

HOUSING AUTHORITY CUTS JOBS



When budgets get cut there will be inevitably be a trickle down effect that will occur with funding. When the Congress has less money, they give less to state and federal programs, who in turn give less to each of the sites or projects supported by those programs. It may not be very fair, but it is how things go when the funds are running low. Sometimes those budget cuts mean that good people lose their jobs. That is the case with the workers who are currently being laid off at the Durham Housing Authority, located in Durham, North Carolina. They have to let go of only two workers, in order to make up a shortfall of about 4% to their budget. This shortfall, which comes as a result of less available congressional funding, has led to the loss of both a housing authority aid and one of the program administrators. The administrator who is being let go is the Chief Operating Officer, one Sonny McMahan. While many people who follow this site regularly will know that the decision to lay off senior management is a relatively unusual one, the decision was purely fiscal. The Durham Housing Authority's shortfall was best fixed in this way. Because the compensation in terms of salary and benefits is so much greater than that of the support staff cutting the Chief Operating Officer allowed for the budget to be cut without reducing services. The person making the layoff decisions, Dallas Parks, who is the chief executive officer of the Durham Housing Authority crunched the numbers and found that this was the only way to make the cuts, as cutting ground level staff would not be able to makeup the shortfall. Of course, layoffs are not the only cuts to the budget that have been made in order to reach that four percent. In a budget proposal, which has already been approved by the board for the Durham Housing Authority, a pay freeze has been put into place. This means that employees of the authority will not be able to get any pay raises in the next year. In addition the employees will also have to take five unpaid furlough days through the 2012 fiscal year in order to reduce the staffing costs. These budget cuts have come because of two funding cuts. First was the decision of Congress to cut back on the amount of money given to public housing programs, not just in one area, but also across the nation. The second issue is budget cuts from the U.S. Department of Housing and Urban Development, who had to reduce subsidies to all Section 8 rental voucher programs for the 2012 year. These cuts left the organization short about \$427,000 for the coming year, and that is after the cuts that had to be made in 2011. Cuts to the budget, which came into affect mid-year during 2011, caused the loss of five staff members of the Durham Housing Authority. If things continue as they are now, more cuts will most likely be needed.

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