[ms-0398.027.010.020]

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JOINT CENTER FOR POLITICAL STUDIES
SUITE 926 • WOODWARD BUILDING • 1426 H STREET, N.W.
WASHINGTON, D. C. 20005 • (202) 638-4477

LEON L. WILLIAMS

THE RENEWAL OF GENERAL REVENUE SHARING

A Position Paper on the Urgent Need for Reform

Prepared By

THE JOINT CENTER FOR POLITICAL STUDIES
Washington, D.C.

March 10, 1976

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THE RENEWAL OF GENERAL REVENUE SHARING

A Position Paper on the Urgent Need for Reform

Prepared by the Joint Center for Political Studies

The U.S. Congress is now debating the renewal of General Revenue Sharing. It is expected that Congressional action will be completed before the summer recess at the end of June, particularly since action between September and November during an election year is unlikely. Therefore, NOW is the time to IMPACT on the LEGISLATIVE PROCESS. Several major organizations, including The National League of Cities, U.S. Conference of Mayors, Governors Conference, and the National Association of Counties, are hard at work getting their points of view across on the renewal of general Revenue Sharing. In general, all are calling for renewal without major changes.

Black elected officials in these organizations are being asked to support this position. The purpose of this Position Paper is to provide background information to these officials on those aspects of General Revenue Sharing of greatest interest to their constituencies.

Black elected officials and others who have serious reservations concerning the way GRS treats minorities and the poor can do someting to counteract the pressures for renewal-without-change by forcing the attention of their organizations, the Congress, and the public as a whole to the shameful deficiencies of GRS, particularly its neglect of those citizens and local governments in greatest need.

This Position Paper is divided into several parts. Section I deals with "Issues and Problems with General Revenue Sharing" and states a "Recommend Position" with respect to each issue and problem area; Section II indicates "What You Can Do" to bring about changes in the General Revenue Sharing program; and Section III describes the major points in the pending GRS legislative proposals before Congress.

#6.5 Bil GRS 1977

SECTION I ISSUES AND PROBLEMS WITH GENERAL REVENUE SHARING

A. Targeting Funds to Jurisdictions Most in Need Through the Formula.

Payments to needy jurisdictions with high percentages of poverty level residents and with large outlay requirements for public services, are reduced by three features of the present GRS formula for determining the size of entitlement checks:

--A ceiling on the amount of funds any one jurisdiction can receive (145 percent of the state's average per capita payment) has prevented cities like Baltimore, Newark and St. Louis from receiving the full share they are entitled to based on their poverty and need characteristics as compared with other jurisdictions;

--Payments are made to all jurisdictions even if in particular cases the local government already has adequate sources of local funds to meet its needs; and

--Insufficient weight is placed in the formula on the idea that more funds should be targeted to jurisdictions whose levels of need are greatest. The formula factor "per capita income" serves this purpose to some extent but does not produce allocations comparable to need for urban areas and communities with large concentrations of people below the poverty line.

Three changes can be made in the statutory formula to produce a better balance between GRS payments and need. They are:

1. Substantially raise the ceiling (maximum level) on per capita payments from 145% to 300% of the state's per capita allocation.
2. Substitute "percent below the poverty line" for the present "per capita income" factor. This would produce higher payments to urban and rural areas with high concentrations of poverty and would give greater mathematical weight to need characteristics when they interact with other formula elements.

3. Add an element to the formula that would take account of the higher costs and greater levels of public service required in densely populated urban areas.

These simple formula adjustments will produce an especially meaningful difference for areas with large Black populations, since so large a proportion of Blacks have incomes below the poverty line. Blacks in large cities will benefit in addition from the upward cost of services adjustment proposed for urban areas.

