needs more funds than HUD had initially committed, HUD is required to provide the additional funds within 14 days of demonstrated need. If the total appropriation (including the central reserve) is not sufficient for PHAs to serve up to their authorized number of families and there are no recaptured funds available, HUD can draw additional funds from the Treasury under the standby authority. (The bill also directs HUD to continue its current policy regarding the "program reserves" that are made available to individual housing agencies. These reserves allow agencies to manage their programs in a way that encourages full use of vouchers and provide agencies with some protection against rapid changes in voucher costs.)

Other Strengths of Senate Bill

In addition to establishing a sounder budgeting structure and retaining the commitment to renew all vouchers, the Senate bill contains several other provisions that are not included in the House bill. Specifically, the Senate bill would provide for prompt reallocation of unused vouchers to agencies that can use them and would encourage states and local housing agencies to help families that are working their way off welfare. In addition, it would protect several aspects of the existing voucher program that would be placed in jeopardy under the House bill, including the allocation of administrative funds to housing agencies, the testing of policy innovations through the Moving-to-Work demonstration, and the allocation of vouchers under settlements of civil rights lawsuits.

Reallocation of Unused Vouchers

The Senate bill would increase the number of families and individuals receiving voucher assistance by strengthening the system for transferring vouchers from agencies that have been consistently unable to use them to agencies that could use them promptly to serve additional families. As part of a broader effort to increase the percentage of vouchers that is actually used, HUD issued a policy for reallocating unused vouchers in 2000. To date, however, this initiative has only resulted in the transfer of about 1,700 vouchers. Due to administrative error, HUD did not follow through in fiscal year 2002 with a planned reallocation of unused vouchers.

Because the funding formula in the House bill would generally fund only vouchers that were actually in use during a period five-to-sixteen months earlier,[7] it would provide no funding for chronically unused vouchers that could otherwise have been reallocated. As a result, the House bill would effectively end even HUD's limited effort to reallocate unused vouchers. The Senate bill, by contrast, includes funding to reallocate up to approximately 60,000 unused vouchers. The bill also requires HUD to give preference when distributing reallocated vouchers to agencies that can serve applicants on the waiting lists of the original agencies. For example, the local housing agency in a neighboring community or a state housing agency might be able to provide this service. In addition, HUD would be required to complete the reallocation process within five months after the bill is signed by the President.[8]

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[7] Under the House bill, some vouchers that were not in use in the past could be funded using the central reserve, but these vouchers would need to have been brought into use by the time the central reserve funds were drawn. As a result, the central reserve could not be used to reallocate unused vouchers from one agency to another.

[8] Under the Senate bill, funds for reallocated vouchers would come from the $400 million in the central reserve as well as from budget authority withdrawn from underperforming agencies. The bill directs HUD to reduce the funding contracts of agencies due to lose unused vouchers under reallocation within 60 days of enactment, rather than waiting until the next annual contract, as HUD does under its current policy. The bill also establishes three priority categories for agencies to receive the reallocated vouchers: disaster areas, high-performing agencies in the same state that can serve applicants on the original agencies' waiting lists, and agencies that have disabled families on their waiting lists who may be delayed in receipt of housing assistance due to the restriction of public housing or project-based Section 8 units to elderly households. Among agencies that meet one of these priority categories (or other agencies if an insufficient number of agencies meets these priorities), the report directs HUD to award the reallocated vouchers "to the agencies most in need and able to make best use of them." (Committee Report at 31.) These criteria for awarding reallocated vouchers allocate scarce housing resources in a more effective manner than HUD's current policy, which gives priority only to disaster areas and allows any other agency in a state that utilizes

Reallocation takes on particular importance in light of the lack of funds in either the House or Senate bill for significant numbers of incremental vouchers (the House bill would fund 7,100 new vouchers, while the Senate bill would not fund any), a substantial change from the Administration's request for 34,000 incremental vouchers. As a result of this omission, reallocation offers the *only* potential source of significant numbers of new vouchers to allow high-performing agencies to serve additional families.

Encouraging States and Housing Agencies to Contribute Additional Resources to Welfare-to-Work Voucher Programs

To help families attempting to transition to self-sufficiency for whom the lack of stable, affordable housing is a barrier to employment, Congress in fiscal year 1999 funded 50,000 "welfare-to-work" housing vouchers for families working their way off welfare. Preliminary information indicates that the Welfare-to-Work Voucher program has improved voucher program performance and encouraged cooperation between welfare and housing agencies seeking to advance welfare reform goals. Section 215 of the Senate bill provides ongoing authorization for welfare-to-work vouchers.

