

## CDBG Cuts Even Greater Than Expected in Some Places

Cities and counties across the country got a stark look at the impact of Congress's focus on spending cuts this week, after the Department of Housing and Urban Development announced exactly how more than \$390 million in cuts to a popular grant program would impact each community.

The much-awaited release details how Community Development Block Grants (CDBG) will be divvied up, after Congress late last year passed a 2012 budget that reduced funding for the program by nearly 12 percent.

But, to the chagrin of many recipients, some took an even larger hit, due in part to their own changing demographics as well as new, technical changes to the type of data HUD uses to make its funding decisions.

New Orleans, for example, loses more than \$4 million in CDBG funds, or 27 percent of its 2011 total. Los Angeles does even worse, losing out on \$12.5 million, or 19 percent of its 2011 total. Hialeah, Fla. is the biggest loser. In 2012, it will receive \$1.8 million less than it did in 2011. About half of its CDBG money will be lost.

CDBG funding represents a relatively modest proportion of any city's budget. But the program is a favorite among localities, since it's one of the few sources of federal revenue that flows directly to cities and counties instead of first being channeled through the states. Recipients also have wide latitude in how they use the money, which can fund everything from affordable housing to job training programs.

What exactly happened? Localities' CDBG allocations are based on complicated formulas that take into account a community's population, poverty level, overcrowding, volume of pre-1940s housing stock, and a statistic called growth-lag, which measures how slowly a city has grown relative to other cities.

Some observers – including a study by HUD itself – have suggested the formula itself has flaws that may result in inadequate funding for high-need communities and disproportionately high funding for some communities that aren't that bad off.

To complicate matters, this year HUD began plugging new types of Census data into those formulas. In addition to the 2010 Census data, HUD is, for the first time, using data from the Census's American Community Survey, a more frequent product produced by the Census based on sophisticated estimates. HUD -- knowing the change would cause some confusion -- published a 127-page report last month detailing how the slight changes to the data could actually have big effects on some communities.

Some communities benefit from the new methodology. But the overall budget cuts mean the overwhelming majority of CDBG recipients will get less in 2012 than they did in 2011.

For local leaders, that's particularly troublesome. Their revenue still haven't returned to pre-recession levels, and most local leaders say they're so fiscally strained that they won't provide their own money to help plug up the hole left by the feds.

## News and Notes

- ⇒ Daylight Saving Time takes place Sunday, March 11 at 2am EST, or before you go to bed, whichever comes first!
- ⇒ The new Pepsi machine has arrived. The problem with the machine after it came was that the Mountain Dew bottles are now slightly larger than when the machine was made, thus causing the bottles to get stuck. The maintenance tech took care of the problem. If any more should arise, please let the office know.
- ⇒ Please remember to report any utility company work that is occurring in the right-of-way to a supervisor or the office. Permits are required for new services, and notification of emergency repairs are desired by Engineer's Office for proper inspections to take place.

### THINK SAFETY!

**This spring, foremen will be leading a short safety meeting on traffic control. Organized by the office and foremen, the training session will cover some of the following topics which come into play during work performed on our roads:**

**Avoiding a collision in the work area**

**Proper flagging which protects workers and motorists**

**Proper signage and barriers**

**Visibility and zone set-up**

### **Happy Birthday to...**

Lincoln Deitrick	3-23
Jeff Dunlap	3-18
Todd Graham	3-2
Jeff Hill	3-22
Mike Paisley	3-20
Bill Roberts	3-21

### **Happy Anniversary to...**

Rick Alexander	5 years
Ken Buckey	19 years
Tyler German	5 years
Marty Haddox	27 years
Gary Hogue	26 years
Mike Paisley	25 years