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Department of Housing and Urban Development (HUD): FY2013 Appropriations

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Summary

The President's FY2013 budget requested nearly $34 billion in net new budget authority for the Department of Housing and Urban Development (HUD) in FY2013. This is about $4 billion less than was provided in FY2012. However, in terms of new appropriations for HUD's programs and activities, the President's budget actually requested an *increase* of more than $512 million compared to FY2012. The difference—a decrease in net budget authority versus an increase in new appropriations—is attributable to an estimated increase in the amount of excess receipts available from the FHA insurance fund, which are used to offset the cost of the HUD budget. The President's budget requested increases in funding for public housing and homelessness assistance grants. The President's budget requested decreases in funding for the project-based Section 8 rental assistance program and several community development-related programs.

S. 2322, the Transportation, HUD, and Related Agencies FY2013 appropriations bill reported by the Senate Committee on Appropriations in the 112th Congress, included about $35 billion in net new budget authority for HUD. That is about $1 billion more than the President's request and more than $2 billion less than was provided in FY2012. In terms of new appropriations for HUD's programs and activities (not accounting for offsets), S. 2322 proposed about $1 billion more than the President's request and $2 billion more than FY2012. The largest increase was provided for the project-based Section 8 rental assistance account.

The House Appropriations Committee, in the 112th Congress, passed its version of the FY2013 Transportation-HUD appropriations bill on June 19, 2012 (H.R. 5972). It included $33.6 billion for HUD, which is less than the Senate but more than the President requested. The bill included increased funding for the Community Development Block Grant program, but no new funding for the HOPE VI/Choice Neighborhoods program. H.R. 5972 was considered by the House the week of June 25, 2012, and was approved, as amended, on June 29, 2012. An amendment added during floor consideration would have prohibited the transfer and use of other department funds to carry out the activities of the Sustainable Communities Initiative (SCI) grant program. On June 21, 2012, the Obama Administration released a Statement of Administration Policy on the bill expressing opposition to certain program funding levels in the House bill and objecting to the House's overall discretionary funding level for FY2013. For these reasons, the statement said that the President's advisors would recommend that he veto H.R. 5972.

In September 2012, Congress enacted and the President signed a continuing resolution (H.J.Res. 117) to fund government agencies—including HUD—at their FY2012 levels, increased by 0.612%, through the earlier of enactment of final FY2013 appropriations legislation or March 27, 2012. The CR did not extend emergency funding that was provided in FY2012 (HUD received $100 million in emergency funding in FY2012). The 112th Congress adjourned without enacting final FY2013 appropriations.

In January 2013, the new 113th Congress enacted a supplemental funding bill in response to Hurricane Sandy (P.L. 113-2). The bill provided $16 billion for the Community Development Block Grant program, to be used for recovery from Hurricane Sandy, and other disasters.

On March 1, 2013, under the terms of the Budget Control Act of 2011 (P.L. 112-25), as amended by the American Taxpayer Relief Act of 2012 (P.L. 112-240), President Obama ordered a sequestration. The result is an across-the-board cut of 5% for most of HUD's programs and activities for FY2013, a total reduction of about $3 billion.

On March 6, 2013, the House approved a bill to provide full-year government-wide appropriations for FY2013 (H.R. 933). It proposed to continue funding for HUD programs at FY2012 levels, reduced by an across-the-board rescission of .098%. It proposed to maintain the

reductions imposed by the sequester. The bill included a number of anomalies, including two that affected HUD. One involved the homeless assistance programs and one involved Indian Housing Loan Guarantees.

On March 12, 2013, the Senate Committee on Appropriations released a substitute amendment to H.R. 933, which included several individual appropriations bills and a continuing resolution to fund the remaining federal agencies, including DOT and HUD, through the end of FY2013. The CR continued funding for most programs and activities at FY2012 levels. Like the House-passed version of the bill, it also proposed to maintain the funding reductions imposed by the March 1, 2013, sequester. The Senate substitute amendment included more anomalies and increased funding for HUD, compared to the House-passed version of H.R. 933. The Senate substitute amendment included funding increases above FY2012 levels for homeless assistance programs, Indian Housing Loan Guarantees, Section 8 tenant-based rental assistance, and the Public Housing Operating Fund. The Senate approved H.R. 933, as amended by the substitute amendment and other floor amendments (none of which involved HUD), on March 20, 2013. The next day, the House agreed to the Senate amendments. The President signed H.R. 933 into law on March 26, 2013 (P.L. 113-6).

In total, P.L. 113-6 provided $1.6 billion less in new appropriations for HUD programs and activities than was provided in FY2012 (-4%), after accounting for the sequester reduction and the 0.2% across-the-board rescission ordered by OMB as required by the law.

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Introduction to HUD

Most of the funding for the activities of the Department of Housing and Urban Development (HUD) comes from discretionary appropriations provided each year in the annual appropriations acts enacted by Congress. HUD's programs are primarily designed to address housing problems faced by households with very low incomes or other special housing needs. These include several programs of rental assistance for persons who are poor, elderly, and/or have disabilities. Three rental assistance programs—Public Housing, Section 8 Vouchers, and Section 8 project-based rental assistance—account for the majority of the department's nonemergency funding (over three-quarters of total HUD appropriations in FY2012). Two flexible block grant programs—HOME and Community Development Block Grants (CDBG)—help communities finance a variety of housing and community development activities designed to serve low-income families. Other more specialized grant programs help communities meet the needs of homeless persons, including those with AIDS. HUD's Federal Housing Administration (FHA) insures mortgages made by lenders to home buyers with low downpayments and to developers of multifamily rental buildings containing relatively affordable units. FHA collects fees from insured borrowers, which are used to sustain the insurance fund and offset its administrative costs. Surplus FHA funds have been used to offset the cost of the HUD budget.

In recent years, the HUD budget has also received significant amounts of emergency supplemental funding. For example, almost $20 billion was provided through HUD's budget for recovery assistance to communities affected by Hurricane Katrina and the other hurricanes of 2005. The economic stimulus legislation enacted in 2009 (P.L. 111-5) provided over $13 billion to HUD's programs.

Table 1 presents total enacted appropriations for HUD over the past five years, including emergency appropriations. (For more information, see CRS Report R42542, *Department of Housing and Urban Development (HUD): Funding Trends Since FY2002*, by Maggie McCarty.)

Table 1. Department of Housing and Urban Development Appropriations, FY2008-FY2012

(net budget authority in billions of dollars)

FY2008	FY2009	FY2010	FY2011	FY2012
47.66[a]	55.20[b]	46.16[c]	41.11	37.43[d]

Source: Figures are taken from tables produced by the House Appropriations Committee.

Notes: Final appropriations levels for any fiscal year include all supplemental appropriations or rescissions. They do not reflect revised estimates of offsetting receipts. They include advance appropriations provided in the fiscal year, not advance appropriations available in the fiscal year.

a. Figure includes $3.22 billion (P.L. 110-116 and P.L. 110-252) in emergency supplemental funding in response to the hurricanes of 2005 and $6.8 billion (P.L. 110-252 and P.L. 110-329) in emergency supplemental funding for the disasters of 2008. Regular FY2008 appropriations totaled $37.64 billion.

b. Figure includes $13.7 billion in emergency funding provided as fiscal stimulus by P.L. 111-5. Regular FY2009 appropriations totaled $41.5 billion.

c. Figure includes $100 million in emergency funding provided by P.L. 111-212 for assistance in response to disasters occurring in the spring and summer of 2010.

d. Figure includes $100 million in disaster spending provided in the regular appropriations act.

FY2012 Status

The Consolidated and Further Continuing Appropriations Act of 2012 (H.R. 2112, P.L. 112-55) was signed into law on November 18, 2011. The law provided year-long appropriations for several government agencies, including HUD, and provided continuing appropriations through December 16, 2011, for the remaining government agencies (which were later funded for the rest of the fiscal year in separate legislation). The act provided about $37.3 billion in net budget authority for HUD, which is about 9% less than was provided in FY2011. However, part of the decrease in net budget authority is attributable to increases in offsetting receipts and rescissions. Looking only at gross new appropriations, and not accounting for offsets, total funding for HUD's programs was decreased by about 2% in FY2012 compared to FY2011.

FY2013 Status

Continuing Resolutions and Full-Year FY2013 Funding

On September 13, 2012, the House passed a continuing resolution, H.J.Res. 117 (112th Congress), to fund government agencies—including HUD—at their FY2012 levels, increased by 0.612%, through the earlier enactment of final FY2013 appropriations legislation on March 27, 2012. The CR does not extend emergency funding that was provided in FY2012; HUD received $100 million in emergency funding in FY2012. The bill was approved by the Senate on September 22, 2012, and signed by the President on September 28, 2012 (P.L. 112-175). The 112th Congress adjourned without enactment of final FY2013 appropriations legislation.

On March 6, 2013, the House approved a bill to provide full-year government-wide appropriations for FY2013 (H.R. 933, 113th Congress). It contained a continuing resolution that would have continued funding for most federal agencies, including HUD, at FY2012 levels, reduced by an across-the-board rescission of 0.098%.[1] It proposed to maintain the funding reductions imposed by the sequester that was ordered on March 1, 2013.[2] The bill provided a number of anomalies, including two for accounts within the HUD budget; one modified the maximum set-aside for the Emergency Solutions Grants within the homeless assistance grants account and the other increased the authority and funding for Indian Housing Loan Guarantees.

