



Suggesting no major changes to Social Security, Medicare and Medicaid, President Obama instead took a scalpel to other domestic spending programs as well as the Pentagon budget.

BLOCK GRANT, GREAT LAKES FUNDING TO SUFFER

Budget holds good news, bad news for WNY

Hopes Raised For Bridge Plaza But Heating Aid For Needy Faces Sharp Cuts

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WASHINGTON -- President Obama's proposed budget for the coming fiscal year offers a mixed bag of possibilities and problems for the Buffalo area, topped by the possibility of funding for the Peace Bridge inspection plaza on the city's West Side and a 50 percent cut in aid for low-income heating assistance.

Rep. Brian Higgins, D-Buffalo, said Monday that a White House aide, who called a day earlier, had noted that the proposal includes two huge pots of money that could help to fund the \$300 million plaza.

The legislative affairs staffer contacted Higgins "to let us know that the White House considers the Peace Bridge a high-priority project," Higgins said.

While the Homeland Security Department recently revealed that it is not funding additional border projects, the White House aide noted that the Peace Bridge could receive funds from two Transportation Department sources: a \$2.2 billion line item for border crossing improvements or a new "infrastructure bank" for high priority projects.

That prospect is just one reason why the Buffalo Niagara region could end up a winner, to some extent, in a spending plan that makes many losers.

Funding would increase for nuclear cleanup work -- although the West Valley Demonstration Project would suffer a major reduction -- and a major Niagara Falls Air Reserve Station construction project would go forward.

But the area would get its share of cuts.

Most importantly by far, funding for the Low Income Home Energy Assistance program -- which served 180,000 Erie County households last year -- would be cut by half.

Community development block grants, which bring Buffalo about \$17 million a year, would go down 7.5 percent. Funding for Great Lakes projects would drop as well.

In general, though, "the president gave us a framework that prioritizes job creation in America, while meeting the necessary challenges that come with cutting costs," Higgins said.

Republicans in the House -- who are sure to change Obama's spending plan radically -- disagreed.

"To see increased spending proposed for 2012 is a nonstarter and a denial of the perilous state of the nation's finances," said Rep. Tom Reed, R-Corning.

Higgins, though, said that despite its dismal political prospects, the Obama spending plan includes important elements that could survive -- such as the money that could be used for the Peace Bridge plaza.

It includes \$25 billion to be apportioned among states for critical highway infrastructure projects -- including \$2.2 billion specifically targeted toward land ports of entry facilities such as the Peace Bridge.

In addition, the proposal includes \$30 billion over six years for a National Infrastructure Bank to invest in projects of regional or national economic significance.

Transportation Secretary Ray LaHood told reporters last week that he was concerned about the condition of U.S. border crossings and had told his staff to "see what we can do."

And Higgins termed the call from the White House "a very significant statement about the importance of the Peace Bridge."

The spending plan includes other, isolated tidbits of good news for Western New York.

Spending on cleaning up five local Manhattan Project nuclear sites, for example, would increase by nearly \$5 million, largely the result of a \$4.5 million increase for the Linde Air Products site in the Town of Tonawanda.

The Army Corps of Engineers requested and received that increase because it is switching contractors and ramping up work at the site, said Linda Houston, the project manager.

But funding for the corps' maintenance projects on the Black Rock Channel and Tonawanda and Buffalo harbors would decline, to \$2.3 million from \$2.7 million.

In Cattaraugus County, funding for the West Valley Demonstration Project would fall to \$38 million from \$58 million. Specific cuts at the facility have not yet been determined, Reed's office said.

Elsewhere in the defense budget, the Niagara Falls Air Reserve Station would not receive funding for new projects. But the spending plan calls for constructing a \$5.7 million firing range that Congress had approved years ago.

That's about all the good news for the Buffalo area in the spending plan -- which, most ominously of all, cuts low-income home energy aid in half to save \$2.5 billion.

The program brought \$53.2 million to Erie County households last year, and advocates for the poor said the cut would be devastating.

"I agree with the president that we need to reduce spending and make targeted investments in the future, but many of these cuts I see as inappropriate," said Rep. Louise M. Slaughter, D-Fairport. "There's no need to go after working-class families trying to heat their homes, especially as this winter has proven to be one of the coldest on record."

Beyond that, "It's not necessary to slash funding to programs that allow economic development in our upstate cities," Slaughter said.

But the Obama plan also does just that, reducing community development block grants -- which fund an array of city programs -- by 7.5 percent.

A 7.5 percent cut in Buffalo's block grant allocation would amount to a reduction of about \$1.3 million. Common Council members said any cut would hurt the poorest neighborhoods. The city plans to lobby Congress in hopes of restoring block grant funding.

The Council will meet in special session at 11 a.m. today (Tuesday) to approve the city's application for federal anti-poverty aid. A public hearing will be held at 6 p.m. (Tuesday) in the auditorium of the Central Library to explain the submission. The Council held a series of public hearings before finalizing the application.

Tough times dictated, though, that Obama cut even some of his own priorities, such as his much-touted Great Lakes Initiative, for which funding would dip by a fourth to save \$125 million.

"Scaling back our efforts means it will take longer and cost more to address urgent threats to the Lakes, communities and businesses," said Jeff Skelding, campaign director for the Healing Our Waters-Great Lakes Coalition.

For the first time, however, the budget does devote a line item to fighting the threat posed by the Asian carp, setting aside \$2.9 million to combat the invasive species.

While Obama's proposed budget covers the fiscal year that will begin Oct. 1, Congress has yet to finish work on a spending plan for the current year. That was to have been completed before last Oct. 1. Instead, the government has been operating under a series of temporary funding measures.

That makes Obama's budget just another chapter in a complex budget battle on Capitol Hill.

House Republicans want to dramatically cut spending in the current fiscal year.

They will start debate today Tuesday on a plan that would return domestic spending to 2008 levels and reduce outlays by \$61 billion through Sept. 30.

That plan slashes some cherished Obama priorities -- such as the high-speed rail program he suggests expanding in his budget -- as well as many key local programs such as the port dredging projects and community development block grants.

If Republicans and Obama cannot agree by March 4, when the latest stopgap spending measure will expire, the government could shut down.

Later in the spring, Congress will debate whether to extend the nation's debt ceiling.

Finally, after those battles are settled, lawmakers will turn to -- and certainly radically change -- the spending plan Obama released Monday.

News Staff Reporter Brian Meyer contributed to this report.