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House of Representatives
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COMMITTEE ON APPROPRIATIONS
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AND RELATED AGENCIES
MILITARY CONSTRUCTION

May 14, 2004

Facts About Section 8 Voucher Funding

Dear Colleague,

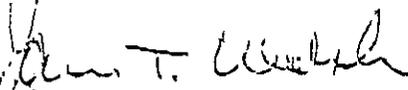
Some of you may have recently been contacted by various advocacy groups and constituents regarding their concerns over Section 8 voucher funding. Unfortunately, some industry groups have recently distributed incorrect information regarding congressional action taken in the fiscal year 2004 appropriations Act. I am writing to set the record straight regarding this issue.

The fiscal year 2004 appropriation enacted for the Section 8 vouchers demonstrated the Congress' continued, bi-partisan commitment to provide housing assistance for low-income families. Over the last three years, Congress has increased funding for Section 8 vouchers by over 29 percent to address the rapidly increasing costs in this program. For fiscal year 2004, the Congress provided \$12,974,577,000 for Section 8 voucher renewals, a \$1,613,550,000 or 14.5% increase, over the fiscal year 2003 enacted level.

To address the rapidly escalating costs in the program, direction was included in the conference agreement for the Secretary to renew vouchers on a budget-basis, with each public housing authority's budget to be determined in accordance with the formula proscribed by statute in the conference agreement. Public housing authority budgets are to be based on the voucher costs they reported spending as of August 1, 2003, adjusted for a local or regional inflation factor. The significant funding increase provided in the 2004 Act represents the amount necessary to support this formula.

While some have advocated for an alternative funding formula to provide even larger increases in public housing authority budgets, there is not sufficient funding available to support such a change. Nor is such a change warranted. Any changes to the formula adopted in the conference agreement would require additional funds above the 14.5 percent increase already provided. The Department's allocation of the large funding increase provided in the 2004 Act is wholly consistent with the bi-partisan conference agreement, and should be supported fully by the Congress.

Sincerely,



James T. Walsh
Chairman, Subcommittee on the Departments of
Veterans Affairs and Housing and Urban Development,
Independent Agencies