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HOUSING VOUCHERS FUNDED IN SOUTH DAKOTA UNDER PENDING PROPOSALS

Due largely to the flaws in the formula for distributing “Section 8” housing voucher funding, the share of vouchers in use in South Dakota has fallen over the past few years, from 95 percent in 2004 to a projected 93 percent in 2006. In other words, **137 vouchers have already been cut** in South Dakota over the past two years.

For 2007, Congress will have to choose among three funding approaches that have been put forward. Each provides the same new funding for the program nationally in 2007, but uses a different method for distributing the money among the 2,400 state and local housing agencies. Here is the impact that each of the three formulas would have on South Dakota.

- Under the formula in the Section 8 Voucher Reform Act (or SEVRA), a bill passed by the House Financial Services Committee on June 14, 2006, ***all vouchers in use in South Dakota in 2006 would be funded***. Moreover, agencies in South Dakota would receive enough funding to restore vouchers that have been cut in recent years. Overall, **95 percent of South Dakota’s currently authorized vouchers would be funded** under the SEVRA formula.
- The formula in the Senate appropriations bill would also renew funding for all vouchers in use in South Dakota in 2006. However, it would not provide agencies in South Dakota with enough funding to restore as many of the vouchers that have been cut in recent years as SEVRA would. Overall, **94 percent of South Dakota’s currently authorized vouchers would be funded** under the Senate appropriations formula.
- Under the formula in the House appropriations bill, 11 housing agencies in South Dakota would be forced to cut assistance to 221 low-income families in 2007. **Only 92 percent of South Dakota’s currently authorized vouchers would be funded** under the House appropriations formula.

For a description of the pending proposals for distribution of renewal funding to state and local agencies and an analysis of their national impact, see "Fixing the Housing Voucher Formula: A No-Cost Way to Strengthen the Section 8 Program," <http://www.cbpp.org/11-1-06hous.htm>. The paper's Technical Appendix explains the sources and methods for the data in this table.

Agency Estimates

Housing Agency	HUD Code	Authorized Vouchers as of Jan. 2006	Vouchers in Use in 2006 (Estimated)	Authorized Vouchers Funded in 2007			Vouchers in Use That Would Be Cut Under House Appropriations Bill
				SEVRA	Senate Appropriations Bill	House Appropriations Bill	
Aberdeen HA	SD034	492	470	492	480	453	17
Brookings Housing & Redevelopment	SD056	277	247	247	252	269	0
Butte County HA	SD059	20	20	20	20	19	1
Canton Housing Commission	SD039	61	59	59	60	61	0
Clark HA	SD028	28	15	15	15	23	0
Huron Housing Commission	SD036	228	210	210	215	228	0
Lawrence County HA	SD048	262	249	262	254	258	0
Lennox Housing Commission	SD010	27	26	27	27	25	2
Maddison Housing Commission	SD011	111	96	111	98	98	0
Meade County HA	SD047	207	207	207	207	204	3
Milbank Housing Commission	SD037	64	59	64	60	56	2
Miller Housing Commission	SD038	16	9	9	9	15	0
Mitchell Housing Commission	SD014	112	94	94	96	103	0
Mobridge Housing & Redevelopment	SD057	129	128	129	129	119	9
Pennington County HC*	SD045	1,226	1,186	1,226	1,209	1,151	34
Pierre HA	SD035	164	162	164	164	150	11
Redfield	SD026	67	62	62	63	67	0

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				SEVRA	Senate Appropriations Bill	House Appropriations Bill	
Sioux Falls Housing Commission	SD016	1,564	1,564	1,564	1,564	1,430	134
Vermillion Housing	SD055	258	139	139	141	173	0
Watertown HA	SD043	287	210	210	214	230	0
Wessington Springs	SD021	17	17	17	17	16	1
Yankton Housing Commission	SD058	143	136	143	139	131	5
Total		5,760	5,364	5,471	5,433	5,278	221

*Agency received new "tenant protection" vouchers from HUD in 2005 to replace demolished public housing units or privately-owned units that no longer receive project-based federal housing assistance. Incomplete information was available to estimate the additional funding due these agencies in 2007 to renew these vouchers under each of the approaches. As a result, estimates for these agencies may be too low, and under the House approach may be too low or too high.

**Agency took over administration of additional vouchers from another agency in 2005 or early 2006. Our estimates may not fully account for the effect of the consolidation on the agency's likely funding in 2007.