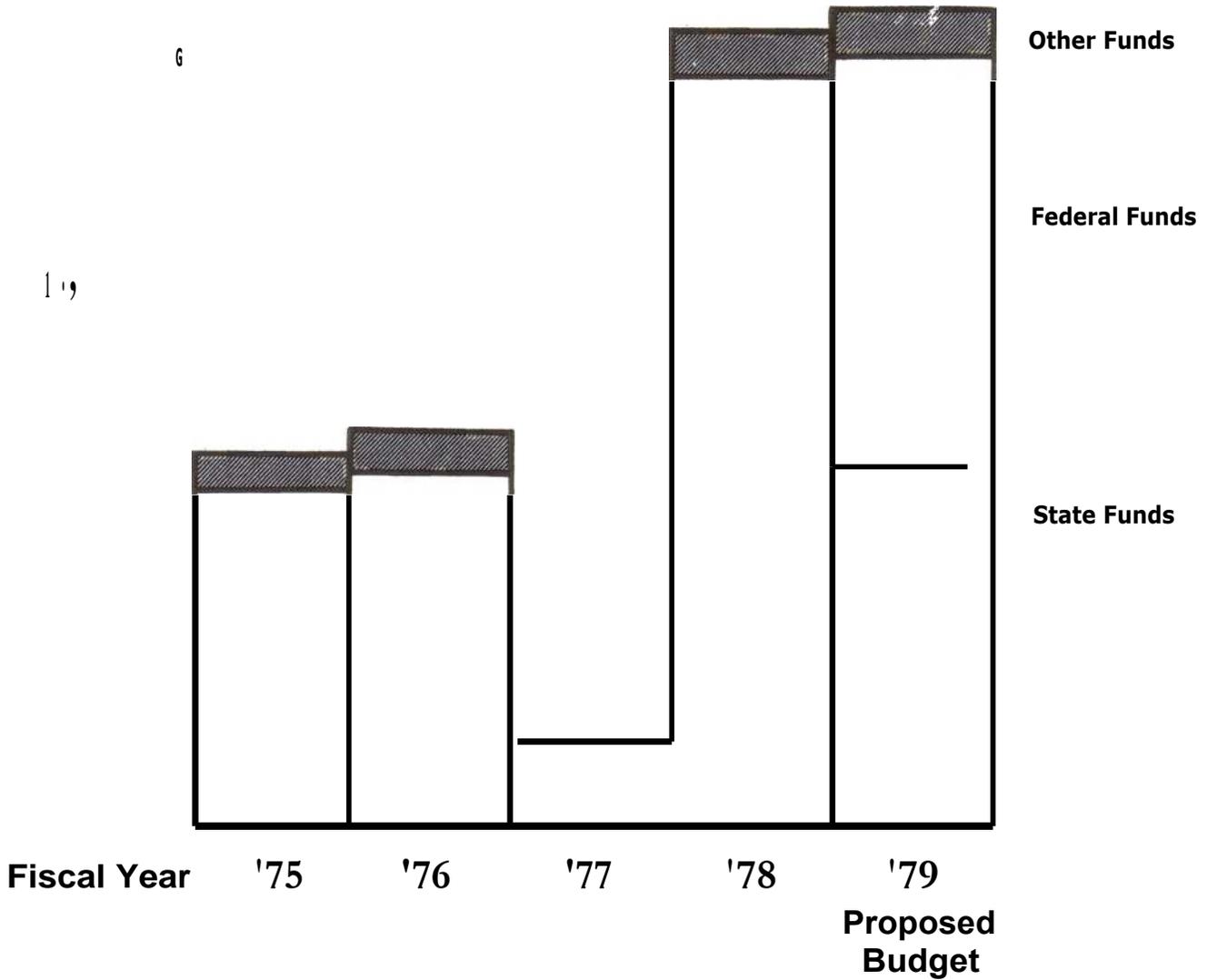


Department of Community Affairs

1979-80 Proposed Budget



REPORTS

"HOLD THAT LINE., .."

DCA's '79-80 budget

pennsylvania department of community affairs

REPORTS

APRIL
1979

DCA's '79 -80' BUDGET

"HOLD THAT LINE. . ."

by Emily A. Sopensky

Gov. Dick Thornburgh presented his first budget to the legislature on March 7. Essentially, the governor introduced a "hold the line" budget with a modest 5.7 percent increase over FY 78-79's budget.

Like other state agencies, DCA received a hold the line budget. The department has long advocated cutting administrative expenses while increasing funds going to communities.

As illustrated on the cover of this issue, DCA's state appropriations have remained fairly stable with the exception of FY '77-'78 when we lost our redevelopment appropriation. Nevertheless, we have succeeded in attracting more and more federal dollars into Pennsylvania.

Flood Plain Management

The only new appropriation in this year's proposed budget amounts to two million dollars for flood plain management grants.

A new state law requires each flood-prone municipality to participate in the National Flood Insurance Program and to enact flood plain management regulations (see November issue Reports). Non-compliance will ultimately result in loss of state funds for the municipality.

To offset the penalty for non-compliance, the legislature authorized DCA to make grants to municipalities for costs of complying with the new law. The \$2 million would provide funds to meet expected demand in '79-'80.

In addition to grant-making and enforcement of the act, DCA will provide technical assistance and guidance to municipalities on flood plain management.

Redevelopment

Funds for redevelopment are being recommended again this year. In the '78-'79 budget, redevelopment funds were nearly eliminated. However, response from municipalities encouraged the legislature to restore funding for the purpose of providing support to renew housing stock.