Here are some examples of the annual dollar and percentage increases in GRS payments, which would result if these three formula changes were adopted:

Jurisdiction	$ Increase	%Increase
Cities		
New York	$95 million	36%
Los Angeles	2 m.	18
Detroit	21 m.	55
Baltimore	24 m.	92
Cleveland	5 m.	32
San Antonio	3 m.	32
Boston	23 m.	109
St. Louis	15 m.	110
New Orleans	5.5 m.	30
Atlanta	3.8 m.	53
Newark	5.7 m.	63
East St. Louis	.9 m.	52
Gary	1.5 m.	46
Rural Areas and Small Towns		
Alabama		
Greene County	$353 Thousand	181%
Macon County	169 Thousand	64
Prichard	317 Thousand	29
Tusgeegee	137 Thousand	62
Highland Park, Mich.	264 Thousand	27
Benton Harbor, Mich.	373 Thousand	82
Centerville, Ill.	41 Thousand	38

It is not necessary to know the working of the revenue sharing formula in detail to appreciate the fact that a program trying to provide fiscal support for

local governments strapped for funds must do a better job at pegging the size of payments to the extent of a government's need. Economic assitance objectives are poorly served when the most hard-pressed governments are treated not very much differently than their more well-to-do neighbors.

Recommended Position:

Formula Revisions - Bring GRS payments more in line with need by raising the ceiling to 300 percent; substitute "percent below the poverty line" for the "per capita income" factor; and provide for an upward adjustment for large urban areas.

B. Correcting for Payments Lost Through Population Undercount.

Black and other minorities have been over-looked and uncounted in the population census to a far greater degree than non-minorities. The Census Bureau estimates an undercount rate of 7.7 percent for Blacks as compared with 1.9 percent for whites.

The census undercount has a direct bearing on general revenue sharing, since the size of payments is keyed, to some extent, to the number of persons in the jurisdiction. The larger the population, the more funds a jurisdiction is entitled to receive. Places that have large monority populations, and hence greater numbers of people not counted by the census, end up with smaller GRS payments than comparable jurisdictions not faced with minority undercount problems.

The current GRS statute allows the Secretary of the Treasury to compensate for census errors by readjusting the population figures used to determine payments. Very soon after the GRS program started the National Black Caucus of Local Elected Officials, the Joint Center for Political Studies, and several Black Mayors petitioned the Secretary of Treasury to use his statutory discretion to solve the undercount problem. Formal

resolutions in support of this effort were passed by the U. S. Conference of Mayors and the National League of Cities.

Both ORS Director Graham Watt and Secretary of Treasury categorically denied this petition, arguing that the Census undercount estimates were national averages and that no precise statistical method could be found to translate these averages into specific numbers of persons overlooked in individual jurisdictions. Studies conducted by the Joint Center and the Stanford Research Institute suggest that this is not completely true.

Three years have passed since the initial effort was made to readjust GRS payments because of the population undercount without any reasonable action by the federal government to correct the admitted flaws in its data. This has meant the loss of millions of dollars to urban areas and other jurisdictions with a large number of minority and low income people. The city of Baltimore has estimated that it lost one million dollars in one fiscal year (1974) as a result of the undercount. The city of Newark has filed suit against the Office of Revenue Sharing to recover its losses.

It may be to much to expect a retrieval of the GRS dollars lost as a result of the undercount during the past five years. But it is not unreasonable to make certain that, in any renewal legislation, the Treasury Department and the Office of Revenue Sharing are required to make adjustments for population undercounts.

Recommended Position:

Population Undercount - Add language to the statute to make it mandatory for the Secreatary of Treasury to adjust the population data used to determine payments by taking account of national undercount estimates made by the Census Bureau for Black and white populations.

C. Preventing Discrimination in Local Government Activities Funded by GRS.

Two Congressional studies (by the General Accounting Office and the House Civil Rights Oversight Committee) and one done by a private civil rights research group (Civil Rights Under Revenue Sharing, available from the Center for National Policy Review) have documented in great detail the facts that:

1. Extensive discrimination against minorities and women is taking place in state and local government activities receiving GRS funds:
2. Federal anti-bias requirements that Congress included in the GRS legislation (Section 122) are not being enforced by the Office of Revenue Sharing and the Department of Justice.