On March 12, 2013, the Senate Committee on Appropriations released a substitute amendment to H.R. 933, which included several individual appropriations bills and a continuing resolution to fund the remaining federal agencies, including HUD, through the end of FY2013. The CR continued funding for most programs and activities at FY2012 levels. Like the House-passed bill, it proposed to maintain the funding reductions imposed by the March 1, 2013, sequester. The Senate substitute amendment included more anomalies and increased overall funding for HUD compared to the House-passed version of H.R. 933.

[1] The bill actually contains two different levels of across-the-board rescissions. For nonsecurity funding (which includes all HUD funding), the rescission level is 0.098%. For security funding, the rescission level is 0.109%. The across-the-board rescissions appear to be intended to ensure that the total funding for the bills does not exceed the discretionary budget caps. For more information about the discretionary budget caps, see **Appendix**.

[2] There is some ambiguity regarding how the lower FY2013 funding levels proposed under the House CR (compared to P.L. 112-175) would interact with the reductions required under the sequester. For more information about the sequester, see **Appendix**.

Final FY2013 Year-Long CR, P.L. 113-6

On March 20, 2013, the Senate amended and approved H.R. 933. The next day, the House approved the Senate-passed version, sending the bill to the President. The President signed H.R. 933 into law on March 26, 2013 (P.L. 113-6), just before the expiration of the six-month CR.

The final version of H.R. 933 funds all HUD programs at FY2012 levels and subject to the FY2012 terms and conditions, except for the following:

- Section 1101(c) directs that most FY2012 rescissions (including the tenant-based rental assistance account rescission) are not extended under the CR.
- Section 1101(a)(7) directs that the $100 million in emergency funding provided for CDBG disaster assistance in FY2012 is not extended under the CR.
- Section 1805 provides $2.033 billion for the Homeless Assistance Grants, compared to the $1.9 billion that was provided in FY2012.
- Section 1806 provides $12 million for Indian Housing Loan Guarantees, which is twice what was provided in FY2012. It will support a loan level of $976 million, compared to $360 million in FY2012.
- Section 1807 provides $18.939 billion for the Section 8 tenant-based rental assistance (TBRA) account, compared to the $18.914 billion provided in FY2012, an increase of $25 million. The full increase is directed to fund administrative fees. As noted earlier, the CR does not include a $650 million rescission of TBRA funding that was included in the FY2012 appropriations law and reduced total funding for the account.
- Section 1809 provides $4.262 billion for the Public Housing Operating Fund, which is $300 million above the FY2012 level.

Other HUD-specific anomalies extend the authority for Home Equity Conversion Mortgages insured by FHA (Section 1810) and make a technical change to the Housing Certificate Fund (Section 1808).

Additionally, under the terms of Section 3004, as interpreted by OMB, HUD appropriations were subject to a 0.2% across-the-board rescission.[3]

Additionally, note that none of these funding levels reflect the reductions required by the March 1, 2013, sequestration order, and thus the budgetary resources available to nearly all HUD programs and activities in FY2013 were reduced further as directed by that order. (For more information about sequestration, see the **Appendix**.) After accounting for sequestration and the across-the-board rescission ordered by P.L. 113-6, HUD programs and activities received $42.632 billion in new appropriations in FY2013 under the terms of the year-long CR. That amount is

[3] Some of the agencies funded in P.L. 113-6 are subject to across-the-board rescissions specified in the act. HUD's budget is not subject to a specified across-the-board rescission. However, Section 3004 of P.L. 113-6 addresses the possibility that the new budget authority provided in the act might exceed the discretionary spending limits in Section 251(c)(2) of the Balanced Budget and Emergency Deficit Control Act. It provides for across-the-board rescissions for nonsecurity (including HUD's entire budget) and security budget authority. The rate for the rescission was set in the law at 0%. However, the law specified that the percentages may be adjusted in the event that OMB estimates that additional rescissions are needed to avoid a sequester. Subsequent to the enactment of P.L. 113-6, OMB calculated that additional rescissions of 0.032% of security budget authority, and 0.2% of nonsecurity budget authority, would be required. Thus, the funding levels provided for HUD for FY2013 under P.L. 113-6 will be reduced 0.2%. For further information, see OMB, "Consolidated and Further Continuing Appropriations Act, 2013," *Budget Enforcement Act (7-Day-After Reports)*, April 4, 2013, p. 54, available at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/7_day_after/bea_report_hr933_04-04-13.pdf.

$1.6 billion less (-4%) than the FY2012 level of $44.241 billion. Because of an almost doubling in offsetting receipts from FHA, the net new budget authority required to provide this amount of appropriations was $31.425 billion, or about $6 billion less (-16%) than FY2012.

House Action, 112th Congress

The Transportation, HUD and Related Agencies Subcommittee of the House Appropriations Committee approved a draft FY2013 funding bill on June 7, 2012; the full Appropriations Committee approved the draft bill on June 19, 2012, with only technical changes to the HUD portion (H.R. 5972, H.Rept. 112-541).

As shown in **Table 2**, the bill included $33.6 billion for HUD, which is about $30 million more than requested by the President, but nearly $1.4 billion less than is included in the Senate version (S. 2322). The most significant difference between the House and Senate versions is that the House bill included the President's request to reduce funding for the Section 8 project-based rental assistance program (discussed later in this report).

On June 29, 2012, the full House approved H.R. 5972. Several floor amendments were adopted, two of which transferred funds between HUD accounts, but they did not affect the overall funding level for the department.

Senate Action, 112th Congress

On April 17, 2012, the Transportation, HUD and Related Agencies subcommittee of the Senate Appropriations Committee approved an FY2013 Transportation-HUD appropriations bill. The bill was approved and reported by the full Senate Appropriations Committee two days later. As shown in **Table 2**, the bill (S. 2322, S.Rept. 112-157) proposed total net budget authority for HUD at just under $35 billion, a decrease of about 7% compared to FY2012, but an increase of about 4% over the President's requested level. S. 2322 proposed to increase funding for the Section 8 project-based rental assistance program by more than $1 billion above the President's request.

President's Budget Request

On February 13, 2012, the Obama Administration submitted its FY2013 budget request, including just under $34 billion in net budget authority for HUD. The requested level is nearly $4 billion less than the comparable amount enacted for FY2012. However, the decrease in net budget authority requested is largely attributable to an estimated increase in offsetting receipts from the Federal Housing Administration (FHA). As shown in **Table 2**, not accounting for offsets, the President's budget requested an increase of more than $500 million in new appropriations for HUD programs and activities. The largest increases in funding were proposed for the accounts that fund the public housing program and the homeless assistance programs.

Table 2 presents account-level funding information for HUD, comparing FY2013 to FY2012.

Table 2. HUD FY2013 Detailed Budget Table

(in billions of dollars)

Accounts	FY2012 Enacted	FY2013 Request	FY2013 House (H.R. 5972)	FY2013 Senate Comm. (S. 2322)	FY2013 Final[a]
Appropriations					
Management and Administration	1.332	1.349	1.325[b]	1.339	1.262
Tenant Based Rental Assistance (Sec. 8 vouchers)[c]	18.914	19.074	19.134	19.396	18.172
Public housing capital fund	1.875	2.070	1.985	1.985	1.777
Public housing operating fund	3.962	4.524	4.524	4.591	4.054
Choice Neighborhoods	0.120	0.150	0.000	0.120	0.114
Family Self Sufficiency[d]	0.000	0.060	0.000	0.000	0.000
Native American housing block grants	0.650	0.650	0.650	0.650	0.616
Indian housing loan guarantee	0.006	0.007	0.006	0.006	0.012
Native Hawaiian Block Grant	0.013	0.013	0.000	0.013	0.012[e]
Native Hawaiian loan guarantee[f]	0.000	0.001	0.000	0.000	0.000
Housing, persons with AIDS (HOPWA)	0.332	0.330	0.332b	0.330	0.315
Community Development Fund (Including CDBG)	3.308	3.143	3.404	3.210	3.135
Sec.108 loan guarantee; subsidy	0.006	0.000g	0.006	0.000[g]	0.006
HOME Investment Partnerships	1.000	1.000	1.200	1.000	0.948
Self-Help Homeownership	0.054	0.000[h]	0.060	0.054	0.051
Homeless Assistance Grants	1.901	2.231	2.005[i]	2.146	1.933
Project Based Rental Assistance (Sec. 8)[c]	9.340	8.700	8.700	9.876	8.872
Housing for the Elderly	0.375	0.475	0.425	0.375	0.355
Housing for Persons with Disabilities	0.165	0.150	0.165	0.150	0.156
Housing Counseling Assistance[j]	0.045	0.055	0.045	0.055	0.043
Manufactured Housing Fees Trust Fund[k]	0.007	0.008	0.004	0.006	0.006
Rental Housing Assistance [k, l]	0.001	0.000	0.000	0.000	0.001
FHA Expenses [k]	0.207	0.215	0.215	0.215	0.196
GNMA Expenses [k]	0.020	0.021	0.021	0.021	0.018
Research and technology	0.046	0.052	0.052	0.046	0.044
Fair housing activities [m]	0.071	0.068	0.068	0.068	0.067
Office, lead hazard control [n]	0.120	0.120	0.120	0.120	0.114
Working capital fund	0.199	0.170	0.170i	0.230o	0.189
Inspector General	0.124	0.126	0.126	0.125	0.118
Transformation Initiative	0.050	0.000[p]	0.050	0.043	0.047

