



Letter to the Editor from Mayor Hoechst

January 26 2011 4:33 PM

Dear Editor:

Many local governments are going to face a painful future because the way government funding is structured from the federal government, to states, and finally down to the local level and because cities are also feeling the financial pinch from low tax and fee collections. The mood of the electorate, as demonstrated in the November 2010 elections, is tired of unbalanced budgets and fiscal mismanagement.

This reduction will create a domino effect as the federal and state legislators start to reduce their budgets. The allocation of money from Washington and Springfield for projects and services locally will undoubtedly be reduced.

As Mayor of a city, which must adopt a balanced budget by law, I understand the growing debt at the national and state levels must be reduced. How that reduction occurs is the question. I believe the top priority should be serious investments in our communities, the very backbone of America. The continuation of funding Community Development Block Grants is critical for reinvestment in our community. The City of Alton uses these funds to purchase derelict properties, rebuild infrastructure, and fund the staffing of a portion of the Building & Zoning Department.

People may believe that grants are “out there” for every project. The fact is that many grants come from some government or non-profit entity. In the case of government funded grants, particularly from the federal level, these funds are diminishing and this will have consequences on every person or organization that relies on grant funding. American Recovery and Reinvestment Act funds are disappearing and Congress has little desire for more stimulus dollars for local projects.

According to Governing Magazine, in 2010, \$654 BILLION went to states and local governments for grants. This figure accounted for 26% of state and local government spending.

Also according to Governing Magazine, at current revenue levels, the federal government receives about \$0.57 to \$0.63 for every dollar it spends. At the best of times it raises about \$0.90 cents for every dollar spent. With the way Medicare and Social Security are structured, the deficit is destined to increase steadily.

Nobody, to my knowledge, has a defined plan or outline for reducing deficits. Program cuts and increased taxes and fees are the path most likely to be chosen to eliminate debt. Some of the programs which are sacred to most of us, such as Medicaid, home mortgage deductions, deductible state and local income taxes, and scaled back grant programs, are just a few of the programs on the chopping block.

Unfortunately, anyone that directly or indirectly receives funding from the government, including corporations, non-profits, unions, minorities, small businesses, educational institutions, hospitals, and units of local government, to name a few, will be looking out for themselves and protecting their financial interests. Reaching the desired level of acceptability will be extremely painful and cuts will unleash a political fight that we have never previously witnessed. With all of these organizations drinking from the same well, eventually the money will run dry. When that happens, as we used to say in the Navy, “watch out below!”

Sincerely,

Tom Hoechst, Mayor

City of Alton

Opinions expressed in this section are solely those of the individual authors and do not represent the views of RiverBender.com or its affiliates. We provide a platform for community voices, but the responsibility for opinions rests with their authors.