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REPORT TO THE CONGRESS

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Revenue Sharing: Its Use By And Impact On Local Governments

B-146285

Department of the Treasury

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

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APRIL 25, 1974

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-146285

To the President of the Senate and the
Speaker of the House of Representatives

We are reporting on the use of revenue sharing funds by 250 local governments.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53); the Accounting and Auditing Act of 1950 (31 U.S.C. 67); and the State and Local Fiscal Assistance Act of 1972 (86 Stat. 934).

We are sending copies of this report to the Director, Office of Management and Budget, and the Secretary of the Treasury.

Elmer B. Staats

Comptroller General
of the United States

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DIGEST

WHY THE REVIEW WAS MADE

The Revenue Sharing Act directs the Comptroller General to review the work of the Treasury in distributing, and State and local governments in using, $30.2 billion of Federal funds for the 5-year period ending December 31, 1976.

This report describes the status and use of $1.7 billion in revenue sharing distributed to 250 selected local governments through June 30, 1973. The 50 State governments and the District of Columbia were the subject of a previous GAO report. (See p. 2.)

FINDINGS AND CONCLUSIONS

About 38,000 general-purpose governments receive revenue sharing funds: States, the District of Columbia, counties, townships, and municipalities.

Of $6.6 billion distributed through June 30, 1973, about $4.4 billion was paid to local governments and $2.2 billion was paid to the 50 State governments and the District of Columbia.

The audit of the many types and sizes of local governments was achieved by selecting governments to include

- --50 cities and 50 counties receiving the largest 1972 revenue sharing payments,
- --the city and county receiving the largest 1972 payment in each State, and
- --two local governments in each State selected randomly from among those receiving more than $10,000 during the first 12 months of the program.

The 250 governments--124 cities, 116 counties, 10 townships--received 38 percent of the $4.4 billion paid to all local governments as of June 30, 1973, or $1.7 billion as previously stated.

As of that date, 219 of the 250 had appropriated $1.4 billion in revenue sharing funds and had spent $744 million.

The remaining 31 local governments had not authorized the use of any of their revenue sharing funds. (See p. 9.)

Of the $1.4 billion, about two-thirds was for operations and maintenance and one-third for capital outlays. The 250 governments' expenditures were made under the following priorities that are specified in the act.

Category	Amount appropriated (millions)	Percent of total
Capital outlay	$ 454	33
Operations and maintenance		
Public safety	532	39
Public transportation	130	9
Environmental protection	84	6
Health	70	5
Social services for poor or aged	33	2
Recreation	22	2
Financial administration	12	1
Libraries	9	1
Unspecified	28	2
Total	$1,374	100

In its simplest terms, revenue sharing represents an addition to the total resources available to a government for expenditure.

Because budget choices are made on the basis of total resources available, the reporting of a specific expenditure as having been made possible by revenue sharing could be misleading. The actual effects of uses of revenue sharing funds could be quite different from uses indicated by a government's financial records.

Because revenue sharing could have diverse effects on a particular government, GAO asked knowledgeable local officials what effect these funds have had, or are expected to have, on their governments.

Their opinions are summarized as follows:

--About three-fourths of the 250 governments were using their funds in some manner expected to reduce local tax pressures. (See p. 21.)

--Revenue sharing had various effects on the level of public services provided by the local governments. (See p. 23.)

--About one-third of the 250 experienced more citizen participation in planning the uses of revenue sharing than normally. (See p. 24.)

--Revenue sharing was cited as encouraging regional intergovernmental projects, programs, or cooperation in about 27 percent of the local governments and was a factor in changing or considering plans to change the jurisdiction of about six governments. (See p. 26.)

Because revenue sharing, Federal categorical aid, State aid, and a local government's own revenues can often be used or mixed to provide the same services, a local government tends to consider its total available resources when determining the amount of funds it requires to satisfy its needs and their attendant costs.

When a government spends revenue sharing funds for activities that previously were financed, or would have been financed, from local or other revenue sources, considerable latitude exists for use of local funds freed by expenditure of revenue sharing funds.

This creates an environment where funds can easily be displaced or substituted. Accordingly, there can be only limited effectiveness of statutes or regulations designed to restrict the use of certain revenues, including revenue sharing.

In considering passage of the Revenue Sharing Act, the Congress recognized that local governments could arrange to use revenue sharing funds for purposes other than high priority areas specified in the act. GAO found, as expected, that by displacing local funds, revenue sharing funds were being used in ways that resulted in such uses.

GAO concluded that the act's requirements for priority expenditures are illusory. (See p. 30.)

In view of changing budgetary prioities and fluctuations in the amount of revenues available to a locality, it would be impossible, in many cases, to identify what funds were displaced as a result of revenue sharing and for what purposes such resources were used, simply by studying revenue sharing receipts and expenditures.

Consequently, attempts to identify and advise the public about the impact of revenue sharing on a government or to specify the results that are being achieved by revenue sharing would require an analysis of <u>all</u> resources available to the government and <u>all</u> services being financed by the government.

A relationship can be readily drawn between revenue sharing and the other financial resources of a government, and, in this sense, the overall financial impact of revenue sharing on a particular government can be measured.

An objective identification and measurement of the extent to which <u>specific</u> tax levels, programs, or groups of citizens are benefiting from revenue sharing will, however, be extremely difficult.

The Office of Revenue Sharing agreed that revenue sharing might have diverse effects. But it was concerned that GAO's observations regarding the effectiveness of the act's restrictions and requirements would be misunderstood.

GAO shares the Office of Revenue Sharing's concern for full compliance. However, GAO's observations were based on a distinction between the direct uses of the funds and the overall consequences of such uses.

Unless identical requirements are imposed on all or a major part of a recipient's other revenues, the actual effectiveness of such restrictions is doubtful. The Office of Revenue Sharing's comments are included as appendix IV.

RECOMMENDATIONS OR SUGGESTIONS

This report contains no recommendations or suggestions.

MATTERS FOR CONSIDERATION BY THE CONGRESS

This and future GAO reports should assist the Congress in evaluating compliance and operations under the Revenue Sharing Act of this new way of providing Federal Government aid to State and local governments.

CHAPTER 1

INTRODUCTION

Title I of the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512) established the general revenue sharing program. The act appropriated $30.2 billion for distribution to State and local governments, according to specified formulas, for a 5-year program period beginning January 1, 1972. In considering the act, the Congress concluded that both State and local governments faced severe financial problems which required solution if the Federal system of government was to operate successfully.

Revenue sharing represents a new approach to Federal assistance because State and local governments are given wide discretion in deciding how to use the funds. The act and implementing regulations place only minimal restrictions and requirements on the use of the funds. Other Federal aid to State and local governments, although substantial, has been primarily for more narrowly defined purposes. The Congress concluded that funds made available under the act should provide recipient governments with broader flexibility to use the funds for what they consider to be their most vital needs.

The Office of Revenue Sharing, Department of the Treasury, is responsible for administering the act, including distributing funds to State and local governments; establishing overall regulations for the program; and providing the accounting and auditing procedures, evaluations, and reviews necessary to insure full compliance with the act.

State and local governments received about $5.1 billion in revenue sharing funds for 1972. These funds were distributed in two installments--the first in December 1972 and the second in January 1973. An additional $1.5 billion was distributed in April 1973. Of the $6.6 billion distributed as of June 30, 1973, local governments received about $4.4 billion, the 50 State governments and the District of Columbia received the remainder.

The act directs the Comptroller General to review the work of the Department of the Treasury, the State governments, and the local governments to enable the Congress to evaluate compliance and operations. During the program we will periodically report to the Congress on the status, uses, and effects of the funds. This report on the status of the about $1.7 billion received as of June 30, 1973, by 250 selected local governments is the second of these reports. Our earlier report entitled "Revenue Sharing: Its Use by and Impact on State Governments" (B-146285), August 2, 1973, discussed the use of revenue sharing funds distributed to State governments and the District of Columbia.

SELECTION PROCEDURE FOR 250 GOVERNMENTS

More than 38,000 general purpose governments received revenue sharing funds.

The responsibilities of local governments, their organizational structure, and the interests of the local officials and residents make each government, its resources, and its needs unique. In view of this diversity and our desire to report on a large portion of the total funds allocated to local governments while still achieving geographical dispersion, the 250 governments discussed in this report include (1) the 50 cities and 50 counties that received the largest 1972 revenue sharing payments, (2) the city and county that received the largest payment in each State, and (3) two local governments selected randomly in each State from among those local governments receiving more than $10,000 for 1972. The 250 local governments received about 38 percent of the $4.4 billion paid to all local governments as of June 30, 1973, and include 124 cities, 116 counties, and 10 townships.

OVERVIEW OF DISTRIBUTION

A State's revenue sharing entitlement is determined by applying two formulas and then using the formula that yields the higher amount. One-third of the State's amount is allocated to the State government, and the remaining two-thirds is allocated to local governments. The one-third, two-thirds division was adopted because local governments generally appeared to need money more critically than State governments and accounted for about two-thirds of total State and local spending.

Intrastate allocation

The local share is distributed to local governments in a complex sequence of computational steps and substeps, using a three-factor formula as its basis. The formula recognizes population, relative income, and tax effort and is designed to help most those communities with the greatest need. The relative income factor is designed to result in higher allocations to lower income areas which generally have difficulties in providing services. The tax effort factor is designed to result in larger allocations for those places which impose relatively high taxes.

The Congress concluded that, because of the great diversity of local governments, no single allocation method could be used without occasionally producing extreme results. To insure that one local government did not receive an inordinately large amount of funds while another government received almost no funds, minimum and maximum limits were placed on the allocations. As a result, no local government, except county governments, can receive less than 20 percent nor more than 145 percent of the per capita amount available for distribution to all local governments within the State. In addition, no local government, including county governments, can receive more than 50 percent of the sum of its adjusted taxes and intergovernmental transfers.

Amounts distributed to selected local governments

The 250 local governments had received almost $1.7 billion in revenue sharing payments as of June 30, 1973. Amounts ranged from $16,337 for Tyndall, South Dakota, to $258.6 million for New York City. On a per capita basis, Washington County, Vermount, received a low of $0.62 while Rangeley Town, Maine, received a high of $37.88. The overall average per capita was $16.07.

The smaller cities in our selection received a lower average per capita than the larger cities. In contrast, smaller counties received a higher average per capita than the larger counties. Figure I shows the ranges and averages of revenue sharing payments on a per capita basis for the different types and sizes of local governments.

The smaller cities and counties received a higher percentage of funds in relation to their adjusted taxes than the larger ones. For example, cities with a population of more than 1,000,000 averaged a little more than 10 cents for each dollar of adjusted taxes and cities with under

50,000 people averaged about 22 cents for each dollar of adjusted taxes. Figure 2 shows revenue sharing funds paid to counties, cities, and townships as a percentage of their adjusted taxes.

Appendix II shows the total funds received, total funds appropriated, and funds received as a percent of adjusted taxes for each of the 250 governments.

RESTRICTIONS AND REQUIREMENTS APPLICABLE TO USE OF FUNDS

Although a major objective of revenue sharing was to provide recipient governments substantial freedom in determining how to use the funds, recipients must observe some restrictions and administrative procedures. Local governments may spend the funds only within a specified, but rather comprehensive, list of priority areas. (Permissable expenditure areas are described in ch. 2.)

The funds may not be used in ways which discriminate because of race, color, sex, or national origin. A further restriction prohibits a government, under certain circumstances, from using the funds either directly or indirectly to match Federal funds under programs which make Federal aid contingent on the government's contribution. The act also requires that, employees paid with revenue sharing funds must be paid at least at the same wage rates as the other government employees in similar occupations. Further, laborers and mechanics employed by contractors or subcontractors to work on a construction project for which 25 percent or more of the project costs are paid with revenue sharing funds must be paid not less than prevailing rates determined by the Secretary of Labor under the Davis-Bacon Act.

To help insure that revenue sharing funds are spent in accordance with the act and regulations, each government must create a trust fund in which it must deposit all such funds received and any interest earned. Funds must be spent in accordance with the laws and procedures applicable to the expenditure of the local goverment's own revenues. Each government must follow the fiscal, accounting, and auditing guidelines established by the Office of Revenue Sharing.

FIGURE 1

HIGH, LOW, AND AVERAGE PER CAPITA REVENUE SHARING PAYMENTS THROUGH JUNE 30, 1973 BY TYPE AND SIZE OF 250 SELECTED LOCAL GOVERNMENTS

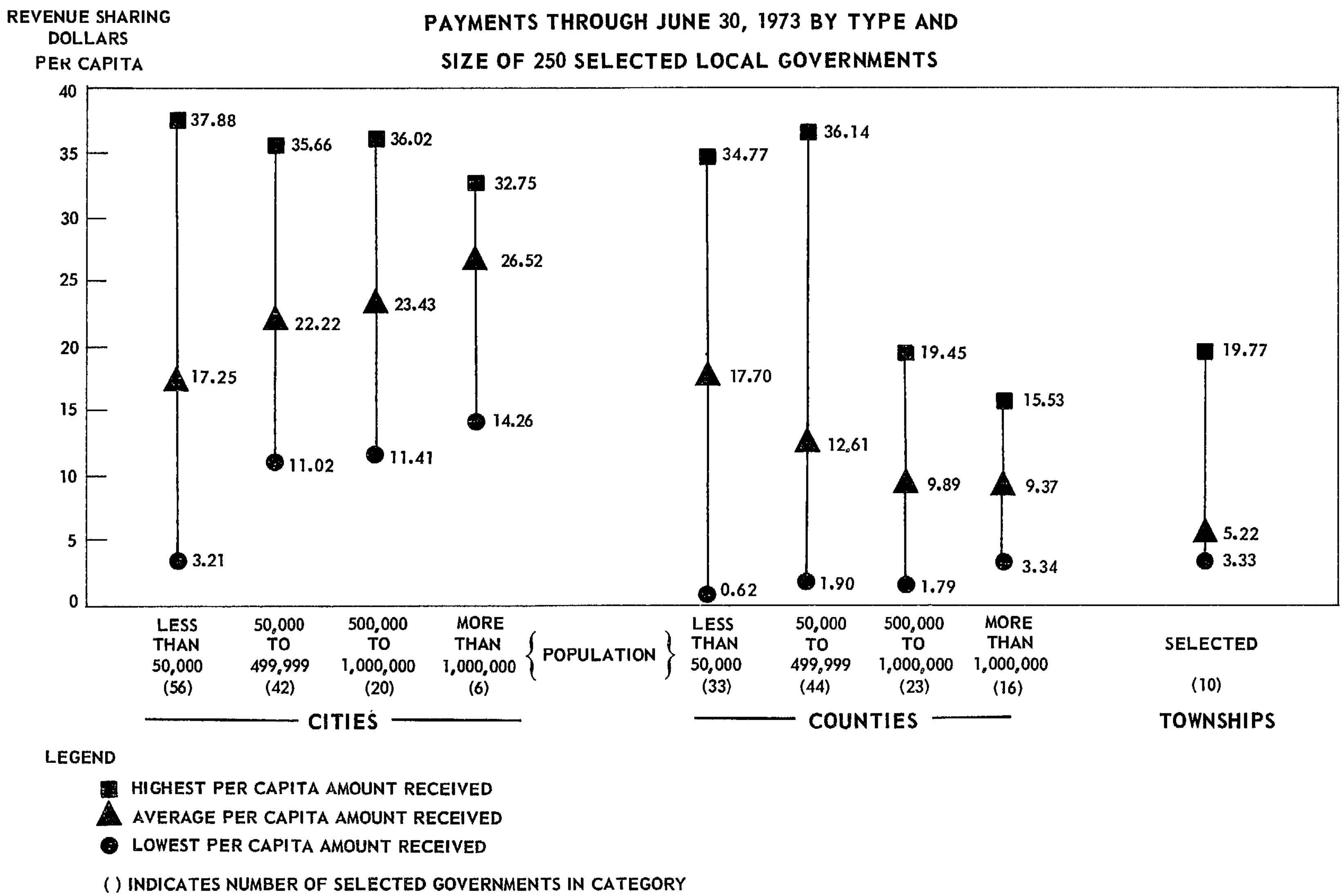
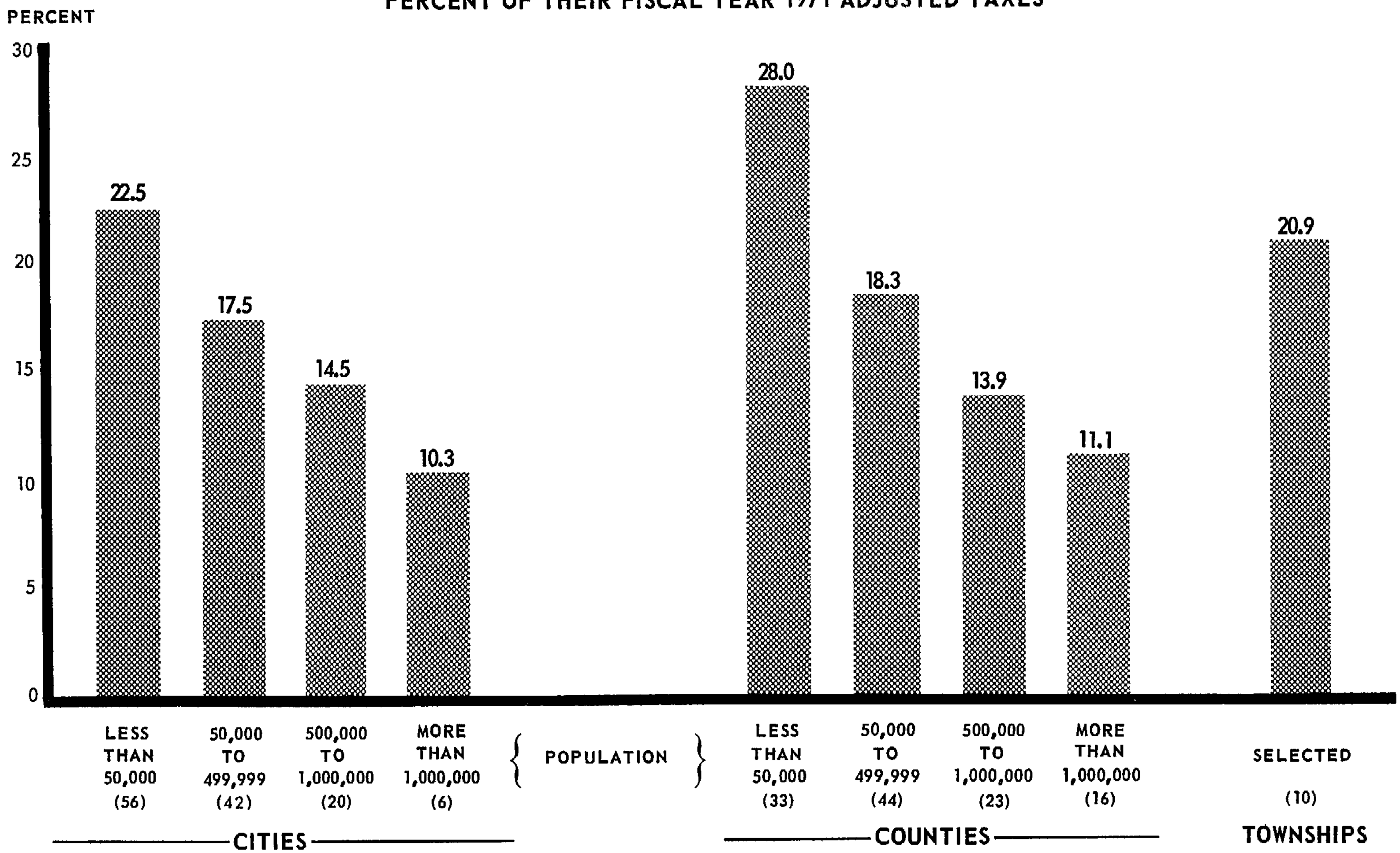


FIGURE 2
REVENUE SHARING FUNDS PAID TO 250 SELECTED LOCAL GOVERNMENTS THROUGH JUNE 30, 1973 AS A PERCENT OF THEIR FISCAL YEAR 1971 ADJUSTED TAXES*



* Taxes were adjusted to correspond to 15-month period covered by revenue sharing payments.

( ) Indicates number of governments in category.

Finally, each government must periodically report to the Office of Revenue Sharing on how it used its revenue sharing funds and how it plans to use future funds. The reports must be published in the press and made available to other news media.

CHAPTER 2

DIRECT USES OF FUNDS

Local governments may directly use revenue sharing funds only for priority expenditures which the act defines as (1) ordinary and necessary capital expenditures authorized by law and (2) operations and maintenance expenses for public safety, environmental protection, public transportation, health, recreation, libraries, social services for the poor or aged, and financial administration.

In establishing these categories, the Congress emphasized those areas which it felt had priority in terms of national objectives. Local governments may not use the funds for direct welfare payments or for operations and maintenance related to education. Although these two areas often have high priority, the Congress concluded that there were better ways to deal with them. Also, local governments may not spend the funds directly for general administration (as distinguished from financial administration), for interest on debt, or for retirement of debt unless the debt was incurred on or after January 1, 1972, for expenditures in the priority categories specified in the act.

However, the priority categories cover most local functions. Moreover, within each priority area the funds may be spent for various activities to insure local governments' discretion in deciding how to use the funds. For example, "public safety" includes police; courts; corrections; crime prevention; fire protection; civil defense; and inspection of buildings, plumbing, electrical facilities, gaslines, boilers, and elevators.

FUNCTIONS OF LOCAL GOVERNMENTS

In addition, a government's various functions affect how that government uses its revenue sharing funds. Different patterns and responsibilities developed because of varied geographic, economic, and social conditions and because of local interests. In New England, where settlements were compact communities, the town was, and still remains, a dominant feature of local government and the county is relatively less important. In contrast, in most of the South and West, where compact units were not suited to the larger agricultural settlements, the county is generally more important.

In some States local governments have primary responsibility, subject to regulation and/or financial assistance from the State government, for providing services that in other areas are State responsibilities, especially for public welfare, highways, and health and hospitals. Other differences, such as (1) government versus private refuse collection, public transit, hospital care, and utilities and (2) special district versus general government provision of specific services, also influence the type of functions of general-purpose governments.

Functions of the 250 local governments varied from limited to a full range of services. The table on page 10 summarizes the views of officials of the governments on the nature of their activities.

STATUS OF REVENUE SHARING FUNDS

The 250 governments received about $1.658 billion in revenue sharing funds through June 30, 1973. Collectively they had earned about $30 million in interest, which was also available for appropriation. The 124 cities had about $1.061 billion available, the 116 counties about $626 million, and the 10 townships about $2 million.

Amounts authorized for expenditure

As of June 30, 1973, 219 of the 250 governments had taken the legal and procedural steps required to authorize expenditure of all or part of their revenue sharing funds. Nine cities, 21 counties, and 1 township had not authorized any funds.

About $1.374 billion, or 81.4 percent, of the amount available had been authorized. The cities had authorized using 89.7 percent of available funds, counties 67.5 percent, and the townships slightly more than half of their funds. Generally the larger counties and cities had authorized a higher percent of available funds than the smaller units. For example, the cities with over 1 million people had authorized using almost all (96.9 percent) available funds while cities with under 50,000 people had authorized using about three-fourths of available funds.

Percent of Selected Local Governments

Servicing Major Functional Areas

Category	Cities by population: Over 1 million	500,000 to 1 million	50,000 to 499,999	Under 50,000	Counties by population: Over 1 million	500,000 to 1 million	50,000 to 499,999	Under 50,000	Township
Education	17	20	31	21	31	57	41	36	-
Police protection	100	100	100	96	100	96	91	94	50
Fire protection	100	100	100	96	62	39	64	42	50
Health and hospitals	83	85	62	32	100	100	89	79	10
Public welfare	50	35	24	13	87	87	66	55	10
Social services for poor or aged	67	95	52	21	94	87	84	58	20
Highways and streets	100	100	98	100	100	100	86	88	90
Sanitation	100	100	93	89	56	70	68	55	10
Sewerage	100	90	83	79	38	52	45	9	40
Environmental protection	100	95	71	41	94	78	73	42	10
Libraries	100	85	79	66	94	65	68	79	20
Parks and recreation	83	100	93	96	81	87	75	64	50
Public transportation	50	70	55	2	31	30	20	6	-
Water	100	80	69	68	19	26	32	9	40
Other utilities	100	35	17	20	13	-	7	3	-
Number of governments	6	20	42	56	16	23	44	33	10

The 250 governments had reasonably definite plans for using an additional $176 million. As of June 30, 1973, they had not yet made plans for using the remaining $138 million.

Amounts expended

Of the funds authorized, $744 million, or 54 percent, had been spent. The cities with over 1 million people had spent their funds faster than any other group of cities; they spent 94 percent. Cities with under 50,000 people had spent only 20.5 percent. Counties with populations over 1 million people had spent 50.1 percent of authorized funds while those counties with populations under 50,000 people had spent only 24.6 percent.

Figure 3 summarizes the overall status of the funds received as of June 30, 1973. (Table 1, app. I gives more detailed information on the status of the funds.)

AUTHORIZED USES

A total of $920 million, or about two-thirds of the $1.374 billion authorized for expenditure, was designated for operations and maintenance. The remaining one-third was designated for capital expenditures, including $223.9 million for construction, $40.2 million for land, $89.8 million for the improvement of existing structures, $63 million for equipment, and $15.4 million for retirement of debt.

Operations and maintenance

Of the $920 million authorized by the 250 governments for expenditure in the operations and maintenance categories specified in the Revenue Sharing Act, $530.7 million, or 57.7 percent, was designated for use in public safety. Other categories receiving large amounts for operations and maintenance included public transportation (14.1%), environmental protection (9.1%), and health (7.6%). Figure 4 provides a summary overview of the functional uses authorized by the selected government units. Tables 4 and 5 (app. I) contain more details.

Public safety

This category includes funds authorized for use for such activities as police protection, fire protection, courts, corrections, building code enforcement, consumer protection, civil defense, and animal control. Of the $531.9 million being used for public safety, $302.9 million was for police protection and $148.2 million for fire protection.

Cities were using 61.9 percent of the revenue sharing funds they allocated for operations and maintenance in public safety; townships, 62.1 percent; and counties, 41.2 percent.

Public transportation

This category includes funds authorized for operating and maintaining streets, highways, and structures necessary for their use and for public transit systems. Of the $130.2 million designated for public transportation, $90.7 million was for public transit systems and $29.4 million for streets. New York City alone had allocated about $75 million to its transit authority. This allocation accounted for a major part of the revenue sharing funds used for public transportation.

FIGURE 3

STATUS OF REVENUE SHARING FUNDS DISTRIBUTED TO 250 SELECTED LOCAL GOVERNMENTS AS OF JUNE 30, 1973

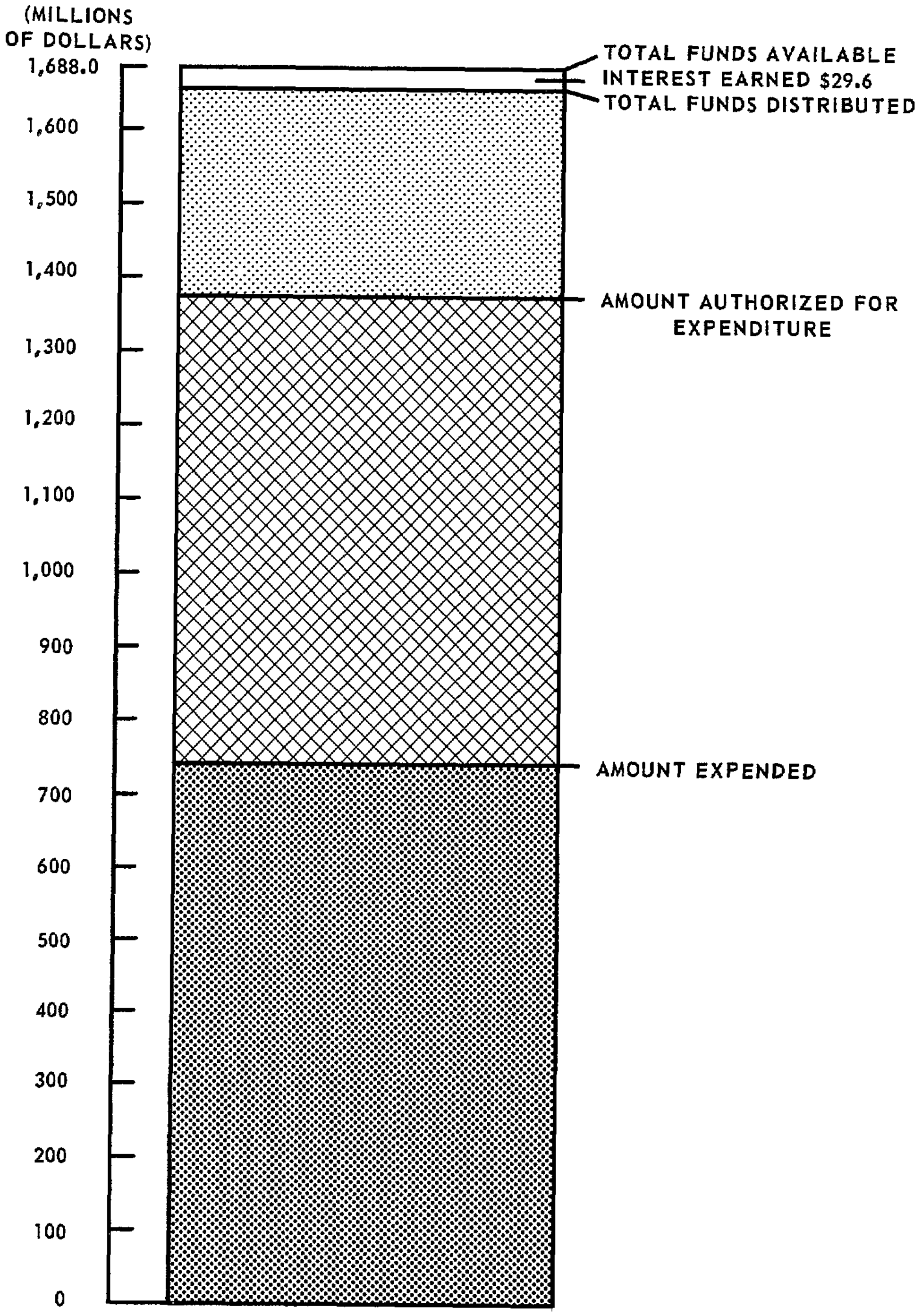
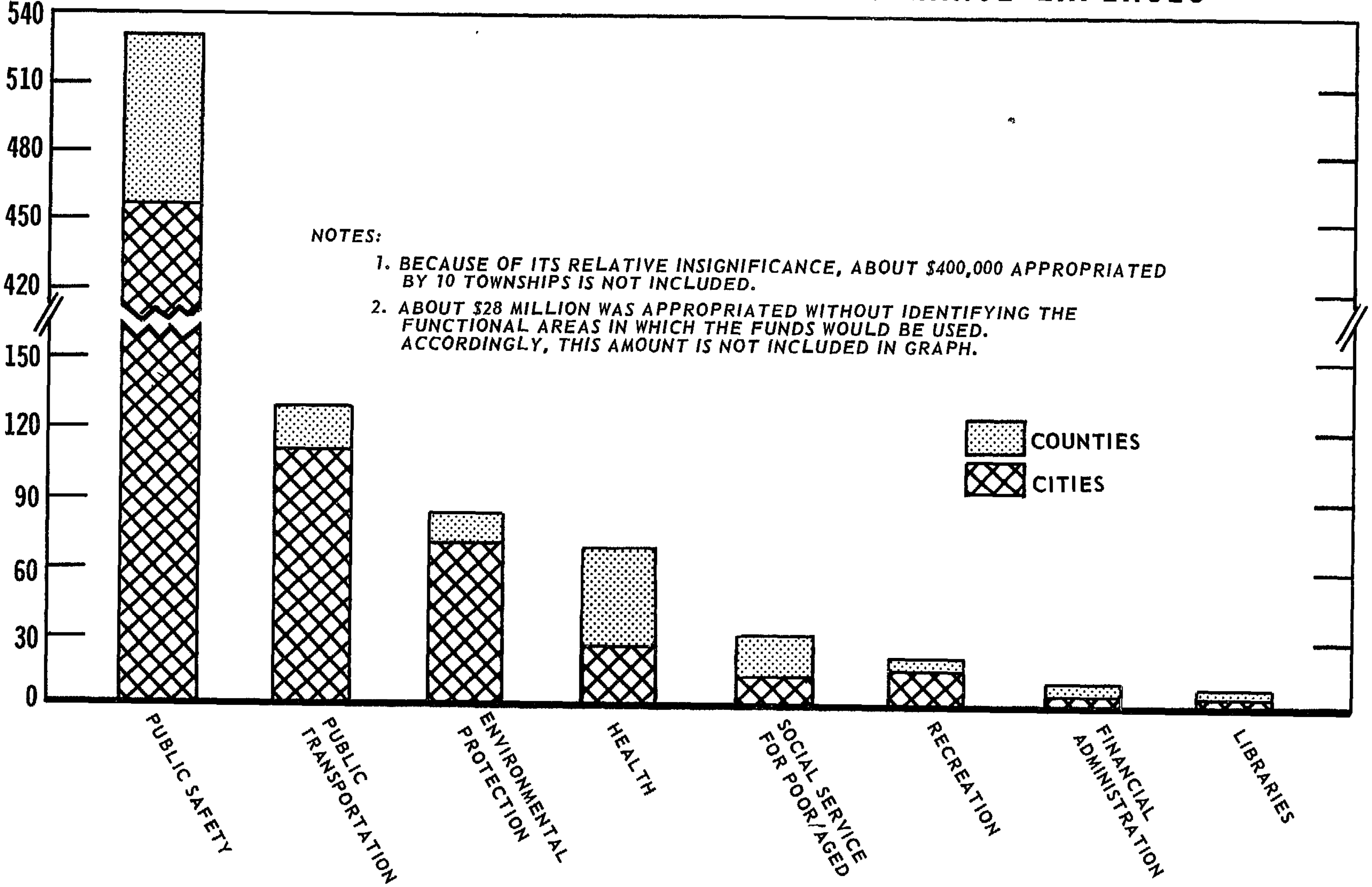


FIGURE 4

REVENUE SHARING FUNDS APPROPRIATED BY CITIES AND COUNTIES FOR OPERATING AND MAINTENANCE EXPENSES



Cities with under 50,000 people designated 19.8 percent of their funds in this area, principally for streets, whereas counties of this same size had earmarked about 60 percent of the authorized funds for operations and maintenance of public transportation. In contrast, cities and counties with 500,000 to 1 million people had earmarked 12 and 8 percent, respectively, for this use.