Accounts	FY2012 Enacted	FY2013 Request	FY2013 House (H.R. 5972)	FY2013 Senate Comm. (S. 2322)	FY2013 Final[a]
Appropriations Subtotal (Including advances provided in current year for subsequent year)	*44.241*	*44.763*	*44.791*	*46.169*	*42.632*
Rescissions					
Housing Certificate Fund	-0.200	0.000	0.000	0.000	0.000
TBRA Prior Year Advance Rescission	-0.650	0.000	0.000	0.000	0.000
Rental housing assistance rescission	-0.232	0.000	0.000	0.000	0.000
Rescissions Subtotal	*-1.082*	*0.000*	*0.000*	*0.000*	*0.000*
Offsetting Collections and Receipts					
Manufactured Housing Fees Trust Fund[q]	-0.004	-0.004	-0.004	-0.004	-0.004
Federal Housing Administration (FHA)[r]	-5.172	-10.434	-10.434	-10.434	-10.434
GNMA	-0.650	-0.770	-0.770	-0.770	-0.770
Offsets Subtotal	*-5.826*	*-11.208*	*-11.208*	*-11.208*	*-11.208*
Disaster Funding[s]					
Disaster CDBG	0.100	0.000	0.000	0.000	0.000
Emergency/Disaster Subtotal	*0.100*	*0.000*	*0.000*	*0.000*	*15.200[t]*
Total Budget Authority Provided, Excluding Disaster Funding	**37.334**	**33.555**	**33.583**	**34.961**	**31.425**
Total Budget Authority Provided, Including Disaster Funding	**37.434**	**33.555**	**33.583**	**34.961**	**46.625**
Total Budget Authority Available, Excluding Disaster Funding, Adjusted for Advances	**37.334**	**33.555**	**33.583**	**34.961**	**31.196**
Total Budget Authority Available, Including Disaster Funding, Adjusted for Advances	**37.434**	**33.555**	**33.583**	**34.961**	**46.396**

Sources: Table prepared by CRS based on H.Rept. 112-541, the House Appropriations Committee report to accompany H.R. 5972(FY2012 enacted levels); the President's FY2013 budget documents, including HUD Congressional Budget Justifications (FY2013 requested levels); *FY2012 enacted, FY2013, and FY2014 President's Budget* funding table prepared by HUD (FY2013 enacted levels); H.R. 5972 and H.Rept. 112-541 (House-proposed levels); and S. 2322 and S.Rept. 112-157 (Senate Committee-proposed levels).

a. Figures reflect 0.2% across-the-board rescission ordered by the Office of Management and Budget as required by Section 3004 of P.L. 113-6. Figures also reflect the sequestration ordered by the President on March 2, 2013, under the terms of the Budget Control Act, as amended. For more information about sequestration, see the **Appendix**.

b. A floor amendment (H.Amdt. 1331) reduced HUD's salaries and expenses by $2 million and provided an additional $2 million for HOPWA.

c. Amounts shown reflect the amount provided in the bill for both the current year and the amount provided in the bill for the next year in the form of an advance appropriation. The amount available to the account in the fiscal year is actually the amount provided in the bill for the current year plus the advance provided in the prior year. Any differences in advance appropriations are reflected in the totals at the bottom of this table.

d. The Family Self Sufficiency program has traditionally been funded in the tenant-based rental assistance account. The President's FY2013 budget requested that a modified version of the program be funded in a separate account. Both the House and Senate bills included funding for this program within the tenant-based

rental assistance account, and the Consolidated and Further Continuing Appropriations Act (P.L. 113-6) continued funding through the tenant-based account.

e. P.L. 113-6 provided increased funding for the Indian Housing Loan Guarantee Program ($12 million, as compared to $6 million in FY2012) to support a higher level of loan commitment authority in FY2013 ($976 million, as compared to $360 million in FY2012). Program activity has been increasing in recent years, and on multiple occasions HUD has had to suspend new mortgage guarantees under the program when it exhausted its available budgetary resources. (It most recently suspended new mortgage guarantees in early March, 2013; that suspension lasted until additional budget authority was provided in P.L. 113-6.) P.L. 113-6 also authorized an increase in the guarantee fees that HUD charges under the program; increasing guarantee fees charged to borrowers could reduce the amount of appropriated funds necessary to cover program costs.

f. Amounts for the Native Hawaiian loan guarantee round to less than $1 million. Enacted levels were $386,000 in FY2012 and $366,000 in FY2013, post-sequestration.

g. The President's budget requested a new fee structure for the Section 108 loan guarantee account, which would have eliminated the need for appropriations. S. 2322 adopted this proposal, but it was not enacted.

h. The Self-Help Homeownership Opportunity Program (SHOP) account funds both SHOP and capacity building activities. In each of the last several years, the President's budget request has proposed not funding SHOP, noting that activities funded under SHOP are also eligible activities under the HOME program. The President's budget request included funding for capacity building activities, but under the Community Development Fund account. Recent appropriations laws have continued to fund both SHOP and capacity building under this account.

i. A floor amendment (H.Amdt. 1347) reduced HUD's Working Capital Fund by $5 million and provided an additional $5 million for Homeless Assistance Grants.

j. In addition to HUD's housing counseling assistance program, Congress in recent years has provided funding specifically for foreclosure mitigation counseling to the National Foreclosure Mitigation Counseling Program (NFMCP), administered by the Neighborhood Reinvestment Corporation (also known as NeighborWorks America). NeighborWorks is not part of HUD, but is usually funded as a related agency in the annual HUD appropriations laws. The President's FY2013 budget requested $85.9 million for the NFMCP, while the Senate and House bills proposed $80 million, the same as the FY2012-enacted level. Ultimately, the enacted level of funding for the NFMCP in FY2013 was $76 million (the same as the FY2012-enacted level, minus the sequestration and across-the-board rescission).

k. Some or all of the cost of funding these accounts is offset by the collection of fees or other receipts, shown later in this table.

l. The Rental Housing Assistance account is used to provide supplemental funding to some older HUD rent-assisted properties and, when funding is provided, it is typically offset by recaptures. Funding is not requested in this account every year.

m. Fair housing activities consist primarily of grants for the Fair Housing Initiatives Program (FHIP) and the Fair Housing Assistance Program (FHAP). Through FHIP, nonprofit organizations receive grants so that they can help people who have complained of discrimination, investigate complaints, and promote the fair housing laws. FHAP consists of grants to state and local agencies that enforce their own fair housing laws. In FY2012, FHIP received $42.5 million and FHAP $28.0 million. In FY2013, pursuant to the Consolidated and Further Continuing Appropriations Act (P.L. 113-6), funding levels were the same as in FY2012, though the FY2012 levels do not account for the 0.2% across-the-board rescission or sequestration.

n. For more information about lead paint programs, see CRS Report RS21688, *Lead-Based Paint Poisoning Prevention: Summary of Federal Mandates and Financial Assistance for Reducing Hazards in Housing*, by Jerry H. Yen.

o. The Senate Appropriations Committee proposal for the Working Capital Fund (WCF) included $60 million more than the President's budget request. According to the Senate Appropriations Committee Report (S.Rept. 112-157), it would have provided this additional funding to the WCF for technology modernization activities in lieu of the President's request for transfer authority to the Transformation Initiative.

p. The President's budget request proposed that the Transformation Initiative be funded by transfers from other HUD accounts.

q. Appropriations language specifies that the overall amount appropriated to the Manufactured Housing Fees Trust Fund is to be made available to HUD to incur obligations under this program pending the receipt of fee income; as fee income is received, the appropriation amount is reduced, so that the final appropriation coming from the general fund is less than the overall appropriated amount. HUD is directed to make

changes to the fees it charges as necessary to ensure that the final fiscal year appropriation is no more than what is specified in the appropriations language.

r. Amounts shown here reflect the Congressional Budget Office's re-estimate of the President's budget request, so figures may not match those shown in the President's budget documents. The President's budget request initially showed $688 million in mandatory funding needed to make a required transfer of funds between FHA accounts. Since the budget was released, HUD announced that it no longer expected to need that mandatory funding due to increases in FHA reserves from recent legal settlements with mortgage servicers and higher mortgage insurance premiums. For more information, see the "The Federal Housing Administration's Mutual Mortgage Insurance Fund" section of this report.

s. Under the terms of the Budget Control Act (P.L. 112-25), statutory discretionary spending caps may be adjusted upward by the amounts designated as being for "disaster relief" (up to a certain amount), effectively exempting such designated amounts from the original, or unadjusted, caps.

t. Provided for CDBG in P.L. 113-2. Note that actual amount provided by P.L. 113-2 was $16 billion, but that amount was later reduced by sequestration.

Selected FY2013 Funding Issues

The Federal Housing Administration's Mutual Mortgage Insurance Fund

The Federal Housing Administration (FHA) insures mortgage lenders against losses on mortgages made to borrowers with low downpayments or other eligible borrowers who meet certain criteria.[4] The provision of FHA insurance helps to make mortgage credit more widely available, and at a lower cost, than it might be in the absence of the insurance. Borrowers of FHA-insured loans pay both upfront and monthly fees, or premiums, for the insurance.

FHA's single-family mortgage insurance programs are administered through the Mutual Mortgage Insurance Fund (MMIF). The MMIF is the largest of the FHA insurance funds, and when there is public discussion of "FHA insurance" or "FHA loans," it is usually related to the MMIF and the single-family home loans insured under that fund.[5] Home Equity Conversion Mortgages (HECMs), which are FHA-insured reverse mortgages, are also included in the MMIF, leading to two risk categories within the MMIF: the Purchase and Refinance risk category and the HECM risk category.