While the original VA-HUD appropriations bill passed by the Senate Appropriations Committee in July 2002 funded approximately 3,300 new welfare-to-work vouchers, the Senate bill currently being debated provides no funding for additional welfare-to-work vouchers. Nonetheless, enactment of Section 215 is important because it provides incentives for local housing agencies and state and local governments to contribute additional resources to help families leave welfare for work. The Senate legislation would require HUD to give preference in awarding any new welfare-to-work vouchers that Congress funds in the future to PHAs that commit some of their *existing* vouchers to a welfare-to-work program, as well as to PHAs that administer state- or locally-funded welfare-to-work housing subsidies. State agencies may be more willing to commit funds to rental assistance if doing so may leverage additional federal housing resources for families in their state that leave welfare for work.[9]

Protection of Other Key Voucher Program Provisions

The Senate bill also retains three important aspects of the current housing voucher program that would be substantially altered under the House bill.

- **The Senate bill would maintain the current system for calculating the amount of administrative funding that local housing agencies receive.** The House bill would cap "administrative fees" at 10 percent of the amount of the rent subsidy paid for each voucher. This approach would reduce sharply the funding

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at least 97 percent of its vouchers to receive reallocated funds. See HUD's Notice of Funding Availability for Reallocated Baseline Units, 66 FR 55524 (November 1, 2001).

[9] For additional information on the Welfare-to-Work voucher program and this section of the Senate bill, see *Funding New Welfare-to-Work Housing Vouchers Should Be a Priority For Fiscal Year 2003*, by Barbara Sard and Shayna Strom, September 2002, available on the internet at http://www.cbpp.org/8-28-02hous.htm .

for agencies that operate in areas with relatively low residential rents. Yet such agencies do not necessarily have substantially lower administrative costs, since wage levels and other administrative costs vary much less across geographic areas than rental charges do. One effect of this reduction would be to reduce the administrative resources that agencies have available to help families find housing where they can use their vouchers. The current method of calculating administrative fees reflects local labor costs and recognizes the added costs of serving "hard-to-house" disabled individuals and large families. It is more likely to reflect actual administrative costs than the new and untested approach the House bill takes.

- **The Senate bill would maintain commitments to agencies that are testing innovative housing policies under the Moving-to-Work Demonstration.** At the onset of this demonstration, which allows local housing agencies to use Section 8 and Public Housing funds to support innovative housing policies, the 30 participating agencies received a commitment that their future funding levels would not be reduced below the level of funding they were receiving at the start of the demonstration. This commitment allowed agencies to test a wide range of housing policy innovations without concern that their funding would be reduced during the course of the demonstration.

  The funding changes in the House bill would apply to agencies participating in Moving-to-Work, and as a result, these agencies' funding would be reduced below prior levels if they did not utilize all of their vouchers in their most recently completed fiscal year. Agencies would lose funding even if the reason they did not use all of their vouchers was that they had shifted voucher funds to support innovative activities that HUD had approved under the demonstration, such as rehabilitating housing for use by voucher holders or providing search assistance to help families use their vouchers. As a result, the House approach would effectively withdraw the commitment to maintain funding consistency.

- **Under the Senate bill, vouchers that HUD awarded to local housing agencies under settlements of civil rights litigation would be protected.** Under settlements of a number of lawsuits filed to address practices on the part of HUD and local housing agencies that fostered racial segregation in public housing, the federal government has been required to provide vouchers to help minority families move to areas with lower rates of poverty and residential segregation. The House bill appears to have the unintended effect of eliminating funding for approximately 30,000 vouchers that were awarded under settlements of civil rights lawsuits but that were not in use during the previous fiscal year due to local factors affecting the implementation of these often complex court orders.

Conclusion

The housing voucher program has proven to be highly effective in providing needed housing assistance. Vouchers directly address affordability of housing, the most widespread housing challenge facing low-income Americans. The bi-partisan, Congressionally-chartered

Millennial Housing Commission concluded in a recent report that the housing voucher program is “flexible, cost-effective, and successful in its mission.”

The Senate bill would strengthen this important program. It would preserve the federal government’s commitment to fund all existing vouchers, thus protecting low-income families from cuts in assistance and maintaining the funding consistency that enables the program to serve as a reliable partner for property owners and others in the private sector. In addition, the Senate bill would establish a budgeting structure that would greatly reduce the likelihood either that some funds would be left unspent or that some vouchers would be unfunded. In so doing, the bill offers a practical solution to the budgeting challenge that Congress seeks to address.