Extensive discrimination has been shown to exist under GRS in the areas of public employment, the provision of government services, and education.

Public Employment. Bias against minorities and women is commonplace in the employment practices of state and local government agencies receiving GRS funds.

--The average salary for Black workers in state and local governments nationwide is $7,361 compared to $8,844 for Whites.

--Many governments employ far lower percentages of Black people than their proportion in the workforce, particularly for certain types of services such as fire and police protection.

--Even for those minorities that are employed, they are often relegated to lower level jobs, with no chance for responsibility or advancement.

Many public employment discrimination lawsuits that have been filed since 1972 when Title VII of the Civil Rights Act was amended to cover governments. In a recent lawsuit the Boston Public Works Department was charged with excluding and failing to promote minority persons. A similar suit against the Chicago Police

Department (Robinson V. Shultz) resulted in the first federal court order requiring GRS funds to be withheld from governments that do not follow equal employment practices.

Government Services. Services provided to neighborhoods or areas that are predominantly Black, Brown, low income, are poorer and fewer than those made available to more affluent white areas.

--One fourth of the complaints filed with the Office of Revenue Sharing relate to bias in the delivery of government services.

--Street paving; water and sewer facilities; and health care are the areas most often complained about.

Two federal courts in Mississippi ruled in January, 1976, that four municipalities in that state, including Greenwood (Johnson V. Greenwood), were prohibited from spending their GRS funds until complaints of bias against black residents in the provision of street, drainage, fire protection, water, and recreational services could be resolved.

Education. Jurisdictions with continuing problems of school segreation receive GRS funds from their state governments (local governments cannot spend their own GRS funds for noncapital educational purposes), that end up supporting segregated school systems.

--More than two-thirds of 65 school systems identified as being discriminatory by the court case of Adams V. Richardson are now receiving the benefit of state GRS funds.

Despite these extensive violations, and the clear, court-affirmed requirement in the GRS statute that funds be cut-off to violators, there have been only negligible and reluctant efforts by the federal government to enforce the law.

Who is responsible?

The Office of Revenue Sharing is responsible for terminating funds to recipient governments whose programs discriminate against minorities or women. ORS has refused to apply this remedy except in one case (Chicago) where a federal court ordered it to do so. Equally disappointing, ORS has taken an average of eight months to deal with civil rights complaints, with more than 60% of its incoming cases still uninvestigated and un-acted upon more than three months after receipt. ORS's backlog of cases is now more than 200 and is growing with an average of one new complaint each day. In addition, many of the cases that are closed by ORS are settled on terms that do not meet required compliance standards.

ORS blames its poor enforcement record on lack of staff, and it is true that Congress has limited the size of the civil rights compliance unit. Yet, when Congress approved an increase of five slots for civil rights last year, ORS took more than eight months to fill even one of these position. The remaining four were still vacant as of March 1.

The Department of Justice Civil Rights Division is responsible for filing lawsuits to prevent repeated GRS civil rights violations from occurring. Yet the Division has filed only one suit of this type (Tallahassee, Fla.) in more than three years. Moreover, it does not have a single staff attorney working on GRS problems full-time. All of the major GRS lawsuits (Chicago, and Greenwood, Miss.) were initiated by private parties rather than the Justice Department.

Justice also disavows any responsibility for providing oversight and guidance to ORS's civil rights compliance efforts except where a lawsuit has been brought by a private party.

One problem that has limited the federal government's civil rights enforcement efforts and has affected private lawsuits as well, is that the GRS anti-bias

requirements only apply to the specific programs and projects which are designated by the government as receiving some portion of the funds. This presented no problem in the early years of the GRS program. But now some officials have begun to grasp the significance of the fact that they can avoid potential enforcement by choosing as GRS recipients those agencies or projects least likely to raise equal opportunity issues.