Environmental protection

This includes funds authorized for sanitation, sewerage, and water and air pollution control. About $61.2 million of the $83.9 million authorized for environmental protection was directed toward sanitation, which includes such activities as street cleaning, collecting and disposing of garbage, and recycling.

Health

County governments designated 22.6 percent of their total operations and maintenance funds for health--cities, 4 percent. Of the $70 million designated for health, $24.8 million was directed toward health services (clinics, nursing, immunizations, etc.), and $20.6 million for hospital operation.

Recreation

The $21.9 million designated for recreation represented 2.38 percent of the total funds authorized for operations and maintenance. This pattern of use for recreation applied to counties, cities, and townships, regardless of size.

Libraries

Among the eight priority expenditure areas specified by the Revenue Sharing Act, libraries received the least funds. The $8.7 million for operating and maintaining libraries represented less than 1 percent of the funds authorized for use.

Social services for the poor or aged

This category consists of expenditures for services to low-income or elderly people. It includes such activities as operating and maintaining public housing, nursing and old-age homes, neighborhood social centers, and youth employment programs which either hire poor or disadvantaged youths or help them obtain employment. The county governments designated about 10.3 percent of their funds for this purpose; the cities, 2 percent.

Financial administration

Expenses of such activities as tax assessment and collection, accounting, auditing, budgeting, purchasing, custody of funds, and other central finance activities are in this category. In total the governments authorized slightly more than 1 percent of their revenue sharing funds for this use. Generally the smaller governments were directing a larger proportion of their available funds to financial administration than were the larger governments.

Capital expenditures

Emphasis by governments on use of the funds for capital projects varied. As a group, the cities had designated the lowest proportion, 22.3 percent, of their revenue sharing funds for capital uses; counties, 57.3 percent; and townships, 53 percent.

Although cities with over 1 million people had authorized only 1.3 percent for capital expenditures, cities with under 50,000 people had authorized 80.3 percent. Generally smaller counties and cities directed a larger share of funds for capital projects, although the degree of divergence was not as great among the counties as among the cities. (See Table 1, app. I.)

Because of the time required for planning, acquisition, and execution, financing capital programs generally involves a longer expenditure period than financing ongoing operations. Thus, because smaller governments place more emphasis on capital uses, they use revenue sharing funds more slowly.

The major functional areas in which the $454 million authorized for capital outlays was being used included recreation, $68.1 million; highways and streets, $64.1 million; public safety, $62.5 million; general public buildings, $60.9 million; and environmental protection, $55.3 million.

Figure 5 summarizes the functional categories in which revenue sharing funds were being used for capital outlays. (See table 6, app. I for more details.)

FACTORS INFLUENCING DIRECT USE OF FUNDS

Although the local governments generally had followed their normal budgetary process in authorizing use of revenue sharing funds, restrictions on the direct uses of the funds and concerns about possible discontinuance of the program--factors not normally involved in establishing budgetary priorities--appeared to have influenced the direct uses of the funds. In addition, the reduction or possibility of reductions in funding received under other Federal aid programs appeared to influence some governments' direct use of funds.

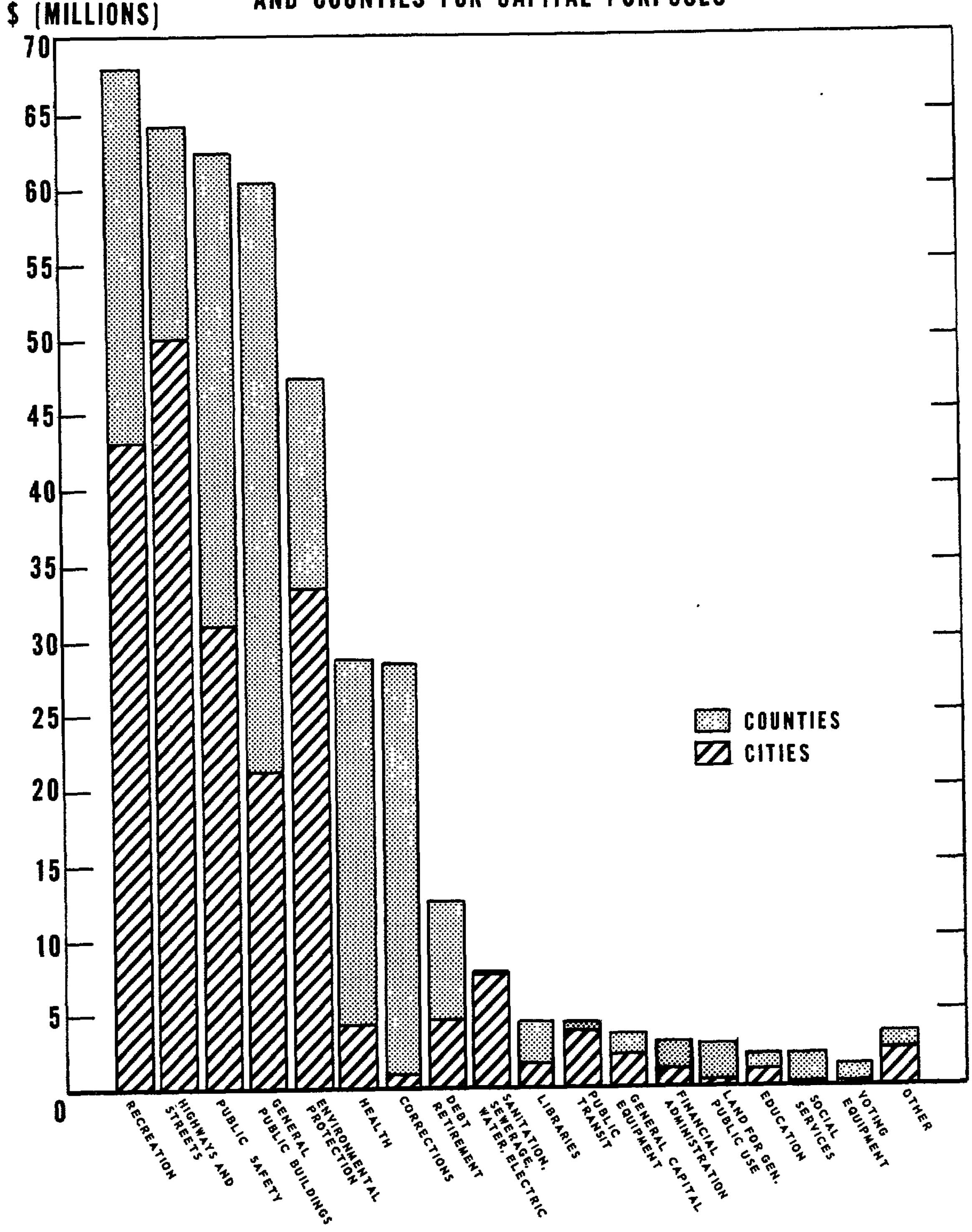
Officials of the 183 governments that had directed all or some of the funds toward capital programs cited several reasons for this emphasis. The most common reason was a concern that the revenue sharing program might not be permanent. Generally the local governments were concerned that, if the funds were used for operations and maintenance and revenue sharing were discontinued, they would either have to curtail expenditures or provide the necessary funding from their own revenues. Officials of a number of governments indicated that the ease with which the funds could be used for capital outlays had influenced the decision to use the funds for this purpose. For example, officials in Des Moines, Iowa, said that in a referendum the voters had refused to approve the borrowing of funds for construction of fire stations and that revenue sharing had solved this problem.

Officials of 58 governments said direct uses of the funds would probably have been different if the uses were not restricted. They stated that funds would have been directly used for such purposes as debt retirement (not currently allowed under the regulations), education, and meeting matching requirements under other Federal aid programs.

According to officials of 101 of the 250 governments, reductions or possible reductions in the amount of aid received under other Federal programs had influenced uses of the funds. For example, Cleveland, Ohio, had set aside

FIGURE 5

REVENUE SHARING FUNDS APPROPRIATED BY CITIES AND COUNTIES FOR CAPITAL PURPOSES



NOTES:

1. *BECAUSE OF ITS RELATIVE INSIGNIFICANCE, ABOUT $500,000 APPROPRIATED BY 10 TOWNSHIPS IS NOT INCLUDED.*
2. *ABOUT $45 MILLION WAS APPROPRIATED FOR CAPITAL PURPOSES WITHOUT IDENTIFYING THE SPECIFIC PROJECTS TO BE FINANCED. ACCORDINGLY, THIS AMOUNT IS NOT INCLUDED IN GRAPH.*

$2.3 million in revenue sharing as a contingency in the event that funding received under the Emergency Employment Act were terminated. Redding, California, had assumed financial responsibility for a neighborhood center which had been funded by the Office of Economic Opportunity, and the city intended to use revenue sharing funds to operate the center in fiscal year 1974.

COMPARISON WITH EXPENDITURES BEFORE REVENUE SHARING

The 250 local governments had marked increases in expenditures during the period preceding the receipt of revenue sharing. In fiscal year 1967 expenditures by the 246 governments for which data was available were $17.4 billion compared with $33.9 billion in fiscal year 1972, a 95-percent increase.

The classification system used by the Bureau of the Census to collect financial data on local governments for general statistical purposes does not correspond to the priority categories of the Revenue Sharing Act. However, using Census data it is possible to make a comparison, admittedly imperfect, between the spending patterns of the 250 local governments during the year preceding revenue sharing with their uses of revenue sharing.

Census files showed that $28.5 billion, or 84 percent, of fiscal year 1972 expenditures were for operations and maintenance and $5.4 billion, or 16 percent, for capital outlays. In contrast, 33 percent of revenue sharing funds authorized for expenditure through June 30, 1973, were for capital outlay.

According to Census files, the following areas received the most financial support of the fiscal year 1972 operating expenditures of $28.5 billion.

	Billions
Public welfare	$6.3
Education	4.3
Police	2.4
Hospitals	2.4
General government	2.1
Fire protection	1.1
Interest on general debt	1.1
Transit	1.1
General control	1.0
Highways	.9
Health	.8

Figure 6 compares the functional allocations of revenue sharing funds with fiscal year 1972 spending patterns for the 250 governments. To make the operations and maintenance data more comparable, we placed the Census functional classifications in the "priority expenditure" categories wherever possible. For example, the category "health" in the figure showing uses of funds before revenue sharing includes expenditures under two Census classifications--"health" and "hospitals"; the category "public safety" includes expenditures reported in the Census classifications "police" and "fire protection."

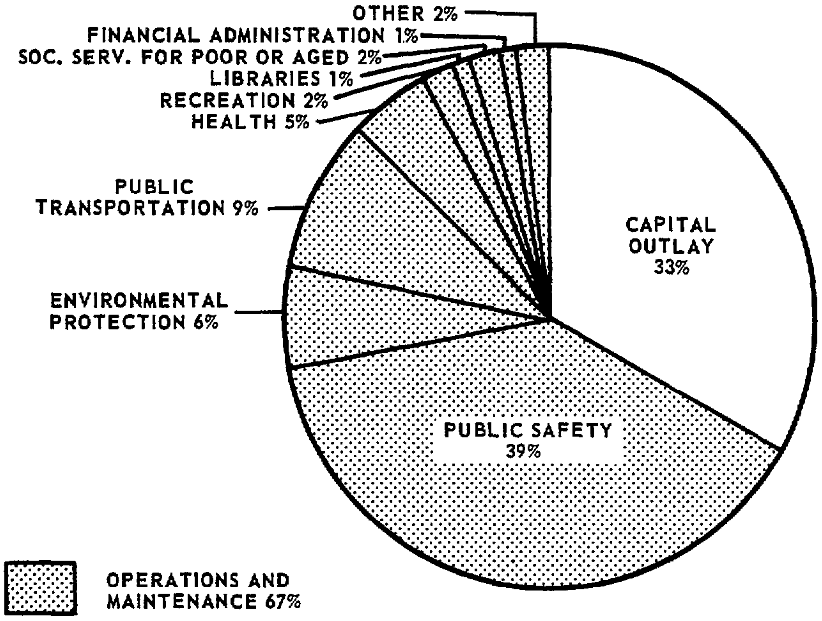
The comparison shows the apparent impact of use restrictions in the act on how local governments were earmarking revenue sharing for direct use. For example, operating expenses for education accounted for 13 percent of total spending by the 250 governments in 1972. No revenue sharing funds were used for this purpose because such use was prohibited.

Similarly, operating expenses for public welfare accounted for 19 percent of total 1972 spending. This category includes activities which fall under the priority category "social services for the poor or aged." A total of 2 percent of revenue sharing funds were directed toward such services. However, the public welfare category also includes significant amounts of direct welfare payments, and such payments may not be made with revenue sharing funds.

Tables 7 and 8 (app. I) contain a complete breakdown of the fiscal year 1972 spending patterns of the 250 governments as shown in Census files.

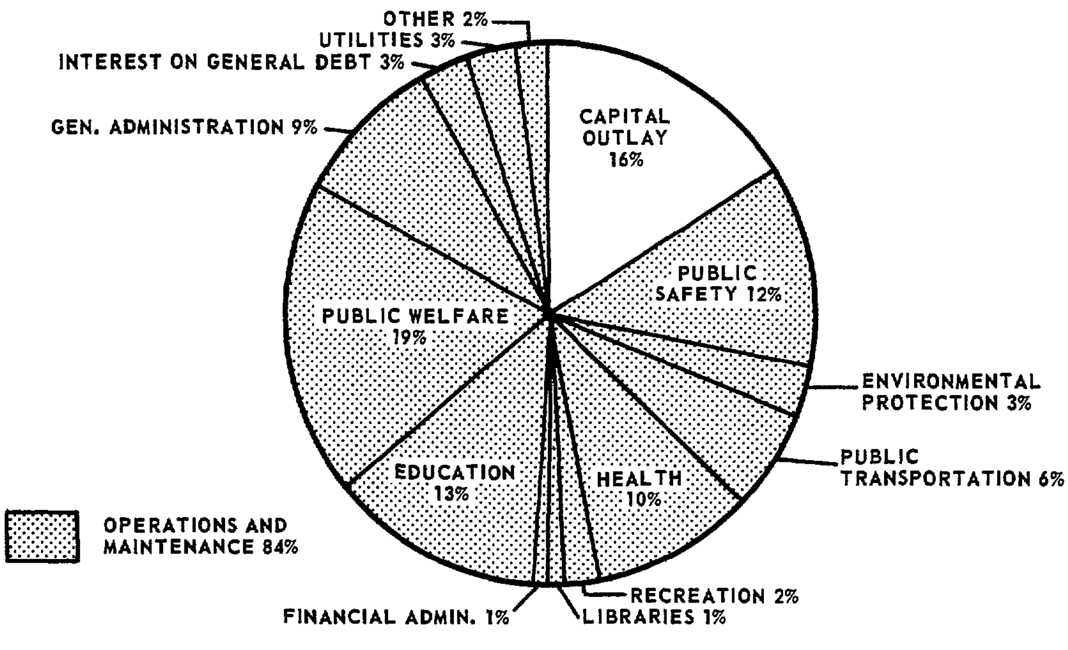
FIGURE 6

USES OF REVENUE SHARING FUNDS AS OF JUNE 30, 1973



REVENUE SHARING FUNDS APPROPRIATED
BY 250 LOCAL GOVERNMENTS - $1.4 BILLION

USES OF FUNDS PRIOR TO REVENUE SHARING



TOTAL 1972 EXPENDITURES
BY 250 LOCAL GOVERNMENTS - $33.9 BILLION

CHAPTER 3

SOME OVERALL EFFECTS OF REVENUE SHARING

The direct uses of revenue sharing funds discussed in chapter 2 were obtained from such sources as budget documents, appropriation ordinances, and accounting records of the local governments. In its simplest terms, revenue sharing merely represents an addition to the resources available to a government for use. Because budgetary choices are made on the basis of total available resources, the reporting of an expenditure as having been made possible by revenue sharing could be misleading. The effects of a government's uses of revenue sharing funds could be quite different from the uses indicated by its financial records.

To illustrate, when a local government uses its revenue sharing funds to wholly or partially finance a program previously financed with its own resources, it may then use its own freed resources for other purposes, such as to reduce local property taxes, to increase the funding of another specific program, to defer a pending tax increase, to reduce outstanding debt, to increase the funding of all local programs, to defer deficit financing, or a combination of these and other uses.

We asked local officials' opinions about the effects or expected effects of revenue sharing on governments. Specifically, we asked about effects on the governments' tax structures, unappropriated reserves, the overall level of the governments' public services, citizen participation, the jurisdiction of the governments, and intergovernmental cooperation.

TAXES

About three-fourths of the 250 governments expected their use of funds to reduce taxes or relieve local tax pressures. Small, medium, and large cities, counties, and townships anticipated that one of the major results of the revenue sharing program would be local tax relief.

Among the 124 cities, 82 indicated that revenue sharing had either reduced taxes, had halted a planned or possible tax increase, had slowed or would slow the rate of tax increases, or had a combination of these effects.

In 12 cities, officials said the funds had reduced taxes. For example, in Chicago a $25 million decrease in the 1972 tax levy was made possible by revenue sharing. In New Hope Village, Minnesota, revenue sharing funds received in 1973 were to be partially used to lower property taxes by $58,650 by reducing the rate. In Jersey City, New Jersey, officials advised us that revenue sharing had decreased the property tax rate by 9 percent.

In 37 cities, officials said revenue sharing halted a planned tax increase. For example, in Rangeley, Maine, without revenue sharing the tax rate would have risen about 2 mills to maintain existing services. The Board of Directors of Little Rock, Arkansas, deferred consideration of a municipal income tax. Little Rock officials said this tax would have been unavoidable without revenue sharing.

Newark, New Jersey, officials indicated that a major effect of revenue sharing had been to halt a planned tax increase. They stated that without the funds the city would have been forced to increase its already high property tax rate to compensate for other revenue losses. In San Diego city officials said revenue sharing had prevented a tax increase and/or a reduction in services.

In 46 cities, officials said one effect of revenue sharing would be to slow the rate of tax increases. For example, the budget for Oakland, California, included a small tax increase which city officials said would either have been larger or city services would have been curtailed.

One or more of the same effects on taxes occurred or were expected in 80 of the 116 counties and 5 of the 10 townships. Officials in 22 counties and 3 townships said revenue sharing had reduced taxes; in 37 counties and 1 township a planned tax increase had been halted; and in 32 counties and 1 township the rate of tax increases had been or was expected to be slowed.

RESERVES

Some local governments traditionally maintain an unappropriated funds reserve or a budgeted contingency reserve to provide for natural disasters or other unforeseen requirements. Revenue sharing might affect the creation of such a reserve or increase the existing reserve.

Such effects on reserves were reported by only a few of the governments. In 6 cities and 6 counties officials said revenue sharing had either permitted or was expected to permit the establishment of reserves; in 11 cities, 5 counties, and 1 township, the funds permitted or were expected to permit an increase in the government's reserves.

PUBLIC SERVICES

If a government indirectly used its funds exclusively to reduce taxes or to establish or increase its reserve, revenue sharing would have no immediate effect other than to maintain existing services. Another government may have used the funds to reduce taxes and increase the level of services. A government that faces serious financial difficulties might only maintain existing services, and an affluent government might use its funds for a project or service which few other communities can offer.

We asked each of the 250 governments whether revenue sharing had helped to provide new services, increase existing services, or maintain existing services. Officials of some governments said the funds had one of the following effects; others reported a combination of effects.

Revenue Sharing's Effect on Public Services

	Number of governments			
	Cities	Counties	Townships	Total
Funds enabled government to:				
Provide new services	3	3	-	6
Expand existing services	35	22	5	62
Maintain existing services	30	29	2	61
Provide new and expand existing services	10	19	1	30
Expand and maintain existing services	20	19	1	40
Provide new and maintain existing services	5	1	-	6
Provide new, expand existing, and maintain existing services	19	19	-	38
None of the above	2	4	1	7
Total	124	116	10	250

CITIZEN PARTICIPATION

As discussed in chapter 1, a local government must periodically report to the Office of Revenue Sharing indicating how it has spent and plans to spend revenue sharing funds. A recipient must also publish these reports in a newspaper having general circulation within its geographic area.

The Congress believed that full disclosure to local citizens in advance by a recipient government of how it proposed to spend the funds would help to insure wise spending. According to the Congress, reports to the Office of Revenue Sharing and to the public after the expenditures occur would help to insure that local government officials are accountable for the expenditures.

The Revenue Sharing Act requires recipients to follow the same laws and procedures applicable to spending their revenues in providing for the expenditure of revenue sharing funds. Most governments we reviewed held public hearings as part of their budgetary processes; therefore hearings were generally held in connection with their planning for spending these funds. Because public scrutiny and involvement in local affairs was intended to serve a significant role in insuring that local officials were accountable for the use of the funds, we asked how revenue sharing affected citizen participation in the budget process.

About one-third of the 240 cities and counties indicated that their citizens had participated more in planning the uses of revenue sharing than is normal in their budgetary processes. The remaining cities and counties reported that the program had not affected citizen involvement. In general, the increased participation came from special interest groups requesting that revenue sharing funds be allocated for such activities as social services, senior citizen projects, health agencies, and library associations.

A higher percentage of larger cities indicated that their citizens had participated more than the smaller cities' citizens had. Of the cities over 500,000 people, 50 percent said revenue sharing increased citizen participation. In the group with 50,000 to 499,999 people, 40.5 percent indicated increased participation, and in the group with under 50,000, only 21.8 percent.

In the counties, the largest percentage (51.7 percent) of increased participation was in those counties with 50,000 to 499,999 people. Of the counties with over 1 million people, participation increased in 37.5 percent--of the group with 500,000 to 1 million people, 36.4 percent; of the counties with under 50,000 people, only 25.8 percent.

Only 1 of the 10 townships indicated that revenue sharing had increased citizen participation above normal.

LOCAL GOVERNMENT REFORM

The vast number of separate, relatively autonomous, and uncoordinated jurisdictions in most urban areas complicates and hinders efforts to deal with problems and meet needs. In rural areas fragmentation of governmental units often means that the tax base available to individual units is insufficient to provide an adequate level of services and achieve economies of scale.

These difficulties have no single or simple solution. Several approaches have been taken, attempted, or advocated, including the formation of a single metropolitan government; city and county consolidation; intralocal contract or cooperative agreements where, for example, a suburb may purchase certain services from the major city; dissolution of marginal units of government by transferring their responsibilities to a more viable unit; or merging counties.

Achieving administrative efficiency and economy in operations has been a primary goal of reform efforts, but increasing recognition has been given to the need to insure that such reforms also improve control by the electorate.

Local government reform and modernization efforts face many obstacles, not the least of which are public apathy and vested interests. Some fear that revenue sharing may have added one more obstacle. In some cases distributing revenue sharing funds to essentially all general-purpose governments regardless of size or fiscal condition tends to perpetuate inefficiency by reducing financial pressure on inefficient units to economize. Although many factors are involved in changing the jurisdiction and organization of a local government, officials in some jurisdictions said revenue sharing had promoted modest reform and cooperation.

Jurisdictional changes

Officials in only 6 of the 250 governments indicated that revenue sharing had been a factor in changing or planning to change the government's jurisdiction by annexation, incorporation, or consolidation. Charleston County, South Carolina, was one notable example. County officials said consolidation and/or unification of all municipal services countywide was a major policy goal and would be unattainable without revenue sharing.

As another example, officials of Ada County, Idaho, said they were considering consolidation of city and county police services. According to these officials, this consolidation would not be considered without revenue sharing.

In addition, Ada, Oklahoma, officials said they had considered annexing certain outlying areas because revenue sharing enabled the city to expand services to these areas.

Intergovernmental cooperation

Although the Revenue Sharing Act contains no specific incentives to encourage intergovernmental cooperation, about 31 percent of the counties, 23 percent of the cities, and 30 percent of the townships indicated that revenue sharing had encouraged regional intergovernmental projects, programs, or cooperation. More smaller counties and cities indicated this effect than did the larger counties and cities. For example, of the counties with under 50,000 people, 42.4 percent said revenue sharing had encouraged regional intergovernmental projects, programs, or cooperation; in the counties with over 1 million, only 21.5 percent.

Ledyard, Connecticut, officials cited an example of cooperation. Officials of the city of Groton and the towns of Groton, Ledyard, Stonington, and North Stonington have agreed, in principle, to use revenue sharing funds to build and equip a clinic to be run by the local hospital.

Kansas City, Missouri, officials said revenue sharing has brought greater cooperation between the city and the county in funding such programs as emergency medical services, a program for the aged, neighborhood health centers, and a youth opportunity program.

City and county officials of San Diego, California, established a joint committee on the uses of revenue sharing for combined projects.

According to Fremont County, Wyoming, officials, revenue sharing encouraged a joint effort with four other counties, the State, and a Federal agency to build a school for retarded children.

Louisville, Kentucky, officials said because of revenue sharing it has joined with Jefferson County to subsidize public transit throughout the county. Also, revenue sharing has enabled additional services by city-county agencies.

Of the counties that said revenue sharing had encouraged cooperation, most indicated that this cooperation was with a city or cities. In addition, most cities that said revenue sharing had encouraged cooperation indicated that this cooperation was with a county.

In several cases revenue sharing encouragement appeared to be for increased funding of ongoing joint projects. Sometimes the projects, programs, or cooperation were merely at the discussion stage.

Only three local governments said revenue sharing had discouraged regional intergovernmental projects, programs, or cooperation.

CHAPTER 4

ACCOUNTABILITY

One of the more significant concerns which surrounded revenue sharing proposals was the mechanics needed to insure a proper degree of accountability and responsibility by recipient governments for their decisions. Some believed revenue sharing should be treated as merely a part of a recipient's total own revenues with no requirements for accounting or reporting on the use of the funds other than those requirements applicable to the recipient's own revenues and expenditures. Others advocated that use of the funds should be subjected to local referendum and stringent accounting and audit controls. The act's requirements and regulations fall between these extremes.

As discussed in chapter 1, the act (1) puts some restrictions on how the funds may be used, (2) requires observance of certain accounting and auditing procedures, and (3) requires periodic reporting to the Office of Revenue Sharing and the public on the planned and actual uses of the funds. Because of the broad latitude granted to governments in deciding how to use the funds, even these relatively simple requirements have raised questions about budgeting and accounting for revenue sharing funds and auditing and reporting the uses of the funds.

Revenue sharing, Federal categorical aid, State aid, and a local government's own revenues can often be used to provide the same services. A local government therefore tends to consider its total available resources when determining the amount of funds it needs. This creates an environment where funds can be easily displaced or substituted. In such an environment, there can be only limited effectiveness of statutes or regulations designed to restrict the use of certain revenues, including revenue sharing.

Consequently, attempts to identify and advise the public about the impact of revenue sharing on a government or to specify the results that are being achieved by revenue sharing would require analyzing all resources available to the government and of all government-financed services. A relationship can be readily drawn between revenue sharing and the other financial resources of a government; in this sense, the overall financial impact of revenue sharing on a particular government can be measured. However, an objective identification and measurement of the extent to which specific tax levels, programs, or groups of citizens are benefiting from revenue sharing will be extremely difficult.