Pennsylvania has a large supply of old, substandard dwelling units, especially in urban cores. Redevelopment funds, used as seed money, attract local and federal dollars to support new housing or housing

Governor Thornburgh recently delivered his annual budget message to a joint session of the General Assembly. It outlined spending plans and revenue estimates for the fiscal year beginning July 1.

rehabilitation and other redevelopment activities for low-income and elderly residents.

One of the first programs of its kind nationally, the redevelopment program has consistently attracted more dollars than it has contributed. For every state dollar involved in local redevelopment programs, an estimated six dollars of private investment is produced.

Weatherization

Recently, DCA has attracted a large block of federal dollars to make homes energy efficient. DCA's weatherization program, largest in the nation, coordinates 57 projects across the state. Home weatherization provides funding for the project materials and other costs, and conducts research in energy conservation techniques and alternate energy sources. To date, more than 40,000 homes of elderly and low-income persons have been weatherized. Approximately, \$30 million in federal funds is projected expenditure in '78-'79.

General Government Operations

Administration of our grants, technical assistance to local governments and agencies, administration of the loan fund for volunteer fire and rescue companies, and general administration are all being supported in '79-'80, with a 1 percent increase over last fiscal year. With the '78 rate of inflation of 9.4 percent and the '79 inflation rate currently running at 12 percent, DCA's proposed increase actually represents a cut. In '78-'79 DCA has trained some 17,700 municipal employees and officials answered more than 3,500 requests for information on such topics as personnel, financial management, building code enforcement and police administration.

Recreation

Continued financial support in the new budget for our Recreation and Conservation staff is questionable. In addition, the upcoming fiscal year will be the last time that any Project-500 funds will be available to help local governments acquire and develop recreation sites. Remaining P-500 funds have already been committed (see related story, page 4 & 5).

P-500 grants have provided the opportunity for the development of many of Pennsylvania's communities. While we may continue to tap into a federal source for recreational development, we will no longer be able to provide P-500 funds to help the local jurisdiction meet the federal match requirement.

Human Resources

Our Cash Grants (Economic Opportunity Assistance) and our TEAM (Employment Assistance) programs will remain at the same level as in the current fiscal year. Cash Grants go primarily to community action agencies and their rural counterparts for programs to aid the elderly, handicapped and disadvantaged. Often, coupled with contributions from businesses under DCA's Neighborhood Assistance Tax Credits Program, communities are successfully attracting federal dollars.

Neighborhood Assistance- needs no annual appropriation of grant funds. Businesses contributing to DCA-approved human service programs receive up to a 70 percent corporate tax credit on their contributions. This unique program is beginning to be replicated in other states.

The TEAM program is another flexible grant program specifically oriented to training the hardcore unemployed. To be enrolled in a TEAM program, an individual must be unemployed at least 30 weeks and meet established income guidelines.

The TEAM program provides participants with intensive, specialized assistance normally not available in other training programs. In addition to managing TEAM grants, DCA is preparing to coordinate TEAM, CETA, and similar labor-intensive programs with the economic development of communities. By forging a link between the newly trained labor supply and the demand, DCA is attempting to provide communities with tools to help themselves.

Regional Councils

Another way DCA affords self-help opportunities is by encouraging and financially assisting Councils of Government (COGs) to form and remain active. Before DCA began helping COGs in 1970, there were only

six in existence. Now there are over 44 COGs, encompassing more than 500 municipalities. DCA provides small grants for COG administrative support, newly formed COGs and for COG sponsored projects. COGs can not receive a grant for longer than three years. The proposed budget is identical to this fiscal year's available funds.

SPAG

Another DCA program holding the budgetary line is the state Planning Assistance Grant Program (SPAG). This program provides financial assistance to communities for comprehensive planning. The commonwealth is faced with multi-faceted decline and growth problems. For example, some communities have growth problems because of factors such as increased tourism or the resurgence of the importance of coal. Other communities have long-term economic depression. Comprehensive planning does not immediately end these problems, but is a systematic method for reversing decline or preventing uncontrolled growth.

Other Federal Programs

Through DCA's efforts a variety of programs are supported by federal funds and run by DCA. One of the oldest is the Federal Comprehensive Planning Assistance (known as the "701") program. Grants are made to area-wide agencies for planning. Various programs such as police consulting, safe water training, personnel management and energy training courses, are sponsored by federal agencies.

The Appalachian Regional Commission (ARC) provides funds for planning economic and housing development in the Appalachian region.

Not outlined here are other federally subsidized programs which DCA operates. Combining all federal sources of funds, DCA expects to receive more federal than state funds in '79-'80. Sources of funds, such as training fees, make up the "other funds" category.

Holding the governor's line on expenditures while still providing services is a challenge that DCA is prepared to meet in the coming fiscal year.

Emily A. Sopensky is a budget coordinator and contract administrator, in DCA's Bureau of Management Services.

Department Of Community Affairs

Summary by Appropriation

	1977-78 Actual	1978-79 Available	1979-80 Proposed
General Government	\$ 6,986,000	\$ 6,640,000	\$6713000
Grants and Subsidies			
Employment Assistance	\$ 1,239,000	\$1,336,000	\$ 1,336,000
Economic Opportunity Assistance	1,300,000	1,400,000	1,400,000
Redevelopment Assistance	-0-	16,000,000	16,000,000
Regional Councils	-0-	75,000	75,000
Planning Assistance	100,000	100,000	100,000
Flood Plain Management Grants	-0-	-0-	2,000,000
Sub Total Grants & Subsidies	\$ 2,639,000	18,911,000	\$20,911,000
Total State Funds	\$9,425,800	25,551,000	\$27,624,000