

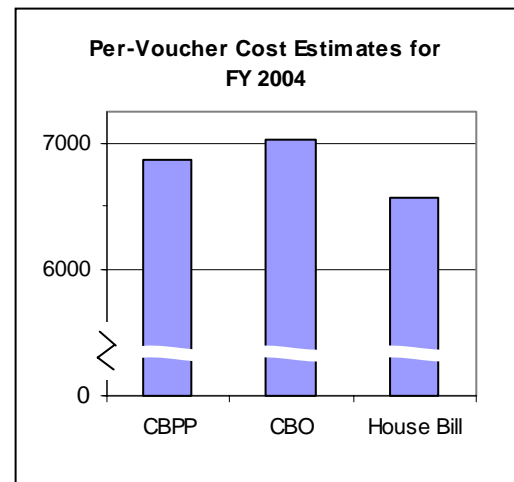
Over 60,000 Fewer Families Would Receive Housing Vouchers Under House Bill

A new Center report, *House Funding Level Would Lead to More Than 60,000 Fewer Families Receiving Housing Voucher Assistance*, explains that the funding level for housing vouchers in the House-approved VA-HUD appropriations bill for fiscal year

2004 is inadequate to fund all vouchers likely to be in use at the start of the year. The House bill provides more funding than would be available under the Administration's funding request for the voucher program, but analysis of data that HUD collected this April from housing agencies across the country shows that about \$430 million in additional funding is needed to avoid reducing the number of families assisted. As the report explains:

The full report can be viewed at
<<http://www.cbpp.org/8-13-03house.htm>>

- Approximately 63,000 vouchers in use would lose funding.** If the House funding level is enacted and no additional funds are available from other sources, about 63,000 vouchers expected to be in use serving low-income families at the start of the fiscal year will not be funded. While less harmful than the larger loss of vouchers that would occur under the Administration's budget, this would still constitute an unprecedented reduction in assistance under the voucher program. Never before in the program's three-decade history has Congress failed to provide sufficient funds to renew all vouchers in use.
- Most of those affected would be low-income working families, the elderly, and the disabled.** These groups make up about 70 percent of those served by the program, so they would bear the brunt of the funding shortfall.
- Congressional Budget Office estimate confirms key data demonstrating shortfall.** The shortfall in the House bill stems in large part from the House Appropriations Committee's use of an estimate, based on outdated data, that per-voucher costs will average \$6,575 in fiscal year 2004. The Center's analysis of the more recent data that HUD collected in April indicates that per-voucher costs will average \$6,871 in fiscal year 2004. This is somewhat less than the \$7,028 level that CBO estimated in August.
- New Administration estimate suggests funding gap could be larger than the Center estimate shows.** A budget estimate that the Office of Management and Budget released in July as part of its Mid-Session Review appears to project that funding all vouchers in use will cost *more* than the Center's analysis of the April HUD data indicates. If the OMB estimate proves correct, the number of vouchers in use left unfunded by the House bill would substantially exceed 63,000.



To avoid the loss of vouchers, the Administration and Congress will need to provide additional funds or identify funds already available at HUD from prior year appropriations or other sources that can be used to pay for voucher costs.