August Mayor's Report Tom Hoechst Tell Washington "Think Before You Cut"

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On August 8, 2011, Central Falls, Rhode Island, population 20,000, filed for bankruptcy. It was unable to recover from its overwhelming pension obligations. Central Fallswas the 5th municipality this year, and the 11th since the start of 2010, to file for bankruptcy.Jefferson County,Alabama, the largest county in that state, is also considering bankruptcy.

While I hope this is not a preview of things to come, there is a message for us to examine closely. The impact of cuts at the federal level will have an impact at the local level. Straining already bare bones budgets many communities will not be able to with stand these reductions in revenue. While I believe everyone is in agreement the government needs to make cuts, make no mistake this will affect your quality of life. The real question with reducing federal expenditures is how and where?

The debt ceiling deal between Democrats, who were trying to avert default, and Republicans, who used the threat of default as a bargaining chip, could result in $2 Trillion in spending cuts over the next ten years. Approximately half of these cuts could come from domestic discretionary spending, a category that includes everything except entitlement programs, like Social Security, and defense.

So you may ask, "Why does this matter to me?" About one-third of that money goes to states and local agencies, among them the City ofAlton. As a municipal leader, I am most worried about the damage created by implementing the agreement because I believe that states and local governments will take the brunt of theses cuts.

The fact is that Congress and the President agreed to cut domestic spending to the lowest level in fifty years without first determining specific cuts or the effects of those cuts. I anticipate federal contributions toward education, community programs, housing, and infrastructure, basically everything local governments do, will take a hit of some sort. There is talk of eliminating Community Development Block Grant funding, which funds a huge portion of municipal improvements in our communities and aids almost everyone. The House Appropriations Committee recently approved a plan to eliminate $1.1 Billion for state and local policing programs. This means fewer policemen and public safety is in jeopardy. The Center for Budget & Policy Priorities found that 38 states have made "deep identifiable cuts in K-12 education, higher education, healthcare, and other key issues to their budgets for this fiscal year." Cities acrossAmericaare canceling infrastructure projects, laying off employees, and cutting back in basic services.

With debt and deficit reductions a must, targeting programs which aid local communities gives some federal lawmakers a way to say they are being "fiscally responsible" without having to deal with the implications of their votes. Those issues will fall upon governors, mayors, school boards, and county leaders.

InWashington,D.C., cuts are talked about in abstract terms. The problem states and local governments often face is the unintended consequences of Congress' actions by passing a budget that is so overwhelming people just start looking at huge numbers and say, "lets cut this amount of dollars" without looking at the cause and effect of their decision. Meza,ArizonaMayor Scott Smith, a leader of the U.S. Conference of Mayors, said, "A smart cut is eliminating duplication. A dumb cut is when you cut just to cut." Mayor Smith says when he tries to explain the difference to members of Congress; he is often met with blank stares.

I do not envy the job of our elected representatives inWashingtonand the backbone required to right this listing ship. I ask all citizens to write your congressman and senators, asking them to inform themselves on the cost-benefit of what they choose to reduce and how is it going to effect the cities, and ultimately the residents of those cities, they represent. This country cannot afford to have moreCentral FallsandJeffersonCounties.

Some information, statistics, and quotes are from Governing website 8/9/2011.