

DM
United States Senate

WASHINGTON, D.C. 20510

SEP 21 AM 11:34
September 20, 1983

The Honorable Paul E. Tsongas
United States Senate
Washington, D.C. 20510

Dear Paul:

When the Senate considers S. 1426, the General Revenue Sharing reauthorization measure, I intend to offer an amendment to strike the intrastate formula changes proposed in the reported measure.

S. 1426, as reported, would change the way funds are distributed within each State if Congress increases funds for the General Revenue Sharing program. (The Finance Committee bill would not increase the funding levels, but the House-passed bill would increase revenue sharing funds by \$450 million annually.)

If funding is increased as in the House bill, the result of the formula change is that the majority of jurisdictions in most States would receive little or no increase in their revenue sharing payments, while a few jurisdictions would realize substantial gains. The practical effect of the changes is that some jurisdictions will see their share of the overall revenue sharing program decreased. The table attached to this letter shows the percentage of jurisdictions in your State that would receive no increase at all under the proposed formula changes. Many other jurisdictions would receive an increase that is less than they would get without the formula changes.

The change proposed by the Finance Committee was not requested by any of the organizations representing the affected local governments, either at the hearing on the extension of the program or at any time prior to the action by the Committee.

When the Finance Committee adopted this change in funding within the States, The Committee did not have the information needed to see the effect of the formula change. The Committee report states only that the formula changes under the Committee provision "are designed to distribute revenue sharing funds more equitably." Detailed computer runs now available show this is not the result of the Committee provision.

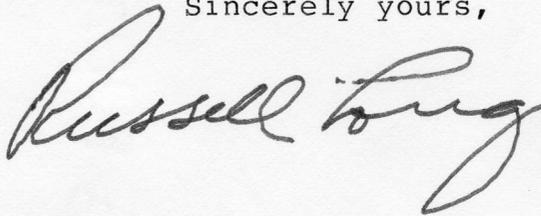
While arguments can be made about what is the most desirable formula in theory, the practical effect of this bill is to create many inequities. In my State, for example, a number of poor jurisdictions fail to receive any increase in revenue sharing payments, while other more affluent communities receive sizeable increases under the proposed changes. This same result can be seen in almost all States. I urge each of my colleagues to review the complete trial allocations prepared by the Treasury to fully understand the ramifications of the proposed formula changes for their respective States.

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The revenue sharing program is now more essential to local governments than ever before. It may not be possible to enact a funding increase at this time. It is my view, however, that when there is an increase in funding for the General Revenue Sharing program, all local units of government should share in that increase. The amendment is supported by the National League of Cities and the National Association of Counties. Should you have any questions, or wish to cosponsor this amendment, please contact Robert Holleyman, x4-0319.

With every good wish, I am

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Russell Long". The signature is written in dark ink and is positioned to the right of the typed name "Russell Long".

RBL:rh

Enclosure