Historically, the MMIF has been self-financing; the amount of money taken in through premiums has been sufficient to cover any claims that FHA has to pay on defaulted mortgages. FHA does receive an appropriation every year for administrative contract expenses; for FY2013, the President's budget requested an appropriation of $215 million for administrative contract expenses, an $8 million increase over the FY2012-enacted level of $207 million. The final FY2013 appropriation for FHA's administrative contract expenses was $196 million, after accounting for the sequestration and across-the-board rescission.

FY2013 Credit Subsidy and Offsetting Receipts

The Federal Credit Reform Act of 1990 (FCRA) provided that the cost of federal loan insurance in a given fiscal year be recorded in the budget as the net present value of all expected cash flows

[4] For more information on the features of FHA-insured mortgages, see CRS Report RS20530, *FHA-Insured Home Loans: An Overview*, by Katie Jones.

[5] Another insurance fund, the General Insurance and Special Risk Insurance Fund (GI/SRI) provides insurance for other FHA programs, including multifamily rental housing, and for an assortment of special-purpose loans such as hospitals and nursing homes.

from loans insured in that year. For the MMIF, the cash inflows are mainly the insurance premiums paid by borrowers, and the cash outflows are mainly the payments to lenders for the cost of loan defaults. The net value of these cash flows is expressed as a percentage of the volume of loans expected to be insured in that year and is referred to as the subsidy rate. If the cash inflows exceed the cash outflows, the subsidy rate is expressed as a negative number because net income from business type activities is shown in the budget as negative outlays. If the cash outflows exceed the cash inflows, the subsidy rate is expressed as a positive number.

When the subsidy rate is applied to the expected loan volume in a given year, the result is the amount of credit subsidy that a federal credit program is expected to need over the life of the loans. If a program has a positive subsidy rate, that program requires an appropriation of credit subsidy in the budget year that the loans are originated. If the program has a negative subsidy rate, then the program is expected to take in more money than it pays out, generating offsetting receipts. However, actual cash flows over the life of the loans are likely to differ from those projected in the first year. Therefore, agencies are required to periodically revise the initial subsidy estimates to include updated assumptions.

For FY2013, HUD estimated that the MMIF Purchase and Refinance category (excluding HECMs) would have a credit subsidy rate of -5.38% and that about $149 billion of purchase and refinance loans would be insured, resulting in $8 billion in negative credit subsidy. HUD further estimated that the HECM category would have a subsidy rate of -0.92% and that FHA would insure about $18 billion of HECMs, resulting in negative credit subsidy of $172 million. Together, then, HUD estimated that mortgages insured under the MMIF in FY2013 would generate $8.2 billion in negative credit subsidy for the government.[6] HUD also estimated that its other insurance fund, the GI/SRI fund, would generate $661 million in negative credit subsidy;[7] combined with the negative credit subsidy from the MMIF, this would lead to a total of nearly $9 billion in negative credit subsidy generated by FHA that could be used as offsetting receipts.

Each year, the Congressional Budget Office (CBO) re-estimates these numbers as part of its re-estimate of the President's budget. Depending on the assumptions it uses, CBO's numbers might be different from those in the President's budget. CBO's numbers are the ones that are used by Congress for the purpose of determining budget authority (and presented in this report, including **Table 2**). According to Senate Appropriations Committee documents, CBO estimated that FHA would generate a total of over $10.4 billion in negative credit subsidy in FY2013, which is over $1 billion more than FHA estimates shown in the President's budget documents.[8]

Permanent and Indefinite Budget Authority

As mentioned earlier, FHA's single-family programs have historically been self-financing. However, the FCRA provides permanent and indefinite budget authority to government loan guarantee programs to cover increased costs of loan guarantees. This includes the FHA programs administered through the MMIF. Therefore, if the MMIF ever does not have enough money to cover projected claims on defaulted loans, it can draw on its permanent and indefinite budget authority with the U.S. Treasury to cover any shortfalls without congressional action.

[6] U.S. Department of Housing and Urban Development, *Fiscal Year 2013 Budget: Justifications for Estimates*, p. B-9, http://portal.hud.gov/hudportal/documents/huddoc?id=CombinedFHAFund.pdf.

[7] Ibid., p. B-16.

[8] S.Rept. 112-157, pp. 166-167.

The FY2013 budget showed that, for the first time, HUD anticipated that the MMIF would need to draw on this permanent and indefinite budget authority for $688 million sometime during FY2012.[9] This money would be needed to make a required transfer of funds from the MMIF's secondary reserve account to its primary reserve account, in order to account for an increase in the estimated losses expected to occur over the life of the loans currently insured by FHA. It would not be needed immediately to cover *actual* claims on defaulted FHA-insured loans. FHA had about $33 billion in reserves that it could use to pay claims,[10] and those funds would be exhausted before any additional funds from Treasury would be spent.

After the FY2013 President's budget was released, HUD stated that it no longer expected to need to draw on Treasury for these funds during FY2012. Increases in mortgage insurance premiums, along with funds from recent legal settlements, brought in enough money to the MMIF to cover the required transfer of funds.[11] However, although FHA did not need to draw funds from Treasury to cover projected losses in the MMIF in FY2012, FHA did end up using its permanent and indefinite budget authority to draw $1.7 billion from Treasury at the end of FY2013 in order to make its required transfer of funds between reserve accounts in that year.[12]

Mortgage Insurance Premium Increases

In the FY2013 budget justifications, FHA indicated that it would make further increases to the insurance premiums that it charges for FHA insurance. This included a 0.1% increase in the annual insurance premium that was mandated by the Temporary Payroll Tax Cut Continuation Act of 2011 (P.L. 112-78), as well as an additional premium increase on loans with principal balances over $625,500.[13] These premium increases have since gone into effect.[14] FHA expects the premium increases to increase the amount of negative credit subsidy generated by FHA and to help increase the MMIF's reserves.

For more information on the MMIF's financial status, and steps that FHA has taken to increase its reserves, see CRS Report R42875, *The FHA Single-Family Mortgage Insurance Program: Financial Status and Related Current Issues*, by Katie Jones.

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[9] Office of Management and Budget, *The Appendix, Budget of the United States Government, Fiscal Year 2013, Department of Housing and Urban Development*, p.636, http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/hud.pdf.

[10] U.S. Department of Housing and Urban Development, *FHA Single-Family Mutual Mortgage Insurance Fund Programs Quarterly Report to Congress FY2012 Q1*, March 26, 2012, p. 11, available at http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/rmra/oe/rpts/rtc/fhartcqtrly.

[11] See, for example, U.S. Congress, Senate Committee on Appropriations, Subcommittee on Transportation and Housing and Urban Development, and Related Agencies, *Hearing on the Proposed Fiscal 2013 Appropriations for the Federal Housing Administration*, 112th Cong., 2nd sess., March 8, 2012, during which acting FHA Commissioner Carol Galante stated that "So the budget projection in the President's budget was that if there were no additional policy changes, and MIP [mortgage insurance premium] increases, and no additional funds through enforcement actions, and the economics that the projections were based on stay the same and the volumes stay the same, that we could draw $688 million from Treasury. Given the changes ... [t]hose two things, obviously, you know, take away the need for the $688 million."

[12] The President's FY2014 budget anticipated that FHA would need funds from Treasury to make the required transfer of funds in FY2013, although the amount that the MMIF ultimately needed was higher than the amount anticipated in the President's budget.

[13] U.S. Department of Housing and Urban Development, *Fiscal Year 2013 Budget: Justifications for Estimates*, p. B-11, http://portal.hud.gov/hudportal/documents/huddoc?id=CombinedFHAFund.pdf.

[14] For more information on the mortgage insurance premium amounts charged by FHA, see CRS Report RS20530, *FHA-Insured Home Loans: An Overview*, by Katie Jones.

Funding for Section 8 Housing Choice Vouchers

The tenant-based rental assistance (TBRA) account is the account that funds the Section 8 Housing Choice Voucher program; it is the largest account in HUD's budget and it funds the largest assistance program administered by HUD. Most of the funding provided to the account each year is for the annual renewal of the roughly 2 million vouchers that are currently authorized and being used by families to subsidize their housing. The account also provides funding for the administrative costs incurred by the PHAs that administer the program. The account is funded using both current-year appropriations and advance appropriations provided for use in the following fiscal year. (For more information about the program, see CRS Report RL34002, *Section 8 Housing Choice Voucher Program: Issues and Reform Proposals*, by Maggie McCarty.)

As shown in **Table 3**, for FY2013 the President's budget requested a 4% increase in funding for the tenant-based rental assistance account, after accounting for a rescission taken in FY2012. The President's budget request documents indicated that the amount requested would be sufficient to continue to serve roughly the same number of families as served by the program in 2012. However, the request assumed that some administrative reform language, which HUD estimated would result in program savings, is enacted (discussed later in this report). The President's budget request proposed to increase the amount of administrative fees paid to the local public housing authorities (PHAs) that administer the program. In FY2012, the amount provided for administrative fees within the TBRA account was sufficient to fund only about 74% of the fees earned by PHAs; HUD estimated the requested funding level would increase the "proration level" to 81%.

S. 2322 proposed to provide over $300 million more for the TBRA account than the President requested. All of that increase is attributable to increased funding for voucher renewals. The committee report accompanying the bill notes that the committee did not adopt all of the cost saving legislative proposals requested by the President (see "Assisted Housing Legislative Proposals" later in this report).

The House version of the FY2013 bill (H.R. 5972, H.Rept. 112-541) included the President's requested funding level for voucher renewals, which is more than $200 million below the Senate bill. The bill did not include the cost-saving legislative proposals requested by the President; the report states that the committee is supportive of such proposals and encourages the authorizing committees to consider them, and for HUD to consider administrative and regulatory reforms.

