

# The News

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## MHA could lose up to \$170,000

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MILLVILLE — The Millville Housing Authority was forced to rearrange its budget Tuesday after learning that the Obama administration will cut housing operating budgets by \$1 billion.

The \$1 billion will now be going to federal reserves from the operating budget. This could be up to \$170,000 that the Millville Housing Authority could lose, according to Paul Dice, director of the Millville Housing Authority.

For small housing authorities, the funding will be pulled back if the housing authority has four months worth of operating expenses.

"This is ludicrous," Dice said.

This comes after HUD said it would fund the operating funds for 2011, Dice said. Now, that is being cut back by 8 percent.

The current operating budget is around \$1.8 million. Dice said they do not know exactly how much they will lose because they haven't been notified how the HUD would calculate how much they give Millville Housing Authority.

The fiscal year begins on Oct. 1 and ends Sept. 30, and

the administration has not yet approved the budget for the fiscal year, only monthly expenses.

"It hasn't been approved yet, so we might get it back, but it makes it difficult for us to budget," Dice said. "That money is for future projects that we are planning. If they recapture it, it impedes on our ability to renovate the facilities."

Dice added: "With this administration, we were hoping that there would have been change. We're not seeing that."

The cut will not affect the \$566,000 in capital funds, only the operational funds.

Dice said, however, that in the future they may see cuts to their capital fund up to 40 percent.

Commissioner James Parent voiced his opposition to the offset, saying this will hurt irreplaceable employees.

"Instead of providing incentives to our success, they cut what goes to our employees who put an honest days work in," Parent said. "Without good employees, we don't have an efficient government. You don't replace 30 years of experience."

Parent added: "As we get better and better, and we get penalized and our money goes to another community that isn't as efficient as we are."