

Block grant programs slashed

Aid for community groups, other programs, cut 16 percent

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NEWPORT NEWS — Local public officials are grappling with a 16 percent cut to the federally-funded Community Development Block Grants, a longtime program designed to aid cities.

The Boys & Girls Club, the Office of Human Affairs, Peninsula Agency on Aging, other local community groups and government programs face the loss of funding, although whether the groups will be cut equally remains to be seen. Under the recently-approved budget deal approved by Congress, the block grant program was slashed 16 percent, with the cutbacks to begin in July. Local officials are now scrambling to make last-minute cuts.

"That's quite a big chunk," said Newport News City Manager Neil Morgan.

Block grants have existed since the 1970s, serving low- to moderate- income areas. The program gives local governments wide discretion in how to dole out the funds, often distributed to non-profit groups or for housing programs.

Newport News receives about \$2 million, while Hampton collects about \$1.5 million through block grants. For instance, Newport News uses its block grant money to give to community groups, for demolition of abandoned homes and helping seniors with emergency home repairs. Hampton's money goes for purchasing property for redevelopment, to build the Little England Cultural Center, and to help operate the Newton Learning Center and Y.H. Thomas Community Center.

Steven Kast, executive director of the Boys & Girls Club of the Virginia Peninsula, said 40 percent of the group's \$100,000 in block grant money is dedicated to the Marshall Courts program, which helps children in the public housing project. The Marshall Courts Boys & Girls Club opened two years ago, and it has struggled with funding issues since its inception.

"We would have to try to find some other funding sources," Kast said of potentially losing block grant funding. "I'm not a fan of shutting down services for kids." Kast said it's not just the city's possible cuts, but funding is down from multiple sources for the Boys & Girls Club, making 2011 a particularly difficult year. Children at the Marshall Courts club on Thursday played ping pong, pool and video games, did their homework and ate dinner.

U.S. Rep. Robert C. "Bobby" Scott, D-Newport News, said that the term "block grant" is so nebulous that it becomes an easy target when slashing the budget.

"It's easy to do, to just cut from the block grants," Scott said. "Then, you're not making any real choices."

Scott pointed out that the Republican budget plan under U.S. Rep. Paul Ryan, R-Wis., would change Medicaid to a block grant program, which Scott said would make it easier to cut in the future.

Critics of block grants, however, argue that the grants expand the function of the federal government, paying for programs that should be the purview of local governments. Also, critics have charged, many of the programs have little to do with stamping out poverty, as the block grants were originally envisioned when they began in the 1970s.

"It's not the role of the federal government," said Tad DeHaven, a budget analyst for the conservative-leaning Cato Institute. DeHaven said block grants have paid for such unnecessary items as a brewery expansion in Michigan and a façade for a wine bar in Connecticut. "These should be local concerns."

DeHaven said block grants are "incredibly inefficient," because there's three levels of bureaucracy to administer the block grants – including the U.S. Department of Housing and Urban Development, and state and local governments.

"Local politicians love block grants. They get to do all kinds of great stuff, go to ribbon cutting ceremonies, and they don't have to tax their citizens to do it," DeHaven said.

But local officials praise the program's flexibility and effectiveness.

Angelique Shenk, who administers Hampton's block grant program, said the 16 percent cut is unfortunate, and one way they are looking at handling it is reducing the scope of the city's plans to purchase vacant property for redevelopment. That way, the programs that affect people will still be in effect.

"It's a program where you can use the funds to best meet the needs of your community. There are not a lot of strings attached, and there are not many government programs that are like that," Shenk said.

For instance, the Community Development Block Grant program helped Hampton build the Little England Cultural Center, a new community center that will be located across the street from the Little England Chapel. The Little England Chapel is an historic black church and school that was established in 1879.

Karen Wilds, director of the Newport News Redevelopment and Housing Authority, said due to the federal budget problems, she's not too hopeful that the shortfall will be restored any time soon. In fact, she said she wouldn't be surprised if the federal government cut more from Community Development Block Grants for the 2012-13 budget.

"At the same time, we understand that times are difficult economically, and that these cuts are going to happen," Wilds said.

Newport News Councilwoman Tina Vick said she lobbied to save the block grant funding, which faced even more draconian cutbacks.

"Of course all cuts are going to hurt, but we were facing a 67 percent cut," said Vick, who hopes the cuts can be structured to soften the impact on non-profit groups.

How block grants work

The federal government distributes billions every year to local governments through the Community Development Block Grant program. Localities have wide discretion on using the funds, although they are supposed to primarily benefit low- to moderate-income residents. Newport News receives about \$2 million, while Hampton gets \$1.5 million through the block grants.