As shown in **Table 3**, P.L. 113-6, the final FY2013 year-long continuing resolution, after accounting for the sequestration reduction and the across-the-board rescission, resulted in $17.964 billion being made available for the voucher program in FY2013, which is 2% less than the amount available (post-rescission) in FY2012 and 6% less than the amount requested by the President. Note that the President's request was based on an assumption of savings from a set of legislative reforms proposed in the budget (discussed later in this report); P.L. 113-6 did not adopt those legislative reforms.

Table 3. Tenant-Based Rental Assistance (Housing Choice Vouchers), FY2012-FY2013

(in billions of dollars)

Section 8 Tenant-Based Rental Assistance	FY2012 Enacted	FY2013 Request	FY2013 Senate Comm. (S. 2322/112th)	FY2013 House (H.R. 5972/ 112th)	FY2013 Final[a]
Total Provided in Bill	**18.914**	**19.074**	**19.396**	**19.134**	**18.172**

Section 8 Tenant-Based Rental Assistance	FY2012 Enacted	FY2013 Request	FY2013 Senate Comm. (S. 2322/112th)	FY2013 House (H.R. 5972/ 112th)	FY2013 Final[a]
Total Available In FY	**18.264**	**19.074**	**19.396**	**19.134**	**17.964**
Current Year Budget Authority	14.914	15.074	15.396	15.134	14.172
Advance Appropriation provided for next FY	4.000	4.000	4.000	4.000	4.000
Advance Appropriation available for current FY	3.350	4.000	4.000	4.000	3.792
Rescission from Advance for current FY (reflected above)	*(0.650)*	*0.000*	*0.000*	*0.000*	*0.000*
Details					
Budget Authority for Voucher Renewals	17.242	17.238	17.495	17.238	16.349
Rental subsidy reserve	*0.103*	*0.075*	*0.075*	*0.075*	*0.103*
Administrative fees	1.350	1.575	1.575	1.575	1.306
Additional Fees	*0.050*	*0.050*	*0.015*	*0.050*	*0.050*
Family Self Sufficiency (FSS) Coordinators	0.060	0.000[b]	0.060	0.060	0.057
Tenant Protection Vouchers	0.075	0.075	0.075	0.075	0.071
Veterans Affairs Supported Housing	0.075	0.075	0.075	0.075	0.075
Section 811 Voucher Renewals	0.112	0.111	0.111	0.111	0.106

Source: Table prepared by CRS based on *FY2012 enacted, FY2013, and FY2014 President's Budget* funding table prepared by HUD, S. 2322 (112th), S.Rept. 112-157, H.R. 5972 (112th), H.Rept. 112-541 and President's FY2013 budget documents, including HUD Congressional Budget Justifications.

a. Figures reflect 0.2% across-the-board rescission ordered by the Office of Management and Budget as required by Section 3004 of P.L. 113-6. Figures also reflect the sequestration ordered by the President on March 2, 2013, under the terms of the Budget Control Act, as amended. For more information about sequestration, see the **Appendix**.

b. The President's budget requested that the Family Self Sufficiency program be funded at $60 million in a separate account, as shown in **Table 2**.

Funding for Project-Based Section 8 Rental Assistance Contracts

The project-based rental assistance (PBRA) account provides funding to administer and renew existing project-based Section 8 rental assistance contracts between HUD and private multifamily property owners. Under those contracts, HUD provides subsidies to the owners to make up the difference between what eligible low-income families pay to live in subsidized units (30% of their incomes) and a previously agreed-upon rent for the unit. No new contracts have been entered into under this program since the early 1980s. When the program was active, Congress funded the contracts for 20- to 40-year periods, so the monthly payments for owners came from old appropriations. However, once those contracts expire, they require new annual appropriations if they are renewed. As more contracts expire, and assuming the owners choose to renew, more new appropriations are needed to maintain the subsidies. Further, some old contracts do not have sufficient funding to finish their existing terms, so new funding is needed to complete the contract (referred to as amendment funding). As more contracts have shifted from long-term appropriations to needing new appropriations, this account has grown and become the second-largest account in HUD's budget.

The President's budget requested about $600 million less for the project-based rental assistance account than was provided in FY2012. The President's budget documents acknowledged that the funding level requested would not be sufficient to fund the full 12-month renewal of all of the existing contracts. Instead, the department plans to fund the contracts for partial terms (less than 12 months). The budget also requested policy changes, and indicates the department is pursuing other administrative policy changes, that will result in program savings.[15]

S. 2322 included about $1.2 billion more for the PBRA account than requested by the President. S.Rept. 112-157 stated that the committee rejects the President's proposal to short-fund Section 8 project-based rental assistance contracts and thus the bill provides sufficient funding to renew all contracts for 12 months.

The House Appropriations Committee-passed version of the FY2013 HUD funding bill (H.R. 5972, H.Rept. 112-541) adopted the President's request for the Section 8 project-based rental assistance account.

P.L. 113-6, the final FY2013 year-long continuing resolution, after accounting for the sequestration reduction and the across-the-board rescission, resulted in $8.851 billion being made available for the Section 8 project-based rental assistance account in FY2013.[16] This amount is less than what was provided in FY2012 (-5%), slightly more than the amount requested by the President and proposed by the House in H.R. 5972 (+2%), and substantially less than the Senate estimated would be needed to "fully fund" contract renewals (-10%).

Public Housing and Choice Neighborhoods

The public housing program provides publicly owned and subsidized rental units for very low-income families. Created in 1937, it is the federal government's oldest housing assistance program for poor families, and it is arguably HUD's most well-known assistance program. (For more information, see CRS Report R41654, *Introduction to Public Housing*, by Maggie McCarty.) Although no new public housing developments have been built for many years, Congress continues to provide funds to the more than 3,100 public housing authorities (PHAs) that own and maintain the existing stock of more than 1 million units. Public housing receives federal funding under two primary accounts, which, when combined, result in public housing being the third-highest funded program in HUD's budget (following the two Section 8 programs, discussed elsewhere in this report). Through the operating fund, HUD provides funding to PHAs to help fill the gap between tenants' contributions toward rent and the cost of ongoing maintenance, utilities, and administration of public housing properties. Through the capital fund, HUD provides funding to PHAs for capital projects and modernization of their public housing properties.

In terms of total funding for the public housing program—both the capital fund and operating fund—the President's FY2013 budget requested a 13% increase compared to FY2012. As shown in **Table 4**, the operating fund request included a 14% increase and the capital fund request included a 10% increase over FY2012. However, the size of the increase in funding requested for

[15] The full list of program changes are listed in HUD's Congressional Budget Justification, Project-Based Rental Assistance, p. A-3, http://portal.hud.gov/hudportal/documents/huddoc?id=project-based-2013.pdf.

[16] This amount differs from the amount shown in **Table 2** because of the treatment of advance appropriations. The account typically receives both a current-year appropriation and an advance appropriation. The advance appropriation available in FY2013, which was actually provided in FY2012, was reduced by sequestration; however, the amount of advance appropriations provided in FY2013 for FY2014, and shown in **Table 2**, was not reduced by the sequester. Thus, the amount provided in FY2013, post-sequester, was $8.872 billion, but the amount available in FY2013 was $8.851 billion, post-sequester.

the operating fund is somewhat misleading in terms of how much will be available to the program. In FY2012, Congress directed HUD to supplement the appropriations provided for the operating fund by requiring PHAs to use their reserve funds. HUD's budget documents note that no such offset will be available in FY2013, thus more funding will be required to ensure the same amount of funding is available to the program. The President's budget request included a proposal for new administrative flexibilities for PHAs administering public housing. Specifically, the budget requested the authority to permit PHAs to have full fungibility between their capital and operating funds and to test new rent policies to promote increased income among public housing tenants. The budget also requested $50 million for a new Jobs-Plus Pilot Initiative. The initiative is based on the original Jobs-Plus demonstration, which identified several place-based work support strategies that appeared to increase employment and earnings for residents of public housing.

S. 2322 included just slightly less in total funding for public housing than the amount requested by the President ($18 million less, a difference of less than 1%). However, S. 2322 allocates the funding differently, providing about $70 million more for the operating fund and $85 million less for the Capital Fund than was requested by the President. The Senate bill did include funding for the Jobs-Plus Initiative, but not as much as requested in the President's budget. S.Rept. 112-157 noted that several of the activities envisioned for the Jobs-Plus Initiative are eligible uses of ROSS funding,[17] and that, while the Secretary may use ROSS funds for Jobs-Plus, the "Committee expects HUD to use caution in designing this initiative so as not to adversely impact those already being served under the ROSS program."

The House Appropriations Committee-passed version of the FY2013 HUD funding bill (H.R. 5972, H.Rept. 112-541) included the same level of funding as proposed by the Senate for the capital fund and the same level of funding proposed by the President for the operating fund. It did not include funding for the Jobs-Plus initiative that was requested in the President's budget.

P.L. 113-6, after accounting for the sequestration reduction and the across-the-board rescission, resulted in $5.831 billion being made available for the combined public housing operating fund and capital fund programs (see **Table 4**). This amount is about equal to the amount of funding provided in FY2012 (not accounting for the spending from PHA operating fund reserves), but is about 12% less than the amount requested by the President. The capital fund was funded at about 14% less than the amount requested by the President, and the operating fund was funded at about 10% less than the amount requested by the President.

