



**City of Milwaukee
Budget and Management
Intra-Office Memo**

To: Finance and Personnel Committee Members
Mark Nicolini, Budget and Management Director

From: Eric C. Pearson

Date: October 18, 2005

File Ref: 06BF, 3-C

Subject: CDBG Funding of the DOA Grant Manager Position

The 2006 proposed budget includes creating a new Grant Manager position in DOA. At the Finance & Personnel Committee hearing on the DOA budget, the Committee asked if the Grant Manager could be partially funded through the Community Development Block Grant (CDBG).

Based on initial conversations CBGA Director Steven L. Mahan has had with local U.S. Department of Housing and Urban Development (HUD) officials, it would be ill advised for the Common Council to fund the position of Grants Manager utilizing CDBG funds.

CBGA was referred to Office of Budget and Management (OMB) Circular (A-87 attachment A; section C), which states:

1. Factors affecting allow ability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
 - a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.

Costs charged to the CDBG grant must be reasonably related to, and necessary for, the administration of the CDBG program or the performance of the CDBG program or funded activities.

The Grant Manager position will not have any administrative, management or programmatic duties for the CDBG program or for CDBG funded activities. The position's principle function will be the cultivation of any Grant-and-Aid other than that currently received by the City of Milwaukee through HUD [including Community Development Block Grant (CDBG), HOME Investment Partnerships, Stewart E. McKinney Emergency Shelter Grants (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and American Dream Down Payment Initiative (ADDI)].

It is not realistic to implement a major new grants initiative with existing DOA staff. Between 2000 and 2005, DOA eliminated 33 positions (from 138 to 105), largely through departmental restructuring and downsizing. The 2006 proposed budget includes an additional decrease of two positions. Although the proposed citywide Grant Manager position is levy funded, other proposed position decreases in the 2006 proposed budget offset the costs.

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