DISPLACEMENT OF FUNDS

When a local government spends revenue sharing funds for activities that were financed, or would have been financed, from local or other revenue sources, considerable latitude exists for use of funds thus freed. For example, in Des Moines, Iowa, the city council by resolution pledged that 1972 revenue sharing funds would be used to reduce property taxes. To accomplish this, the city intended to use revenue sharing funds for expenses of the fire department and thus reduce the funds to be raised from the city's property tax.

Except for a potential restriction on the direct or indirect use of the funds to meet matching requirements of other Federal programs, the act and regulations do not restrict using local funds freed by revenue sharing. Therefore, except for the matching prohibition, compliance with the restrictions and requirements by local governments can be largely a budgeting and accounting exercise with little effect.

Pulaski County, Arkansas, for example, had budgeted about $222,000 of its revenue sharing funds for a contingency fund. Under the regulations revenue sharing funds must be used, obligated, or appropriated within a specified time, unless the Office of Revenue Sharing approves an extension. Thus, the funds may not be used to establish a contingency or reserve fund which would remain unused for an indefinite time. However, should Pulaski County or any other locality wish to effectively use revenue sharing to establish a contingency fund which is not subject to the time limitations and other regulations, it could do so by displacing its own funds.

As another example, Rangeley, Maine, originally appropriated $13,150 of its revenue sharing funds for retirement of debt. However, because of an administrative ruling by the Office of Revenue Sharing which restricted the direct use of the funds for debt retirement, the town reappropriated the funds. The $13,150 originally appropriated for debt retirement was appropriated to the town's road maintenance account and displaced the town's own funds which were then used to retire the debt.

Finally, El Paso County, Colorado, transferred $134,495 of revenue sharing funds to the sheriff's department and county jail. The transfer freed the county's own funds to pay for salaries in the clerk's and recorder's offices. El Paso County officials did not consider these expenses to be within one of the priority expenditure categories.

In our opinion, the priority expenditure requirements of the act are illusory. In a number of cases local governments were using or intended to use the funds for operations and maintenance expenses that were not within one of the eight priority categories. Such uses technically violate the act. However, had the local officials possessed a better understanding of the technical details of the act and regulations, these problems could have been avoided through displacement.

Other requirements applicable to the direct uses of funds, such as the Davis-Bacon provision, the prevailing wage rate provision for local government employees, and the nondiscrimination provision, can apparently be avoided either by budgeting the funds to reduce potential problems or by displacing funds.

In considering the legislation, the Congress recognized and approved the potential which exists for displacing funds; however, a March 15, 1973, decision by the U.S. District Court, Northern District of Georgia, may limit the displacement process.

In December 1972 Atlanta adopted a resolution to use its revenue sharing funds to provide tax relief to citizens. The city planned to spend $4.5 million of its revenue sharing funds for firemen's salaries which were normally financed from general fund revenues and use the $4.5 million of its own funds that were thereby freed to reduce the water/sewer rates.

A suit was brought on behalf of Atlanta residents alleging that the plan violated section 103(a) of the act (the priority expenditure restrictions) and that the city's actions would deprive some of the plaintiffs, those not having water/sewer accounts, of equal protection of the law. The court permanently enjoined the city from indirectly using revenue sharing to reduce water/sewer rates and from giving rebates to all those with active water/sewer accounts on the basis that such a use would violate section 103(a). Therefore the court did not consider the plaintiffs' other claims.

The court agreed with the city that the act does not specifically restrict the use of legitimately freed funds. According to the court, the act clearly seems to have contemplated that revenue sharing would permit tax relief. The court noted that a local government was not required to maintain its spending in the priority categories at levels that existed before revenue sharing.

The court's decision primarily seemed to turn on whether funds were "legitimately" freed. Specifically the court held:

> "There is a clear difference, however, between funds which are legitimately freed up by the designation of federal Revenue Sharing funds to provide municipal services which otherwise would have to have been paid for out of general City funds, and funds which are transferred from one account to another simply to avoid the restrictions imposed by §103(a) of the Act.
>
> "Such an attempt to avoid the clear restriction of a federal statute cannot be accepted. While there is, as yet, no case law on the Revenue Sharing Act, in the interpretation of federal statutes generally, the courts have long made it clear that Congressional intent cannot be overridden by sham transactions."

The court also reached conclusions regarding the other restrictions:

> "If defendants were to prevail on their arguments, other statutory restrictions placed on the use of Revenue Sharing funds would likewise become meaningless. This court cannot conclude that Congress

intended for its prohibition against the use of the funds in a manner that discriminates on the basis of race, color, national origin or sex (§122) to be so easily read out of the Act. Similarly, the restrictions set forth in §123(a)(6) and 123(a)(7), establishing standards for wages paid with Revenue Sharing funds, and §123(a)(8), requiring that funds received by certain local governments be expended for the benefits of certain Indian tribes, would be nugatory according to defendants' analysis of the Act."

The Office of Revenue Sharing has taken the position that it will continue to administer the program without modifying its original view that local funds that are freed, in accordance with the laws and procedures applicable to a recipient's own revenues may be used without restriction to priority categories.

As discussed previously, the displacement process was being used. Trying to restrict freed funds, in our opinion, negates the "no strings" philosophy of revenue sharing and restricts the discretion that State and local governments need to adapt to changing needs and resources. Because of changing budgetary priorities and fluctuations in the amount of revenues available to a locality, it would likely be impossible in many cases to objectively identify what resources were freed by revenue sharing and how they were used.

ACCOUNTING

Section 123(a) of the act requires each recipient government to establish a trust fund and deposit in the trust fund all revenue sharing funds received as well as interest earned. The act requires recipient governments, in expending the funds, to use fiscal, accounting, and audit procedures conforming to guidelines established by the Secretary of the Treasury. However, according to the report of the Congressional Committee of Conference, it was anticipated that such guidelines would not burden or impose uniform accounting and auditing requirements on all recipients. The report stated:

"The committee of conference expects that, insofar as possible, guidelines established by the Secretary of the Treasury with respect to fiscal, accounting, and audit procedures * * * will permit State and local governments to use the fiscal, accounting, and audit procedures used by them with respect to expenditures made from revenues derived from their own sources."

Office of Revenue Sharing regulations provide that the trust fund may be established in the books and records as a separate set of accounts or a separate bank account may be established. Among the governments we visited, 134 had established revenue sharing trust funds in their accounts while 50 were using separate bank accounts. The remaining 66 governments had established trust funds in their accounts and were also using separate bank accounts.

The regulations require that the accounts for expenditure of the funds be maintained in a manner sufficient to (1) permit the preparation of the required reports from the accounts, (2) document compliance with prohibitions against matching, and (3) permit tracing of the funds to a level of expenditure adequate to establish that the funds were not used in violation of the other restrictions and prohibitions.

In general, the governments were keeping or intended to keep a detailed accounting for the direct uses of revenue sharing funds. However, regardless of the specificity with which the accounts are maintained, because of the potential for displacement, the real effect of the funds could be much different from the direct uses shown by the accounting records.

REPORTING

The Congress expected that the planned and actual use reports would give the residents information on the revenue sharing expenditures by purpose and such information as the additional employees and capital equipment obtained with the funds. Thus, the reporting requirements were intended to give the citizens the necessary information to exercise the formal and informal controls inherent in each local political system and thereby serve as a key element of accountability in the revenue sharing program.

In implementing the reporting requirements, the Office of Revenue Sharing designed reports on which recipient governments must classify their planned and actual direct uses of the funds into functional categories and specify whether the uses are for capital expenditures for equipment, construction, land acquisition, or debt retirement or for operations and maintenance to maintain existing services, or to expand services. Except for information that indicates how revenue sharing affected the governments' debt and taxes, both the planned and actual use reports describe the direct uses of the funds; i.e., the areas in which the funds have been or will be spent.

The governments must indicate the amount of funds that have been designated for use in broad functional categories, such as public safety, public transportation, and recreation. The usefulness of this information to concerned citizens is limited, however, because numerous types of expenditures occur within each category. For example, "public safety" may include increases in police and/or firemen's salaries, more firemen, additional prison guards or salary increases, or supplies for organizations involved in public safety.

Because every government can displace revenues raised from its own sources with revenue sharing funds, the reports may be misleading by implying that the impact of revenue sharing on the government's services in the specified areas can be measured by the amount of revenue sharing funds spent in these areas.

Even though the expenditure areas that are listed on the reports are quite broad and the expenditure of revenue sharing funds in these areas may not indicate how revenue sharing really affected the government, we believe the reports provide some accountability to the public.

AUDITING

The act directs the Secretary of the Treasury to provide evaluations and reviews necessary to insure that recipient governments comply with the restrictions and requirements. In discharging this responsibility, the Office of Revenue Sharing plans to rely heavily on existing resources rather than creating its own large compliance staff. As of February 20, 1974, the Office had seven professionals to monitor the compliance activities of recipients. The staff is budgeted at 25 compliance personnel for fiscal year 1974, and the Office is requesting 26 more personnel for fiscal year 1975.

The Office intends to rely to the extent practical on audits conducted by State and local government auditors and independent public accountants. In October 1973, the Office issued an audit guide to assist State and local auditors and public accountants in understanding the special requirements for audits of revenue sharing and to establish minimum acceptable audit standards and procedures.

The audit guide was prepared under the assumptions that recipients have some type of audit of financial transactions and that some phases of the audit work required for revenue sharing are performed as a part of the normal audit. Accordingly, the Office hopes revenue sharing audits can be accomplished by extending audits being made rather than making separate and additional audits.

The audit guide calls for a financial and compliance review. The financial part is to include a review of the recipient's activities, records, and system of internal control in sufficient depth to determine whether (1) the system provides adequate stewardship over revenue sharing funds, (2) financial statements are produced in accordance with generally accepted accounting principles, and (3) the system is functioning as prescribed on a reasonably accurate and current basis. For the compliance part of the audit, the audit guide calls for a review to determine whether the recipient has complied with the restrictions and requirements specified in the act and regulations.

If the audit indicates a possible failure to comply with the act's requirements, the recipient must submit a copy of the audit report to the Office. The Office's audit staff will serve as a backup for compliance efforts of outside resources, primarily conducting audits of recipients not covered by outside efforts. The compliance staff plans to conduct audits on both a sampling basis and in response to specific allegations and complaints.

Because of the heavy reliance on State and local audits, such audits must be as meaningful as possible. The right kind of audit can be useful in assisting managers at all levels of government to insure that public funds are used efficiently, effectively, and economically.

Traditionally, the governmental audit has been concerned primarily with financial operations. The audit, however, is changing. Some States adopted broader audit concepts as early as the late 1950s and the early 1960s. The States have gradually expanded their audit activities so that today almost all are reviewing both financial and compliance operations. Typically, the objectives of a financial and compliance audit are to determine whether (1) financial operations are properly conducted, (2) financial reports are properly prepared, and (3) there has been compliance with applicable laws and regulations.

Only about one-third of the State audit groups are reviewing the efficiency and economy with which the State is using its resources. A few States are undertaking the more advanced audit of program results or effectiveness which inquires if the desired results are being achieved, if objectives established by the legislature are being met, and if other alternatives are available which would yield the desired result at a lower cost.

In general, local governments have not advanced as far as the States in making the broad-scope audits.

For the past several years, we have been working with audit staffs of other Federal agencies and State and local government audit organizations to upgrade and improve government audits. In June 1972 we published a booklet entitled "Standards for Audit of Governmental Organizations, Programs, Activities and Functions." The standards are intended to apply to all government levels.

The standards call for an audit much broader than the traditional financial audit. The standards specify that the audit should include, in addition to a review of compliance with laws and regulations, reviews of the efficiency and economy in the use of resources and of the program effectiveness. The standards are also quite demanding as to staff competence, independence, and professional proficiency. Use of the standards by organizations that audit State and local governments should foster a better use of all available resources, including revenue sharing.

The standards involve areas of audit coverage that are still evolving. Without doubt, the improvement of auditing at all government levels will be a long process.

The regulations governing revenue sharing encourage recipients to have their audits performed in accordance with our standards. It is too early to ascertain the results of the audits and evaluations by recipients. We hope many recipients will have audits of their entire operations in accordance with our standards. The funds are indistinguishable from other local resources, and therefore an audit that considers all funds may represent the only way that a meaningful independent audit of revenue sharing will be achieved.

CHAPTER 5

AGENCY COMMENTS

In an April 2, 1974, letter (app. IV), the Director of the Office of Revenue Sharing stated the report was highly informative and should be of considerable value to those interested in revenue sharing. However, he expressed a major concern that the report did not clearly distinguish between the use of funds by local governments and the consequences of a particular use.

The Director agreed with our observations that, when a recipient uses its revenue sharing funds for any purpose, there are a variety of indirect consequences; i.e., its own funds may then be used for other programs; it may be relieved of the need to raise taxes or incur new debt; it may be able to reduce taxes; or there may be a combination of these effects. The Director correctly pointed out, in our judgment, that such consequences are fundamentally inherent in any decision requiring an allocation of resources among multiple potential uses, particularly where both the amount of resources and alternative uses are variables.

In chapter 4 we say these inherent consequences limit the effectiveness of statutes or regulations designed to restrict the use of a particular revenue source, including revenue sharing. In his letter, the Director expressed concern that the report treatment of indirect effects of revenue sharing funds was likely to be widely misunderstood. He stated that our characterizations of the priority expenditure requirements of the act as "illusory" or of "limited effectiveness" were not accurate. Similarly, the Director questioned our observation that several other requirements of the act apparently could be avoided by budgeting revenue sharing funds in a fashion which would reduce potential problems.

The Director's letter stated:

> "The compliance provisions of the Act clearly apply to the funds as they have been appropriated by a unit of government. Indeed, the nondiscrimination section of the law has been specified in the revenue sharing regulations as broadly

> applying to '....any program or activity, funded in whole or in part with entitlement funds....' Similarly, the Davis-Bacon provisions of the Act apply to any construction project where twenty-five percent or more of project costs are funded with revenue sharing. In both instances, the provisions of the Act apply both to the funds themselves, as well as to a possibly much larger share of the government's own funds. Since the Treasury Department (and presumably the courts) will enforce these provisions of law as well as other compliance provisions within the program areas identified by the recipient governments, it does not seem accurate to refer to the application of funds to a given use as merely 'illusory.'"

The Office of Revenue Sharing is responsible for providing reviews to insure full compliance with the act and regulations. We agree with the Director's concern for full compliance by recipient governments. It is clear, for example, that to comply with the act a local government must directly spend its revenue sharing funds in the priority expenditure areas specified by the act. Similarly, if a recipient uses revenue sharing to directly pay for more that 25 percent of the cost of a construction project, then that project is subject to the Davis-Bacon Act.

In referring to the priority expenditure restrictions as "illusory" and to some of the other restrictions and requirements as apparently having "limited effectiveness," we intended to distinguish between the direct uses of revenue sharing funds by a recipient and the overall consequences of such uses. It is clear that a variety of restrictions and requirements can be imposed and enforced on the direct uses of revenues obtained from any source. However, unless identical requirements are imposed on all or a major part of a recipient's other revenues, the actual effectiveness of such restrictions is doubtful. This observation seems particularly appropriate for revenue sharing funds because they generally are a small part of a recipient's total resources and can be directly used for most local government functions.

We considered the Director's other comments in finalizing this report. We also considered comments from the

Brookings Institution staff engaged in an ongoing study of revenue sharing, the Advisory Commission on Intergovernmental Relations, the National Association of Counties, the National League of Cities, the United States Conference of Mayors, and the International City Management Association.

CHAPTER 6

SCOPE OF REVIEW

We visited each of the 250 local governments listed in appendix II. We reviewed financial and other records of the governments to determine what kind of programs and activities were being financed with revenue sharing funds.

Using a standard questionnaire (app. III), we obtained the opinions of local officials on various matters, including the factors influencing the local governments' decisions on the use of the funds and the effects of revenue sharing on such things as the governments' tax structure, level of services, and intergovernmental cooperation. With their assistance we identified the financial status, as of June 30, 1973, of each local government's revenue sharing receipts.

Although our review was not directed toward assessing the local governments' compliance with the requirements of the act and regulations, in a number of instances the way the governments had used or intended to use the funds appeared to violate the act or regulations. These matters have been referred to officials of the Office of Revenue Sharing. We have asked them to advise us of any action they take.

FINANCIAL DATA ON REVENUE SHARING FUNDS

AND FISCAL YEAR EXPENDITURES

Tables 1 through 6 of this appendix contain financial data showing the status and uses of revenue sharing funds received by the 250 local governments reviewed. All data is as of June 30, 1973.

Tables 7 and 8 contain information obtained from Bureau of the Census files on fiscal year 1972 expenditures by the 250 governments.

TABLE 1

Funds Received

Type of government by population	Funds available: Funds received	Funds available: Interest earned	Funds available: Total	Status of funds: Appropriated (note a)	Status of funds: Planned (note b)	Status of funds: Neither appropriated nor planned	Status of funds: Total
	(millions)						
Cities:							
Under 50,000	$ 10.8	$ 0.20	$ 11.0	$ 8.8	$ 1.3	$ 0.9	$ 11.0
50,000 to 499,999	235.9	5.30	241.2	194.1	34.8	12.3	241.2
500,000 to 1,000,000	300.9	7.30	308.2	263.2	21.8	23.2	308.2
Over 1,000,000	497.9	2.20	500.2	484.7	15.5	-	500.2
Total	1,045.6	15.10	1,060.6	950.8	73.3	36.5	1,060.6
Counties:							
Under 50,000	10.3	.20	10.5	6.4	1.8	2.3	10.5
50,000 to 499,999	137.5	3.50	141.0	80.6	34.5	25.9	141.0
500,000 to 1,000,000	160.4	3.80	164.2	107.8	41.4	15.0	164.2
Over 1,000,000	303.1	7.00	310.1	227.6	24.2	58.3	310.1
Total	611.3	14.50	625.8	422.4	101.9	101.5	625.8
Townships	1.6	.20	1.6	.9	.4	.3	1.6
Total	$1,658.5	$29.60	$1,688.0	$1,374.2	$175.6	$138.2	$1,688.0

[a]Includes all funds which had been legally authorized for expenditure by the local government.

[b]Includes funds for which the local government had established a reasonably definite plan for use.

Note: Totals may not add due to rounding.

TABLE 2

Funds Appropriated

Type of government by population	Operations and maintenance	Capital outlay: New construction	Land	Existing structures	Equipment	Debt retirement	Other	Total	Total funds appropriated
	(millions)								
Cities:									
Under 50,000	$ 1.7	$ 2.6	$ 0.20	$ 2.00	$ 1.8	$ 0.2	$ 0.2	$ 7.1	$ 8.8
50,000 to 499,999	109.9	28.5	3.40	19.90	19.4	.5	12.5	84.2	194.1
500,000 to 1,000,000	149.1	51.6	18.90	23.60	15.6	4.0	.3	114.1	263.2
Over 1,000,000	478.3	4.8	.02	1.60	-	-	-	6.4	484.7
Total	739.1	87.5	22.50	47.10	36.9	4.7	13.0	211.7	950.8
Counties:									
Under 50,000	1.4	3.1	.20	.80	.8	-	.1	5.0	6.4
50,000 to 499,999	27.6	22.8	3.70	17.40	5.6	.2	3.3	53.0	80.6
500,000 to 1,000,000	50.5	26.8	4.30	5.80	5.6	10.5	4.4	57.4	107.8
Over 1,000,000	101.0	83.5	9.50	18.60	14.0	-	1.1	126.6	227.6
Total	180.5	136.1	17.60	42.60	26.0	10.7	8.9	241.9	422.4
Townships	.4	.3	.03	.09	.1	-	-	.5	.9
Total	$920.0	$223.9	$40.20	$89.80	$63.0	$15.4	$21.9	$454.1	$1,374.2

Note: Totals may not add due to rounding.

TABLE 3

Funds Spent

Type of government by population	Operations and maintenance	Capital outlay: New construction	Land	Existing structures	Equipment	Debt retirement	other	Total	Total funds expended
	(millions)								
Cities:									
Under 50,000	$ 0.4	$ 0.20	$ 0.05	$ 0.30	$ 0.6	$0.2	$ -	$ 1.4	$ 1.8
50,000 to 499,999	57.1	1.40	1.20	2.10	4.9	.3	2.2	12.3	69.4
500,000 to 1,000,000	47.9	3.90	6.90	.70	1.8	-	.2	13.5	61.4
Over 1,000,000	454.4	.80	-	.05	-	-	-	.9	455.3
Total	559.8	6.40	8.20	3.20	7.4	.5	2.4	28.0	587.8
Counties:									
Under 50,000	.6	.30	.06	.04	.5	-	-	1.0	1.6
50,000 to 499,999	7.9	2.80	1.60	.10	2.2	.2	-	6.8	14.7
500,000 to 1,000,000	12.5	1.10	.20	3.40	.8	7.5	-	13.1	25.6
Over 1,000,000	53.9	41.50	1.90	8.30	8.6	-	-	60.2	114.1
Total	74.9	45.70	3.80	11.90	12.1	7.7	-	81.1	156.0
Townships	.4	.09	-	.10	-	-	-	.2	.6
Total	$635.1	$52.10	$11.90	$15.20	$19.5	$8.2	$2.4	$109.3	$744.4

Note: Totals may not add due to rounding.

TABLE 4

Funds Appropriated for Operations and Maintenance by Category

Type of government by population	Public safety	Public trans-portation	Environ-mental-protection	Health	Social services for poor and aged	Recreation	Financial adminis-tration	Libraries	Other (note a)	Total
	Priority expenditures									
	(millions)									
Cities:										
Under 50,000	$ 0.4	$ 0.30	$ 0.10	$ 0.08	$ 0.04	$ 0.20	$ 0.3	$0.07	$ 0.2	$ 1.7
50,000 to 499,999	66.0	12.40	8.30	2.60	6.10	5.70	1.8	.80	6.3	109.9
500,000 to 1,000,000	64.9	18.00	15.90	10.90	8.70	5.80	3.3	1.60	20.1	149.1
Over 1,000,000	326.0	81.80	48.70	15.70	-	3.90	-	2.20	-	478.3
Total	457.2	112.50	73.00	29.20	14.90	15.60	5.4	4.70	26.5	739.1
Counties:										
Under 50,000	.2	.80	.09	.09	.04	.06	.1	-	-	1.4
50,000 t0 4,999,999	5.6	3.00	5.30	6.10	2.20	1.50	2.2	.30	1.5	27.6
500,000 to 1,000,000	30.8	4.10	.80	5.90	5.20	1.60	1.0	.70	.3	50.5
Over 1,000,000	37.9	9.70	4.70	28.70	11.10	3.10	2.8	3.00	-	101.0
Total	74.4	17.70	10.90	40.80	18.60	6.20	6.0	4.00	1.8	180.5
Townships	.3	.02	-	-	.04	-	.1	-	-	.4
Total	$531.9	$130.20	$83.90	$70.00	$33.50	$21.90	$11.5	$8.70	$28.3	$920.0

[a]Consists primarily of general employee salaries and funds appropriated without identifying categories.

Note: Totals may not add due to rounding.

Table 5

Funds Appropriated for Operations and Maintenance

By Functional Category

Category	Cities	Counties	Townships	Total
	(millions)			
Public safety:				
Police	$276.60	$ 26.1	$0.20	$302.9
Fire protection	142.90	5.3	-	148.2
Corrections	11.00	25.3	.07	36.4
Courts	1.10	9.5	-	10.6
Building code enforcement	5.40	.6	.01	6.0
Medical examiner	-	1.1	-	1.1
Street lighting	.70	-	-	.7
Consumer protection	.30	-	-	.3
Other	.40	1.6	-	2.0
Unspecified (note a)	18.80	4.9	-	23.7
Total	457.20	74.4	.30	531.9
Public transportation:				
Public transit systems	86.70	4.0	-	90.7
Streets	23.20	6.2	-	29.4
Highways	.02	2.6	.02	2.6
Aviation and airports	-	2.1	-	2.1
Transport of handicapped children	-	1.0	-	1.0
Waterways	-	.6	-	.6
Other	-	.1	-	.1
Unspecified (note a)	2.60	1.1	-	3.7
Total	112.50	17.7	.02	130.2
Environmental protection:				
Sanitation	56.80	4.4	-	61.2
Sewerage	8.00	2.0	-	10.0
Pollution abatement	1.10	3.0	-	4.2
Demolition	1.10	-	-	1.1
Elm disease control	.50	-	-	.5
Flood control	.20	.2	-	.4
Erosion protection	.30	-	-	.3
Drainage	-	.3	-	.3
Other	.40	.7	-	1.0
Unspecified (note a)	4.60	.3	-	4.9
Total	73.00	10.9	-	83.9
Health:				
Health services	6.60	18.2	-	24.8
Hospitals	4.40	16.2	-	20.6
Tuberculosis sanitarium	1.00	-	-	1.0
Other	.10	.1	-	.2
Unspecified (note a)	17.10	6.4	-	23.4
Total	29.20	40.8	-	70.0
Recreation	15.60	6.2	-	21.9
Libraries	4.70	4.0	-	8.7
Social services for poor and aged	14.90	18.6	.04	33.5
Financial administration	5.40	6.0	.10	11.5
Other	9.50	.3	-	9.9
Unspecified (note b)	17.00	1.5	-	18.4
Total	$739.10	$180.5	$0.40	$920.0

[a]Funds were appropriated for general categories only.

[b]Funds were appropriated for expenditure, but no general or specific categories were indicated.

Note: Totals may not add due to rounding.

Table 6

Funds Appropriated for Capital Outlay by Category

Category	Cities by population: Under 50,000	50,000 to 499,999	500,000 to 1,000,000	Over 1,000,000	Total
	(millions)				
Recreation	$0.80	$13.60	$ 28.40	$0.20	$ 43.00
Highways and streets	2.10	20.90	25.40	1.80	50.20
Public safety	1.00	18.10	11.50	.50	31.10
General public buildings	.20	6.10	13.80	1.20	21.30
Environmental protection	1.30	14.90	16.40	.60	33.20
Health and hospitals	.07	.70	3.30	-	4.10
Corrections	-	.04	1.00	-	1.00
Debt retirement (note a)	.10	.50	4.00	-	4.60
Sanitation, sewerage, water, and electricity	.90	.30	4.40	2.10	7.70
Libraries	.02	1.30	.30	-	1.60
Public transit	-	1.00	2.90	-	3.90
General capital equipment	-	.40	1.80	-	2.10
Financial administration	.06	1.00	.50	-	1.50
Land for general public use	.01	.50	-	-	.50
Education	.09	1.00	-	-	1.10
Social services for poor and aged	.03	.10	.05	-	.20
Voting equipment	.05	.04	-	-	.09
Other	.07	2.00	.30	.05	2.40
Unspecified (note b)	.20	2.00	-	-	2.10
Total	$7.10	$84.20	$114.10	$6.40	$211.70

[a] Revenue sharing funds may be used directly to retire debt under certain circumstances.

[b] Appropriated for capital outlay without identifying a category.

Note: Totals may not add due to rounding.

Counties by population: Under 50,000	50,000 to 499,999	500,000 to 1,000,000	Over 1,000,000	Total	Town-ships	All selected governments
(millions)						
$0.50	$ 3.40	$ 4.80	$ 16.40	$ 25.1	$ -	$ 68.1
1.40	5.70	5.70	1.00	13.8	0.1	64.1
.30	5.60	8.90	16.50	31.4	.1	62.5
.50	15.40	11.20	12.40	39.5	.1	60.9
.70	6.70	3.50	3.20	14.1	.2	47.4
.90	7.90	2.00	13.80	24.6	-	28.7
-	2.00	2.00	23.30	27.3	-	28.4
-	-	8.00	-	8.0	-	12.7
-	.05	.10	-	.2	-	7.8
-	.80	1.90	-	2.6	-	4.3
.08	.10	.10	-	.3	-	4.3
.04	.40	-	1.00	1.4	-	3.6
.03	1.60	.09	-	1.7	-	3.2
-	-	2.60	-	2.6	-	3.1
.01	.20	.90	.10	1.2	-	2.3
.30	1.00	.80	.01	2.1	-	2.3
.01	.40	-	.90	1.4	-	1.5
-	1.10	-	-	1.1	-	3.5
.10	.70	4.60	37.90	43.3	-	45.4
$5.00	$53.00	$57.30	$126.60	$241.9	$0.5	$454.1

TABLE 7

Expenditures for Operations and Maintenance FY 1972

Category	Cities by population				
	Under 50,000	50,000 to 499,999	500,000 to 1,000,000	Over 1,000,000	Total
	(millions)				
Education	$125.3	$ 518.6	$ 413.3	$ 2,081.6	$ 3,138.9
Highways	11.7	115.3	134.4	210.2	471.6
Public welfare	13.3	83.6	370.0	2,257.2	2,724.1
Hospitals	.4	66.8	241.8	998.1	1,307.0
Health	4.8	40.6	100.2	351.9	497.4
Police protection	40.8	287.8	479.2	1,158.2	1,965.9
Fire protection	23.6	212.8	274.8	488.7	999.9
Sewerage	5.8	72.0	85.5	73.5	236.7
Sanitation	10.4	112.1	142.3	331.1	595.9
Parks and recreation	6.8	119.2	166.5	179.3	471.7
Housing and urban renewal	4.0	52.4	74.2	281.7	412.3
Libraries	4.3	35.0	54.4	100.1	193.9
Financial administration	5.7	48.1	75.5	108.4	237.7
General control	7.1	63.7	114.1	211.3	396.2
General public buildings	2.5	24.4	36.6	79.1	142.6
Interest on general debt	14.4	154.0	177.4	454.3	800.1
Corrections	-	9.0	41.4	136.3	186.7
General government	36.1	247.9	382.6	728.0	1,394.5
Airports	.5	29.4	41.0	50.4	121.3
Water	16.1	142.3	181.8	232.5	572.7
Transit	-	4.8	115.8	879.9	1,000.5
Electricity	12.9	55.1	196.0	225.3	489.2
Water transit	1.1	6.7	10.5	11.8	30.1
Parking	.3	6.4	7.1	17.2	30.9
Liquor stores	.6	-	-	-	.6
Gas	.3	14.3	36.9	.4	51.9
Total	$348.5	$2,522.2	$3,953.3	$11,646.4	$18,470.4

Note: Data obtained from Census for fiscal years ending between July 1, 1971, and June 30, 1972, before availability of revenue sharing funds.

Totals may not add due to rounding.