Because of the great flexibility given to officials in choosing their revenue sharing projects, the only way to prevent this kind of evasion is to make all government programs and projects subject to the law regardless of whether they recieve GRS funds. This government-wide approach makes sense in the context of the GRS philosophy. Since the intention and effect of the program is to provide general budgetary support, all budget activities benefit to some degree from the availability of GRS funds, and therefore all should be subject to the statute's civil rights requirements.

Government-wide coverage would not produce dramatic results immediately, since we are still struggling to make the federal government's enforcement machinery even minimally effective. But it will eventually enable both the federal government and private parties to deal with civil rights violations through the most sensible and potentially forceful means, namely, by dealing with the entire GRS payment rather than small portions and by requiring complete GRS fund cut-off if any aspect of a government's activities is discriminatory.

In the face of widespread discrimination in GRS-supported programs and the federal government's inability or unwillingness to deal with such discrimination, a key question needs to be raised: If the nature of GRS is such that it is not possible for discrimination to be checked and prevented as required by law, is the program worth the cost of having major segments of our citizenry denied access to its benefits? Other ways of providing financial support for local governments can

be found that do not have this inherent weakness. Our nation's overriding commitment to a standard of equitable treatment in all government activities demands either that the equal opportunity standards of GRS be made sound and enforceable or that other avenues of aiding our governments be used.

Recommended Position:

Civil Rights

1. Office of Revenue Sharing. All aspects of the compliance and enforcement process, including termination of funds, should be made automatic and mandatory according to a set timetable that ORS must follow. Temporary deferral of funds also should be automatically imposed as soon as an investigation or court order has found a probable violation to exist.
2. The Department of Justice. Justice should be required to set up a revenue sharing enforcement unit of at least three full-time staffers, with ongoing authority to monitor and guide ORS's compliance operations along with its power to initiate lawsuits. (Note: Some advocates propose that all GRS enforcement authority, including the fund termination remedies now exercised by ORS, be transferred to the Justice Department. We prefer strengthening both the ORS and Justice approaches rather than consolidating them. It is important to have a strong fund-termination remedy applied by the federal agency distributing the assistance, in addition to the handfull of lawsuits that the Justice Department is likely to file over a period of years.)
3. Government-Wide Coverage. All state and local government functions should be made subject to GRS civil rights requirements instead of only those designated to receive a portion of GRS funds.

D. Targeting Funds to Needs By Earmarking Local Expenditures.

Since the nature of GRS is to provide general fiscal support to governments over a wide variety of program areas, it is not likely or intended that all GRS funds will

be aimed to benefit only minorities or the poor. But neither is it acceptable that such a small share should be allocated for these purposes as is now the case.

The Office of Revenue Sharing estimates that local governments spend one-third or their GRS payments on public safety (mostly for salaries), another 20 percent on transportation (mostly road building and maintenance), while social services for those in need receive only two percent. Some of the broad reporting categories undoubtedly disguise projects that do serve the needy. There also is some truth tothe argument that it is unrealistic to expect the reporting categories to indicate where the money is really going, since it is so easy to shift funds from one budget account to another. But the fact that government officials place programs specifically designated as social services so far down on their GRS priority list suggests that a pitifully small share of all the GRS expense categories is heading in that direction, even discounting for the inaccuracies involved.

The principle method that has been suggested to try to increase GRS spending on needs associated with poverty is to require a minimum percentage of GRS payments to be spent for social services. This requirement will not guarantee that significantly larger amounts will be spent in this way. Governments can still disguise the true impact of GRS funds by counting projects that would have been funded from local sources anyway as part of the minimum GRS expenditure. They also may describe as fitting the "social services to the poor" category some projects that do not really involve services or benefits especially geared to basic poverty needs.

