

Federal Budget Update – 3/25/13 (From the [National Low Income Housing Coalition](#))

On March 21, nearly six months into FY13, Congress passed a continuing resolution (CR) to fund the federal government through the remainder of the fiscal year. The bill containing the CR, H.R. 933, was passed first by the House on March 6, amended by the Senate on March 20, and approved again by the House on March 21. President Barack Obama is expected to sign the measure before the March 27 expiration of the current CR.

The House-passed H.R. 933 would continue to fund most discretionary programs at FY12 level. The Senate's final bill added three bills to H.R. 933, including the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies FY13 appropriation bill. The final bill also includes several anomalies for HUD programs. An "anomaly," in the context of a CR, is a special provision included to address a particular program need. These anomalies were passed by the Senate and then by the House.

H.R. 933 would provide \$132 million in additional funding, over FY12 levels, for Homeless Assistance Grants, bringing FY13 funding to \$2.033 billion, an amount higher than the House-passed FY13 figure of \$2.005 billion and less than the Senate committee-passed FY13 amount of \$2.146 billion.

The CR also increases funding for the Public Housing Operating Fund to \$4.2 billion, \$300 million above the FY12 level. This increase still leaves a significant hole in the operating account. In FY12, HUD relied on public housing agencies to contribute approximately \$750 million in reserve funding to supplement an intentionally low appropriation. For FY13, HUD requested that funds be restored to the operating fund. Even with the anomaly, the Senate draft CR would underfund the Public Housing Operating Fund by over \$450 million.

The CR also includes a provision for the Tenant-Based Rental Assistance account, increasing administrative fees by \$25 million. The CR would also allow funds to be set aside for unforeseen circumstances in the voucher program to be used for public housing agencies that "would otherwise be required to terminate participating families from the program due to insufficient funds." There is no additional funding provided for the increasing cost of maintaining current vouchers in FY13, however.

The CR reinstates the language from previous appropriations bills that allows the rescission of the Housing Certificate Fund to be directed to the Project-Based Rental Assistance account. The rescission could produce \$50 million or more for the project-based program. Even with this contribution, the program could face an FY13 shortfall in excess of \$800 million. Moving on to FY14, the House and Senate also each passed their respective versions of an FY14 budget resolution the week of March 18. Budget resolutions set the overall guidelines for federal spending and revenue. They are nonbinding and are not signed by the President.

The House resolution, H. Con. Res. 25, would cut domestic discretionary spending deeper than the 2011 Budget Control Act, which included the FY13 sequester and nine additional years of deep discretionary spending cuts. It passed on March 21 by a 221 to 207 vote.

The Senate's resolution, S. Con. Res. 8, passed early the morning of March 23 by a 50 to 49 vote. The Senate's budget resolution provides Congress with the ability to fund the National Housing Trust Fund through a deficit-neutral allocation of funds from elsewhere within the resolution. A similar provision was included in the budget resolution for FY11.

Both the House and Senate resolutions would replace sequestration but still cut discretionary spending. The Senate resolution would cut non-defense discretionary spending by around \$150 billion, far less than would the House budget resolution. The House-proposed cuts would result in far deeper cuts to non-defense discretionary programs than under sequestration.

Regular order would call for the two resolutions to be conferenced to come up with a joint budget resolution. But the differences between the House and Senate resolutions are so great that a joint resolution would be nearly impossible to achieve.

Now that their respective budget resolutions are complete, the House and Senate Committees on Appropriations are free to begin their FY14 budget work. The House Committee has already set its deadlines for members to submit programmatic funding requests. Appropriations work is expected to begin in earnest when Congress returns after the Easter and Passover recess.

President Obama is now expected to release his FY14 budget request to Congress on April 8, two months later than it normally would be sent to the Hill.