Counties by population: Under 50,000	50,000 to 499,999	500,000 to 1,000,000	Over 1,000,000	Total	Townships	All selected governments
(million)						
$13.4	$ 358.8	$ 622.3	$ 146.3	$ 1,140.8	$ -	$ 4,279.7
15.8	96.8	101.7	171.9	386.3	1.50	859.4
5.6	501.3	860.7	2,235.8	3,603.4	.70	6,328.2
5.4	168.4	274.3	655.5	1,103.5	-	2,410.5
1.2	63.4	91.5	192.4	348.5	.05	846.0
5.9	82.7	99.1	276.4	464.1	2.00	2,432.0
2.0	31.4	30.4	37.2	101.0	.90	1,101.8
.7	46.9	11.7	21.0	80.3	.80	317.8
.6	12.6	16.6	40.0	69.9	.60	666.3
3.0	45.5	47.6	173.2	269.4	.30	741.4
-	-	-	-	-	-	412.3
.4	19.7	29.1	35.0	84.3	.10	278.2
3.3	54.7	59.4	120.2	237.6	.30	475.7
4.6	90.7	129.4	362.5	587.1	.60	984.0
1.1	29.4	29.1	95.5	155.1	.20	297.9
2.2	61.7	74.5	133.8	272.2	.60	1,072.9
.5	44.8	76.2	200.0	321.5	-	508.2
8.6	118.7	206.4	324.6	658.2	1.60	2,054.3
.1	7.6	9.0	22.6	39.3	-	160.5
2.2	20.6	1.2	19.6	43.6	1.50	617.8
-	-	-	13.0	13.0	-	1,013.5
-	-	-	-	-	-	489.2
-	-	-	-	-	-	30.1
-	-	-	-	-	-	30.9
-	14.2	28.5	-	42.7	-	43.3
-	-	-	-	-	-	51.9
$76.5	$1,870.0	$2,798.8	$5,276.6	$10,021.8	$11.70	$28,503.9

Table 8

Expenditures for Capital Outlay FY 1972

Category	Under 50,000	50,000 to 499,999	500,000 to 1,000,000	Over 1,000,000	Total
	Cities by population				
	(millions)				
Education	$10.00	$ 41.3	$ 80.9	$ 267.300	$ 399.5
Highways	6.40	110.2	161.9	148.400	426.9
Public welfare	.02	.1	2.3	3.300	5.8
Hospitals	-	2.9	32.3	62.100	97.3
Health	.20	3.0	3.3	16.100	22.7
Police protection	1.40	13.0	22.2	53.800	90.4
Fire protection	1.00	9.6	14.9	18.000	43.6
Sewerage	6.90	112.2	134.3	227.300	480.7
Sanitation	.40	7.7	6.5	34.400	49.0
Parks and recreation	2.90	87.3	106.5	68.700	265.3
Housing and urban renewal	1.50	98.6	122.2	315.300	537.7
Libraries	.10	4.5	14.2	13.600	32.4
Financial administration	.08	.5	2.0	.800	3.4
General control	.20	.9	1.0	9.100	11.2
General public buildings	.20	31.2	15.0	51.100	97.5
Interest on general debt	-	-	-	-	-
Corrections	-	.1	2.3	16.200	18.6
General government	11.00	28.2	34.7	158.600	232.4
Airports	.30	122.8	104.5	75.800	303.4
Water	10.20	87.5	104.6	138.000	340.3
Transit	-	1.4	16.0	114.600	132.0
Electricity	6.20	11.7	115.7	152.500	286.0
Water transit	.08	20.7	5.3	74.300	100.3
Parking	.90	11.8	3.2	12.600	28.5
Liquor stores	-	-	-	-	-
Gas	.05	1.7	4.2	.004	5.9
Total	$60.10	$808.8	$1,110.1	$2,031.900	$4,010.9

Notes: Data obtained from Census for fiscal years ending between July 1, 1971, and June 30, 1972, before availability of revenue sharing funds.

Totals may not add due to rounding.

Counties by population: Under 50,000	50,000 to 499,999	500,000 to 1,000,000	Over 1,000,000	Total	Town-ships	All selected governments
(millions)						
$ 0.300	$ 58.1	$ 71.70	$ 7.9	$ 138.00	$ -	$ 537.50
3.300	41.6	79.40	192.3	316.70	0.300	743.90
.003	2.7	1.80	10.0	14.50	-	20.30
.002	8.8	16.00	69.0	93.90	-	191.20
.060	1.7	1.80	5.3	8.90	-	31.60
.300	3.3	4.50	7.5	15.60	.040	106.00
.500	6.0	1.90	2.8	11.20	.010	54.80
1.100	19.7	53.80	87.5	162.00	.200	643.00
.010	2.5	1.80	1.8	6.10	.040	55.20
4.600	37.2	44.90	148.7	235.40	.070	500.80
-	-	.30	4.8	5.10	-	542.70
.010	2.4	2.30	4.0	8.80	.001	41.20
.090	2.4	1.10	3.2	6.80	.030	10.20
.040	4.2	1.70	21.4	27.30	-	38.50
2.800	10.9	37.00	52.4	103.10	.001	200.50
-	-	-	-	-	-	-
.070	1.5	15.10	18.2	34.80	-	53.40
1.400	9.6	12.10	32.4	55.40	.100	288.00
.200	28.7	3.80	74.2	107.00	-	410.40
3.500	26.9	5.00	19.2	54.60	.400	395.30
-	-	-	4.0	4.00	-	136.00
-	-	-	-	-	-	286.00
-	-	-	-	-	-	100.30
-	-	-	-	-	-	28.50
-	-	.09	-	.09	-	.09
-	-	-	-	-	-	5.90
$18.300	$268.2	$356.20	$766.7	$1,409.50	$1.200	$5,421.60

ACTIVITIES OF EACH LOCAL GOVERNMENT REVIEWED

This appendix briefly describes the revenue sharing activities of each of the 250 local governments. The information in each summary is intended to highlight the status of the recipient government's revenue sharing as of June 30, 1973. The summaries are presented in alphabetical order within nine groups. The 10 townships are in one group, and the 124 cities and 116 counties are divided among groups according to population.

The tables on pages 57 through 61 show the page on which the summary for each government may be found and presents an overview of the revenue sharing funds each government received and appropriated.

Government reviewed	Revenue sharing funds: Received	As a percent of adjusted taxes	Appropriated (note a)	Page containing narrative
Alabama:				
Birmingham	$ 6,254,495	26.03	$ 6,265,495	76
Eclectic	24,353	50.95	24,353	93
Mobile	5,612,604	28.53	5,612,604	83
Oxford	130,593	34.67	130,593	100
Jefferson County	9,015,770	24.67	8,467,711	113
Alaska:				
Anchorage	1,202,329	17.30	1,201,163	89
Haines	18,208	9.06	-	95
Bristol Bay Borough	28,059	18.57	28,059	134
Greater Anchorage Borough	1,237,616	18.90	1,256,387	124
Arizona:				
Cottonwood	25,325	36.75	25,325	93
Phoenix	9,745,600	17.27	10,011,000	70
Tucson	5,653,927	19.63	698,000	87
Maricopa County	6,391,560	17.93	4,606,747	114
Navajo County	410,005	35.33	156,785	137
Pima County	4,912,589	20.59	1,703,082	130
Arkansas:				
Forrest City	290,861	99.21	259,186	94
Little Rock	3,466,053	40.98	1,353,020	81
Osceola	194,879	78.50	198,465	100
Pulaski County	1,885,612	43.42	1,467,265	131
California:				
Los Angeles	40,073,205	9.50	40,878,471	63
Oakland	5,851,469	10.98	6,015,285	84
Redding	435,824	16.20	-	101
San Diego	7,953,899	12.14	440,000	72
San Francisco	22,432,976	8.24	23,027,649	72
Alameda County	12,151,231	10.76	12,474,153	105
Contra Costa County	7,019,300	9.38	-	111
Fresno County	8,194,155	19.38	8,326,934	123
Kern County	8,973,261	16.04	-	126
Los Angeles County	106,570,495	9.88	92,772,929	108
Orange County	10,948,373	9.84	11,250,253	108
Riverside County	8,589,726	15.44	8,844,241	131
Sacramento County	10,427,774	12.83	10,658,135	116
San Bernardino County	12,416,173	16.30	9,570,339	116
San Diego County	13,988,962	12.90	2,236,279	109
San Joaquin County	6,143,482	15.42	3,040,995	132
Santa Clara County	9,766,610	9.99	73,454	110
Sierra County	58,963	13.69	44,064	140
Tulare County	4,939,170	22.65	551,050	132
Ventura County	6,625,985	14.00	6,625,985	133
Colorado:				
Denver	15,008,858	14.22	15,381,603	67
El Paso County	1,917,858	20.17	1,019,000	122
Jackson County	33,269	18.30	5,000	136
Jefferson County	1,247,894	13.15	1,247,894	125
Connecticut:				
Hartford	4,224,635	8.42	4,329,583	79
Ledyard	186,767	35.41	170,035	97
Simsbury	211,798	13.83	175,186	102
Delaware:				
Elsmere	118,821	53.49	85,213	94
Wilmington	2,836,600	19.17	2,862,386	88
Kent County	663,924	49.08	-	126
New Castle County	5,442,416	49.86	5,492,416	128
Florida:				
Jacksonville	10,188,700	19.09	10,188,700	68
Lighthouse Point	34,383	10.99	18,077	97
Miami	8,403,407	18.03	3,966,816	83
Tampa	6,688,943	19.51	6,688,943	87
Dade County	12,959,406	12.93	-	106
Hillsborough County	5,625,666	19.54	4,771,152	125
Polk County	2,466,134	23.09	2,466,134	130

Government reviewed	Revenue sharing funds: Received	As a percent of adjusted taxes	Appropriated (note a)	Page containing narrative
Georgia:				
Atlanta	$ 7,691,577	13.42	$ 7,799,167	74
McRae	53,473	44.98	13,641	98
Fulton County	7,398,685	13.34	7,384,909	111
Oglethorpe County	69,716	52.47	69,716	139
Hawaii:				
Honolulu	14,973,828	12.83	14,973,828	67
Hawaii County	2,293,427	18.18	2,293,427	124
Kauai County	917,029	19.51	917,029	136
Maui County	1,545,452	18.84	545,571	137
Idaho:				
Boise	1,594,261	24.75	1,594,261	76
St. Maries	26,421	30.45	26,948	102
Ada County	1,056,555	25.43	938,100	119
Canyon County	573,747	40.63	355,300	121
Illinois:				
Chicago	78,587,961	13.99	79,460,302	62
Cook County	18,331,282	12.94	18,847,179	105
McLean County	470,151	18.10	475,515	127
Addison Township	296,524	38.23	-	143
Indiana:				
Indianapolis	13,860,170	15.57	14,109,077	68
Lake County	4,118,180	18.19	-	114
Sullivan County	262,437	28.68	161,495	141
Pigeon Township	196,672	28.42	43,998	144
Iowa:				
Atlantic	90,258	19.82	25,246	89
Des Moines	2,807,948	14.57	2,864,316	78
Polk County	2,332,186	14.26	-	131
Ringgold County	81,524	26.15	-	139
Kansas:				
Conway Springs	20,266	36.89	5,786	93
Wichita	3,270,152	12.85	523,443	88
Cowley County	314,655	19.25	165,025	134
Sedgwick County	2,042,787	13.01	-	132
Kechi Township	40,874	30.48	41,744	144
Kentucky:				
Louisville	11,814,166	26.53	10,968,840	82
Morganfield	55,085	48.80	22,576	99
Jefferson County	7,381,557	30.87	-	113
Morgan County	91,704	52.56	65,000	138
Louisiana:				
Baton Rouge	8,464,116	24.13	8,606,985	75
New Orleans	21,378,119	26.62	19,731,610	70
Jefferson Parish	5,797,599	21.27	4,496,005	126
LaSalle Parish	410,376	52.44	293,119	137
Vernon Parish	254,266	33.23	143,260	133
Maine:				
Portland	1,997,552	17.31	1,997,552	85
Rangeley	35,644	15.58	27,566	101
Saco	179,129	12.71	-	101
Aroostook County	243,517	37.59	247,472	119
Maryland:				
Baltimore	29,751,526	19.14	13,888,257	65
Cambridge	349,899	55.02	288,668	91
Mount Airy	45,813	54.78	46,305	99
Anne Arundel County	5,978,721	25.75	-	119
Baltimore County	12,066,936	15.84	6,440,844	111
Montgomery County	6,098,942	11.35	6,245,016	115
Prince Georges County	11,816,702	19.00	11,816,702	116
Massachusetts:				
Boston	22,606,323	10.91	22,606,323	65
Harwich	207,772	10.91	157,000	96
Huntington	56,174	20.87	8,500	96
Worcester County	1,138,131	13.56	-	118

Government reviewed	Revenue sharing funds Received	As a percent of adjusted taxes	Appropriated (note a)	Page containing narrative
Michigan:				
Detroit	$ 46,305,888	14.98	$ 46,305,888	62
Midland	884,559	17.30	909,315	98
Lake County	106,418	31.91	88,488	136
Wayne County	14,809,283	15.80	14,809,283	110
Redford Township	485,255	16.50	293,688	144
Minnesota:				
Minneapolis	7,005,623	12.58	7,150,534	83
New Hope	107,523	15.38	100,962	99
Wells	29,158	24.81	29,803	103
Hennepin County	7,384,458	11.72	6,400,000	112
Eagan Township	58,165	9.91	59,164	143
Mississippi:				
Jackson	4,570,157	29.16	1,053,881	80
Clarke County	410,386	69.52	410,386	134
Harrison County	2,140,644	39.43	2,140,644	124
Quitman County	552,376	106.97	552,376	139
Missouri:				
Fayette	35,567	37.41	35,801	94
Grandview	170,486	15.34	-	95
Kansas City	11,597,097	16.92	11,597,097	68
St. Louis	15,818,145	11.44	15,980,719	71
Jackson County	4,039,027	16.47	4,148,289	113
St. Louis County	6,653,934	11.05	3,822,335	117
Windsor Township	62,325	34.47	48,594	145
Montana:				
Billings	851,384	18.03	31,000	76
Bozeman	177,310	20.28	-	90
McCone County	75,211	13.94	12,473	138
Silver Bow County	969,791	20.57	721,500	140
Nebraska:				
Fullerton	27,367	23.22	27,367	95
Omaha	5,138,436	13.99	808,875	85
Douglas County	2,448,626	13.97	-	122
Holt County	196,399	37.79	-	135
Nevada:				
Las Vegas	1,385,576	8.68	1,385,049	81
Churchill County	103,859	15.30	105,907	134
Clark County	3,703,164	10.32	3,610,000	122
Lyon County	138,178	13.49	141,202	137
New Hampshire:				
Claremont	129,622	15.70	117,500	92
Manchester	2,128,638	14.20	2,157,915	82
Hillsborough County	474,346	13.39	486,607	125
Merrimack County	153,569	13.84	157,130	127
New Jersey:				
Jersey City	5,829,851	12.23	5,829,851	81
Newark	10,724,780	13.15	10,724,780	83
Essex County	8,833,649	10.86	7,000,000	111
Hudson County	5,822,891	11.95	5,822,891	112
Passaic County	3,685,313	13.47	3,685,313	129
Freehold Township	70,864	10.04	70,864	143
New Mexico:				
Albuquerque	7,644,353	41.72	7,644,353	74
Portales	102,463	70.39	78,676	101
Bernallillo County	3,324,362	41.72	2,012,714	120
Union County	88,671	71.17	14,584	141
New York:				
Buffalo	9,568,920	13.04	9,592,517	76
Canton	55,765	25.15	56,412	91
Carmel	203,318	10.32	-	92
New York	258,587,579	8.75	258,587,579	63
Erie County	12,523,645	12.57	2,682,995	107
Monroe County	6,648,963	9.76	6,648,963	114
Nassau County	16,360,479	6.07	13,006,488	108
Onondaga County	6,541,612	11.23	-	129
Suffolk County	16,825,718	11.66	16,825,718	110
Westchester County	4,526,165	5.12	4,351,550	117

Government reviewed	Revenue sharing funds: Received	As a percent of adjusted taxes	Appropriated (note a)	Page containing narrative
North Carolina:				
Charlotte	$ 5,302,713	17.66	$ 2,272,631	77
Eden	513,629	31.44	525,446	93
Mount Gilead	41,618	32.86	-	99
Mecklenburg County	3,068,341	19.47	-	127
North Dakota:				
Fargo	885,751	24.25	285,675	79
McLean County	262,172	43.14	210,772	138
Morton County	611,947	50.43	-	138
Stutsman County	277,873	35.96	180,625	140
Ohio:				
Cincinnati	10,369,910	15.47	9,593,572	77
Cleveland	18,151,621	14.61	18,608,108	66
Columbus	8,196,771	16.30	5,843,539	66
Toledo	5,754,732	15.33	1,696,630	87
Butler County	912,808	17.68	474,733	120
Cuyahoga County	11,740,837	12.53	11,740,837	106
Hamilton County	4,987,545	12.17	-	112
Anderson Township	94,958	55.23	54,704	143
Oklahoma:				
Ada	310,097	37.98	310,097	89
Oklahoma City	6,907,678	21.72	6,728,654	84
Cleveland County	362,592	30.04	221,027	122
Oklahoma County	3,005,645	21.85	3,015,883	115
Oregon:				
Ontario	199,086	44.29	203,831	100
Portland	10,488,152	23.42	1,756,000	85
Lake County	101,538	34.49	56,214	136
Multnomah County	6,310,977	23.40	751,296	115
Pennsylvania:				
Brentwood Borough	146,755	14.57	113,700	90
Philadelphia	55,510,057	11.90	55,553,900	64
Pittsburgh	14,805,865	15.29	13,481,171	70
Allegheny County	14,716,271	18.62	12,240,000	105
Millcreek Township	260,512	19.03	260,512	144
Rhode Island:				
Hopkinton	76,371	27.37	-	96
Providence	5,500,156	20.19	4,360,884	86
West Warwick	338,110	21.07	344,212	103
South Carolina:				
Columbia	3,708,570	52.69	3,778,330	78
Isle of Palms	47,655	32.42	48,591	96
Woodruff	158,037	56.62	134,433	104
Charleston County	3,944,788	54.92	3,993,088	121
South Dakota:				
Sioux Falls	1,303,242	18.30	1,303,242	86
Tyndall	16,337	32.77	-	103
McCook County	215,998	28.84	-	138
Minnehaha County	587,884	18.92	-	128
Sioux Falls Township	19,902	75.49	20,095	145
Tennessee:				
Jamestown	46,098	95.23	46,098	97
Memphis	14,532,443	22.23	4,888,423	69
Metro Nashville-Davidson	9,008,752	17.14	9,008,752	82
Henderson County	206,282	47.17	18,687	135
Shelby County	6,891,314	22.29	700,000	117
Texas:				
Carrollton	177,111	15.09	179,718	92
Dallas	14,692,182	11.48	15,001,488	66
El Paso	6,872,540	28.61	6,417,515	78
Forth Worth	5,775,849	14.90	5,822,981	79
Houston	18,854,815	13.74	3,898,719	63
San Antonio	10,755,713	24.75	10,742,875	71
Temple	521,071	23.02	534,514	102
Harris County	7,676,866	13.65	1,743,026	107

Government reviewed	Revenue sharing funds: Received	As a percent of adjusted taxes	Appropriated (note a)	Page containing narrative
Utah:				
Bountiful	$ 233,017	25.96	$ 167,776	90
Lindon	36,440	54.74	34,310	98
Salt Lake City	4,583,923	23.97	4,693,729	86
Salt Lake County	6,742,565	25.73	6,912,745	131
Vermont:				
Brighton	41,425	44.43	17,000	90
Burlington	1,199,423	24.47	1,228,844	91
West Rutland	42,324	19.22	43,431	103
Washington County	29,365	33.56	29,986	141
Virginia:				
Marion	162,105	53.80	165,631	98
Norfolk	8,476,407	19.69	8,336,884	84
Richmond	6,865,633	10.73	6,865,633	86
Fairfax County	5,200,800	10.01	-	123
Wythe County	236,024	54.14	113,222	142
Washington:				
Seattle	10,455,929	15.84	8,375,177	73
Douglas County	168,465	28.18	53,803	135
King County	7,347,408	16.20	6,827,989	107
Whitman County	550,259	32.81	550,259	141
West Virginia:				
Grafton	203,729	77.78	206,129	95
Huntington	2,650,390	44.58	2,635,061	80
Kanawha County	2,701,986	43.31	228,812	126
Monongalia County	666,024	51.07	123,046	128
Wisconsin:				
Milwaukee	13,992,404	16.03	14,345,484	69
Manitowoc County	675,959	21.58	592,900	127
Milwaukee County	16,374,007	15.14	10,013,416	108
Ozaukee County	268,603	13.20	191,901	129
Wyoming:				
Casper	325,045	25.08	214,245	92
Lander	75,646	40.49	58,373	97
Fremont County	681,456	37.67	678,101	135
Sublette County	91,693	26.32	-	140
Total	$1,658,461,210	12.75	$1,374,170,362	

[a]Appropriated amounts do not always agree with appropriation actions in the narrative summary for each local government. Any interest earnings on funds received through June 30, 1973, which were appropriated are included in the appropriated amount but amounts shown as funds received do not include interest. Also, some governments appropriated revenue sharing funds received and anticipated future receipts. In such cases, the amounts shown above represent a proration of the total amount appropriated to show appropriations of funds received through June 30, 1973.

CITIES WITH POPULATIONS OF OVER ONE MILLION

Chicago, Illinois Amount received: $78,587,961 total
Population: 3,369,357 $23.32 per capita

On the basis of the city's estimate of revenue sharing funds that would actually be received in 1973, the 1973 city budget included $98 million of revenue sharing funds. These funds were designated almost entirely for police and fire department personal services; very small amounts were allocated to demolition of abandoned buildings and salaries of employees in the municipal tuberculosis sanitarium and the public library.

Chicago had expended the entire $78,587,961 it received through June 30, 1973. These funds were used for operations and maintenance in the police department, $56.9 million; fire department, $20.5 million; municipal tuberculosis sanitarium, $0.7 million; and public libarary, $0.5 million.

City officials did not consider that Chicago had a fiscal crisis before it received the revenue sharing funds. However, if revenue sharing funds had not been available, Chicago would have had to increase the tax levy or reduce services because, by law, it must balance its budget.

Detroit, Michigan Amount received: $46,305,888 total
Population: 1,514,063 $30.58 per capita

The city appropriated and spent the $46,305,888 it received for operations. City officials said that revenue sharing funds replaced local funds in the following four areas in which they were spent:

Police	$28,709,651
Fire	10,187,295
Sanitation	5,556,706
Health services	1,852,236
	$46,305,888

City officials said revenue sharing funds represented about 20 percent of these departments' budgets. They said that, by receiving an 18-month allotment of these funds in a single fiscal year, the city was able to roughly maintain the overall level of 1972-73 services and not cut services or increase taxes.

Houston, Texas   Amount received: $18,854,815 total
    Population: 1,233,535 $15.29 per capita

Houston had $19,371,855 available, consisting of revenue sharing funds and interest earned on the funds. The city authorized the expenditure of $3,898,719 for capital improvements and planned to authorize the remaining $15,473,136 for similar purposes. As of June 30, 1973, the city had spent $48,201 for capital improvements to highways, streets, and general public buildings. The $15.5 million planned for expenditure included $3 million for public transit.

Los Angeles, California   Amount received: $40,073,205 total
    Population: 2,809,813 $14.26 per capita

As of June 30, 1973, the city had appropriated $40,878,471 of revenue sharing funds received plus interest earned. At that date, $16,168,697 of the funds had been spent. About $38.4 million was appropriated for operations and maintenance, including lump sum appropriations of $37.6 million to the police, fire, and sanitation departments, and a transfer of $0.5 million to another governmental agency for operating a minibus system. An additional $2.5 million was appropriated for capital projects for street maintenance, recreation, environmental protection, and general public buildings.

According to city officials, revenue sharing permitted the city to maintain existing services and to expand a few services, such as the police department, without increasing the city taxes.

New York, New York   Amount received: $258,587,579 total
    Population: 7,895,563 $32.75 per capita

New York had spent its entire $258,587,579 for operations and maintenance. About two-thirds was for salaries and operations of police, fire, and sanitation departments. The city transferred the remainder to the New York City Transit Authority to help maintain the city's public transit fare. Transit Authority officials said the revenue sharing funds were being applied against the authority's total operating expenses.

City officials said they did not know what services, if any, would have been curtailed if revenue sharing had not been available. They generally felt that additional money would, of necessity, have been obtained elswhere--but could not be certain about the amount or the sources (increased taxes, additional State aid, or borrowings). Revenue sharing, according to the officials, has helped the city remove the uniformed forces hiring freeze and will probably slow the rate of tax increases.

Philadelphia, Pennsylvania	Amount received:	$55,510,057 total
Population: 1,949,996		$28.47 per capita

The city had authorized spending $55,553,900 of funds received plus interest earned, as of June 30, 1973. At that date, $55,510,057 of the funds had been expended. According to city records, the $55.5 million of revenue sharing funds were used to reimburse the general fund for employee salaries and fringe benefits. This amount included about $25.3 million for the police department and about $26.5 million for the fire, streets, and recreation departments and for library services.

According to city officials, revenue sharing has helped them maintain existing services. The city is experiencing an eroding tax base and increasing costs of services and revenue sharing has partially alleviated this problem.

CITIES WITH POPULATIONS OF 500,000 TO 1,000,000

Baltimore, Maryland Amount received: $29,751,526 total
Population: 905,787 $32.85 per capita

The city authorized the expenditure of $13,888,257 of funds received and had spent $12,503,151 of the funds. About $13.6 million was appropriated for operations and maintenance, including public safety, environmental protection, and recreation; about $300,000 was appropriated for capital improvements to the city jail.

City officials said revenue sharing has enabled the city to provide a new service (policing parks), to expand or avoid reductions in some existing services, and to include new programs. These include a before-and-after school day care program and a noise control program. Revenue sharing has also permitted the city to fund 3-percent pay increases for all city employees. The officials said a combination of substantial tax increases and reductions in services would have occurred without revenue sharing. With the aid of the funds they plan to maintain a stable tax rate for the next 3 or 4 years.

Boston, Massachusetts Amount received: $22,606,323 total
Population: 641,071 $35.26 per capita

Boston appropriated $22.6 million of funds received, together with an additional $21 million of estimated revenue sharing receipts through June 30, 1974, for use in the 18-month period ending June 30, 1974. The city had not spent any revenue sharing funds at June 30, 1973. The city council authorized the Mayor to use the $43.6 million to meet current expenses. As of June 30, 1973, the city had specified that $1 million would be used for two special poverty programs previously funded by other Federal money.

Cleveland, Ohio   Amount received: $18,151,621 total
Population: 750,879 $24.17 per capita

The city authorized spending $18,608,108 in funds received plus interest earned. It had spent $1,619,684. The entire amount authorized was for operations and maintenance. The funds were primarily for (1) retroactive payments to the retirement plan for policemen and firemen required by a recent court ruling, (2) an expanded health clinic program, (3) salary increases and clothing allowances for policemen and firemen, (4) retroactive salary increases promised but never paid to some employees, (5) a housing demolition program, (6) street lighting, (7) the city's share of welfare costs, (8) an expanded recreation program, and (9) a reserve to replace Emergency Employment Act funds when they are cut off.

Columbus, Ohio   Amount recieved: $8,196,771 total
Population: 540,025 $15.18 per capita

Columbus appropriated $5,843,539 of revenue sharing funds, of which it spent $104,467. Of the total appropriated, $4.5 million was for capital expenditures, including $3.5 million for sanitation transfer stations, and $1.3 million for operations and maintenance, including police personnel costs, operating costs of the sanitation department, and the costs of the Summer Youth Program.

City officials said revenue sharing allowed the city to provide new services and expand the level of existing services, but it was too early to predict the effect of revenue sharing on the city's tax levels.

Dallas, Texas   Amount received: $14,692,182 total
Population: 844,401 $17.40 per capita

The city authorized spending $15,001,488 of revenue sharing funds received and interest earned. About $12.7 million was for capital outlays and $2.3 million was for operations. These funds are to be distributed among several activities, including social services which were previously supported by other Federal funds. As of June 30, 1973, about $442,000 had been spent with about $320,000 for social services. the remainder was used used for public safety, health, recreation, general public buildings, and library equipment.

According to one city official, a tax increase was avoided, or at least deferred, because of revenue sharing.

<u>Denver, Colorado</u>	Amount received:	$15,008,858 total
Population: 514,678		$29.16 per capita

The City and County of Denver authorized spending $15,381,603 of funds received plus interest earned--$13,844,303 for capital improvements and $1,537,300 for operations and maintenance. As of June 30, 1973, $827,881 had been spent.

The major capital appropriations were development and improvement of Platte River Valley, $2 million; land acquisition for relocation of the U.S. Mint, $2.97 million; expansion and remodeling of viaducts, $1.1 million; land acquisition for a sports complex, $2.45 million; and acquisition of capital equipment, $1.5 million. The major operations and maintenance appropriations were for a program for summer youth employment, $482,250; street repairs, $500,000; and elm disease control, $500,000.

One official said revenue sharing funds were used to maintain the level of existing services. Revenue sharing funds were mainly appropriated to make postponed capital improvements.

<u>Honolulu, Hawaii</u>	Amount received:	$14,973,828 total
Population: 630,528		$23.75 per capita

The City and County of Honolulu appropriated all $14,973,828. These funds, along with $3,346,589 in anticipated revenue sharing funds, were appropriated in the fiscal year 1973 and 1974 budgets. Most of the money, i.e.; $5,388,000 in fiscal year 1973 and $7,932,417 in fiscal year 1974, was appropriated for capital improvements, such as waste and sewage collection and disposal, parks, fire stations, highway improvements, and street lighting. For fiscal year 1974, $5 million was appropriated for police salaries. As of June 30, 1973, only $276,436 of the revenue sharing funds had been spent.

Officials said revenue sharing funds would be used primarily for capital improvements due to the uncertainty of continuation of the program after the present 5-year period.

Indianapolis, Indiana   Amount received: $13,860,170 total
Population: 746,428 $18.57 per capita

The city authorized the expenditure of revenue sharing funds and interest totaling $14,109,007. Authorized expenditures included $9.7 million for operations and maintenance and $4.4 million for capital outlays. The entire capital outlay was for the construction fund for a city sports stadium. Authorized operations and maintenance expenditures were for highways and streets, police services, fire services, and the county general fund for public safety. City officials said revenue sharing allowed the government to provide new services and maintain and expand the level of existing services.

Jacksonville, Florida   Amount received: $10,188,700 total
Population: 503,969 $20.22 per capita

Jacksonville had not spent any funds; however, the city council had appropriated $10,593,000 of funds received and anticipated for 15 projects. The largest project, renovating deteriorated sewer lines, cost about $7.2 million. Other approved uses included $2.08 million for development of parks and recreational areas and about $.84 million for water transmission lines. Virtually all the revenue sharing projects the city council approved were for capital outlays.