The very nature of the general support concept of GRS makes these evasions inevitable to some extent. But, by the same token, the existence of a minimum spending requirement will help to influence the priorities of some jurisdictions, particularly those that need some legal crutch upon which to justify what they view as a politically sensitive action.

GRS can serve the purpose of provinding broad-based fiscal support and at the same time give stronger emphasis to some of those areas of local need that tend to be overlooked in the political process even though they have been especially hard hit by our economic problems. The choice is not between renewal of GRS without amendment, or bankruptcy for local governments. We can preserve the economic benefits of GRS but still see to it that there is more encouragement under the program for citizens most in need to receive a more equitable share of GRS support.

Recommended Position:

Local Targeting - Establish a minimum percentage amount that every recipient government must spend on social services for the poor or aged.

E. Increasing Citizen Involvement

Another method for increasing the likelihood that fund uses will be targeted to needs is to make governments more accountable to the public for spending decisions and more open to citizen proposals. Two approaches have been suggested:

a. Require governments to identify more specifically the projects, services and beneficiaries that are to receive a portion of GRS funds. The present program categories used for reporting are so broad that even federal investigators have found them useless for tracking GRS dollars.

b. Provide more, and earlier, opportunities for citizen input through mandatory hearings and/or citizen review panels, and require that proposed projects be opened for public discussion and review well before a written budget document is submitted to the legislative body for hearings.

These steps will by no means assure more effective targeting of funds to poverty needs. At best, poor and minority people will still have to comete with other citizen groups for a fair share of GRS benefits. But at least they will have

increased opportunities to organize and make their views known as part of the democratic process, with the hope that by doing so they will stimulate greater response to their needs.

As it now stands, GRS requires only that a local government's usual budgetary procedures be followed in using GRS funds. For most governments this has meant pro forma hearings with little real debate or opportunity for change. For many others there is even less chance for citizen input; allocations are decided by budget officials without hearings or other prior notice of spending plans.

The regular budget process is simply too complex and remote for most citizens or community groups to grapple with effectively. What is needed are a few concrete steps, such as special GRS hearings, citizen review panels, and fully itemized spending proposals, that citizens can use to make their reactions and priorities known. These steps must be taken at an early stage in the budget process so that meaningful citizen input is possible.

Recommended Position:

Citizen Involvement - Include provisions in the statute that require:

1. Detailed public descriptions of all proposed GRS expenditures and the neighborhoods that will benefit;
2. Special public hearing on GRS spending plans;
3. Creation of citizen advisory bodies which are broadly representative and are empowerd to review and comment on GRS spending plans.

F. Preventing Other Federal Grant Changes that Jeopardize Programs Aiding the Poor

The General Revenue Sharing program is the subject of our immediate attention because it is considered the prototype for the Ford and Nixon Administrations' "New Federalism" approach, and because its renewal will be debated by Congress in the next few months. While we must focus on GRS at this point, we should remember that

GRS is only one part of the much broader variety of changes in federal aid programs that New Federalism is producing. Many programs, such as Community Development and the Comprehensive Employment and Training, embody the same emphasis as GRS on placing greater powers over federal funds with local government officials and on reducing federal requirements and oversight responsibilities. For these reasons, these programs also have the same potential as GRS for great civil rights problems and less responsiveness to the needs of minorities and the poor.

As we gain experience under these new grant programs, we must be prepared to carry through the same type of citizen oversight effort made for general revenue sharing. Specifically, we need to:

1. Make our groups and constituents aware of the federal program changes that will be affecting their interests;
2. Document and make widely known those negative effects the new programs are having on minorities and the poor;
3. Develop community-based efforts to monitor the new programs, and bring pressure to bear on local officials to assure equitable distribution of funds; and
4. Develop a coalition that can keep pressure on federal agencies and Congress to reform the deficiencies that are uncovered.

Recommended Position:

Other New Federalism Programs - Begin working now to develop a longer-range strategy for:

1. Keeping track of the various new program and policy changes;
2. Identifying how these changes are affecting minorities and the poor; and
3. Bringing to national attention the concerns these changes raise.