HOPE VI/Choice Neighborhoods

Additionally, the budget requested $150 million for Choice Neighborhoods, an increase from FY2012, when the program received $120 million. The Choice Neighborhood program is an Obama Administration initiative that provides competitive grants to local communities to redevelop distressed assisted housing. Choice Neighborhoods was designed to replace HOPE VI, which provided competitive grants to PHAs to redevelop distressed public housing. While PHAs are eligible to receive Choice Neighborhood grants, other entities may also apply. FY2012 was the first year that Choice Neighborhoods was funded while HOPE VI was not.

The Senate appropriations committee proposed to fund Choice Neighborhoods at $30 million below the requested level, even with the FY2012 enacted level. S. 2322 proposed to set-aside $80

[17] The Resident Opportunities for Self Sufficiency program (ROSS) funds service coordinators to provide supportive services and resident empowerment activities for residents of public housing.

million for PHA applicants (as opposed to other entities, ensuring the majority of funding is directed to public housing).

The House Appropriations Committee-passed version of the FY2013 HUD appropriations bill proposed no funding for Choice Neighborhoods (H.R. 5972, H.Rept. 112-541). The committee's report noted that the program remains unauthorized and stated that the committee believes that many of the objectives of the initiative can be met through existing programs such as HOME and CDBG.

P.L. 113-6, after accounting for the sequestration reduction and the across-the-board rescission, resulted in $114 million being made available for Choice Neighborhoods (see **Table 4**), which is 5% less than the FY2012 funding level and 24% less than the amount requested by the President.

Table 4. Public Housing, FY2012-FY2013

(in billions of dollars)

Account	FY2012 Enacted	FY2013 Request	FY2013 Senate Comm. (S. 2322/112th)	FY2013 House (H.R. 5972/ 112th)	FY2013 Final[a]
Public Housing Capital Fund	1.875	2.070	1.985	1.985	1.777
Amount Available for Formula Grants, after set-asides	1.790	1.980	1.880	1.895	1.696
Resident Opportunities for Supportive Services (ROSS)	0.050	0.000[b]	0.050	0.050	0.047
Jobs Plus Demonstration	0.000	0.050	0.015	0.000	0.000
Other set-asides	0.035	0.040	0.040	0.040	0.033
Public Housing Operating Fund	3.962	4.524	4.591	4.524	4.054
Choice Neighborhoods	0.120	0.150	0.120	0.000	0.114

Source: Table prepared by CRS based on *FY2012 enacted, FY2013, and FY2014 President's Budget* funding table prepared by HUD, S. 2322 (112th), S.Rept. 112-157, H.R. 5972 (112th), H.Rept. 112-541, and President's FY2013 budget documents, including HUD Congressional Budget Justifications.

a. Figures reflect 0.2% across-the-board rescission ordered by the Office of Management and Budget as required by Section 3004 of P.L. 113-6. Figures also reflect the sequestration ordered by the President on March 2, 2013, under the terms of the Budget Control Act, as amended. For more information about sequestration, see the **Appendix**.

b. In lieu of funding for ROSS, the President's budget requested funding for a new "CORE" initiative (discussed later in this report under "Legislative Proposals") in a separate "Family Self Sufficiency" account.

Assisted Housing Legislative Proposals

The President's budget requested several legislative changes to federal assisted housing programs. The Administration estimated that three of the changes would result in over $200 million in program savings for the Section 8 Housing Choice Voucher program. Many of these changes have been considered as a part of assisted housing reform proposals in recent years. The requested legislative changes are described below; note that the House Appropriations Committee-passed version of the FY2013 bill included none of the proposed legislative provisions, while the Senate Appropriations Committee-passed version included some of the provisions (noted below).

The final FY2013 HUD funding law did not include any of these provisions.

- Broaden the definition of "Extremely Low-Income" (ELI) from 30% of local area median income to the higher of that threshold or the poverty guidelines provided by the Department of Health and Human Services (HHS). The ELI threshold is used in the voucher program and the public housing program for the purpose of targeting assistance. The department estimated the change would save an estimated $121 million for the Section 8 voucher program in 2013. This change would also apply to the Public Housing and Section 8 project-based rental assistance programs.
    - This provision was included in S. 2322.
- Increase minimum rents from the current threshold of up to $50 per month to a standard, higher level of $75. The Administration estimated this change would save $55 million in 2013. This change would also apply to the Public Housing and Section 8 project-based rental assistance programs.
    - This provision was not included in S. 2322.
- Changes to public housing flat rent policies. Currently, PHAs can establish flat rents in public housing; the President's budget proposed to require that flat rents be set at no less than 80% of fair market rent (FMR), but with certain phase-in requirements.
    - This provision was included in S. 2322.
- Revisions to the allowable deductions for certain medical and related deductions. Currently, family income is adjusted to reflect certain medical, attendant care, and auxiliary aid expenses that exceed 3% of family income. The President's budget proposed increasing the threshold to 10% and estimated the change will save $32 million for the Section 8 voucher program in 2013. This change would also apply to the Public Housing and Section 8 project-based rental assistance programs.
    - This provision was not included in S. 2322.
- Reforms to Section 8 Voucher program inspection rules. Would allow PHAs to use alternative inspection requirements and to conduct inspections biennially, instead of annually.
    - This provision was included in S. 2322.
- Changes to the definition of PHA. This change would expand the definition of a PHA to include consortia of PHAs.
    - This provision was included in S. 2322.
- Authority for a rent policy demonstration. The President's budget requested authority to use funds provided under the Section 8 voucher program and public housing program to test different rent-setting models designed to promote family self-sufficiency and income growth.
    - This provision was not included in S. 2322.
- Authority for a new Consolidated Opportunities for Resident Enrichment (CORE) flexibility program. The requested authority would allow the Secretary to set aside funds from the public housing and Section 8 voucher programs to use for the provision of a new form of supportive services for residents, in lieu of existing supportive service programs.
    - This provision was not included in S. 2322.

Community Development Funding: The CDF, CDBG, and Section 108[18]

The Community Development Fund (CDF) funds several community development related activities, including the Community Development Block Grant (CDBG) program. CDBG is the federal government's largest and most widely available source of financial assistance supporting state and local government-directed neighborhood revitalization, housing rehabilitation, and economic development activities. These formula-based grants are allocated to approximately 1,176 entitlement communities (metropolitan cities with populations of 50,000, principal cities of metropolitan areas, and urban counties), the 50 states, Puerto Rico, and the insular areas of American Samoa, Guam, the Virgin Islands, and the Northern Mariana Islands. Grants are used to implement plans intended to address housing, community development, and economic development needs, as determined by local officials.

Administration Budget Request

The Obama Administration's budget request for FY2013 included $3.143 billion for activities funded under the CDF account. The requested amount represents 9% of the total budget authority requested by the agency for FY2013.

As shown in **Table 5**, the Administration's FY2013 budget proposed to increase total funding for CDF account activities by 4.5% or $135 million, excluding special supplemental funding for disaster relief activities. Specifically, the Administration requested $100 million in funding for its Sustainable Communities Initiative (SCI), which received no funding in FY2012 but had an appropriation of $99 million in FY2011. In addition, the Administration's budget request proposed to transfer funding for the Capacity Building for Community Development and Affordable Housing (Section 4) program, which was funded at $35 million in FY2012, from the Self-Help Housing Assistance account to the CDF account.

As noted in **Table 5**, in FY2012 Congress appropriated an additional $400 million in CDBG supplemental disaster assistance to communities in eight states to assist them in funding disaster recovery activities.[19] When Congress appropriated these additional funds for disaster-related activities under P.L. 112-55, it designated $100 million of the $400 million as being for "disaster relief," effectively exempting the $100 million from the original, or unadjusted, discretionary spending caps established by the Budget Control Act of 2011 (BCA, P.L. 112-25).[20] That is, this $100 million of the $400 million in disaster-related activities was provided effectively outside, or in excess of, the unadjusted discretionary spending caps, while $300 million of the $400 million in disaster-related assistance was provided within the unadjusted cap level.

[18] For a detailed review of recent CDF funding issues, see CRS Report R41754, *Community Development Block Grants: Funding Issues in the 112th Congress and Recent Funding History*, by Eugene Boyd and CRS Report R43208, *Community Development Block Grants: Funding Issues in the 113th Congress* , by Eugene Boyd.

[19] The eight states include Alabama, Missouri, New Jersey, New York, North Dakota, Pennsylvania, Texas, and Vermont. See http://portal.hud.gov/hudportal/documents/huddoc?id=cdbg_dr_faq.pdf for details on the allocation of the $400 million in funds among eligible recipient states and communities.

[20] See **Appendix** for discussion of the BCA.