Kansas City, Missouri   Amount received: $11,597,097 total
Population: 507,330 $22.86 per capita

The city authorized using the $11,597,097 and spent $1,447,364. Of the authorized amount, about $7.4 million was for operations and maintenance and $4.2 million for capital outlays. The capital expenditures include the completion of a new municipal courts building, an airport customs facility, land for a convention center, street improvements, and fire and police equipment. Authorized operations and maintenance uses include a housing conservation demonstration program, support of the Neighborhood Youth Corps program, street resurfacing and bridge repair, building code enforcement, rat control, and recreation.

Memphis, Tennessee Amount received: $14,532,443 total
Population: 623,530 $23.31 per capita

The city authorized spending $4,888,423, $3.3 million for capital expenditures and $1.6 million for operations and maintenance. It also spent $1,769,778 of these funds. In addition, the city planned to spend the remaining $9,644,020 in revenue sharing funds it had received, $8.3 million for capital outlays and $1.3 million for operations and maintenance.

Operations and maintenance expenditures were planned primarily for police activities, transit authority, libraries, parks, traffic engineering, streets, and sanitation. Capital expenditures will provide mainly new or improved streets, fire stations, parks and other recreational facilities, sanitation projects, an industrial park, and equipment for a convention center.

City officials said revenue sharing funds instead of funds obtained by issuance of bonds for capital improvements would result in savings to the city in principal and interest costs.

Milwaukee, Wisconsin Amount received: $13,992,404 total
Population: 717,372 $19.51 per capita

Milwaukee had authorized all $13,992,404 for use and had used $6,567,993. Both the authorized and actual expenditures were for operations and maintenance. Major areas included public fire protection, refuse collection, street lighting, and retraining for firefighters.

According to one official, revenue sharing enabled the city to continue its level of service in 1973 consistent with that of prior years without raising taxes. Without revenue sharing, the tax rate would have been increased and, due to mill-rate limitations, services would have been curtailed.

New Orleans, Louisiana Amount received: $21,378,119 total
Population: 593,471 $36.02 per capita

The city authorized spending $19,731,610--$11,952,850 for capital expenditures and $7,778,760 for operations and maintenance. As of June 30, 1973, the city had expended $8,141,952--$363,192 for capital and $7,778,760 for operations and maintenance, primarily for police, fire protection, and financial administration.

Phoenix, Arizona Amount received: $9,745,600 total
Population: 582,500 $16.73 per capita

The city spent all the funds received plus $266,000 interest earned. Except for $612,000 to be used for operations and maintenance, primarily for public safety and social services for the poor and aged, all the moneys were for capital items, such as general public buildings, recreation, and highways and streets. Of the $9.5 million allocated for capital items, about $6 million was for land acquisition.

City officials said that revenue sharing not only permitted the city to maintain the level of existing services but also allowed the city to provide new or expanded services while reducing taxes. City officials also stated that, although current revenue sharing appropriations are primarily for capital items, future budgets should show an increase in appropriations for operations and maintenance due to funding social service programs cut by the Office of Economic Opportunity and the bolstering of law enforcement capabilities. According to city officials, these increases would not be possible without revenue sharing.

Pittsburgh, Pennsylvania Amount received: $14,805,865
Population: 520,089 $28.47 per capita

Pittsburgh authorized spending $13,481,171 and had spent $7,122,896 as of June 30, 1973. The city budgeted $20.3 million in revenue sharing funds received and anticipated.

About $14.5 million was allocated for police and fire protection salaries and about $5.8 million for capital outlays, including street lighting, fire equipment, recreational facilities, and public safety facilities. The city spent about $6 million for operations and maintenance and about $1.1 million for capital outlays.

City officials said the real effect of revenue sharing would occur after 1973 when the city may be able to forestall a tax increase because of revenue sharing. An austerity program initiated by the city government before revenue sharing resulted in yearend surpluses which permitted real estate tax reductions in 1972 and 1973.

St. Louis, Missouri Amount received: $15,818,145 total
Population: 622,236 $25.42 per capita

St. Louis authorized spending $15,980,719 and spent $266,025. About $7.4 million was authorized for operations and maintenance and $8.5 million for capital outlays. Some of the major authorized capital expenditures as of June 30, 1973, were the construction of a senior citizen center and ice and roller skating rinks, equipment for hospitals, and street repair and resurfacing. The major authorized operations and maintenance expenditure was for salaries of city employees.

San Antonio, Texas Amount received: $10,755,713 total
Population: 654,153 $16.44 per capita

The city authorized spending $10,742,875 of revenue sharing funds; $2,730,550 was for operations and maintenance and $8,012,325 for capital expenditures. As of June 30, 1973, the city had spent $266,937 for operations and maintenance and $10,495 for equipment. One city official said the decision to use revenue sharing funds for capital improvement projects was based primarily on uncertainty of long-term continuity of the revenue sharing program.

<u>San Diego, California</u> Amount received: $7,953,899 total
Population: 697,027 $11.41 per capita

San Diego appropriated $440,000 of revenue sharing funds it received but had not spent any funds. The money was appropriated for operations expenses of recreation programs and for a summer youth employment program. The city had plans for most of the remaining funds--about 44 percent for public safety, street maintenance, recreation, sanitation, and programs for senior citizens and youths. The remainder of the planned uses are for capital projects in similar areas of service.

According to city officials, one of the considerations in planning the use of revenue sharing funds was a proposed new State law which would virtually eliminate the city's option to increase the property tax rate. As a result, without revenue sharing, it would have been necessary to develop major new revenue sources or to severely reduce services.

City officials said revenue sharing not only permitted existing levels of service to be maintained but also allowed the city to provide new services for senior citizens without increasing taxes. Revenue sharing also encouraged cooperation between the city and the county on planning uses of revenue sharing funds for a recreation project.

<u>San Francisco, California</u> Amount received: $22,432,976 total
Population: 715,674 $31.35 per capita

The city appropriated $44.4 million in funds received and anticipated through June 30, 1974; $39.4 million was for operations and maintenance and $5 million for capital projects. City officials said the expenditures totaling $5.3 million eased current operating deficits, emergency needs, and the city's outstanding financial obligation.

The major appropriations for operations and maintenance included the municipal railroad system, $15.2 million; public safety, including police, corrections, courts, fire, and building code enforcement departments, $8.3 million; social services department, $6.9 million; hospitals, $2.9 million; environmental protection, including sewerage, sanitation, and pollution abatement, $2.7 million; and recreation and park departments, $1.9 million. According to one city official, revenue sharing and other factors permitted the city to reduce its real estate tax rate by 34 cents per $100 of assessed valuation for fiscal year 1974.

<u>Seattle, Washington</u> Amount received: $10,455,929 total
Population: 530,831 $19.70 per capita

Seattle appropriated $8,375,177 and spent $4,647,280; about $6 million was for operations and maintenance and about $5.4 million for salaries of firemen and policemen.

City officials said that without these funds some services would have had to be reduced or taxes increased. For example, city officials said the reduction in Federal categorical grants did affect some of their programs but, with the available funds, the best features of some programs would be continued.

CITIES WITH POPULATIONS OF 50,000 TO 499,999

Albuquerque, New Mexico Amount received: $7,644,353 total
Population: 243,751 $31.36 per capita

The city authorized spending $7,644,353; about $5.2 million was for operations and maintenance and $2.4 million for capital expenditures. The city spent about $3.5 million of the funds for operations and maintenance and $0.8 million for capital expenditures. The authorized and actual expenditures were primarily for salaries of fire, police, and street department personnel. The city also purchased open space land with revenue sharing funds.

According to a city official, about $2.6 million of the funds supplanted money which had been coming from the city's water fund to the general fund. This allowed the city to begin accumulating a fund to provide a source of money to help pay off water fund bonds which are planned to be sold during the year ending June 30, 1974.

Atlanta, Georgia Amount received: $7,691,577 total
Population: 495,039 $15.54 per capita

The Board of Aldermen, in January 1973, appropriated $10.5 million of revenue sharing funds the city expected to receive in 1972 and 1973 to a special trust fund account to pay 1973 firemen's salaries which are normally paid from the general fund. As of June 30, 1973, the city had spent $5.25 million in revenue sharing funds for this purpose

The allocation for firemen's salaries freed $10.5 million of general fund money for other purposes. In December 1972 the board adopted, and the mayor approved, a resolution of intention to use about $4.5 million of revenue sharing funds to provide some form of tax relief for Atlanta's citizens. In February 1973 the Board of Aldermen adopted an ordinance authorizing a reduction of $4.5 million in the water/sewer rates charged to firms and individuals in the city and authorized a transfer of funds from the general fund to the city's water and sewer fund to replace the rebates. The remaining $6 million of freed funds in the general fund were absorbed in general fund government operating increases, primarily salary increases for city employees.

Several citizens and taxpayers filed a suit in the Federal district court claiming that the city's proposal to spend $4.5 million for water/sewer rebates violated the Revenue Sharing Act since they are not one of the priority uses set forth in section 103(a) of the act.

The court held in this case that the city's actions and its proposed plan would involve spending revenue sharing funds for other than one of the priority expenditures and enjoined the city from using $4.5 million in revenue sharing funds in the manner proposed.

The city amended its budget in March 1973 and appropriated $750,000 for Economic Opportunity Atlanta, Inc., to provide for continuing social services which were to be discontinued as a result of loss of Office of Economic Opportunity funds. These funds were a part of the $4.5 million in the general fund freed by revenue sharing funds and made available after the courts ruled the city could not use these funds for water/sewer rebates or rate reductions. The remaining $3.75 million was appropriated for improvements to streets, parks, libraries, and storm drains; traffic signal equipment; and the acquisition of a site for a new criminal justice complex. Therefore, the $4.5 million supplanted by revenue sharing funds has been appropriated in the priority expenditure areas defined in the act.

Atlanta officials said the funds allowed the city to maintain and improve the level of existing services without increasing taxes.

<u>Baton Rouge, Louisiana</u>   Amount received: $8,464,116 total
Population: 271,922 $31.13 per capita

The city authorized spending $8,606,985 in revenue sharing funds received and interest earned. About $973,335 was for operations and maintenance and $7,633,650 was for capital improvements. These amounts included $650,000 for the recreation and parks commission and $300,000 for the sheriff's department. As of June 30, 1973, about $123,609 had been spent for operations and maintenance and $1,284,948 for capital improvements.

One city official said the broad impact of revenue sharing has been to expand capital improvements. He said the city decided to spend revenue sharing funds primarily on capital projects because it believes these funds will be cut off after 5 years, and the capital improvements program was backlogged with requests that could not be met from existing revenues.

Billings, Montana   Amount received: $851,384 total
Population: 61,581 $13.83 per capita

Billings authorized spending $31,000 in funds received but had not spent any funds. The city planned to spend $833,974 for city streets; for purchasing vehicles for the city motor pool; and for capital expenditures in health, sanitation, the cemetery, parks, social services, and public safety.

Birmingham, Alabama   Amount received: $6,254,495 total
Population: 300,910 $20.79 per capita

Birmingham budgeted $6,265,495 in funds received and interest earned, including $6.1 million for capital outlays. The major projects authorized included $1.3 million for a civic center and $1 million for sewers.

The city had spent $538,860 as of June 30, 1973, primarily for equipment for streets, sanitation, and the police. According to a city official, revenue sharing allowed the city to maintain and expand existing services.

Boise, Idaho   Amount received: $1,594,261 total
Population: 79,954 $19.94 per capita

Boise appropriated the $1,594,261 it received and spent $803,825. The planned and actual expenditures were mostly for major capital projects, such as sewer system expansion, a new city library, and new buses for the public transportation system. City officials said revenue sharing funds prevented a planned tax increase, provided such increased services as sewer expansion, and provided new services through the purchase of the buses.

Buffalo, New York   Amount received: $9,568,920 total
Population: 462,768 $20.68 per capita

Buffalo appropriated and spent all $9,592,517 of funds received and interest earned for police and fire protection--almost exclusively for salaries. During fiscal year 1973, revenue sharing accounted for about one-third of the city's fire department budget and one-fifth of the police department budget. In its budget for fiscal year 1974, Buffalo appropriated $10,300,000 of its revenues sharing money for the same purposes.

According to city officials, revenue sharing did not result in increased services to city residents. It allowed Buffalo to reduce property taxes and provide municipal employees with a salary increase of about 5.5 percent.

<u>Charlotte, North Carolina</u> Amount received: $5,302,713 total
Population: 241,178 $21.99 per capita

The city appropriated $2,272,631 of revenue sharing funds and spent $1,028,433. The appropriation consisted of $1,085,537 for capital outlay to construct and equip three fire stations and $1,187,094 for such operating and maintenance costs as police and sanitation. The city had appropriated these funds for startup costs associated with annexation. Expenditures at June 30, 1973, totaled $299,458 for capital outlay and $798,975 for operations and maintenance.

Revenue sharing did not prompt the annexation because it was initiated before the Revenue Sharing Act was passed. Because they are uncertain how long revenue sharing will continue, city officials have recommended that the city council consider only capital improvements and nonrecurring operations and maintenance expenditures.

<u>Cincinnati, Ohio</u> Amount received: $10,369,910 total
Population: 451,410 $22.97 per capita

The city authorized spending $9,593,572 and spent $3,445,752. Of the amount appropriated, $8.8 million was for operations and maintenance and $0.8 million for capital expenditures. Most of the authorized and actual operations and maintenance expenditures were for salaries of city employees. Capital expenditures were authorized for the cost of an incinerator.

Cincinnati officials said revenue sharing funds enabled the city to expand and maintain existing services and would prevent tax increases.

Columbia, South Carolina Amount received: $3,708,570 total
Population: 113,542 $32.66 per capita

Columbia appropriated $4,603,400 of funds received and anticipated. The city spent $412,376, mostly for salaries of city employees. Major planned uses for the appropriated funds included pay increases for city employees; purchasing equipment; constructing recreation, court, and sanitation facilities; resurfacing streets; and contributing to day care centers at the local housing authority.

According to city officials, a tax increase of about 8 mills would have been required in fiscal year 1974 to maintain levels of existing services but was unnecessary because of general revenue sharing and small increases in other sources of revenue.

Des Moines, Iowa Amount received: $2,807,948 total
Population: 201,404 $13.94 per capita

The city had not spent any revenue sharing funds. A city council resolution pledged that 1972 revenue sharing funds of $2,179,188 would be used to reduce property taxes. To accomplish this, Des Moines planned to use the funds to pay for fire department expenses. This will indirectly reduce property tax assessments. The 1973 and subsequent revenue sharing funds were to be used for constructing new and more strategically located fire stations.

El Paso, Texas Amount received: $6,872,540 total
Population: 322,261 $21.33 per capita

El Paso authorized spending $6,417,515 of the funds received and had spent $430,951; about $5.2 million was authorized for capital improvements and $1.3 million for operations and maintenance. The two main projects were repaving city streets and flood and drainage control. Other projects included purchasing books for the library; replacing aging city equipment, such as fire trucks; and improving the parks. According to one city official, revenue sharing funds probably prevented a tax increase to enable the city to pay for the capital projects.

Fargo, North Dakota   Amount received: $885,751 total
Population: 53,365 $16.60 per capita

Fargo authorized spending $285,675 of its revenue sharing funds and planned to use $600,076 more. Of the authorized and planned expenditures, $308,336 is for operations and maintenance and $577,455 for capital improvements. The city spent $2,832 of these funds.

Major areas of authorized and planned expenditures for operations and maintenance were street lighting, $141,000; traffic engineer department, $71,336; fire hydrants, $36,000; and a new summer youth employment program, $50,000. Major areas identified for capital expenditures were equipment for the central garage, $168,450; a new fire station, $200,000; and bike trails and mountable curbs for the handicapped, $100,000. According to Fargo officials, revenue sharing permitted the development and expansion of services.

Fort Worth, Texas   Amount received: $5,775,849 total
Population: 393,476 $14.68 per capita

Fort Worth authorized spending $5,775,849 of revenue sharing funds and $47,132 in interest. It planned to use $3,238,215 for operations and maintenance. A portion of these funds, $63,400, was to be used to fund programs which the Community Action Agency had administered previously. Of the total authorized for operations, an estimated $2,428,661 had been spent as of June 30, 1973.

The other $2,584,766 authorized was to be used for capital improvements. According to city officials, a proposed ad valorem tax increase of about 18 cents was halted when it was learned that revenue sharing legislation would be enacted.

Hartford, Connecticut   Amount received: $4,224,635 total
Population: 158,017 $26.74 per capita

The city appropriated $7,543,020 of funds received and anticipated. About $1.7 million of these funds had been spent.

Authorizations and expenditures included fire department equipment and personal services; the police cadet program and equipment, such as prisoner vans and closed circuit television; psychological services and legal aid programs formerly funded by the Law Enforcement Assistance Administration; street construction, maintenance, and snow equipment; purchase of refuse collection equipment; operation of health programs, such as a venereal disease laboratory; demolition of condemned homes and rodent control; personal services for two staff positions formerly funded by grants under the Model Cities Program; payments to the Metropolitan District Commission for sewage and water treatment; and capital expenditures for school improvements and equipment for a civic center.

Huntington, West Virginia — Amount received: $2,650,390 total
Population: 74,315 — $35.66 per capita

The city appropriated $2,635,061 for capital expenditures and spent $576,980. The major areas of authorized expenditures include $1 million for improvements in highways and streets and $0.75 million for landfill improvements. Huntington officials said revenue sharing had enabled the city to continue public services and to make capital improvements it otherwise could not have made.

Jackson, Mississippi — Amount received: $4,570,157 total
Population: 162,380 — $28.14 per capita

Jackson authorized spending $1,054,000, including $51,700 for operations and maintenance of public transit and $1,022,000 for capital improvements to highways, streets, and city recreation facilities. As of June 30, 1973, about $586,000 had been spent for these purposes.

One city official said that, although plans have not yet been formalized, the city intends to enter into an agreement with the county and State governments to build a dental school with revenue sharing funds. According to the official, a tax increase was halted because of revenue sharing funds. He added, however, that the city believes revenue sharing funds should be used primarily for capital improvements and that city operations should be financed with local revenues.

Jersey City, New Jersey   Amount received: $5,829,851 total
Population: 260,350 $22.39 per capita

The city appropriated the $5,829,851 it received and had spent $4,690,943 of these funds for operations and maintenance. The city authorized expenditures for increased police protection, building code enforcement, health services, recreation, sanitation, and social services for the poor and the aged.

Las Vegas, Nevada   Amount received: $1,385,576 total
Population: 125,787 $11.02 per capita

Las Vegas appropriated $1,385,576; almost $1.3 million was for capital expenditures, including such projects as a senior citizen center, expansion of a teen center, drainage facilities, and streets and lighting for an underprivileged area.

A city official said revenue sharing enable Las Vegas to initiate needed capital projects which otherwise would have been postponed. In addition, since the city property tax rate is at the maximum allowable under State laws, he said revenue sharing had not affected the city's tax structures.

Little Rock, Arkansas   Amount received: $3,466,053 total
Population: 132,483 $26.16 per capita

The city authorized spending $1,353,020--$1,151,819 for capital improvements and $201,201 for operations and maintenance. Major areas of authorized expenditures included landfill operations and construction of a fire station and a park. In addition, the city authorized $764,706 to eliminate an anticipated fiscal 1973 operating deficit. City officials said that, although the budget does not identify the specific purposes for which the funds will be used, they are for firemen's salaries.

As of June 30, 1973, the city had spent $288,769. Of this amount, $285,216 was used to buy land for the fire department and for transit system operating expenses. The remaining $3,443 was used to operate a sanitary landfill. Little Rock officials said that revenue sharing funds delayed consideration of a city income tax.

Louisville, Kentucky Amount received: $11,814,166 total
Population: 361,706 $32.66 per capita

The city appropriated $10,968,840 and spent $154,104; about $2.4 million was for operations and maintenance and $8.6 million for capital improvements. Capital expenditures were authorized primarily to construct fire stations, purchase equipment, and re-surface streets. Authorized operations and maintenance expenditures included police and fire department salaries and operating expenses for departments of recreation, streets, and sanitation.

City officials said revenue sharing prevented an increase in a major tax. Without the funds the city would have had to find a new source of tax revenue or reduce services.

Manchester, New Hampshire Amount received: $2,128,638 total
Population: 87,754 $24.26 per capita

Manchester appropriated $2,157,915, including all funds received and interest earned and had spent $1,083,977. Of the appropriated amount, $1,534,484 was for operations and maintenance, primarily salaries of city employees. The $623,431 appropriated for capital expenditures included $174,493 for vehicle acquisition and $128,800 for new sewers.

Revenue sharing enabled the city to reduce a proposed tax rate increase and to make needed capital improvements which otherwise would not have been made.

Metro Nashville-
Davidson, Tennessee Amount received: $9,008,752 total
Population: 426,029 $21.15 per capita

Metro Nashville-Davidson appropriated $9,008,752. It had expended $300,000 for a public works paving program. Over two-thirds of the appropriated funds were for operations and maintenance, including $2.4 million for the police department and $1.6 million for the Board of Health and Board of Hospitals. Most of the $2.4 million budgeted for capital improvements was for the paving program. According to local officials, revenue sharing funds allowed the government to maintain and slightly expand existing services without increasing taxes in the face of inflation.

Miami, Florida   Amount received: $8,403,407 total
Population: 334,859 $25.10 per capita

Miami authorized $3,966,816 for a general salary increase for city employees.

According to city officials, revenue sharing helped avert a potential financial crisis. The funds filled the void created by rollbacks in tax millage that were required by the State for the city to be eligible for the State's revenue sharing plan. Funds received from the State to compensate for the rollbacks were less than tax revenues that would have been realized before reductions of the millage rate.

Minneapolis, Minnesota   Amount received: $7,005,623 total
Population: 434,400 $16.13 per capita

The city authorized spending $7,150,534 in funds received and interest. Of the funds authorized, $5,859,196 was designated for operations and maintenance and $1,291,338 for capital projects. The city spent $5,122,575--$21,000 for capital items.

Mobile, Alabama   Amount received: $5,612,604 total
Population: 190,026 $29.54 per capita

Mobile primarily budgeted its $5,612,604 for capital items and spent $1,627,648. Major areas of authorization and expenditures were public works, parks and fire equipment.

According to a city official, revenue sharing allowed the city to expand existing services and slow the rate of tax increases which would have been required to support the expanded services.

Newark, New Jersey   Amount received: $10,724,780 total
Population: 381,930 $28.08 per capita

The city appropriated the $10,724,780 it received and spent $7,886,308. The city designated all authorized funds for police and firemen's salaries. During 1973 revenue sharing will finance about 70 percent of the city's firemen's salaries and slightly more than 50 percent of police salaries. Revenue sharing enabled Newark to hire an additional 82 policemen and 50 firemen.

Norfolk, Virginia Amount received: $8,476,407 total
Population: 307,951 $27.53 per capita

Norfolk authorized spending $8,336,884 and had spent $304,835; about $6.7 million was for capital outlay, and $1.6 million for operations. Some of the major areas of authorized expenditures included neighborhood street improvements, street resurfacing, expansion of a museum, repair of jetties, and replacement and addition of equipment for public works. After they consulted with city departments and held public hearings, city officials decided to use funds mostly for capital items because the future of revenue sharing was uncertain.

Oakland, California Amount received: $5,851,469 total
Population: 361,561 $16.18 per capita

The city appropriated $6,015,285 of funds received plus interest earned but had spent none of these funds. The funds were appropriated for operations and maintenance expenditures--to acquire police safety equipment, to reinstate holiday pay for police and fire personnel, to alleviate a fire hazard resulting from last winter's freeze of eucalyptus trees, and to pay police and fire personnel salaries in fiscal year 1974.

Oakland officials said the funds were critically needed to meet basic operating needs. Furthermore, the city must find additional tax resources during the next 3 fiscal years even if all revenue sharing funds are used for existing services.

Oklahoma City, Oklahoma Amount received: $6,907,678 total
Population: 368,164 $18.76 per capita

The city appropriated and spent $6,728,654--$4,657,635 for operations and maintenance and $2,071,019 for capital outlay. The areas of expenditures included public safety, environmental protection, public transportation, recreation, and financial administration. According to one city official, revenue sharing delayed an attempt to get voter approval of a 1-cent increase in the city sales tax.

Omaha, Nebraska — Amount received: $5,138,436 total
Population: 354,389 — $14.50 per capita

The city appropriated $808,875 and spent $18,023. Approved expenditures included street resurfacing, an additional rescue squad, and engineering and architectual services for a new waste-handling facility. Plans being considered for most of the remining money included additional street resurfacing, new storm sewers, land for a new central library, street lighting, and trash pickup.

In the opinion of Omaha officials, revenue sharing will permit the city to expand existing facilities such as increasing the number of streets to be re-surfaced and adding an additional rescue squad.

Portland, Maine — Amount received: $1,997,552 total
Population: 65,116 — $30.68 per capita

Revenue sharing funds totaling $1,997,552 were included in the city's 1973 budget and were authorized for use. Of this amount, $450,968 has been allocated as a contribution to the capital improvements program. The purposes for which $1.5 million of the appropriated funds were to be used had not been determined as of June 30, 1973. Of the appropriated amount $109,684 had been used for public transportation.

According to Portland officials, revenue sharing halted a planned tax increase while enabling the city to expand existing services.

Portland, Oregon — Amount received: $10,488,152 total
Population: 379,967 — $27.60 per capita

The city appropriated $1,756,000 and planned to spend $8,013,000 more. The city plans to use revenue sharing funds for various projects, including purchasing fire apparatus and automobiles, modifying public streets and buildings, and expanding the human resources department.

City officials said balancing the budget without revenue sharing funds would have been difficult. They added that revenue sharing prevented the layoff of some city employees, allowed the expansion of some programs, and provided funds for essential equipment.

Providence, Rhode Island   Amount received: $5,500,156 total
Population: 179,116 $30.71 per capita

Providence authorized spending $4,360,884 and spent $1,577,492 primarily for capital outlays and salaries for firemen and policemen. Future funds were planned for operations and maintenance to stabilize the tax rate. Typical outlays from funds received included police cars and uniforms, street lighting and surfacing, city sidewalks, a sewage-pumping station, municipal docks improvement, public works trucks, a bookmobile, a new fire station and equipment, and skating rinks.

Richmond, Virginia   Amount received: $6,865,634 total
Population: 249,431 $27.53 per capita

The city appropriated its $6,865,634 but had spent none of these funds. Richmond plans to spend most of the funds for capital items, including school air-conditioning, drainage projects, and construction of a health clinic and a courts building. Some anticipated funds will be used for operations and maintenance; lesser amounts will go to capital projects.

Salt Lake City Utah   Amount received: $4,583,923 total
Population: 175,885 $26.06 per capita

The city authorized spending $4,693,729 of funds received and interest earned and spent $780,661. About $1.8 million was authorized for capital expenditures, including equipment for various city departments. The $2.9 million authorized for operations and maintenance was primarily for salaries in the police, fire, and streets and roads departments. According to one city official, revenue sharing funds have enabled Salt Lake City to defer a financial crisis caused by inflation and the cutoff of Federal Employment Act funds.

Sioux Falls, South Dakota   Amount received: $1,303,242 total
Population: 72,488 $17.98 per capita

Sioux Falls authorized the expenditure of its $1,303,242. Major projects included in the authorized expenditures were construction of a water storage tank, a new bridge, storm sewers, new sidewalks, relocation and improvement of two fire stations, a convention hall, and scientific equipment.

Tampa, Florida — Amount received: $6,688,943 total
Population: 277,714 — $24.09 per capita

The city appropriated its $6,688,943 for 46 projects and spent $1,198,159. These projects include land acquisition and redevelopment, a citywide pay raise, overtime for police and firemen, parks and recreation facilities, and street and drainage construction and improvement.

According to a city official, revenue sharing averted a financial crisis and allowed Tampa to partially fund needed capital improvements. Due to the uncertain long-term continuity of revenue sharing, city officials hesitated to fund unnecessary operating expenditures. Accordingly, only about 36 percent of the funds received through June 30, 1973, were for operations.

Toledo, Ohio — Amount received: $5,754,732 total
Population: 383,105 — $15.02 per capita

The city authorized spending $1,696,630 and planned to spend $3,425,564 more. At June 30, 1973, it had spent $476,554. The city's 5-year revenue sharing plan called for spending about 50 percent for operations and the remainder divided among (1) capital improvements, (2) allocations to outside agencies for health, social, and environmental protection programs, and (3) a general reserve to meet other monetary needs, such as possible drops in Federal funding of categorical programs.

According to city officials, revenue sharing has enabled the city to continue basic services and to expand some services. The city has brought its police force to full strength and plans to hire more firemen. Without revenue sharing, the city would have had to reduce services or seek a tax increase.

Tucson, Arizona — Amount received: $5,653,927 total
Population: 262,933 — $21.50 per capita

The city appropriated and spent $698,000 for street improvements. It plans to spend the remaining $5.1 million--$1.3 million for operations and maintenance in public safety, environmental protection, and public transportation and about $3.8 million for unspecified capital projects in public transit, recreation, environmental protection, and housing and community development.

City officials said that, due to the uncertainty of long-term continuation of the program, revenue sharing would be used primarily for nonrecurring capital projects. City officials said revenue sharing permitted the city to expand existing services without directly affecting the tax rates.

<u>Wichita, Kansas</u> Amount received: $3,270,152 total
Population: 276,554 $11.82 per capita

The city budgeted $532,544 and had spent $373,778. The budgeted funds were primarily for salary increases for police and firemen and for social services for the poor or aged. According to one city official, revenue sharing allowed Wichita to reduce taxes by a small amount.

<u>Wilmington, Delaware</u> Amount received: $2,836,600 total
Population: 80,386 $35.29 per capita

Wilmington appropriated and spent the $2,862,386 of funds received and interest earned for police and fire department salaries and fringe benefits.

A real estate tax increase of about 5 percent was necessary to offset reduced revenues resulting from a State-mandated income tax reduction. Without revenue sharing, increased real estate taxes would have been necessary. In addition, revenue sharing funds prevented a cutback in services.

CITIES WITH POPULATIONS UNDER 50,000

Ada, Oklahoma — Amount received: $310,097 total
Population: 14,859 — $20.87 per capita

The city appropriated all revenue sharing funds received and spent $41,178; $182,809 was for operations and maintenance and $127,288 for capital outlay. The funds were not appropriated for specific projects, but plans included resurfacing of roads and purchase of a bulldozer for use at a sanitary landfill.

According to a city official, revenue sharing enabled the city to complete priority projects which could not have otherwise been undertaken. Other projects which would have required a tax increase have been scheduled for 4 or 5 years in the future.