G. Summary: Why Have Revenue Sharing At All?

At a time when serious cutbacks are being made in federal aid programs

targeted to the most basic needs of our people, such as jobs, health care, and education, does it make sense to continue to spend 10 percent of all available federal domestic assistance grants on a program that has demonstrated a strong tendency to ignore these needs? General Revenue Sharing has established a track record of:

--Condoning discrimination

--Supporting governments that either do not need the money, or squander it on unessential activities; and

--Making it more difficult for all citizens but especially those who are disadvantaged, to influence how their governments are spending funds.

Those interested in seeing scarce federal tax dollars used in more effective and socially relevant ways need to challenge the assumption that GRS deserves to be renewed without major change simply because our city and county governments need fiscal relief. This need is certainly present. But it can be met in ways that do not have these major deficiencies. There is a growing concensus that if the new GRS legislation is not accompanied by significant revisions to assure non-descrimination and that needs are met, perhaps the concept ought to be rejected. In any event, there is an urgent need to press for very specific reforms in the areas discussed in this report:

1. Allocation Formula - Eliminate (or significantly raise) the ceiling of payments, and change the formula factors so as to bring more funds to jurisdictions whose needs are greatest.

2. Civil Rights - Extend coverage of this requirement to all government activities, not just those supported by GRS, and make the application of the fund termination remedy automatic, with a set timetable for each compliance step, including temporary withholding of payments.

3. Targeting Funds - Establish a minimum percentage floor that each government must devote from its GRS payments to provide services to those most in need.

4. Citizen Involvement - Encourage a greater and more meaningful role for citizens by providing them with more detailed project impact plans, and establishing procedures, such as special GRS hearings and advisory bodies, so that they can make their voice heard.

5. Undercounts - Eliminate the built-in bias against governments with large numbers of Black and other minority citizens by requiring acknowledged undercounts of these groups to be compensated for in tabulating payments.

SECTION II: WHAT YOU CAN DO

A. At the Congressional City Briefing. Try not to let the blanket claims in support of GRS re-enactment pass without raising the serious deficiencies in the program that need to be corrected. Raise the question why $30 odd billions more (over an additional five and three-quarters years) should be allocated to revenue sharing when spending cuts are being made or proposed every day in areas much closer to the basic needs of people. Raise the issue of GRS's seemingly inherent inability to apply effective civil rights standards because of the "no-strings" philosophy that carries over to nondiscrimination despite a clear Congressional mandate otherwise. Be sure these and the other concerns and positions outlined in this report are included in any committee or conference-wide policy positions that are adopted.

B. With Congress. The National League of Cities and U. S. Conference of Mayors have arranged for elected officials to lobby with their representatives in Congress for GRS renewal. Make sure your reservations are registered in the same way--not only to your own representatives, but to key members and staffers of the three Congressional Committees that will be getting the first shot at GRS in the next month or so. Among them are:

1. House Intergovernmental Relations Subcommittee

   Chair: Fountain (D-S. Car.) tele: 225-4531; location 2188 Rayburn Bldg.

   Staff: Delphus Goldberg, tele: 225-2548; location B372 Rayburn Bldg.

   Key Members: Mezvinsky (D-Iowa) tele: 225-6576; 1404 Longworth Bldg.
   Brown (R-Ohio) 225-4324; 2242 Rayburn Bldg.
   John Burton (D-Calif.) 225-5161; 1513 Longworth Bldg.
   Jordan (D-Texas) 225-3816; 1534 Longworth Bldg.

2. House Government Operations Committee
   (parent group of the Fountain Subcommittee)

   Chair: Brooks (D-Texas) 225-6565; 2449 Rayburn Bldg.