Table 5. CDBG and Related Appropriations, FY2012 and FY2013

(in millions of dollars)

Program	FY2012 Enacted	FY2013 Request	FY2013 Senate Comm. (S. 2322/112th)	FY2013 House (H.R. 5972/ 112th)	FY2013 Final[a]
CDF, Total Non-disaster	**3,008**	**3,143**	**3,210**	**3,404**	**3,135**
CDBG-formula	2,948	2,948	3,100	3,344	3,078
Entitlement Communities	*2,059*	*2,059*	*2,165*	*2,336*	*2,150*
States	*882*	*882*	*928*	*1,001*	*921*
CDBG Insular areas	*7*	*7*	*7*	*7*	*7*
CDBG Indian Tribes	60	60	60	60	57
Section 107 (technical assistance)[b]	0	0	0	0	0
CDBG Subtotal	**3,008**	**3,008**	**3,160**	**3,404**	**3,135**
University Community Fund[c]	0	0	0	0	0
Capacity Building Section 4 Grants	0[d]	35[e]	0[f]	0[f]	0[f]
Sustainable Communities	0	100	50	0[g]	0
Regional Integration Planning Grants	*0*	*46*	*50*[h]	*0*	*0*
Community Challenge Grants	*0*	*46*	*0*	*0*	*0*
HUD-DOT Integration Research	*0*	*8*[i]	*0*	*0*	*0*
Transfer to the Transformation Initiative	0[j]	0[k]	0[l]	0	0
CDF-related set-asides	**0**	**135**	**50**	**0**	**0**
CDBG Disaster Assistance	400[m]	0	0	0	15,200
CDF, Total Including Disaster Assistance	**3,408**[m]	**3,143**	**3,210**	**3,404**	**18,335**

Source: Table prepared by CRS based on *FY2012 enacted, FY2013, and FY2014 President's Budget* funding table prepared by HUD, S. 2322 (112th), S.Rept. 112-157, H.R. 5972 (112th), H.Rept. 112-541, and President's FY2013 budget documents, including HUD Congressional Budget Justifications.

a. Figures reflect 0.2% across-the-board rescission ordered by the Office of Management and Budget as required by Section 3004 of P.L. 113-6. Figures also reflect the sequestration ordered by the President on March 2, 2013, under the terms of the Budget Control Act, as amended. For more information about sequestration, see the **Appendix**.

b. Funds may be made available for this purpose under the department's Transformation Initiative account.

c. Funds may be made available for this purpose under the Office of University Partnership (OUP) program or under the department's Transformation Initiative.

d. For FY2012, $35 million was appropriated under a separate Self-Help Homeownership Opportunity Program (SHOP) account, as shown in **Table 2**.

e. For FY2013, the President's budget requested that capacity building funds be provided in the CDF instead of in a separate account. Funds are to be awarded to three national intermediaries: Local Initiative Support Corporation, Enterprise Foundation, and Habitat for Humanity with a least $5 million in such assistance allocated for rural capacity building activities.

f. Senate and House bills recommended appropriating $35 million under a separate Self-Help Homeownership Opportunity Program account, as shown in **Table 2**.

g. House bill recommended $2,360 million in the Administration and Management account to cover specific activities related to the closeout and evaluation of previous SCI, awards, and the cataloging of best practices. No funds were recommended to fund the awarding of additional SCI awards.

h. Senate Committee bill recommended that at least $12.5 million (25%) be set aside for activities in communities with populations less than 500,000.

i. Included $3 million for the development of energy modeling tools and to provide technical support for energy efficiency and green building goals in HUD-assisted housing portfolio.

j. P.L. 112-55 appropriated $50 million for the department's Transformation Initiative under a separate stand-alone account, as shown in **Table 2**,

k. The Administration's budget requested that the Secretary be given the authority to transfer up to 0.5% or no more than $120 million from selected accounts department-wide to the agency's Transformation Initiative. For the CDF account, the Secretary would be allowed to transfer up to $15.7 million (0.5%) of the proposal's total appropriation under the account to the department's Transformation Initiative. The Secretary would be granted the authority to use TI funds to carry out activities in four areas: research and evaluation, program demonstration, technical assistance, and information technology, as shown in **Table 2**.

l. Senate Committee bill recommended appropriating $43 million for Transformation Initiative activities under a separate stand-alone account, as shown in **Table 2**.

m. Section 239 of the administrative provisions of P.L. 112-55 designated $300 million of the amount provided for the CDF for emergency disaster assistance. It also provided an additional $100 million to be used for disaster assistance, but not subject to the original discretionary budget caps set under the BCA and instead subject to adjusted caps.

Community Development Block Grants—Formula Grants

Under the Administration's FY2013 budget proposal for the CDBG program, formula grants remained unchanged from the amounts appropriated for FY2012. For FY2013, the Administration requested $2.948 billion for the CDBG formula component of the CDF account, including

- $2.059 billion for CDBG entitlement communities;
- $882 million for CDBG state administered program; and
- $7 million for insular areas.

The Administration also requested $60 million for Indian tribes. These are approximately the same amounts that were appropriated for FY2012.

Sustainable Communities Initiatives (SCI)

The Administration's FY2013 budget recommended reinstating funding for SCI program activities. The SCI is a set of planning-oriented grants first proposed by the Obama Administration in its FY2010 budget and funded that year at $150 million. For FY2013 the Administration requested an appropriation of $100 million. Funds would support SCI's three components:

- *Regional Integrated Planning Grants*. $46 million were proposed to be competitively awarded to regional organizations in up to 25 metropolitan areas to support efforts to develop effective models that would integrate the planning requirements of various disciplines critical to the development of sustainable communities.
- *Community Challenge Grants*. $46 million were proposed to be competitively awarded to up to 50 individual communities to assist them in developing local complements to the larger regional integration planning grants.
- *Housing-Transportation Integration Research*. $8 million were proposed to have been set aside for a joint HUD, DOT, and EPA research initiative that would seek to quantify and evaluate the benefits and tradeoffs of various sustainability initiatives.

Section 108 Loan Guarantees

The CDBG Section 108 Loan Guarantee program (Section 108) allows states and entitlement communities to collateralize their annual CDBG allocation in an effort to attract private capital to support economic development activities, housing, public facilities, and infrastructure projects. Communities may borrow up to five times their annual allocation for a term of 20 years through the public issuance of bonds. The proceeds from the bonds must be used to finance activities that support job creation and that meet one of the national goals of the CDBG program.

The Administration's budget proposed increasing the program's loan commitment ceiling from $240 million in FY2012 to $500 million in FY2013. In addition to an increase in the loan commitment ceiling, the Administration proposed revamping the program by charging a fee-based assessment to borrowers accessing the program, which would eliminate the need for an appropriated credit subsidy.[21]

Senate Appropriations Committee Bill (S. 2322)

The Senate Appropriations Committee bill, S. 2322, recommended $3.210 billion for activities funded under the CDF account, including $3.100 billion for CDBG formula grants awarded to states, entitlement communities, and insular areas. This was 5% more than the $2.948 billion appropriated in FY2012 for formula grants. S. 2322 supported the Administration's $60 million funding request for Indian tribes.

The bill recommended an appropriation of $50 million for SCI activities.[22] This was half the amount requested by the Administration. In addition, the bill would have required HUD to allocate over $12 million of the amount appropriated to SCI for communities with populations of less than 500,000.

The bill also supported the Administration's budget request calling for the conversion of Section 108 loan guarantees to a fee-based program and increasing the loan guarantee commitment to $500 million for FY2013 from the $240 million approved for FY2012. The Senate Committee bill recommended continued funding of Section 4 (Capacity Building for Community Development and Affordable Housing) activities at the $35 million appropriation level, but did not support the Administration's request to transfer the program from its current account, the Self-Help Homeownership Opportunity Program account, as shown in **Table 2**.

House Bill (H.R. 5972)

The House bill, H.R. 5972, recommended $3.404 billion for activities funded under the CDF account, including $3.344 billion for CDBG formula grants awarded to states, entitlement communities, and insular areas. This was 13% more than the $2.948 billion appropriated in FY2012 for formula grants and 8% more than recommended in the Senate bill, S. 2322. Like its Senate counterpart, H.R. 5972 supported the Administration's $60 million funding request for Indian tribes.

[21] The Credit Reform Act of 1990 requires federal agencies administering credit programs to estimate a program's subsidy rate and to request an appropriation to cover that cost. A credit subsidy is intended to cover the estimated long-term cost to the federal government of a direct loan or loan guarantee. For loan guarantees, the subsidy cost is the net present value of estimated payments by the government to cover defaults and delinquencies, interest subsidies, or other payments, offset by any payments to the government, including origination and other fees, penalties, and recoveries.

[22] This excluded an additional $400 million in disaster related supplemental funding for FY2012.

Unlike the Senate Committee bill, H.R. 5972 did not include a set-aside of CDBG funds to support a new round of funding for SCI activities. Instead, the bill recommended just over $2 million in the Management and Administration account for activities related to the closeout and evaluation of previously awarded SCI awards. The report accompanying the bill noted that the program was unauthorized and did not have the support of the committee of jurisdiction, the House Financial Services Committee. During floor consideration of the bill, the House approved, by voice vote, an amendment (H.Amdt. 1359) that would have prohibited any funds in the bill from being used to make SCI awards. This amendment was approved despite the Administration's objection to the defunding of SCI activities articulated in its Statement of Administration Policy (SAP) regarding H.R. 5972. The SAP, which was released on June 21, 2012, included language lauding the House support of CDBGs, but "strongly objecting" to the lack of funding for SCI activities. The Administration's policy statement contended that SCI grants support regional and local planning efforts that "help localities invest limited resources strategically to achieve the greatest short and long-term benefit for citizens."[23]

The House bill did not support the Administration's budget request calling for the conversion of Section 108 loan guarantees to a fee-based structure. H.R. 5972 recommended $6 million in loan subsidies to support a loan guarantee ceiling of $244 million. Consistent with the provisions included in the Senate bill, H.R. 5972 also recommended continued funding of Section 4 (Capacity Building for Community Development and Affordable Housing) activities at the $35 million appropriation level. It did not support the Administration's request to transfer the program from its current account, the Self-Help Homeownership Opportunity Program account.