Anchorage, Alaska — Amount received: $1,202,329 total
Population: 48,081 — $25.01 per capita

The city had appropriated $1,201,163 and spent $215,893 to finance an expansion in general government functions, purchase street maintenance equipment, and acquire land. Some funds were being used for curb and public building modifications to aid handicapped persons.

City officials said revenue sharing was viewed as additional revenue for the city. One official said the city could not have funded the services and improvements without revenue sharing.

Atlantic, Iowa — Amount received: $90,258 total
Population: 7,306 — $12.35 per capita

The city had spent $25,247 of its revenue sharing funds to purchase land on which to construct a new garage. The remaining $66,602 had not been appropriated.

The city expected to raise its tax rate in 1974 to pay for the new street department garage. Revenue sharing is expected to alleviate the need for a bond issue and the tax increase.

Bountiful, Utah — Amount received: $233,017 total
Population: 27,751 — $8.40 per capita

The city appropriated $167,776 and spent $30,776 as of June 30, 1973, for storm drains, an asphalt paver, and a new sprinkler system in a park.

Bozeman, Montana — Amount received: $177,310 total
Population: 18,670 — $9.50 per capita

The city had not appropriated any of its revenue sharing funds. It planned to use its funds for capital outlay, including the purchase of police cars, a new firehouse substation, a storage facility to house landfill equipment, and a new facility for vehicle storage and maintenance.

Brentwood Borough, Pennsylvania — Amount received: $146,755 total
Population: 13,732 — $10.69 per capita

The borough had authorized spending $113,700 and spent $45,246 as of June 30, 1973; $51,000 was for operations and maintenance, such as police salaries, car rentals, and salary increases for highway workers. The balance of $62,700 was allocated for highway and recreation equipment.

According to borough officials, revenue sharing has enabled the borough to maintain existing services and to expand recreation facilities for senior citizens. Also revenue sharing funds were used to pay for a salary increase arbitrated in January 1973 for police and borough employees which otherwise would have been financed by increasing the property tax.

Brighton, Vermont — Amount received: $41,425 total
Population: 1,365 — $30.35 per capita

As of June 30, 1973, the town had appropriated $17,000 but had spent none of the funds. The funds authorized were earmarked for highway and street equipment, cemetery vault construction, and fuel and rental expenses of a senior citizen center. The balance was planned for constructing a fire station.

<u>Burlington, Vermont</u> Amount received: $1,199,423 total
Population: 38,633 $31.05 per capita

Burlington budgeted $1,228,844 in revenue sharing funds received and interest earned. As of June 30, 1973, $274,393 had been spent.

The funds were appropriated primarily for construction of an ice rink, purchase of a bath house, fire truck and fire fighting gear, police clothing and equipment, repairs and improvements to city buildings, street resurfacing and lights, traffic control and lights, and a subsidy for local operations of a regional bus service. Anticipated revenue sharing funds were also appropriated for certain salaries, including the salaries of 19 employees formerly funded under the Emergency Employment Act.

<u>Cambridge, Maryland</u> Amount received: $349,899 total
Population: 11,595 $30.18 per capita

The city authorized spending $288,668 for street and highway construction and other capital improvements.

According to a city official, these projects would have been impossible without a large tax increase or the issuance of bonds.

<u>Canton, New York</u> Amount received: $55,765 total
Population: 10,348 $5.39 per capita

The town authorized spending $56,412, including revenue sharing funds received and interest earned as of June 30, 1973, for constructing a garage to store and repair snow removal and highway maintenance equipment.

According to a town official, construction of the garage would have been postponed if revenue sharing funds had not been available. He said future funds would probably be used for operations and maintenance and this use would likely slow the rate of future tax increases.

Carmel, New York — Amount received: $203,318 total
Population: 21,639 — $9.40 per capita

The town had not appropriated or spent any revenue sharing funds as of June 30, 1973. Town officials said the funds would probably be used for a solid waste disposal program. They also said that revenue sharing had reduced the pressure for a tax increase which would have been necessary to finance the proposed waste disposal operation.

Carrollton, Texas — Amount received: $177,111 total
Population: 13,855 — $12.78 per capita

Carrollton authorized spending $179,718, including funds received and interest earned through June 30, 1973. The amount authorized was for capital projects, including street maintenance equipment, traffic control equipment, park improvements and equipment, a water storage tank, land, accounting equipment, and a capital surplus account. The city had spent $52,174 for street and city shop equipment.

Casper, Wyoming — Amount received: $325,045 total
Population: 39,361 — $8.26 per capita

The city had authorized spending $214,245 and had spent about $45,000 as of June 30, 1973. Except for $1,926 for financial administration, all authorized uses were for capital projects, including such things as snow removal equipment; police radio equipment; and construction of streets, curbs, gutters, and storm sewers.

One city official said revenue sharing would reduce a bond issue by about $500,000.

Claremont, New Hampshire — Amount received: $129,622 total
Population: 14,221 — $9.11 per capita

Claremont appropriated $117,500 to buy three parcels of property at a cost of $100,500 for constructing a police station and a high school and $17,000 for maintaining roads and sidewalks. It had spent no funds as of June 30, 1973.

According to a city official, the capital projects funded with revenue sharing would not have been possible without a substantial tax increase.

Conway Springs, Kansas   Amount received: $20,266 total
Population: 1,153 $17.58 per capita

The city had spent $5,786 of its revenue sharing funds as of June 30, 1973, primarily for increasing the police force and for street repairs.

According to a city official, revenue sharing funds will be used to avoid a tax increase.

Cottonwood, Arizona   Amount received: $25,325 total
Population: 2,815 $9.00 per capita

The town had appropriated $31,345, including funds received and anticipated during 1973. Except for a $3,000 capital outlay to repair the city jail, all the appropriations were for operations and maintenance, consisting of closing a dump and operating a sanitary landfill, operating a cemetery, and paying salaries of a building inspector and a dogcatcher. As of June 30, 1973, $16,726 had been spent.

Eclectic, Alabama   Amount received: $24,353 total
Population: 1,184 $20.57 per capita

Eclectic had authorized spending all funds received. The town earmarked as much as necessary of this amount for resurfacing town streets and, through June 30, 1973, spent $6,023. According to town officials, any remaining funds would probably be applied to purchase a new ambulance.

Eden, North Carolina   Amount received: $513,629 total
Population: 15,871 $32.36 per capita

Eden had appropriated $525,446 in revenue sharing funds received and interest earned through June 30, 1973. None of the funds had been spent. All the funds were appropriated for capital projects, consisting of $116,471 for paving streets and the remaining $408,975 for a water main project.

According to a city official, the city's revenue sharing funds are committed to major capital improvements which might have required a bond issue or a tax increase if the funds had not been available.

<u>Elsmere, Delaware</u>	Amount received:	$118,821 total
Population: 8,415		$14.12 per capita

The town had authorized spending $85,213--$53,763 for operations and maintenance, primarily street repairs. In addition, $32,449 had been allocated for capital outlays, primarily a new garbage truck.

According to a town official, revenue sharing enabled the town to acquire equipment and provide additional services. The funds, coupled with increased property assessments, enabled the town to reduce the tax rate from $1 to $0.75 per $100 assessment without losing revenue. Without revenue sharing, the rate very likely would have remained at the previous maximum level.

<u>Fayette, Missouri</u>	Amount received:	$35,567 total
Population: 3,520		$10.10 per capita

The city had authorized spending $35,801, including funds received and interest earned through June 30, 1973. The major areas of approved use included improvement of the city water and electric system, public safety, and recreation. At June 30, 1973, $21,056 had been spent--$15,565 for public utilities improvement and $2,511 for operations and maintenance, primarily for recreation.

<u>Forrest City, Arkansas</u>	Amount received:	$290,861 total
Population: 12,521		$23.23 per capita

As of June 30, 1973, the city had appropriated $344,505, including revenue sharing funds received as well as anticipated receipts. At that date, $48,829 had been spent. The amount appropriated was for capital items, including six police vehicles; a firetruck; a bulldozer; office equipment; and special equipment for the police, fire, and street departments.

Fullerton, Nebraska — Amount received: $27,367 total
Population: 1,444 — $18.95 per capita

Fullerton had authorized spending all $27,367 for street resurfacing but had spent none of the funds as of June 30, 1973.

A city official said without revenue sharing the street resurfacing would have required a bond issue and probably a tax increase.

Grafton, West Virginia — Amount received: $203,729 total
Population: 6,433 — $31.67 per capita

The city had appropriated $206,129, including revenue sharing funds received and interest earned through June 30, 1973. Of the appropriated amount, $116,586 was for capital outlays and $89,543 for operations and maintenance. The funds were appropriated for use in such areas as street improvement, recreation, health services, financial administration, and debt retirement.

According to a city official, revenue sharing allowed the city to plan expenditures for recreation that otherwise would not have been possible.

Grandview, Missouri — Amount received: $170,486 total
Population: 17,456 — $9.77 per capita

Grandview had not authorized spending any of the funds received. It planned to use the funds for capital improvements, including an additional fire station, additional and replacement fire equipment, and park and street improvement.

Haines, Alaska — Amount received: $18,208 total
Population: 683 — $26.66 per capita

The town had not authorized expenditure of any revenue sharing funds but had considered using them to help finance a new pipeline for the water system and construct a sewage treatment plant.

Harwich, Massachusetts Amount received: $207,772 total
Population: 5,892 $35.26 per capita

The town had authorized spending $157,000, primarily for such capital items as construction of water mains, land acquisition for conservation, and road construction. No funds were used as of June 30, 1973.

Hopkinton, Rhode Island Amount received: $76,371 total
Population: 5,392 $14.16 per capita

None of the funds received were authorized for use. The town planned to use the funds to construct a garage for town vehicles and highway equipment.

Huntington, Massachusetts Amount received: $56,174 total
Population: 1,593 $35.26 per capita

The town appropriated $8,500 for a truck and a snowplow attachment. It planned to spend $37,500 more--$27,500 for constructing a garage and $10,000 for repairing and resurfacing streets. None of the funds received as of June 30, 1973, had been spent.

Isle of Palms, South Carolina Amount received: $47,655 total
Population: 2,657 $17.94 per capita

The city had authorized use of all funds received and interest earned, a total of $48,591. As of June 30, 1973, $25,824 had been spent. Most of the funds were budgeted for construction, structure improvements, and equipment.

According to a city official, revenue sharing will help the city upgrade police and fire protection and provide better recreational facilities. The city is considering using future revenue sharing funds to purchase a private water system.

Jamestown, Tennessee   Amount received: $46,098 total
Population: 1,899 $24.27 per capita

The town appropriated and spent the entire $46,098 in funds received by June 30, 1973, mostly for constructing new gaslines and waterlines, streets and debt retirement. According to town officials, revenue sharing allowed the town to slow the rate of tax increases and to expand existing services.

Lander, Wyoming   Amount received: $75,646 total
Population: 7,125 $10.62 per capita

Lander had authorized for use $58,373, primarily for purchase of a tractor for a sanitary landfill, purchase of land and equipment for the street department, update of jail facilities, and an addition to the water main system. As of June 30, 1973, 40,945 had been spent.

Ledyard, Connecticut   Amount received: $186,767 total
Population: 14,837 $12.59 per capita

The town authorized spending $170,035. Capital items to be acquired included a new athletic track facility; an outpatient clinic; and various equipment for the police, fire, and highway departments. Funds authorized for operations and maintenance will be predominantly for salaries. No funds had been spent as of June 30, 1973.

According to a town official, the funds eliminated the need for a large tax increase.

Lighthouse Point, Florida   Amount received: $34,383 total
Population: 10,695 $3.21 per capita

The city appropriated and spent $18,007 for sodding a recreational area. No specific uses had been planned for the remaining funds.

<u>Lindon, Utah</u> Amount received: $36,440 total
Population: 1,644 $22.17 per capita

The city appropriated $34,310 and spent $29,014 of the funds through June 30, 1973, mostly for purchasing a backhoe and acquiring land.

<u>Marion, Virginia</u> Amount received: $162,105 total
Population: 8,158 $19.87 per capita

Marion authorized spending $165,631, including revenue sharing funds received and interest earned through June 30, 1973, for street improvements. At June 30, 1973, no funds had been spent.

Town officials said without revenue sharing taxes would have to be doubled to finance the planned street improvements.

<u>McRae, Georgia</u> Amount received: $53,473 total
Population: 3,151 $16.97 per capita

The city spent $13,641 in revenue sharing funds, primarily for fencing the city cemetery and buying equipment for the public works and sanitation departments. The city planned to use the balance for buying equipment for use at its sanitary landfill.

<u>Midland, Michigan</u> Amount received: $884,559 total
Population: 35,176 $25.15 per capita

Midland had budgeted $1,724,176, including revenue sharing funds received and expected through June 30, 1974. A major part of the funds was to be used for three capital projects: a department of public works center ($1,300,000); a fire station, including pumper and equipment ($275,000); and extension, development, and improvement of city parks ($99,176).

A city official said revenue sharing represented a windfall to Midland. The city has had budget surpluses in recent years and was reducing property taxes for fiscal year 1973-74.

Morganfield, Kentucky	Amount received:	$55,085 total
Population: 3,563		$15.46 per capita

Morganfield has approved spending $22,576 for the purchase of a bulldozer for the city's sanitary landfill operation. No funds had been spent as of June 30, 1973.

Mount Airy, Maryland	Amount received:	$45,813 total
Population: 1,825		$25.10 per capita

The town had authorized spending $46,305, including funds received and interest earned through June 30, 1973. As of that date, $32,832 was spent for sanitation, financial administration, and street and water system improvements. In accordance with a town council policy decision, the remaining $13,473 of authorized and future receipts will be directed toward street and water system improvements.

Mount Gilead, North Carolina	Amount received:	$41,618 total
Population: 1,286		$32.36 per capita

As of June 30, 1973, the town had not authorized expenditure of any revenue sharing funds. It planned to spend $18,722 to correct drainage problems.

New Hope, Minnesota	Amount received:	$107,523 total
Population: 23,180		$4.64 per capita

As of June 30, 1973, the village authorized spending $100,962 of funds received and had spent $51,896. Primary authorized uses of the funds include police salaries, construction of a police garage, and operation of a juvenile program.

Ontario, Oregon | Amount received: | $199,086 total
Population: 6,523 | | $30.52 per capita

Ontario appropriated $203,831, which included funds received and interest earned through June 30, 1973--$118,885 for operations and maintenance and $84,946 for capital. The funds were primarily allocated to the street, water, police, and fire departments. Major expenditures planned by the street department included purchase of trucks and miscellaneous equipment. Allocations to the water department were to be used on a water main extension, chemicals, and various equipment purchases. The police and fire department appropriations were for equipment and operating expenses.

City officials said the funds were used to balance the budget and improve existing services rather than to add new services.

Osceola, Arkansas | Amount received: | $194,879 total
Population: 7,204 | | $27.05 per capita

Osceola appropriated $304,000 of funds received and anticipated through the end of 1973. Of this amount, $271,150 was for capital items and $32,850 for contingencies. The principal capital items being funded were an incineration system for solid waste disposal estimated to cost $175,000 and a firetruck and fire station estimated to cost $75,000. As of June 30, 1973, $34,192 had been expended.

Oxford, Alabama | Amount received: | $130,593 total
Population: 4,361 | | $29.95 per capita

The town authorized spending all funds received. A total of $82,085 had been spent primarily for expansion of water and sewerage services and purchase of street maintenance equipment. The remaining $48,508 was earmarked for buying fire and sanitation equipment.

City officials said the funds had enabled the city to buy more modern equipment and thereby improve services.

Portales, New Mexico   Amount received: $102,463 total
Population: 10,554 $9.71 per capita

Portales had appropriated and spent $78,676 of funds received through June 30, 1973. The funds were used to purchase a heavy-duty bulldozer for refuse disposal and to help purchase police cars.

Rangeley, Maine   Amount received: $35,644 total
Population: 941 $37.88 per capita

Rangeley appropriated $27,566 for operation of water pollution control facilities, $3,000; road maintenance, $13,150; social services, $1,406; purchase of an ambulance, $1,510; and a new firetruck and fire equipment, $8,500. As of June 30, 1973, $17,660 had been spent.

A town official said without revenue sharing the town tax rate would have increased about 2 mills in 1973.

Redding, California   Amount received: $435,824 total
Population: 16,659 $26.16 per capita

As of June 30, 1973, the city had not authorized using any revenue sharing funds. However, the city planned to use them for various projects, including improvement of park facilities, construction of fire training facility, operation of a neighborhood center for the disadvantaged, partial funding to build a museum and art center, and operation of a teen center.

According to a city official, revenue sharing will enable the city to finance capital projects earlier and will help maintain the property tax rate.

Saco, Maine   Amount received: $179,129 total
Population: 11,678 $15.34 per capita

Saco had not appropriated any of the funds as of June 30, 1973; however, it planned to appropriate $174,644.

These plans included $74,129 on a storm drain project; $60,000 for repaving city streets; $12,000 for repairing a school roof and for recreation, police, and fire protection.

City officials said without revenue sharing some of the above projects would not have been undertaken. Those that where absolutely necessary would have increased the tax rate for 1973.

St. Maries, Idaho	Amount received:	$26,421 total
Population: 2,571		$10.28 per capita

The city budgeted $36,000, of funds received and anticipated, for paving streets. As of June 30, 1973, $16,034 had been spent.

A city official said without the funds the city could not have accomplished the paving and that the city planned to use all future revenue sharing receipts for street improvements.

Simsbury, Connecticut	Amount received:	$211,798 total
Population: 17,475		$12.12 per capita

The town appropriated $175,186, including funds for highway construction and equipment; recreational facilities, such as bicycle trails and fencing for a ballfield; general financial administration (which included office equipment and voting machines); an architectural feasibility study for a town office; a pilot program for transportation of the elderly; library books; and a refuse disposal truck. Simsbury planned to use the balance for sidewalk construction, tree-spraying equipment, and paving town roads and municipal grounds. As of June 30, 1973, none of the funds were spent.

Temple, Texas	Amount received:	$521,071 total
Population: 33,431		$15.59 per capita

As of June 30, 1973, Temple had authorized spending $534,514 of funds received and interest earned and had spent $65,418. All the funds were authorized for capital outlays, including an enlargement of the police station, construction of a new fire station, street paving, and several drainage projects.

A city official said the funds enabled the city to finance capital projects which it could not have otherwise accomplished.

Tyndall, South Dakota   Amount received: $16,337 total
Population: 1,245 $13.12 per capita

The city had neither appropriated nor expended any of its revenue sharing funds, but planned to spend them for two engineering surveys. One survey will assess recommended improvements to the city's sewer system and the second will determine the need for curbs and gutters.

Wells, Minnesota   Amount received: $29,158 total
Population: 2,791 $10.45 per capita

The village authorized spending $29,803, of funds received and interest earned at June 30, 1973, to purchase equipment for the street and fire departments. As of June 30, 1973, $22,538 had been expended.

West Rutland, Vermont   Amount received: $42,324 total
Population: 2,381 $17.78 per capita

The town had appropriated $43,431 of funds received and interest earned through June 30, 1973, for a school bus, drainage and road repairs, the purchase of land, and construction of a garage. None of the funds had been expended.

West Warwick Town, Rhode Island   Amount received: $338,110 total
Population: 24,323 $13.90 per capita

The town appropriated $547,446 of funds received and anticipated and, as of June 30, 1973, had spent $89,867.

The town appropriated about $317,000 for capital items, including highway construction and equipment, sewer-cleaning equipment, police, and fire equipment, and improvements to various town buildings. In addition, it appropriated $230,346 for the following noncapital items: supplemental police clothing allowance, operations and maintenance of water pollution control facilities, and salaries for employees previously funded under the Emergency Employment Act.

<u>Woodruff, South Carolina</u> Amount received: $158,037 total
<u>Population: 4,690</u> $33.70 per capita

Woodruff had authorized use of $134,433 primarily for retirement of $100,000 in bank loans incurred during 1972 for operating expenses, construction of a fence and installation of lights at the city-owned ballfield, and acquisition of police cars and a garbage truck. As of June 30, 1973, $130,770 was spent.

City officials said the funds enabled the city to avoid a financial crisis because it paid off indebtedness with the funds rather than with regular city revenue. Also, the city halted a tax increase needed to pay off the debt.

COUNTIES WITH POPULATIONS OVER ONE MILLION

Alameda County, California Amount received: $12,151,231 total
Population: 1,073,184 $11.32 per capita

The county appropriated $24.4 million in revenue sharing funds it expected to receive through June 30, 1974. Appropriations were for construction of a pretrial detention home, $4.1 million; other capital projects, $9.6 million; public safety, $6.1 million; and social services for poor or aged and general reserve $4.3 million. As of June 30, 1973, none of these funds had been spent. According to county officials, revenue sharing will provide new and expanded services and will maintain existing services. The $6.1 million appropriated to public safety allowed the county to reduce the property tax rate for fiscal year 1974.

Allegheny County, Pennsylvania Amount received: $14,716,271 total
Population: 1,605,133 $9.17 per capita

In its calendar year 1973 budget, the county allocated $18,360,000 in funds received and anticipated. About $14.4 million was allocated for operations and maintenance for hospitals, health, libraries, police, parks, highways, airport, and financial administration. The balance of about $4 million was allocated for capital expenditures for a hospital, parks, and such equipment as voting machines and parts. As of June 30, 1973, the county had spent $7,591,335 for operations and maintenance and $1,225,977 for capital outlays.

According to county officials revenue sharing allowed the county to halt a planned real estate tax increase of about 3 mills, or about $13.5 million, in 1973. In addition, the county expanded police services by 26 percent and continued to maintain existing services.

Cook County, Illinois Amount received: $18,331,282 total
Population: 5,493,766 $3.34 per capita

In its 1973 budget the county included the $23,259,232 of revenue sharing funds it expected to receive in 1973; $18,944,744 was appropriated for operations and maintenance and $4,314,488 for capital outlays. Operations and maintenance funds of $18,244,744 and all the capital outlay funds were appropriated for the county sheriff and department of corrections. The remaining $700,000 was budgeted for administrative functions. Expenditures through June 30, 1973, totaled $1,880,885 for capital outlay.

According to a county official, revenue sharing enabled the county to forestall a 15-percent cutback in the overall budget which would seriously cutback services. It also slightly reduced property taxes.

Cuyahoga County, Ohio	Amount received:	$11,740,837 total
Population: 1,720,835		$6.82 per capita

The county appropriated $14,519,000 of funds received and anticipated. The entire appropriation, except for one capital expenditure of $60,000 for the law library, was for current operating expenses. These expenses included a $7 million subsidy to the county hospitals; $1.5 million for personnel costs, including hiring some new employees for the courts, the sheriff's department, prosecutor's office, and coroner's office; $300,000 for the medical expenses of prisoners; $2.7 million for operating expenses of the county workhouse; and $170,000 in planning costs for an environmental protection department the county intends to establish. As of June 30, 1973, the county had spent $2,331,000--$2,271,000 for the support of hospitals and $60,000 for the law library.

County officials said without revenue sharing the county would have been in serious financial need and could not have continued existing services without a tax increase. With it the county has met its operating needs and has expanded some departments.

Dade County, Florida	Amount received:	$12,959,406 total
Population: 1,267,792		$10.22 per capita

The county had not authorized spending any revenue sharing funds as of June 30, 1973, but had planned to use an estimated $28.4 million in funds received and anticipated through October 1, 1974. Most funds will be used for programs previously funded under Federal categorical grants to expand social, health, and child care programs; to construct new correctional facilities and regional government centers; and to provide new health and safety installations.

Erie County, New York Amount received: $12,523,645 total
Population: 1,113,491 $11.25 per capita

As of June 30, 1973, the county had appropriated $2,682,995 of revenue sharing funds but had not spent any of these funds. It appropriated $1 million for library operating expenses, including salaries and $1.7 million for the maintenance and repair of county roads.

According to county officials, revenue sharing will be used to maintain the level of existing services and to stabilize the county's finances. The most noticeable effect of revenue sharing to date has been the reduction of the county property tax. Revenue sharing also helped the county avoid a debt increase.

Harris County, Texas Amount received: $7,676,866 total
Population: 1,741,912 $4.41 per capita

The county authorized spending $1,743,026 as of June 30, 1973, including $350,000 for street maintenance and $1,393,026 for capital improvements, including park lands, general public buildings, advance road engineering fees, and architectural fees for additional court facilities. None of these funds had been expended as of June 30, 1973.

The county planned to use the remaining $6,160,039 received and interest earned for capital improvements to parks, libraries, and general public buildings and for voting machines. A county official said funds were primarily for nonrecurring expenditures because of uncertainty concerning the future of the revenue sharing program.

King County, Washington Amount received: $7,347,408 total
Population: 1,159,369 $6.34 per capita

As of June 30, 1973, the county had appropriated $6,827,989 and spent $2,552,505, primarily to cover operating deficits of the solid waste disposal, river flood control, and county fair funds. Funds were also planned to buy new patrol cars and marine patrol watercraft and to construct a medical examiner facility. Although county officials do not believe revenue sharing had much effect on taxes, it accounted for about $6 million of the $8.5 million increase in the 1973 current expense budget.

Los Angeles County, California Amount received: $106,570,495 total
Population: 7,040,697 $15.14 per capita

The county appropriated $92,772,929 and spent $53,700,000 as of June 30, 1973. Of the appropriated funds, $91.3 million was for the purchase, construction, or improvements of facilities and equipment used for health, public safety, corrections, recreation, and general services. County officials said revenue sharing permitted the county government to maintain existing services without increasing taxes.

Milwaukee County, Wisconsin Amount received: $16,374,007 total
Population: 1,054,249 $15.53 per capita

The county authorized spending $10,013,416 and spent $8,011,075 as of June 30, 1973. About $9.9 million of the authorized expenditures were for operations and maintenance, including support for public health costs, the sheriff's office, corrections, and social services for poor or aged. County officials said revenue sharing funds enabled the county to maintain existing services and to lower the 1973 tax levy by about $5,000,000.

Nassau County, New York Amount received: $16,360,479 total
Population: 1,428,838 $11.45 per capita

The county appropriated $13,066,488 for operations and maintenance in all the priority categories except financial administration. Health, public safety, and environmental protection received the largest allocations. As of June 30, 1973, the county had spent $6,141,948. County officials said the primary effect of revenue sharing was to allow the county to maintain existing services without increasing taxes. In addition, services were increased, particularly the bus system.

Orange County, California Amount received: $10,948,373 total
Population: 1,420,676 $7.71 per capita

The county appropriated $11,250,253 in funds received and interest earned and had spent $1,958,455. About $10.2 million was appropriated for capital outlay and about $1 million for operations and maintenance, including about $2.6 million to be transferred to other governmental units or other organizations, primarily for parks and recreational facilities. The major capital appropriations were for public safety, recreation, environmental protection, and public buildings. Operations and maintenance appropriations were primarily for social services to poor or aged and health service programs and for a park restoration plan.

According to county officials, the uncertainty of the long-term continuity of revenue sharing and the timing of the receipt of funds were the major considerations in using revenue sharing funds primarily for capital items. County officials said revenue sharing should help the county reduce taxes.

San Diego County, California	Amount received:	$13,988,962 total
Population: 1,357,854		$10.30 per capita

The county appropriated $2,236,279 and spent $11,279. The appropriation consisted of $1,850,000 for acquiring a municipal traffic court building, $375,000 for acquiring parkland and $11,279 for a partial subsidy of public transit.

County officials said uncertainty over the continuity of revenue sharing was a major factor in deciding to use funds primarily for nonrecurring items. They said future revenue sharing funds will be for similar items.

According to county officials, revenue sharing:

--Encouraged regional intergovernmental cooperation. For example, to avoid duplication of services, the county and the city of San Diego established a committee on the uses of revenue sharing.

--Will encourage jurisdictional changes as communities try to obtain a greater share of revenue by annexations or incorporation.

--Allowed the county to maintain existing services; however, there has been no immediate effect on the level of taxes because projects financed from revenue sharing would not have been authorized without these funds.

Santa Clara County, California Amount received: $9,766,610 total
Population: 1,066,174 $9.16 per capita

The county appropriated and spent $73,454 entirely for operations and maintenance--$50,000 for social services for the poor or aged and $23,454 for financial administration. The county plans to use an additional $2,252,455--$1,723,684 for operations and maintenance and $528,771 for capital expenditures.

Suffolk County, New York Amount received: $16,825,718 total
Population: 1,127,030 $14.93 per capita

The county appropriated its $16,825,718, of which it spent $13,814,221. Of the appropriated amount, $12.6 million was for operations and $4.2 million for capital outlays. The operating appropriation included all priority areas except financial administration. The entire $12.6 million was spent as of June 30, 1973. The revenue sharing funds designated for capital outlays will be spent primarily for highways and streets, recreation, environmental protection, and general public buildings.

County officials said reveneue sharing allowed them to maintain programs. Without revenue sharing it would have been necessary to either increase taxes or cut some programs.

Wayne County, Michigan Amount received: $14,809,283 total
Population: 2,670,368 $5.55 per capita

The county appropriated and spent the $14,809,283 for operations: public safety, $4,637,060; environmental protection, $200,000; health, $6,352,300; recreation, $558,370; and social services for the poor and aged, $3,061,553. County officials said future revenue sharing funds will also be used for operations. County officials said without revenue sharing there would have been a 10-percent reduction for every department.

COUNTIES WITH POPULATIONS OF 500,000 TO 1,000,000

Baltimore County, Maryland	Amount received:	$12,066,936 total
Population: 620,409		$19.45 per capita

The county authorized and spent $6,440,844 for debt retirement. It planned to use $5.6 million more for operations and maintenance for medical services, retirement, and police activities. According to county officials, revenue sharing has allowed the government to expand police services and to reduce taxes.

Contra Costa County, California	Amount received:	$7,019,300 total
Population: 555,805		$12.63 per capita

As of June 30, 1973, the county had not appropriated, expended, or planned for the expenditure of any of the funds.

Essex County, New Jersey	Amount received:	$8,833,649 total
Population: 932,526		$9.47 per capita

The county appropriated $7 million for public safety. Most of the funds ($4.8 million) were allocated for salaries and food in the county's correctional center and house of detention. The remainder was designated for salaries and other operating expenses in the prosecutor's office. As of June 30, 1973, the county had spent about $3.3 million.

County officials said revenue sharing maintained existing services. They did not think any service would have been reduced or eliminated without revenue sharing but stated that taxes might have risen. With revenue sharing, however, the county decreased its property tax.

Fulton County, Georgia	Amount received:	$7,398,685 total
Population: 605,210		$12.22 per capita

The county appropriated $7,384,909--about $5.2 million for operation and maintenance primarily for social service, health, and adult probation programs. Over $150,000 of the amount for social service programs was used to replace a reduction in a categorical grant program. Appropriations for capital expenditures included funds for purchase of a landfill site, new jail facilities, a new building for the medical examiner, and various renovations and improvements to health and court facilities. The county spent $2,648,766.

