



Congress Approves Budget Deal to Reduce Sequestration Cuts in 2014 and 2015

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Last night, the Senate followed the House in approving a budget agreement that would reduce sequestration cuts, sending the measure to the President to be signed into law.

The budget deal revises overall spending targets for defense and nondefense discretionary programs in fiscal years 2014 and 2015. For nondefense discretionary programs – the category that includes nearly all low-income housing programs – total funding in 2014 will be set at \$491.8 billion, which is \$22.4 billion, or 4.8 percent, above the post-sequestration level of \$469.4 billion in 2013. For fiscal year 2015, total NDD funding will remain roughly level at \$492.4 billion. The agreement will enable Congress to reverse many of the sequestration cuts made in 2013, although nondefense funding in 2014 will remain far below the 2010 level.

Reports indicate that the House and Senate appropriations committees have already begun to negotiate the details of a final bill to set funding levels for particular programs in 2014. Their goal will be to finalize a bill before Congress returns from the holiday recess, so the House and Senate can consider the bill before the current continuing resolution expires on January 15. Action in the House likely will occur the week of January 6th, and in the Senate early in the week of January 13th.

Final funding levels for Housing Choice Vouchers, public housing, and other HUD programs will thus be decided over the next several weeks, and there is a strong possibility that some HUD programs will receive significant additional funding in 2014 in the negotiated final bill. The next several weeks are therefore a critical opportunity to advocate for additional funding in key areas – such as the Housing Choice Voucher program – where sequestration forced a cut in the number of families served this year.

Details of the final bill, including 2014 funding levels for housing vouchers and other low-income housing programs, will likely not be available until early January. If Congress approves the negotiated funding bill, as expected, HUD would likely be able to notify housing agencies administering Housing Choice Vouchers of their final 2014 funding allocations by March, at the latest. Public housing agencies that need additional HCV funds in the first few months of the year likely will be able to “frontload” additional funds from their annual allocation, particularly if Congress provides increased renewal funding for 2014.

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