FY2013 Appropriations, P.L. 113-6

P.L. 113-6 appropriated $3.1 billion for CDF activities, including $3.078 billion for CDBG formula grants to states and entitlement communities and $57 million for Indian tribes. The $3.078 billion allocated by formula grants to entitlement communities and states represented a 4.4% increase above the $2.948 billion allocated to formula grants in FY2012. The act did not include a provision that would have converted the Section 108 loan guarantee to a fee-based program. Instead, P.L. 113-6 continues the program as currently structured appropriating $5.4 million in loan subsidies in support of $240 million in loan guarantees. [24]

[23] Executive Office of the President, Office of Management and Budget, Statement of Administration Policy, Transportation, Housing and Urban Development and Related Agencies Appropriations Act, 2013, http://www.whitehouse.gov/sites/default/files/omb/legislative/sap/112/saphr5972r_20120621.pdf

[24] For detailed information on CDBG appropriations in the 113th Congress see CRS Report R43208, *Community Development Block Grants: Funding Issues in the 113th Congress* , by Eugene Boyd

Appendix. Supplemental Appropriations, the BCA, Sequestration, Budget Resolutions, and Discretionary Budget Caps

The Disaster Relief Appropriations Act, 2013

On January 29, 2013, President Obama signed the Disaster Relief Appropriations Act, 2013, into law (P.L. 113-2). The act provided $50.7 billion in supplemental funding and legislative provisions to address the immediate losses from Hurricane Sandy, as well as to support mitigation for future disasters. The act contains $16 billion in funding for HUD, all of which was provided to the Community Development Block Grant (CDBG) program. The law established a number of terms and conditions for the funding that vary from the rules covering the regular CDBG program. In addition, P.L. 113-2 included language to allow HUD to make funding adjustments in the Section 8 Housing Choice Voucher for local public housing authorities affected by the storm.[25]

The Budget Control Act and FY2013 Sequestration

FY2013 discretionary appropriations were considered in the context of the Budget Control Act of 2011 (BCA, P.L. 112-25). The BCA established discretionary spending limits for FY2012-FY2021.[26] It allows for the adjustment of the discretionary limits for several different purposes, including for appropriations designated as being for disaster relief and appropriations designated as emergency requirements.

The BCA also tasked a Joint Select Committee on Deficit Reduction to develop a federal deficit reduction plan for Congress and the President to enact by January 15, 2012. The failure of Congress and the President to enact deficit reduction legislation by that date triggered an automatic spending reduction process established by the BCA, consisting of a combination of sequestration and lower discretionary spending caps that were scheduled to begin on January 2, 2013. However, prior to that date, Congress enacted the American Taxpayer Relief Act of 2012 (ATRA, P.L. 112-240), which made several substantive changes to the BCA, including a delay of the scheduled BCA sequester until March 1, 2013, and a reduction of the total amount scheduled to be sequestered.[27]

The sequestration process for FY2013 required automatic, largely across-the-board spending cuts at the account and program level to achieve equal budget reductions from both defense and nondefense funding. The level of cuts was to be determined by the Office of Management and Budget (OMB), under terms specified by the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the BCA and ATRA.

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[25] For more information about the supplemental, see CRS Report R42869, *FY2013 Supplemental Funding for Disaster Relief*, coordinated by William L. Painter and Jared T. Brown.

[26] For more information about the BCA, see CRS Report R41965, *The Budget Control Act of 2011*, by Bill Heniff Jr., Elizabeth Rybicki, and Shannon M. Mahan.

[27] For more information about ATRA, see CRS Report R42949, *The American Taxpayer Relief Act of 2012: Modifications to the Budget Enforcement Procedures in the Budget Control Act*, by Bill Heniff Jr.

On March 1, 2013, President Obama ordered the BCA-mandated sequestration. OMB calculated that it required a 7.8% reduction in non-exempt defense discretionary funding, a 5.0% reduction in non-exempt nondefense discretionary funding, a 5.1% reduction for most non-exempt nondefense mandatory funding, and a 7.9% reduction for non-exempt defense mandatory funding.[28] Nearly all of HUD's budget is non-exempt discretionary funding,[29] and is thus subject to a 5% reduction in funding for FY2013. These percentages were then applied to funding levels in place at the time of the sequester in order to calculate dollar amount reductions for each account. According to a report accompanying the order, funding for HUD's programs and activities for FY2013 was to be reduced by about $3 billion as a result of the sequester.[30]

The sequester was applied at the program, project, and activity (PPA) level within each account.[31] Because the sequester was implemented at the time that a temporary continuing resolution was in force, the reductions were calculated on an annualized basis, to be apportioned throughout the remainder of the fiscal year.[32]

The FY2013 Budget Resolution and Discretionary Budget Caps

The annual budget resolution provides a budgetary framework within which Congress considers legislation affecting spending and revenue. It sets forth enforceable spending and revenue levels, including spending allocations to House and Senate committees. After the House and Senate Appropriations Committees receive their discretionary spending allocations (referred to as 302(a) allocations), they divide their allocations among their 12 subcommittees. Each subcommittee is responsible for one of the 12 regular appropriations bills. The allocations to each of the subcommittees are referred to as 302(b) allocations. While a budget resolution and subcommittee allocations alone cannot be used to determine how much funding any individual account or program will receive, they do set the parameters within which decisions about funding for individual accounts and programs can be made.

The House FY2013 budget resolution (H.Con.Res. 112, 112th Congress) was agreed to by the House on March 29, 2012. It would limit total discretionary spending for FY2013 to $1,028 billion, which is less than the $1,047 billion specified in the Budget Control Act.[33] In the absence of an agreement with the Senate on a budget resolution for FY2013, the House deemed its budget resolution passed by Congress, for purposes of enforcing its provisions.[34] The House Appropriations Committee announced 302(b) allocations on April 25, 2012, including $51.61 billion for THUD, a nearly 10% reduction from FY2012.

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[28] Office of Management and Budget, Memorandum for the Heads of Executive Departments and Agencies (M-13-06), "Issuance of the Sequestration Order Pursuant to Section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985, as Amended, March 1, 2013."

[29] A very small amount of HUD funding is considered non-exempt mandatory ($3 million); about $250 million in the tenant-based rental assistance account is considered exempt from sequestration because it is administered jointly with the Veterans Administration; and HUD's revolving loan fund accounts are also considered exempt from sequestration.

[30] This total includes the sequester of amounts provided both by the Continuing Resolution, as well as the emergency supplemental disaster funding provided for the CDBG program in response to Hurricane Sandy ($16 billion). See "OMB Report to the Congress on the Joint Committee Sequestration for FY2013," March 1, 2013.

[31] Ibid., pp. 11, 13.

[32] Ibid., p. 5. For general information on continuing resolutions, see CRS Report R42647, *Continuing Resolutions: Overview of Components and Recent Practices*, by Jessica Tollestrup.

[33] For more information about the federal budget process for FY2013, see CRS Report R42362, *The Federal Budget: Issues for FY2013 and Beyond*, by Mindy R. Levit.

[34] See Section 2 of H.Res. 614, adopted by the House on April 17, 2012.

The Senate in the 112th Congress did not consider a budget resolution for FY2013. The BCA, however, included a provision (Section 106 of P.L. 112-25) that provided for enforceable budget levels, if the House and Senate had not agreed to a budget resolution for FY2013 by April 15, 2012. Pursuant to this so-called "deeming provision," Senator Kent Conrad, chair of the Senate Budget Committee, submitted for printing in the *Congressional Record*, as provided in the BCA, spending and revenue levels, including the 302(a) allocations to the Senate Appropriations Committee consistent with the BCA discretionary spending caps (i.e., $1,047 billion in budget authority).[35] Based on the BCA total, the Senate Appropriations Committee released its 302(b) allocations, including $53.438 billion for the THUD subcommittee, 7% less than FY2012, but more than 3% above the level approved by the House.

The levels approved under the House and Senate budget resolutions for FY2013 differed by almost $20 billion in total for FY2013, and by over $2 billion for THUD. (See **Table A-1**).

As noted earlier, in January 2013, the ATRA (P.L. 112-240) made several changes to the BCA. One of the changes was a reduction of $4 billion in the FY2013 discretionary budget cap, making it equal to the FY2012 cap. The savings generated from the lowering of the cap in FY2013 (along with other savings generated by the law) were used to reduce the total amount of the BCA sequester.

Table A-1. Total Discretionary Budget Authority Allocations and THUD 302(b) Allocations, FY2012-FY2013

(in billions of dollars)

	FY2012	FY2013 BCA	FY2013 ATRA	FY2013 House	FY2013 Senate
Base Discretionary Budget Authority Total (302(a))	1,043.0	1,047.0	1,043.0	1,028.0	1,047.0
THUD Discretionary Allocation (302(b))	57.3	N/A	N/A	51.61	53.4

Source: FY2012 taken from Congressional Budget Office, Status of Discretionary Appropriations: FY2012 Senate (http://cbo.gov/publication/42854), House figures taken from H.Con.Res. 112, 112th Congress, Senate figures taken from Senate Committee on Appropriations, "Committee Approves FY 2013 302(b) Allocations & CJS and THUD Appropriations Bills," press release, April 19, 2012, House figures taken from House Committee on Appropriations, "Appropriations Committee Releases Fiscal Year 2013 Funding Allocations for the 12 Appropriations Subcommittees," press release, April 24, 2012. ATRA levels taken from P.L. 112-240.

Note: The FY2013 BCA and ATRA-adjusted discretionary budget caps are further divided between "security" and "non-security" spending. Those divisions are not presented here, but can be found in CRS Report R42949, *The American Taxpayer Relief Act of 2012: Modifications to the Budget Enforcement Procedures in the Budget Control Act*, by Bill Heniff Jr.

[35] See *Congressional Record*, March 20, 2012, pp. S1832-S1833.

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