County officials said revenue sharing enabled the country to provide some new services, expand some existing services, and maintain other existing services. However, they said the main effect of revenue sharing was to increase its budget significantly without raising taxes and to build up a surplus.

Hamilton County, Ohio — Amount received: $4,987,545 total
Population: 923,840 — $5.40 per capita

Hamilton County had not appropriated any of its revenue sharing funds but planned to use all current and future funds for construction of a new court and correctional facilities.

County officials said revenue sharing funds had not affected public services because the county has not used any of the funds. However, they said revenue sharing funds allowed the county to halt a planned tax increase designed to obtain revenue to construct the new court and correctional facilities.

Hennepin County, Minnesota — Amount received: $7,384,458 total
Population: 960,080 — $7.69 per capita

The county authorized use of $6,400,000 and spent $746,439. The authorized expenditures were $2 million for construction of a jail facility, $1.4 million for immediate property tax relief, and $3 million to replace Federal social service funds that were cut back. The remaining funds and accumulated interest totaling $1.2 million was planned for additional jail construction. By adminstrative decision, the $1.4 million allocated for tax relief was used to pay expenses of the county sheriff's office, which will enable the county indirectly to reduce property taxes.

Hudson County, New Jersey — Amount received: $5,822,891 total
Population: 607,839 — $9.58 per capita

The county appropriated $5,822,891 for operations and maintenance in the following priority categories: public safety (police), public transportation (maintenance of county roads), health, and recreation. Most of the money was designated for salaries. As of June 30, 1973, the county had not spent any funds.

County officials said revenue sharing would be used to maintain existing services. To date the major impact of revenue sharing has been a reduction of county taxes, by $0.19 per $100 of assessed valuation.

Jackson County, Missouri	Amount received:	$4,039,027 total
Population: 654,178		$6.17 per capita

The county appropriated all $4,148,289 of funds received and interest earned as of June 30, 1973, and, at that date, had spent $565,789. The major uses of amounts appropriated included roads and streets, health, and recreation. County officials said revenue sharing would permit the county to provide new services and expand existing services. Examples of new programs planned are an emergency medical plan, a pretrial diversion program, recreation program, and a program for the aged.

Jefferson County, Alabama	Amount received:	$9,015,770 total
Population: 644,991		$13.98 per capita

The county authorized spending $8,467,711 and had spent $629,521. About $7.2 million was authorized for capital expenditures and $1.2 million for operations and maintenance. The major authorized capital expenditures included a county civic center, landfill equipment, an addition to a home for the aged, and multipurpose and general government projects. The operations and maintenance expenditures were for a hospital, a family court, and social services for the aged.

County officials said the funds allowed the county to upgrade and expand its existing services to keep pace with its rapid growth without increasing the tax rate.

Jefferson County, Kentucky	Amount received:	$7,381,557 total
Population: 695,055		$10.62 per capita

The county had not authorized spending any revenue sharing funds but had plans for $7,582,606 in revenue sharing funds received and interest earned. Of this amount, $6,711,583 was for capital outlay and $871,023 for operations and maintenance. A county official said revenue sharing allowed the government to halt a planned tax increase and to maintain existing services.

Lake County, Indiana — Amount received: $4,118,180 total
Population: 546,253 — $7.54 per capita

None of the funds received as of June 30, 1973, were appropriated. A planned use report indicated that some funds would be used for the construction of a juvenile center, improvements to a convalescent home, financial administration, and operations and maintenance costs associated with social services for the aged and poor.

Maricopa County, Arizona — Amount received: $6,391,560 total
Population: 969,425 — $6.59 per capita

The county appropriated $4,606,747 and spent $1,255,491. The appropriated funds were solely for capital projects in the following major areas: highways and streets, hospitals and clinics, public safety and correction facilities, recreation, and general public buildings. About $2.6 million was appropriated for the acquisition of land and $1.2 million for construction and facility acquisition.

In addition, the county planned to use about $4.6 million to retire the principal on bonded indebtedness. This amount included $1,939,938 received but unappropriated at June 30, 1973, as well as future receipts.

According to county officials, revenue sharing permitted an expansion of services, particularly in street maintenance, and helped hold down the rate of tax increase. The decision to use funds solely for nonrecurring items was stated to be due to the ease of implementation.

Monroe County, New York — Amount received: $6,648,963 total
Population: 711,917 — $9.34 per capita

The county appropriated $8,233,452 of revenue sharing funds received and anticipated--about 55 percent for capital expenditures, mostly for the retirement of debts on a number of projects (schools, highways, corrections facilities, and other public buildings). The county also appropriated revenue sharing funds for operations and maintenance in all priority categories except libraries. As of June 30, 1973, the county had spent $3,799,386 primarily for police salaries, highway employee salaries, solid waste studies, and social services for the poor and the aged.

County officials said without revenue sharing the county would have increased taxes and/or cut certain expenses, particularly equipment purchases and payrolls. With revenue sharing, they have lessened a debt increase and have held taxes at the present level.

Montgomery County, Maryland	Amount received:	$6,098,942 total
Population: 522,809		$11.67 per capita

The county appropriated and spent $6,245,016, to expand police services and free county funds for use in other programs.

According to a county official, revenue sharing has enabled the county to decrease taxes for fiscal year 1974. Without revenue sharing the same level of expenditures would have required a tax increase. For example, certain programs, such as social services, day care, and community action, were faced with possible reductions in Federal categorical funds and would have required the county to increase taxes or cut back these programs.

Multnomah County, Oregon	Amount received:	$6,310,977 total
Population: 554,668		$11.38 per capita

The county appropriated and spent $751,296, of which $730,000 was for operating the county library. The county planned to use the remaining $5,731,310 of funds received and interest earned for operating and maintaining the library program, installing an air-conditioning system and new elevators in the county courthouse, and remodeling the county jail and judicial facilities.

County officials said revenue sharing enabled the county to undertake some new capital improvement projects which previous resources would not permit.

Oklahoma County, Oklahoma	Amount received:	$3,005,645 total
Population: 527,717		$5.70 per capita

The county appropriated $3,015,883 of funds received and interest earned and spent $10,281. Of the appropriated amount, $2,120,000 was for capital outlays, including county office and parking facilities, Tinker AFB approach zone clearance, and highway construction and $895,883 was for operations and maintenance including administration, highways, and law enforcement projects. County officials said revenue sharing enabled the county to expand services and provide new services.

Prince Georges County, Maryland	Amount received:	$11,816,702 total
Population: 661,082		$17.87 per capita

The county authorized spending $17,097,661 in funds received and anticipated through June 30, 1974. The county spent $751,162. Of the authorized expenditures, $16.9 million was for operations and maintenance, and $192,037 for capital expenditures. The largest amount, $11.7 million, was for public safety, including police retirement, vehicle maintenance and operation, criminal investigation, volunteer fire companies, and street lighting.

County officials said revenue sharing allowed the county to halt a $1,050,000 planned tax increase and to reduce taxes by an estimated $8,500,000.

Sacramento County, California	Amount received:	$10,427,774 total
Population: 634,190		$16.44 per capita

The county appropriated $13,139,448 of revenue sharing funds received and anticipated and spent $2,913,741. Funds were appropriated primarily for capital projects, including $5.2 million to construct, remodel, or purchase court, jail, and sheriff buildings; $4.2 million to purchase or construct office buildings; $1.1 million to construct two libraries and buy a bookmobile; $1 million to acquire and develop parks; and $1 million for a sheriff's communication system.

County officials said revenue sharing would provide new services and also be a form of tax relief. About half the funds will be used to purchase facilities originally constructed under lease-purchase agreements.

San Bernardino County, California	Amount received:	$12,416,173 total
Population: 682,233		$18.20 per capita

The county appropriated $9,570,339 and had plans for the use of the remaining $2,845,834. The county had expended $1,299,211. Of the appropriated and planned amount,

$10.9 million was for capital outlay and $1.5 million for operations and maintenance. The capital outlays included the purchase or construction of various general public buildings, a museum, and two libraries. The major purpose of funds used for current operating expenses was to pay the lease on the county jail.

County officials said revenue sharing would allow the county to maintain and expand existing services and to reduce the property tax rate. In addition, the use of revenue sharing funds to finance capital projects will help the county avoid an increase in debt.

<u>Shelby County, Tennessee</u>	Amount received:	$6,891,314 total
Population: 722,111		$9.54 per capita

The county authorized the expenditure of $700,000 but but had spent none of these funds. The $700,000 was authorized for a transfer to the Board of Education for school construction. The county planned to use about $6.4 million in funds received and interest earned for capital outlays, including school construction, hospital construction, and acquisition of adjoining utility districts.

<u>St. Louis County, Missouri</u>	Amount received:	$6,653,934 total
Population: 951,671		$6.99 per capita

The county appropriated $3,822,335 and spent $517,062. About $1.9 million was appropriated for operations and maintenance, including $1 million for police functions, $360,000 for building code enforcement, $410,600 for health services, and $100,000 for social services for the poor and aged. Also $155,000 was for joining with other local governments in subsidizing the metropolitan mass transit system.

The county appropriated $1,772,000 for capital items, including $450,000 for hospital and clinic improvements and $1,257,000 for recreation facilities. The county planned to use most of the remaining revenue sharing funds for capital items.

<u>Westchester County, New York</u>	Amount received:	$4,526,165 total
Population: 894,406		$5.06 per capita

The county appropriated $4,351,550 to finance capital program projects, capital nonrecurring repair projects, and public safety. County officials said revenue sharing enabled the county to keep up with inflation without increasing taxes. They do not believe that any programs or services would have been eliminated in its absence and thought that revenue sharing's primary effect was to slow down the rate of a tax increase.

<u>Worcester County, Massachusetts</u> Amount received: $1,138,131 total
Population: 637,037 $1.79 per capita

The county had not authorized spending any funds but had planned uses for the $1,164,044 in funds received plus interest earned. The entire amount was planned for operations and maintenance of personnel services at the county jail and house of correction.

According to one county official, revenue sharing will improve the county's fund balance and will ultimately reduce the amount of funds required to be provided by the cities and towns for support of the county.

COUNTIES WITH POPULATIONS BETWEEN 50,000 AND 499,999

Ada County, Idaho Amount received: $1,056,555 total
Population: 112,230 $9.41 per capita

The county appropriated $938,100 of funds received. About $767,000, or 82 percent, was for public safety; $700,000 for the construction of a new juvenile detention home. As of June 30, 1973, none of the funds had been spent.

County officials said that without revenue sharing property taxes would have been increased to provide necessary services.

Anne Arundel County, Maryland Amount received: $5,978,721 total
Population: 298,042 $20.06 per capita

As of June 30, 1973, the county had not authorized spending its revenue sharing funds. However, the county planned to use all the funds for capital projects, consisting of $1,900,483 for highways and streets, $950,000 for public safety, $1,000,000 for general public buildings, and $2,128,238 for storm drainage.

According to a county official, revenue sharing has allowed the county to reduce taxes and halt a planned tax increase. Use of revenue sharing for capital improvements will mean lower debt service requirements in future years which means a halt in a built-in tax increase factor. Due to citizen unrest about increased property taxes, the funds were cited as a real asset in allowing the county to maintain its level of services and at the same time provide some form of property tax relief.

Aroostook County, Maine Amount received: $243,517 total
Population: 94,078 $2.59 per capita

The county authorized $247,472 for use, including funds received and interest earned--personal services, $17,701; social services, $8,850; county potato blossom festival, $4,425; improvements to courts and jails, $168,526; and municipal airports, $47,970.

County officials said revenue sharing would permit the construction of a courthouse in the northern part of the county. Presently citizens in the northern part of the county have to travel over 200 miles round trip for a court appearance. Officials also said that funds permitted a reduction in a proposed tax increase required to fund the 1973-74 biennial budget.

<u>Bernalillo County, New Mexico</u> Amount received: $3,324,362 total
Population: 315,774 $10.53 per capita

The county appropriated $2,012,714 of funds received and spent $692,832 of these funds as of June 30, 1973. The appropriated funds were about evenly divided between capital outlays and operations and maintenance and included funds for operating the county fire department, purchasing parkland and operating the parks and recreation department, purchase of equipment for the road department, and purchasing new vehicles for the sheriff's department.

County officials said revenue sharing allowed the county to improve services by enabling it to establish a full-time fire department instead of relying on a volunteer fire department. The county was also able to purchase and refurbish a building to house county administrative offices.

<u>Butler County, Ohio</u> Amount received: $912,808 total
Population: 226,207 $4.04 per capita

The county approved expenditure and spent $474,733 in funds--$279,500 was for operations and maintenance and $195,233 for capital outlays. The major capital outlay was $155,000 for debt retirement. The major operating expenditure was $225,000 for computer rentals and services.

The county plans to use 70 percent of expected receipts to build a new county office building.

A county official said revenue sharing allowed the county to halt a planned 1/2-percent sales tax increase and to expand existing services provided to its citizens.

Canyon County, Idaho   Amount received: $573,747 total
Population: 61,288 $9.36 per capita

The county had appropriated $355,300 of the funds received. Of the amount appropriated, $180,000 was allocated to the assessor's office to be used for replatting county land. The remaining $175,300 was for development of a new solid waste disposal site. As of June 30, 1973, the county had not spent any funds.

County officials said without revenue sharing property taxes would have had to be increased to finance the waste disposal site. They said that, although services would not have been reduced, additional funds were required for the waste disposal site.

Charleston County, South Carolina   Amount received: $3,944,778 total
Population: 247,650 $15.93 per capita

As of June 30, 1973, the county had authorized using $3,993,088 of funds received and interest earned and had spent $306,243. The county gave capital improvements high priority; however, several new operating programs were to be financed. The new countywide programs include a solid waste disposal system; a system of mobile health care clinics as part of the county's primary health care plan; a water and sewer inspection system in areas without public water and sewer systems; and a school crossing guard program. Capital outlays make up about 75 percent of the revenue sharing budget and include construction of a solid waste disposal facility, addition to and improvements at the county hospital, a new library and extension to an existing library, expansion of multipurpose government facilities, and a number of public works projects.

According to county officials, consolidation and/or unification of all municipal services on a countywide basis is a major policy goal of the county council and would have been unattainable without revenue sharing. They said revenue sharing had encouraged unification or development of some regional-intergovernmental projects, such as the county's new emergency medical service.

<u>Clark County, Nevada</u> Amount received; $3,703,164 total
Population: 273,288 $13.55 per capita

The county had authorized expenditure of $3,610,000 of funds received, and had spent $318,902 as of June 30, 1973. Except for about $429,000 for operations and maintenance, the authorized expenditures were for capital projects, such as general public buildings, park and recreation facilities, and highways and streets.

According to county officials, revenue sharing has permitted the county to provide its residents with new and expanded services and to slow the rate of tax increases.

<u>Cleveland County, Oklahoma</u> Amount received: $362,592 total
Population: 81,839 $4.43 per capita

The county had appropriated for use $221,027 and had expended $139,699 as of June 30, 1973, mainly for (1) remodeling of the county courthouse and certain fairgrounds buildings and (2) capital outlays, primarily highway construction and maintenance equipment.

According to county officials, revenue sharing has enabled the county to improve existing services, especially highway construction and maintenance. They said revenue sharing enabled the purchase of needed highway equipment.

<u>Douglas County, Nebraska</u> Amount received: $2,448,626 total
Population: 389,455 $6.29 per capita

The county had not authorized use, spent, or planned for use, any revenue sharing funds received. According to a county official, the funds may be used to purchase data processing equipment presently leased and to purchase other needed equipment.

<u>El Paso County, Colorado</u> Amount received: $1,917,858 total
Population: 235,972 $8.13 per capita

The county had appropriated $1,019,000 of funds received and had spent $378,138 as of June 30, 1973. Of the appropriated funds, $749,264 was for operations and maintenance and $269,736 for capital items. The major operations and maintenance appropriations were: sheriff department, $287,480;

sewerage, $182,000; and city and county health department, $127,687. The major capital appropriations were: jail furniture, $91,900; county office building, $59,000; and purchase of voting machines, $44,438.

According to county officials, revenue sharing has allowed the county government to install a new sewer line, hire additional sheriff deputies, buy additional voting machines, and expand county fair facilities.

Fairfax County, Virginia	Amount received:	$5,200,800 total
Population: 455,032		$11.43 per capita

The county had not authorized spending any of its revenue sharing funds. However, it planned to use $2,000,000 for land acquisition and $2,447,820 for construction, facility acquisition, and streets.

According to a county official, revenue sharing enabled the county to halt a potential tax increase.

Fresno County, California	Amount received:	$8,194,155 total
Population: 413,329		$19.82 per capita

As of June 30, 1973, the county had appropriated $15.6 million of funds received and anticipated through June 30, 1974. Some of the larger projects for which funds were appropriated included construction of a health building, $4,711,000; expansion of outpatient medical center building, $4,397,156; purchase of computer services, $820,343; design of administration buildings, $350,000; completion of 8th floor of court house, $295,000; design and construction of branch library, $285,000; replacement of medical center laundry building, $274,000; purchase of mental health rehabilitation center, $225,000; and social services programs, $500,000. As of June 30, 1973, $426,079 had been spent.

County officials said that extensive use of the funds for capital projects provided the taxpayer the most for his tax dollar. Another reason for funding capital projects was the uncertainty surrounding continuation of revenue sharing.

Greater Anchorage Borough, Alaska — Amount received: $1,237,616 total; $12.01 per capita
Population: 103,046

As of June 30, 1973, the borough had appropriated $1,256,387, including funds received and interest earned, but had spent none of the funds. The funds were appropriated to pay the operating deficits for two sewer service areas and to provide funds for continuing health programs previously funded by Federal categorical grants.

A borough official said revenue sharing allowed the borough to halt a tax or service fee increase and to maintain existing services.

Harrison County, Mississippi — Amount received: $2,140,644 total; $15.91 per capita
Population: 134,582

The county authorized expenditure of all funds received and spent $421,964. The authorized uses of the funds were for both capital and operations and maintenance costs of courts and law enforcement, roads, and a sanitary landfill. In addition, a county official said some of the funds would be used for improvement of public parks and for a public transit system. Of the expended funds, $288,015 was used for operations and maintenance of the police department, the courts, and county financial administration. The remaining $133,949 was used to purchase equipment for highway construction, the sheriff's department, and for garbage collection and sanitation. A county official said the county avoided a tax increase which would have been necessary to pay for the activities funded with revenue sharing.

Hawaii County, Hawaii — Amount received: $2,293,427 total; $36.14 per capita
Population: 63,468

The county appropriated all funds received. A major use of the funds will be for improving county roads. In addition, funds were appropriated for such environmental protection projects as sewerage and drainage construction. As of June 30, 1973, none of the funds had been expended. No funds have been appropriated for operations and maintenance, nor is this anticipated in the future due to concern that revenue sharing may not be permanent.

Hillsborough County, Florida — Amount received: $5,625,666 total; $11.47 per capita
Population: 490,265

The county authorized spending $4,771,152 as of June 30, 1973, and spent $1,286,823. It planned to use an additional $854,514. The approved and planned uses of the funds included land acquisition for general governmental and other uses, expansion of parks and facilities, purchase of a utility company, construction of a library, and the purchase of heavy equipment for road improvements. About 9 percent of the funds were planned or approved for operations and maintenance, primarily to maintain certain Federal categorical programs which were curtailed or received reduced funding.

According to one county official, revenue sharing has enabled the county to meet capital needs which could not have been financed with available local revenue. Future funds will also be used primarily for nonrecurring expenditures due to the uncertainty of long-term continuity of revenue sharing.

Hillsborough County, New Hampshire — Amount received: $474,346 total; $2.12 per capita
Population: 223,941

The county had appropriated $733,000 of revenue sharing funds received and expected and interest earned through June 30, 1973. At that date it had spent none of the funds. Of the appropriated amount, $726,300 was for operations and maintenance of public safety activities and $6,700 for capital outlays. The public safety appropriations were for the sheriff, the house of correction, and the jail.

According to a county official, the funds along with a bond issue made possible a budget, without substantially increasing property taxes.

Jefferson County, Colorado — Amount received: $1,247,894 total; $5.30 per capita
Population: 235,300

The county had appropriated all funds received and had spent $232,227 as of June 30, 1973. Of the appropriated amount, $975,483 was for capital outlays and $272,411 for operations and maintenance. Activities funded were health services, sheriff patrol, courthouse security, highway construction and equipment, and planning and administration.

County officials said revenue sharing helped the county avoid a financial crisis and tax increase.

Jefferson Parish, Louisiana	Amount received:	$5,797,599 total
Population: 338,229		$17.14 per capita

As of June 30, 1973, the parish had authorized expenditure of $4,496,005 but had spent none of the funds. About $3.1 million of this amount had been included in the parish's budget for operations and maintenance for fire protection, a juvenile detention home, sewerage, garbage, drainage, and an animal shelter. Although not included in the budget, $1.4 million was authorized for capital outlays for highways, streets, and sewers.

Kanawha County, West Virginia	Amount received:	$2,701,986 total
Population: 229,515		$11.77 per capita

As of June 30, 1973, $228,812 had been authorized for use and spent, primarily for construction of buildings and purchases of equipment. The county planned to spend $2,028,188 for capital projects in sewerage, fire departments, sanitation, and rural recreation centers.

According to county officials, revenue sharing did not improve the county's fund balances but allowed it to provide additional services.

Kent County, Delaware	Amount received:	$663,924 total
Population: 81,892		$8.11 per capita

The county had not authorized expenditure of any of its revenue sharing funds.

Kern County, California	Amount received:	$8,973,261 total
Population: 329,271		$27.25 per capita

The county had not appropriated or planned the expenditure of the funds received. County officials said they believed revenue sharing would help the county maintain existing services without raising taxes.

<u>Manitowoc County, Wisconsin</u> Amount received: $675,959 total; $8.21 per capita
Population: 82,294

The county had authorized spending $592,900 received and had spent $426,642.

It expended $281,190 for operations and maintenance consisting of $205,000 for the county trunk highway system and $76,190 for the sheriff's department. The remaining $145,452 was used for capital outlays consisting of $120,000 for renovating county offices and $25,452 for tax-listing equipment. Revenue sharing reduced the county tax rate.

<u>McLean County Illinois</u> Amount received: $470,151 total; $4.50 per capita
Population: 104,389

The county had appropriated $475,515 of funds received and interest earned through June 30, 1973, but had not spent any funds. All funds appropriated were for operations and maintenance, including $237,896 for the sheriff's department. Other activities funded were the auditor, the treasurer, the public defender, juvenile probation, building and zoning, the recorder of deeds, the State's attorney, and a nursing home.

<u>Mecklenburg County, North Carolina</u> Amount received: $3,068,341 total; $8.65 per capita
Population: 354,656

The county had not authorized expenditure of, or expended, any revenue sharing funds. It planned to use the funds received plus future receipts for a human resources complex to include a social services building and a hall of justice.

<u>Merrimack County, New Hampshire</u> Amount received: $153,569 total; $1.90 per capita
Population: 80,925

The county had appropriated all funds received plus interest earned, a total of $157,130, but had spent none of the funds. The appropriations were for installation of a new accounting system, $25,000; guards' salaries at the county jail and house of correction, $78,000; and nurses' salaries at the county hospital, $54,130.

Minnehaha County, South Dakota — Amount received: $587,884 total; $6.17 per capita
Population: 95,209

The county had not authorized use of any revenue sharing funds as of June 30, 1973. However, it planned to transfer $20,000 to an alcohol and drug abuse center. The balance of funds along with future receipts was to be used to partially finance the construction of a building, which would, among other things, house the county sheriff and Sioux Falls police department.

County officials said the use of the funds for the building will reduce taxes because it will take a smaller bond issue to finance the building.

Monongalia County, West Virginia — Amount received: $666,024 total; $10.45 per capita
Population: 63,714

The county had appropriated and spent $123,046 of the funds. The major expenditure, over $100,000, was for the public transit system, including both capital outlays and operations and maintenance. The county tentatively planned to spend $260,000 of the funds to expand the existing courthouse.

New Castle County, Delaware — Amount received: $5,442,416 total; $14.10 per capita
Population: 385,856

The county had appropriated $5,492,416 of funds received and interest earned as of June 30, 1973, and, at that date, had spent $861,588 of these funds. Of the appropriated amount, $1,777,816 was for operations and maintenance--mostly for various social services and a countywide property reassessment. In addition, $3,714,600 was allocated for capital outlays, such as equipment for the police and public works departments and construction of library and maintenance facilities.

According to county officials, revenue sharing (1) reduced taxes and halted a planned tax increase, (2) provided new community affairs services, (3) expanded existing police services, and (4) maintained other existing services.

Onondaga County, New York — Amount received: $6,541,612 total; $13.83 per capita

Population: 472,835

No revenue sharing funds were authorized for expenditure as of June 30, 1973. A plan proposed uses for about $8 million in funds received and anticipated. Under the plan, about 70 percent of the funds would be appropriated for capital expenditures, with the largest single amount ($2.5 million) to be used for retirement of highway debt. Other planned capital expenditures included construction projects, capital improvements, land acquisition, and purchase of equipment. Proposed operations and maintenance allocations included expenditures for health services, maintenance and expansion of recreation programs, social services for the poor and the aged (primarily day care), and improvements in financial administration. Additionally, the plan designated almost $800,000 for tax stabilization purposes.

County officials said they expected revenue sharing would (1) sustain the overall level of services in the county, (2) provide some opportunities to create new and expand existing services, and (3) prevent a tax increase.

Ozaukee County, Wisconsin — Amount received: $268,603 total; $4.93 per capita

Population: 54,461

The county authorized spending $191,901 of the funds and spent $96,002. The entire amount authorized was for operations and maintenance of the sheriff department.

According to county officials, the use of revenue sharing funds in the 1973 budget reduced the tax rate from $3.2188 to $2.4810 per thousand dollars of valuation.

Passaic County, New Jersey — Amount received: $3,685,313 total; $8.00 per capita

Population: 460,782

The county appropriated $5,005,896 of funds received and anticipated for operations and maintenance. It allocated the funds for hospital (salaries and patient care), parks, maintenance of roads and bridges, and public safety (salaries and other operating expenses, including equipment for the sheriff's office, the prosecutor's office, the park police, and the jail). As of June 30, 1973, $2,113,940 had been spent.

According to county officials, revenue sharing enabled the county to reduce property taxes and maintain, and in some cases increase, services.

<u>Pima County, Arizona</u> Amount received: $4,912,589 total
Population: 351,667 $13.97 per capita

The county appropriated $1,703,082 of funds received and spent $1,418,081 as of June 30, 1973. Of the appropriated amount, about $737,000 was for operations and maintenance of the police department and county courts, and about $966,000 was for capital items--primarily for the purchase of a nursing home and automotive equipment for the police department.

County officials said more than half the funds were authorized for capital outlays because of (1) timing of receipt of the funds, (2) ease of implementation, and (3) uncertainty of long-term continuity of revenue sharing. They said, however, that in future years they expected the major portion of the moneys would be used for operations and maintenance.

According to county officials, revenue sharing not only permitted the county to expand some services but also provided such new services as a consumer protection office and a narcotics prevention project. The funds also permitted the county to halt a planned tax increase.

<u>Polk County, Florida</u> Amount received: $2,466,134 total
Population: 228,515 $10.79 per capita

The county appropriated all funds received and expended $131,813 as of June 30, 1973. The entire appropriation was for three capital projects--expansion of jail facilities, additions to the county hospital, and improvement of county roads.

A county official said the timing of receipt of the funds influenced decisions on their use. The funds were received when they were needed for hospital and jail construction. Use of revenue sharing funds for these projects helped the county avoid selling revenue certificates to finance the construction.

Polk County, Iowa — Amount received: $2,332,186 total
Population: 286,130 — $8.70 per capita

The county had not authorized spending any of the funds but planned to use them to construct a new county administration building. Under the plan $7 million of the $9 million in funds expected over the 5-year program period would be used for this purpose.

Pulaski County, Arkansas — Amount received: $1,885,612 total
Population: 287,189 — $6.57 per capita

The county authorized spending $1,467,265 and had spent $92,427 as of June 30, 1973--$300,000 for capital improvements to existing public buildings; $945,000 for operations and maintenance in all the priority categories; and $222,265 for a contingency fund.

Riverside County, California — Amount received: $8,589,726 total
Population: 459,074 — $18.71 per capita

As of June 30, 1973, the county had appropriated $15,986,732 in funds received and anticipated and spent $560,704. Except for about $850,000, all the funds were for capital projects involving the acquisition or improvement of facilities and purchase of equipment. The capital items were to be used for public safety; environmental protection; recreation; and general public buildings, including structures for county employees and vote-counting equipment.

County officials said revenue sharing allowed the county to maintain existing services and slow the rate of tax increase. Although revenue sharing has had no perceivable effect on changing the jurisdiction of local governments, it has encouraged cooperation between the county and at least two cities in providing services at city airports. A major factor for using the funds primarily for capital actions was uncertainty that the program would be continued.

Salt Lake County, Utah — Amount received: $6,742,565 total
Population: 458,607 — $14.70 per capita

The county had appropriated all funds received and interest earned as of June 30, 1973, a total of $6,912,745, but had spent none of the funds. Of the appropriated amount, $3.6 million was for operations and maintenance and $3.3 million for capital outlays. Funds were appropriated for payment of salaries, improvement and development of parks, new firefighting equipment and construction of three new fire stations, and improvements and additions to general public and government buildings.

According to county officials, revenue sharing has enabled the county to expand existing services and to reduce taxes.

<u>San Joaquin County, California</u> Amount received: $6,143,482 total
$21.22 per capita
Population: 289,564

The county appropriated and spent $3,040,995 of the funds for operations and maintenance--$3,009,386 for hospitals and $31,609 for police. The county planned to use additional funds primarily for health care and public safety. Other planned uses included consolidating a solid waste disposal system with the county's six cities, developing an industrial park, providing new recreation programs, and supporting private social services agencies.

<u>Sedgwick County, Kansas</u> Amount received: $2,042,787 total
Population: 350,694 $5.82 per capita

The county had not authorized expenditure of any funds. However, the county planned to use $975,119 for construction of zoo reptile gardens, the purchase of equipment, and operations and maintenance of many county departments.

County officials said revenue sharing helped solve a budgetary crisis in Sedgwick County. Either a tax increase or a reduction of many programs would have occurred without revenue sharing.

<u>Tulare County, California</u> Amount received: $4,939,170 total
$26.23 per capita
Population: 188,322

As of June 30, 1973, the county had appropriated $551,000, spent $40,290, and planned to spend $1,698,296. Most of the appropriated and planned funds were for capital improvements, primarily general public buildings, land, flood control, equipment for firetrucks and police cars, and operations and maintenance of the sheriff's department.

