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Senate's Approach to Funding Housing Voucher Program Superior to House's

The Center on Budget and Policy Priorities has released a new report, *Senate Housing Voucher Plan Would Protect Low-Income Families and Result in Sounder Program Budgeting*, that compares two different proposals for funding the Housing Choice Voucher Program for fiscal year 2003. One proposal is contained in a bill the House Appropriations Committee passed on October 9, 2002; the other is contained in an omnibus appropriations bill the Senate passed on January 23, 2003.

The full report can be viewed at
<http://www.cbpp.org/1-24-03hou.htm>

Sometimes called "Section 8" vouchers, Housing Choice vouchers defray part of the cost of renting housing on the private market and are widely considered to be a highly effective form of housing assistance. Housing Choice vouchers provide affordable housing to two million low-income families, people with disabilities, and senior citizens.

The conference committee that meets in the coming weeks to finalize the appropriations bill will face a choice between the House and Senate proposals. As the Center's report shows, the Senate approach is sounder because it would:

- **Maintain the longstanding federal commitment to fund all existing vouchers.** The House bill, by contrast, would eliminate roughly 125,000 vouchers. This cut, the first such cut in the voucher program's three-decade history, would occur at a time when the need for housing assistance is large and many communities have long and growing waiting lists for vouchers. Even without the cut in the House bill, the voucher program reaches only about one-fourth of the households eligible for it due to funding limitations.
- **Help ensure that the voucher program is neither overfunded nor underfunded.** The Senate's \$12.1 billion funding level for existing vouchers is about halfway between the \$11.7 billion level in the House bill and the \$12.5 billion level in the Administration budget. This intermediate level appears to reflect a more realistic estimate of the voucher program's needs. While the funding level in the House bill would underfund the program, the Administration level would likely *overfund* it, since it provides funds to renew all existing vouchers, some of which housing agencies will not be able to use.

Furthermore, to ensure that the Department of Housing and Urban Development can fund all authorized vouchers in the event of unforeseen developments (like rent increases), the Senate bill would provide HUD with standby budget authority to exceed the \$12.1 billion level — within strict limits contained in the bill — if necessary to fund existing vouchers.

The Senate bill also includes provisions that would require the prompt transfer of vouchers from local housing agencies that have been unable to use them to agencies that can use them to help low-income families or individuals, making it more likely that vouchers authorized by Congress will reach the families they were intended to serve.