   Key Members: Conyers (D-Mich.) 225-5166; 2444 Rayburn Bldg.
   Cardiss Collins (D-Ill.) 225-5006; 113 Cannon Bldg.
   John Moss (D-Calif.) 225-7163; 2354 Rayburn Bldg.
   Torbert McDonald (D-Mass.) 225-2836; 2470 Rayburn Bldg.

Ben Rosenthal (D-N.Y.) 225-2601; 2372 Rayburn Bldg.
Frank Horton (R-N.Y.) 225-4916; 2229 Rayburn Bldg.
John Wydler (R-N.Y.) 225-5516; 2334 Rayburn Bldg.

3. Senate Finance Committee

Chair: Long (D-La.) 224-4623; 217 Old Senate Office Bldg.

Key Members: Talmadge (D-Ga.) 224-3643; 109 Old Senate Bldg.
Nelson (D-Wisc.) 224-5323; 221 Old Senate Bldg.
Hartke (D-Ind.) 224-4814; 313 Old Senate Bldg.
Ribicoff (R-Conn.) 224-2823; 337 Old Senate Bldg.
Mondale (D-Minn.) 224-5641; 443 Old Senate Bldg.
Curtis (R-Neb.) 224-4224; 2213 New Senate Office Bldg.
Dole (R-Kan.) 224-6521; 4213 New Senate Bldg.
Packwood (R-Ore.) 224-5244; 1317 New Senate Bldg.

Staff: Michael Stern, 224-4515; 2227 New Senate Bldg.

4. Joint Committee on Internal Revenue and Taxation

Staff: Larry Woodworth; Michael Byrd; and Robert Strauss--
tele: 225-3621; location 1015 Longworth Bldg.

C. With Your Own Caucus. Publicize your position on GRS renewal.

D. Back Home. Those in Washington who will be working on the GRS legislation will desperately need facts and figures from the grassroots level to support their positions. Begin the task when you get home of trying to get a specific dollar amount of federal funds you have lost as a result of recent changeovers from a categorical or targeted approach to revenue sharing. Try to come up with a list of specific local programs and projects you have had to cut or eliminate as a result of the federal budget changes. Make a companion list of the community groups and government agencies that have been hurt most severely by the federal budget cuts. Finally, identify some of the projects that have been proposed recently, for new or expanded service activities, that have had to go by the wayside because of the changeovers in federal grants. Send this information to Eddie Williams at the Joint Center for Political Studies.

SECTION III: PENDING LEGISLATIVE PROPOSALS

There are three major forms of the General Revenue Sharing renewal package now before Congress.

The Ford Administration's proposal (H.R. 6558) would extend the program without major change, though it does bow to some of the concerns we have expressed, specifically:

1. Formula. Raises the upper limit on payments from 145% to 175% in annual increments of 6% over the 5 year extension period;

2. Civil Rights. Authorizes (But still in discretionary terms) the withholding of funds under very limited circumstances (court finding of discrimination, along with GRS coverage having been raised in the lawsuit).

3. Citizen Participation. Requires some opportunity for citizen input through such means as the Secretary of Treasury may find suitable, without specifying theform it would take, or making it mandatory.

Critics of the Adminstration's approach who want more basic reforms in GRS have two alternatives to consider, those of Congressman Drinan (H.R. 8319) and Congressman Fascell (H.R. 10319). Both offer good revisions along the lines discussed in this briefing paper, with the highlights and chief differences being as follows:

1. Formula. The Fascell bill offers detailed revisions in the formula that would produce a closer match between size of payments and need than the current distribution pattern. Much of the proposed formula changes and the examples of percentage increases in allocations cited in this paper are based on the Fascell bill.

2. Undercount. Neither bill, through oversight, deals with the undercount problem.

3. Local Targeting of Funds. The Drinan bill adds the categories of comprehensive planning and citizen participation to the existing list of allowable expense areas. The Fascell bill sets minimum expenditure percentages for each

expense category.