County officials said the planned uses will either expand or maintain existing services and believe they will reduce taxes.

Ventura County, California	Amount received:	$6,625,985 total
Population: 378,497		$17.51 per capita

As of June 30, 1973, the county had appropriated $8,139,112 in funds received and anticipated and spent $762,720. Of the appropriated amount, $731,417 was for operations and maintenance, such as a unified financial system, community action commission, and summer youth employment program. Additional funds of $7,407,695 were allocated primarily for constructing a county government center and purchasing a computer.

According to county officials, the uncertainty of long-term continuation of revenue sharing and the need for a county government center were the primary reasons for devoting most of the funds to capital projects. They said revenue sharing would slow the rate of tax increase by preventing any new major tax and would help avoid a debt increase.

Vernon Parish, Louisiana	Amount received:	$254,266 total
Population: 53,794		$4.73 per capita

The parish had authorized spending $143,260 and had spent $114,258 as of June 30, 1973. The entire amounts authorized and expended were for capital outlays, specifically for equipment for building and maintaining roads and bridges.

A parish official said revenue sharing had slowed anticipated tax rate increases. Without revenue sharing a tax increase would have been needed to fund the replacement of obsolete construction equipment.

COUNTIES WITH POPULATIONS UNDER 50,000

Bristol Bay Borough, Alaska   Amount received: $28,059 total
Population: 1,147 $24.46 per capita

The borough authorized spending its $28,059 and spent $16,344 primarily to convert a truck to a firetruck ($4,052) and to pay salaries ($12,284). A borough official said revenue sharing halted a tax increase or prevented a reduction in services.

Churchill County, Nevada   Amount received: $103,859 total
Population: 10,513 $9.88 per capita

The county appropriated $150,000 of funds received and anticipated to aid the financing of constructing a county law enforcement facility. A county official said the facility construction costs were higher than the county's estimates and its financial arrangements. It could not have built the facility without revenue sharing funds to cover the additional cost.

Clarke County, Mississippi   Amount received: $410,386 total
Population: 15,049 $27.27 per capita

The county authorized spending all funds received and spent $114,761. Of the authorized expenditures, $206,230 was for operations and maintenance, including $167,830 for road maintenance. The remaining $204,156 was authorized for such capital expenditures as hospitals and clinics, a sanitary landfill, a building to house a welfare office, and parking lots.

Cowley County, Kansas   Amount received: $314,655 total
Population: 35,012 $8.99 per capita

The county appropriated $165,025 of the funds received and spent $150,725. Of the appropriated amount, $143,000 was for distribution to three local cities for constructing or repairing multipurpose community buildings. Another $22,000 was for highway and street department equipment. County officials said revenue sharing halted a planned tax increase.

Douglas County, Washington   Amount received: $168,465 total
Population: 16,787 $10.04 per capita

The county appropriated $53,803 and spent $22,764 for expanding law enforcement services and maintaining solid waste disposal sites. The county has planned to use $37,382, in addition to the funds appropriated, for continued support of law enforcement and solid waste services, purchase of public safety equipment, and capital improvements to certain recreational facilities.

Fremont County, Wyoming   Amount received: $681,456 total
Population: 28,352 $24.04 per capita

The county appropriated $678,101 and spent $106,041 of these funds. The funds were to be used primarily to build or repair roads, to help finance hospital additions, and to purchase administrative equipment. One county official said revenue sharing has allowed the county to purchase equipment which will provide increased capability to pave and maintain roads.

Henderson County, Tennessee   Amount received: $206,282 total
Population: 17,360 $11.88 per capita

The county authorized and spent $18,687 of the funds received. About $12,200 was authorized to purchase an ambulance; $5,500 was used to pay salaries of deputy sheriffs and court personnel; and $1,000 was used to buy a rescue boat. The county's plans for the remaining $191,519 included school building improvements, salaries of deputy sheriffs and court personnel, a new jail, and a highway department garage.

Holt County, Nebraska   Amount received: $196,399 total
Population: 12,933 $15.19 per capita

The county had not authorized the expenditure of any revenue sharing funds but planned to use the funds to repair and surface roads and to make capital improvements to the county courthouse. A county official said revenue sharing funds would permit expansion of the county road program and would reduce by about one half an anticipated property tax increase.

Jackson County, Colorado   Amount received: $33,269 total
Population: 1,811 $18.37 per capita

The county appropriated and spent $5,000 of the funds received. The entire amount was transferred to the Northwest Colorado Council of Governments, a six-county organization established to help regulate development of recreational facilities in the area. The county planned to spend $27,535 for repairing a fire station roof ($1,000), paying a salary for a public health nurse ($5,000), repainting the county courthouse ($3,235), building a library ($12,000), and purchasing typewriters ($900), etc.

Kauai County, Hawaii   Amount received: $917,029 total
Population: 29,761 $30.81 per capita

The county appropriated $2,320,651 of funds received and anticipated--$1,057,651 for operations of the police and fire departments and $1,263,000 for such capital improvement projects as new parks, improvements to the police station, roads, and sanitary landfills.

County officials said revenue sharing allowed the county to maintain existing services. Without revenue sharing, the county would have to cut back some existing services and/or raise taxes.

Lake County, Michigan   Amount received: $106,418 total
Population: 5,661 $18.80 per capita

The county authorized the expenditure of $84,488 and spent $46,385. The authorized expenditures consisted of courthouse remodeling ($43,344), an addition to health center ($17,673), sheriff cars ($7,280), communications equipment ($7,100), and insurance ($4,600). According to county officials, revenue sharing allowed the county to maintain existing services and slowed the rate of tax increase.

Lake County, Oregon   Amount received: $101,538 total
Population: 6,343 $16.01 per capita

The county appropriated $56,214 for such items as the salaries of two deputy sheriffs and one jailer, operation of solid waste disposal sites, remodeling of two libraries, and road maintenance equipment. County officials said revenue sharing enabled them to halt a planned property tax increase and to reestablish an unappropriated reserve.

Lasalle Parish, Louisiana Amount received: $410,376 total
Population: 13,295 $30.87 per capita

The parish authorized use of $293,119, of which $268,545 was for the purchase of highway, street, and garbage collection equipment and $24,574 for highway maintenance. It had spent $224,546 for these purposes.

Lyon County, Nevada Amount received: $138,178 total
Population: 8,221 $16.81 per capita

The county appropriated $228,300 of funds received and anticipated. Most of the funds ($170,000) were to aid the financing of building a joint city-county jail. Other projects included equipment for public safety, roads and highways, and the district court. According to a county representative, the tax rate is at its constitutional maximum and revenue sharing is not expected to affect the tax rate. Revenue sharing's primary benefit was allowing funded projects to be completed earlier.

Navajo County, Arizona Amount received: $410,005 total
Population: 47,559 $8.62 per capita

The county appropriated $156,785 and spent $16,186. Of the appropriated amount, $138,493 was for capital expenditures and $18,293 for operations and maintenance. The capital projects were primarily to improve streets, roads, and parks. County officials said revenue sharing (1) permitted the county government to provide new services, (2) slowed the rate of tax increase, and (3) encouraged the county and the city of Winslow to cooperate in building a jail.

Maui County, Hawaii Amount received: $1,545,452 total
Population: 46,156 $33.48 per capita

The county appropriated $545,671 for such capital outlays as sewage, drainage, and water system projects; road and park improvements; buses and a center for senior citizens on Molokai Island; and a new fire station. According to county officials, the senior citizens project and a sewerage project would not have been funded in fiscal year 1974 without revenue sharing funds.

McCone County, Montana   Amount received: $75,211 total
Population: 2,875 $26.16 per capita

The county authorized and spent $12,473 for road maintenance and road maintenance equipment. The county plans to spend another $34,887 in the same area. County officials said revenue sharing funds expanded existing services without a tax increase.

McCook County, South Dakota   Amount received: $215,998 total
Population: 7,246 $29.81 per capita

The county had not authorized spending any of the funds but was considering spending $367,000 in revenue sharing funds received and anticipated. The major planned expenditures were bridges ($100,000), equipment ($100,000), and road construction and maintenance ($100,000).

According to county officials, revenue sharing allowed the county to expand existing services, provide some new services, and slow the rate of tax increase.

McLean County, North Dakota   Amount received: $262,172 total
Population: 11,251 $23.30 per capita

The county authorized spending $210,772 and spent $192,892 for operations and maintenance, specifically the graveling and resurfacing of county roads. County officials said revenue sharing allowed the expansion of existing services.

Morgan County, Kentucky   Amount received: $91,704 total
Population: 10,019 $9.15 per capita

The county appropriated $65,000 and spent $46,973. The funds were used in several areas including ambulance service, highways and roads, public building repair, and financial administration.

Morton County, North Dakota   Amount received: $611,947 total
Population: 20,310 $30.13 per capita

The county had not appropriated or spent any of its funds. According to one county official, the entire amount received has been planned for specific uses--$583,570 for operations and maintenance and $28,377 for capital expenditures. The major operations and maintenance expenditures were public safety (sheriff, courts, and corrections, $77,890), public transportation (highway, $432,490), social services for the poor and aged (general assistance, $40,000), and financial administration (30,190). The major capital expenditures were office equipment and civil defense two-way radios ($12,500) and highway and street equipment ($7,753).

According to county officials, revenue sharing will allow the county to maintain existing services and expand some services. Expansion of services will include three additional jailors, improved roads, and additional highway equipment. No new programs or services have been initiated due to the uncertainty of the long-term continuity of revenue sharing.

<u>Oglethorpe County, Georgia</u> Amount received: $69,716 total
Population: 7,598 $9.18 per capita

The county authorized spending its $69,716 and spent $46,314. Of the authorized amount, $40,214 was for repairs to the county courthouse and $29,502 was for the purchase of equipment needed for maintaining county roads. According to a county official, revenue sharing has helped the county to maintain existing services and to slow the rate of tax increases.

<u>Quitman County, Mississippi</u> Amount received: $552,376 total
Population: 15,888 $34.77 per capita

The county authorized spending its $552,376 and spent $191,791. Of the authorized amount, $446,684 was for operations and maintenance and $105,692 for capital improvements. Most of the funds for operations and maintenance were for highways, and most of the capital improvement funds were for the airport.

A county official said revenue sharing allowed the county to avoid a planned tax increase.

<u>Ringgold County, Iowa</u> Amount received: $81,524 total
Population: 6,373 $12.79 per capita

The county had not authorized or planned the expenditure of any revenue sharing funds.

Sierra County, California — Amount received: $58,963 total
Population: 2,365 — $24.93 per capita

The county appropriated and spent $44,064, mainly for capital equipment for bookkeeping machines, $19,916; sheriff patrol cars, $7,005; typewriters, desks, and calculators $3,660; solid waste disposal engineering study, $7,776; and computer operation and maintenance, $5,706.

A county official said revenue sharing would slow the rate of tax increase.

Silver Bow County, Montana — Amount received: $969,791 total
Population: 41,981 — $23.10 per capita

The county authorized spending $721,500 and spent $1,550; $567,000 was for capital outlays and $154,500 for operations and maintenance. Authorized expenditures include the upgrading of health care facilities and law enforcement facilities and equipment. According to county officials, revenue sharing is enabling the county to provide needed services and to upgrade old facilities which they could not afford since they are taxing at the maximum allowable.

Stutsman County, North Dakota — Amount received: $277,873 total
Population: 23,550 — $11.80 per capita

The county appropriated $180,625 and spent $102,647 of these funds. The entire expended amount was for a new courthouse. The remaining amount appropriated was for the same purpose except for $12,500 for the planting of trees and $1,695 for office machines. According to county officials, revenue sharing has helped to reduce taxes.

Sublette County, Wyoming — Amount received: $91,693 total
Population: 3,755 — $24.42 per capita

The county had not authorized spending any revenue sharing funds but planned to use the $91,693 for capital expenditures for a jail and a library. According to county officials, revenue sharing allowed the county to expand existing services without a tax increase.

Sullivan County, Indiana — Amount received: $262,437 total
Population: 19,889 — $13.20 per capita

The county appropriated $161,495 and had expended $2,074. Of the appropriated amount, $147,995 was for capital outlays, mostly for highway equipment and material, and $13,500 for operations and maintenance. According to the county, revenue sharing had allowed it to provide new services and to expand existing services.

Union County, New Mexico — Amount received: $88,671 total
Population: 4,925 — $18.00 per capita

The county authorized the expenditure of $14,584 and had expended $14,396. Funds were used primarily to ease problems caused by severe snowstorms, including overtime salaries of road department personnel opening up roads closed by snow, setting up an emergency communication system, and the support of cattle-feeding operations. Additional funds are planned for repairing damaged roads. A county officials said revenue sharing money allowed the county to pay for snowstorm damages without raising taxes.

Washington County, Vermont — Amount received: $29,365 total
Population: 47,659 — $0.62 per capita

The county plans to spend about $45,000, of funds received and anticipated, for renovating and converting the county jailhouse to office space for the county sheriff. One county official said revenue sharing would not improve the county's fund balance but would allow the county to accomplish the renovation project without increasing the county's assessment of cities and towns.

Whitman County, Washington — Amount received: $550,259 total
Population: 37,900 — $14.52 per capita

The county appropriated $695,000 of funds received and anticipated for constructing roads and bridges and spent $79,425. According to county officials, roads and bridges are one of the top priorities of the county and most of the future revenue sharing funds will also be spent in this area. They said revenue sharing funds enabled the county to expand existing services and provide new services without increasing taxes.

<u>Wythe County, Virginia</u> Amount received: \$236,024 total
Poplation: 22,139 \$10.66 per capita

The county had appropriated and spent \$113,222 for the county's waste disposal system.

TOWNSHIPS

Addison Township, Illinois Amount received: $296,524 total
Population: 72,280 $4.10 per capita

The township had not authorized spending any revenue sharing funds but planned to use $66,024 for operations and maintenance in health, social services, and financial administration and for capital outlays for roads and general government activities.

Anderson Township, Ohio Amount received: $94,958 total
Population: 28,479 $3.33 per capita

Revenue sharing funds of $54,704 had been authorized for use and were spent mainly for purchasing a new firetruck and other equipment.

Eagan Township, Minnesota Amount received: $58,165 total
Population: 10,398 $5.59 per capita

The State Municipal Commission of Minnesota authorized Eagan Township to become a village in September 1972. The village had authorized spending all $59,165 in revenue sharing money received and interest earned through June 30, 1973, but at this date, had spent none of the funds. The funds were to be used for the cost of traffic signals and the acquisition of land for municipal uses.

Freehold Township, New Jersey Amount received: $70,864 total
Population: 13,185 $5.37 per capita

The township appropriated its $70,864 in revenue sharing funds for constructing an administration building. At June 30, 1973, the township had not spent any funds. Township officials said they intended to use future revenue sharing funds for capital expenditures because they were uncertain about the long-term continuity of revenue sharing and believed it was the easiest way to implement the program.

Kechi Township, Kansas Amount received: $40,874 total
Population: 10,556 $3.87 per capita

The township authorized spending $41,744 in funds received and interest earned but had not spent any through June 30, 1973. The funds were authorized for blacktopping roads and streets.

Millcreek Township, Pennsylvania Amount received: $260,512 total
Population: 36,946 $7.05 per capita

The township supervisors voted to spend all funds received through June 30, 1973. At that date the township had spent $197,520--$109,249 for police salaries and $88,168 for storm sewer installation. Most of the remaining money is earmarked for storm sewers. According to township officials, revenue sharing has allowed the township to install storm sewers on a systematic basis.

Pigeon Township, Indiana Amount received: $196,672 total
Population: 53,899 $3.65 per capita

The township had authorized spending $43,998, primarily for social services for the aged and poor. According to a township official, revenue sharing helped the government to maintain existing services after reducing the local property tax rate by about $0.06 per $100 assessed valuation for calendar year 1973.

Redford Township, Michigan Amount received: $485,255 total
Population: 71,901 $6.75 per capita

The township spent $293,688 of the funds received--$145,097 for police and fire department wage increases, $97,648 for township employee wage increases, and $50,944 for acquiring patrol cars for the police department.

Sioux Falls Township, South Dakota Amount received: $19,902 total
Population: 3,299 $6,03 per capita

The township had authorized for expenditure $20,095 of funds received and interest earned through June 30, 1973. As of that date, none of the funds had been spent but $17,000 had been budgeted primarily for road work with the balance for fire protection.

Windsor Township, Missouri Amount received: $62,325 total
Population: 3,153 $19.77 per capita

The township transferred $48,594 to a county road district coincident with the township. The transfer was by a contract which specified that the funds would be used to improve roads, bridges, and culverts and authorized the road district to purchase necessary equipment to do the work. The township plans to transfer most of any future revenue sharing funds to the road district.

REVENUE SHARING ACTIVITIES

OF LOCAL GOVERNMENTS

AT JUNE 30, 1973

Governmental Unit:

Address:

Revenue Sharing Representative:

Name

Title

Telephone:

1. What is the total annual budget for the latest two fiscal years? If revenue sharing funds are included, please comment on the amount and indicate whether operating or capital.

		Preceding year	Current year	
(1)	Amount: Operating	________	________	(1a)
	Capital	________	________	(1b)
	Total	________	________	(1c)
(2)	Fiscal year ending (Show date)	________	________	(2)

Comment: ____

2. Please indicate services that the government performs.

(1)	Education	________	(1)
(2)	Highways and streets	________	(2)
(3)	Public welfare payments	________	(3)
(4)	Health and hospitals	________	(4)
(5)	Police protection	________	(5)
(6)	Fire protection	________	(6)
(7)	Sewerage	________	(7)
(8)	Sanitation other than sewerage	________	(8)
(9)	Parks and recreation	________	(9)
(10)	Water	________	(10)
(11)	Other utility (describe)	________	(11)
(12)	Public transportation	________	(12)
(13)	Libraries	________	(13)
(14)	Social services for poor and aged	________	(14)
(15)	Environmental protection	________	(15)
(16)	Other significant services (place list below)	________	(16)

Comment: ____

3. Effect revenue sharing funds had on public services (we are interested in effect on actual delivery of services rather than effect of inflation and dollars spent to deliver services).

(1) Provided new services ________(1)
(2) Expanded existing services ________(2)
(3) Maintained level of existing services ________(3)

Comment: ____

4. Has revenue sharing allowed the government to:

(1) Reduce taxes? ________(1)
(2) Halt a planned tax increase? ________(2)
(3) Slow down the rate of tax increase? ________(3)
(4) None of the above. ________(4)

Comment: ____

5. Some local governments traditionally maintain an unappropriated reserve. Have revenue sharing funds permitted (or will they permit in the future) the government to:

	Yes	No	
(1) Establish an unappropriated reserve?	________	________	(1)
(2) Increase an unappropriated reserve?	________	________	(2)

Comment: ____

6. Please show total sum of unexpended general fund monies at the end of the last three years and the expected carryover for the current year.

	FY ending	Amount	
(1)	________	________	(1)
(2)	________	________	(2)
(3)	________	________	(3)
(4) Current fiscal year	________	________	(4)

Comment: ____

7. Has revenue sharing been a factor in changing or in considering plans to change the government's jurisdiction by:

(1) Annexation? ________(1)
(2) Incorporation? ________(2)
(3) Consolidation? ________(3)
(4) Other (describe) ________(4)
(5) None of the above ________(5)

Comment:____________________

8. Has revenue sharing affected regional-intergovernmental projects, programs, or cooperation?

(1) Encouraged ________(1)
(2) Discouraged ________(2)
(3) No effect ________(3)

Comment:____________________

9. Was the normal budget process used in appropriating revenue sharing funds?

(1) Yes ________(1)
(2) No ________(2)

Describe budget preparation, process, and approval in general terms. (Include submission, public hearing and approval dates, and describe any other method of public participation).____________________

10. Did revenue sharing change the level of citizen participation in the budgetary process?

(1) Increased participation ________(1)
(2) Same participation ________(2)
(3) Less participation ________(3)

Comment:____________________

11. Who were the major special interest groups that proposed uses of revenue sharing funds?

(1) Local government departments	________(1)
(2) Environmental groups	________(2)
(3) Health agencies	________(3)
(4) Social services groups	________(4)
(5) Library associations	________(5)
(6) Senior citizens	________(6)
(7) Special districts (schools, fire, conservation, etc.)	________(7)
(8) Other (specify)	________(8)

Comment: ____

12. Did reductions, or the possibility of reductions, in Federal categorical programs for local governments affect budget decisions?

(1) Yes (please identify and describe extent)	________(1)
(2) No	________(2)

Comment: ____

13. A--If there were no restrictions on the use of revenue sharing funds, would the government have used the funds in a different fashion?

(1) Yes (include a complete description below)	________(1)
(2) No	________(2)

Comment: ____

B--Did the government supplant their own funds with revenue sharing funds in order to permit the use of additional funds in areas which it felt had the greatest need? Describe circumstances including amounts and functional areas involved.

Comment: ____

14. If revenue sharing funds are going to be used for non-recurring expenditures, which of the following influenced the budget decision?

(1) Uncertainity of long term continuity of revenue sharing ________(1)
(2) Timing of the receipt of funds ________(2)
(3) Relative ease of implementation ________(3)
(4) Other (explain) ________(4)

Comment: ____

15. If initial revenue sharing funds were devoted to nonrecurring expenditures, does the government expect that funds received for future years will be similarly used or will they be used more for operation and maintenance costs?

(1) Yes ________(1)
(2) No ________(2)

Comment: ____

16. Does the government believe that general revenue sharing information and guidance received from Treasury has been adequate? (Explain circumstances and describe any additional information the government feels it needs.)

Comment: ____

17. What has been the primary source of general revenue sharing information?

(1) Treasury's Office of Revenue Sharing ________(1)
(2) Local government associations (specify) ________(2)
(3) Member of Congress ________(3)
(4) State Government ________(4)
(5) Paid consultant (Obtain costs and describe circumstances) ________(5)
(6) Other (specify) ________(6)

Comment: ____

18. Does the government regard Treasury's revenue sharing rules and regulations (check one of first three and either four or five):

(1) More liberal than expected? ________(1)
(2) As expected? ________(2)
(3) More restrictive than expected? ________(3)
(4) Easy to understand? ________(4)
(5) Unclear? ________(5)

Comment: ____

19. What specific rules and regulations, if any, were unclear?

(1) Restrictions and prohibitions (Describe) ________(1)
(2) Accounting requirements ________(2)
(3) Reporting requirements ________(3)
(4) Auditing requirements ________(4)
(5) Other (specify) ________(5)
(6) None of the above ________(6)

Comment: ____

20. If the government requested clairfication from the Department of the Treasury, has it been:

(1) Responsive and timely? ________(1)
(2) Responsive but untimely? ________(2)
(3) Unresponsive? ________(3)
(4) Not applicable? ________(4)

Comment: ____

21. Has the government changed or does it plan to change its method of raising revenue to get a higher revenue sharing allocation?

(1) Yes (explain) ________(1)
(2) No ________(2)

Comment: ____

22. Does the government believe its entitlement was equitable as compared to other local government entitlements?

(1) Yes ______(1)
(2) No (explain) ______(2)

Comment: ______

23. Does the government prefer that the State legislature adopt an optional allocation formula?

(1) Yes (explain) ______(1)
(2) No ______(2)

Comment: ______

24. If the State were to change the allocation formula, does the government favor more emphasis on:

(1) Population ______(1)
(2) Relative income ______(2)
(3) Tax effort ______(3)
(4) A combination of the above (weighted) ______(4)

Comment: ______

25. Does the 1/3 - 2/3 division of funds between State and local government seem reasonable in view of their respective responsibilities?

(1) Yes ______(1)
(2) No (explain) ______(2)

Comment: ______

26. How are entitlement funds handled?

(1) Separate trust fund account ______(1)
(2) Separate bank account ______(2)
(3) Other ______(3)

Comment: ______

27. To what level of expenditure will the accounting system permit the tracing and identifying of revenue sharing funds? (Describe)

(1) General fund ________(1)
(2) Department ________(2)
(3) Program ________(3)
(4) Sub-program ________(4)
(5) Object class ________(5)

Comment:

28. If funds have been transferred to another organization, what steps has the government taken to assure funds will be used in accordance with prohibitions and restrictions?

(1) Not applicable ________(1)
(2) Applicable (describe) ________(2)

Comment:

29. Can the government demonstrate compliance with the anti-matching requirement and assure that other prohibitions and restrictions were not violated? (Describe)

(1) Yes ________(1)
(2) No ________(2)

Comment:

30. Can the government identify the amount of local matching contribtuion ("in-kind and "cash) for all Federal programs?

(1) Yes ________(1)
(2) No ________(2)

Comment:

31. Who will audit revenue sharing?

(1) City (county) auditor ________(1)
(2) CPA firm ________(2)
(3) State ________(3)
(4) Undecided ________(4)
(5) Other (explain) ________(5)

Comment:

32. Has the government had any problems implementing revenue sharing?

(1) Yes (explain) ________(1)
(2) No ________(2)

Comment:

OFFICE OF THE SECRETARY OF THE TREASURY

OFFICE OF REVENUE SHARING
1900 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20226

APR 2 1974

Dear Mr. Lowe:

Thank you for the opportunity to review the draft GAO report on the uses of revenue sharing by selected local governments. The report provides valuable analyses and much useful information. I was particularly pleased in your finding that revenue sharing substantially increased citizen participation in the appropriation process, especially in the larger units of local government.

I have enclosed our formal comments. As you will note, we believe there is one area much in need of improvement. That is the manner in which the consequences of use of revenue sharing funds is discussed. I understand that Mr. John Parker and Mr. Robert Murphy of my staff discussed this point at some length with Bill Thurman and Art Goldbeck on March 25, and trust it will be possible to clarify the discussion of this complex subject.

Sincerely,

Graham W. Watt
Director

Mr. Victor L. Lowe
Director
General Government Division
United States General
Accounting Office
Washington, D. C. 20548

Attachment

APR 2 1974

Dear Mr. Lowe:

Thank you for the opportunity to review a draft of the General Accounting Office's report, Revenue Sharing: Its Use and Impact on Local Governments.

We were pleased that the analyses in the report generally confirm our own findings of conscientious compliance with the Act by the vast majority of governments reviewed to date. We were encouraged by your findings that revenue sharing had caused greater public participation in the budgeting and appropriations process as well as increased regional cooperation among units of government. We are glad to note that you found accounting practices among governments surveyed as generally acceptable. As a whole, the report is highly informative and should be of considerable value to all those interested in revenue sharing.

The draft report treatment of the subject of indirect effects of the use of revenue sharing funds is, however, likely to be widely misunderstood, and thus we urge revision of the draft language to make completely clear the distinction between the use of funds by municipalities and the various consequences of a particular use.

We recognize that when a municipality uses revenue sharing funds for any purpose that there are a variety of consequences: its own funds may then be used in other programs; it may be relieved of the need to raise taxes or incur new debt; it may be able to reduce taxes; or there may be a combination of these effects. Even if the expenditure is completely additive to pre-existing expenditures, there are at least theoretically foregone opportunities to use the funds differently.

Such consequences are, as we understand them, fundamentally inherent in any decision situation calling for the allocation of resources among multiple potential uses, particularly where both the resources and the uses are variables. Thus if a municipality decides to spend revenue sharing funds totally as an addition to all other funds it otherwise commands, the decision may be said to unavoidably have as corollaries or consequences: (a) the decision to not reduce taxes and (b) the decision to forego all other uses. Most actual cases are even more complex, involving year to year changes in tax bases, tax yields, service requirements and other factors influencing the decisions of governments in their use of Federal revenue sharing (and all other funds).

Thus we urge that the report be revised to clearly address the direct uses of revenue sharing funds as prescribed by the Act and in a completely separate section include any observations that may be considered necessary as to the implications of decision theory and theories of economic choice.

As the report is presently written, we do not think it accurate to characterize the priority expenditure requirements of the Act as "illusory," [See GAO note.] or of "limited effectiveness" (as on page [iii]). Similarly, we take exception to such phrasing as on [See GAO note.] page [30], where it is stated that "...the nondiscrimination provision can also be avoided either by budgeting the funds in a fashion that would reduce potential problems...."

The compliance provisions of the Act clearly apply to the funds as they have been appropriated by a unit of government. Indeed, the nondiscrimination section of the law has been specified in the revenue sharing regulations as broadly applying to "...any program or activity, funded in whole or in part with entitlement funds...." Similarly, the Davis-Bacon provisions of the Act apply to any construction project where twenty-five percent or more of project costs are funded with revenue sharing. In both instances, the provisions of the Act apply both to the funds themselves, as well as to a possibly much larger share of the government's own funds. Since the Treasury Department (and presumably the courts) will enforce these provisions of law as well as other compliance provisions within the program areas identified by the recipient governments, it does not seem accurate to refer to the application of funds to a given use as merely "illusory."

Our own compliance review of jurisdictions receiving revenue sharing funds indicated that it

GAO note: Numbers in brackets refer to the final report.

is quite difficult for a jurisdiction to avoid the compliance provisions of law by careful budgeting of revenue sharing to "safe" areas of the budget. Civil rights problems tend to be government wide; good or bad accounting practices also generally are government wide.

We would also call your attention to a few [See GAO note, p. 157.] minor items. On page [34], reference is made to an ORS compliance staff of 25 auditors. Our compliance staff has been budgeted at 25 in total for FY 1974, and we are requesting an additional 26 compliance personnel in FY 1975. Thirty-six of the personnel we expect to have on duty will be in the field all, or some of the time. Therefore, more accurate figures to cite would be 20 auditors for FY 1974 -- or -- 36 for FY 1975.

[See GAO note, p. 157.] Finally, on page [4], the statement is made that "Each government is required to follow the fiscal, accounting and auditing guidelines established by the Office of Revenue Sharing." While the Office of Revenue Sharing has published an Audit Guide, the provisions of the Guide are recommended, not required. The Department of the Treasury will insist that each jurisdiction keep adequate accounting records, in accordance with its own laws and procedures, but we will limit our intervention in internal accounting to the language of Section 51.40(d) of the Regulations, which provides that a government shall "...maintain its fiscal accounts in a manner sufficient to: 1) Permit the reports required by the Secretary to be prepared therefrom, 2) Document compliance with the matching funds certification, and 3) Permit the tracing of entitlement funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of this part."

I hope that the above observations will be useful to you. Again, thank you for allowing us to review the draft report.

Sincerely,

Graham W. Watt
Director
Office of Revenue Sharing

PRINCIPAL OFFICIALS OF THE DEPARTMENT OF THE TREASURY

HAVING AN INTEREST IN

THE MATTERS IN THIS REPORT

	Tenure of office	
	From	To
SECRETARY OF THE TREASURY:		
George P. Shultz	June 1972	Present
DIRECTOR, OFFICE OF REVENUE SHARING:		
Graham W. Watt	Feb. 1973	Present