

## SENATE BILL MAY AVERT HOUSING VOUCHER CUTS DESPITE LOW APPROPRIATION

A new Center report, *Senate Committee Bill May Avert Cuts to Housing Vouchers Despite Inadequate Appropriation*, explains that the HUD appropriations bill for fiscal year 2004 approved by the Senate

The full report can be viewed at  
<<http://www.cbpp.org/9-23-03hous.htm>>

Appropriations Committee has the potential to avoid cuts to housing vouchers that likely would occur under the House-passed version of the bill. House-Senate conferees could take additional steps to ensure that vouchers that can be used by low-income families will be funded next year.

- **The direct funding in the Senate bill is insufficient to renew all vouchers likely to be in use.** Like the House-approved bill and the Administration's budget request, the Senate bill would provide inadequate direct funding to meet the program's needs, because the bill's estimates of those needs are based on outdated data. The Senate bill provides \$200 million less in direct funding than the House bill does. If no other funds are provided, the funding level in the Senate bill could result in the loss of funding for 92,000 to 135,000 vouchers that are expected to be in use at the start of fiscal year 2004.
- **The Senate bill, however, requires HUD to supplement the funds it provides directly with available funds from prior years.** Unlike the House bill or the Administration budget request, the Senate bill requires HUD to draw on unspent funds from previous years, if needed to renew all existing vouchers in use. Office of Management and Budget documents suggest that HUD has sufficient funds available to renew all authorized vouchers in use next year. Thus, the Senate bill could avert a voucher funding shortfall.
- **Reappropriating prior-year funds would ensure that sufficient funds are available.** Some risk exists that Congress could divert prior-year funds to other purposes before they can be used to fund housing vouchers. The House-Senate conference committee could eliminate this risk by rescinding and reappropriating the amount of prior year funds anticipated to be needed for the voucher program, while retaining an explicit commitment contained in the Senate bill to fund all authorized vouchers that can be used.
- **The Senate bill is also superior to the House bill in other ways.** Unlike the House bill, for example, the Senate bill provides sufficient funds for state and local housing agencies' administrative costs. Housing agencies need these funds to be able to operate their voucher programs effectively. The Senate bill also would provide a \$24 million increase, requested by the Administration, in funding for the Family Self-Sufficiency program. The House bill would freeze funding for this program, which provides incentives and counseling to encourage housing assistance recipients to become employed and increase savings, at its current level with no adjustment for inflation.