4. Citizen Participation. Both bills require more detailed accounts on proposed expenditures, with special public hearings on GRS and citizen advisory boards also mandated in the Drinan proposal.

5. Civil Rights. The Drinan bill makes it mandatory for GRS, to apply its compliance procedures according to a set timetable. Fascell prefers the transfer of all basic compliance responsibilities to the Justice Department.

The status of the legislation at present is that GRS hearings were held by two committees on the House side (Civil Rights Oversight and Intergovernmental Relations) during the summer and fall of last year. The House Intergovernmental Relations Subcommittee scheduled its mark-up sessions for the week of March 8. The Senate Finance Committee plans to await some action on the House side before considering the bill. It is expected that Congressional action will be completed before the summer recessat the end of June, particularly since action between September and November during an election year is unlikely. This means that between now and June 30 is the time when maximum pressures should be exerted on the Congress.

More information on any specific elements of the Congressional proposals can be obtained from the Joint Center for Political Studies.

CALIFORNIA CONGRESSIONAL DELEGATION

Congressman	Building	Room Number	Phone Number
Cranston, Alan	Russell	452	43553
Tunney, John	Dirksen	1415	43841
Anderson, Glenn M. (32)	Longworth	1230	56676
Bell, Alphonzo (27)	Rayburn	2329	56451
Brown, George E, Jr. (36)	Rayburn	2342	56161
Burgener, Clair W. (43)	Cannon	316	53906
Burke, Yvonne Brathwaite (28)	Cannon	336	57084
Burton, John L. (5)	Longworth	1513	55161
Burton, Phillip (6)	Rayburn	2454	54965
Clausen, Don H. (2)	Rayburn	2433	53311
Clawson, Del (33)	Rayburn	2349	53576
Corman, James C. (21)	Rayburn	2252	55811
Danielson, George E. (30)	Cannon	312	55464
Dellums, Ronald V. (8)	Longworth	1417	52661
Edwards, Don (10)	Rayburn	2240	53072
Goldwater, Barry M., Jr. (20)	Longworth	1421	54461
Hannaford, Mark W. (34)	Cannon	315	52415
Hawkins, Augustus F. (29)	Rayburn	2350	52201
Hinshaw, Andrew J. (40)	Longworth	1128	55611
Johnson, Harold T. (1)	Rayburn	2347	53076
Ketchum, William M. (18)	Cannon	413	52915
Krebs, John (17)	Cannon	435	53341
Lagomarsino, Robert J. (19)	Longworth	1319	53601
Leggett, Robert L. (4)	Rayburn	2263	55716
Lloyd, Jim (35)	Cannon	222	52305
McCloskey, Paul N., Jr. (12)	Cannon	205	55411
McFall, John J. (14)	Rayburn	2346	52511
Miller, George (7)	Longworth	1532	55511
Mineta, Norman Y. (13)	Cannon	510	52631
Moorhead, Carlos J. (22)	Longworth	1208	54176
Moss, John E. (3)	Rayburn	2354	57163
Patterson, Jerry M. (38)	Cannon	507	52965
Pettis, Shirley N. (37)	Longworth	1021	
Rees, Thomas M. (23)	Longworth	1112	55911
Rousselot, John H. (26)	Longworth	1706	54206
Roybal, Edward R. (25)	Rayburn	2404	56235
Ryan, Leo J. (11)	Cannon	119	53531
Sisk, B. F. (15)	Rayburn	2217	56131
Stark, Fortney H. (9)	Longworth	1034	55065
Talcott, Burt L. (16)	Longworth	1536	52861
Van Deerlin, Lionel (42)	Rayburn	2427	55672
Waxman, Henry A. (24)	Longworth	1039	53976
Wiggins, Charles E. (39)	Rayburn	2445	54111
Wilson, Bob (41)	Rayburn	2307	53201
Wilson, Charles H. (31)	Rayburn	2335	55425

Note: All phone numbers prefixed 22.