

August 24, 2005

## ESTIMATED VOUCHER CUTS IN 2006 UNDER HOUSE AND SENATE BILLS

### New Jersey

The table below displays estimates of cuts in housing voucher assistance that would occur under the 2006 HUD funding bills passed by the U.S. House of Representatives and by the Senate Appropriations Committee. It includes estimates for the state as a whole and for the hardest hit housing agencies in the state (those that would need to cut assistance for at least 50 families or 5 percent of their total). The key statewide findings are:

- Under the **House bill**, New Jersey housing agencies would have to cut **899 vouchers**.
- Under the **Senate bill**, New Jersey housing agencies would have to cut **394 vouchers**.

The cuts would occur at the same time that other agencies would receive more funding than they need to cover vouchers now being used. Indeed, because of a flawed formula the House bill would provide many agencies with more funding than they need to cover all of the vouchers they are legally permitted to issue. Because of this waste, the House bill imposes larger cuts even though it provides more funding for voucher renewals than the Senate bill. If the Senate bill were funded at the same level as the House bill, the voucher cuts would be significantly less than the estimates shown here.

For further information on the potential cuts and other issues raised by the House and Senate bills, see <http://www.cbpp.org/8-24-05hous.htm>.

	Authorized Vouchers	Number of Families Assisted According to Recent Data	Reductions in Families Assisted at Agencies Facing Cuts	
			House Bill	Senate Bill
New Jersey (All Housing Agencies)	64,725	61,430	-899	-394
<b>Housing Agencies Facing Large Cuts</b>				
Atlantic City HA	849	849	-60	0
Bayonne HA	251	225	-14	-7
Berkeley HA	25	24	-1	0
Boonton	159	151	-10	-5
Bridgeton	203	157	-10	-3
Cherry Hill Township	131	118	-7	-2
Neptune HA	318	276	-19	-6
Newark HA	5,348	5,028	-162	-104
Orange	601	567	-39	0

	Authorized Vouchers	Number of Families Assisted According to Recent Data	Reductions in Families Assisted at Agencies Facing Cuts	
			House Bill	Senate Bill
Passaic HA	1,792	1,464	-138	0
Paterson DCD	1,071	1,064	-10	-60
Penns Grove	35	31	-2	-1
Perth Amboy HA	746	572	-30	-20
Red Bank	260	233	-20	-5
Union City HA	646	637	-46	-10
Vineland	347	343	-27	-11
Warren Co. Housing Program	666	657	-36	-1
West New York	462	410	-92	-43

*Note on Estimates:* Estimates are calculated from projections of average voucher costs and the number of authorized vouchers that will actually be in use in 2006 based on data through January 2005. Estimates of cuts in assistance reflect reductions below the average number of authorized vouchers in use from May 2004-January 2005, the most recent 9 months for which data are available. In some cases, housing agencies could respond to funding reductions by cutting assistance through steps other than reducing the number of families assisted, but these steps would also harm low-income families. For example, agencies could reduce the amount of rent a voucher can cover, but this would make it more difficult for families to rent apartments outside the lowest-rent neighborhoods — which often have high crime, poor schools, and few jobs.

For additional information on the assumptions used in making these estimates, see the technical appendix available on the internet at <http://www.cbpp.org/8-24-05hous.htm>. State and local housing agencies may have more recent data, which could be used to make estimates that would more accurately reflect recent conditions in the area. A calculator that would allow local agencies to make estimates based on these data is also available at <http://www.cbpp.org/8-24-05hous.htm>.