

(Start of Belt #10)

now those regulations are going to affect...that this is. Three of the special Revenue Sharing bills...two of the bills have been introduced, Educational and the Justice. Ours on Community Development has not been introduced yet and the Manpower one does not require legislative measures. It is our responsibility to get to you the information that you need to..on the affects of those bills.

SPEAKER: Senator Frank Lewis.

SENATOR FRANK LEWIS: Mr. President, I would direct my question to Mr. Smith, also. Mr. Smith, there have been some who have suggested that the purpose of Revenue Sharing is to take categorical programs and lump them into one sum and then, of course, phase out the government's responsibility on the typical phase out plan of the government. Now I would specifically ask you this question. Is the same dollars plus the normal percentage increase in cost in all the Revenue Sharing programs being referred back to the state?

MR. SMITH: Take the four special Revenue Sharing programs that are proposed. The dollars are greater than the categorical programs that they will eliminate.

SENATOR FRANK LEWIS: Now is that by President recommendation or set by Congress' last years level of the programs.

MR. SMITH: That is in the President's recommended fiscal year '74 budget.

SENATOR F. LEWIS: And that represents, as I recall, substantial cut from previous years.

MR. SMITH: No, that is not true in any way. And in all cases, without exception, all of the special Revenue Sharing bills will carry the, "hold harmless clause", meaning that no one can get less than what they got. It is not true that the special Revenue Sharing is less than the categorical programs that it will replace. Using our department as an example, the Community Development side, the present categorical programs are pointed at the level of approximately 1.9 billion dollars. The first year Better Communities Act calls for 2.3 billion dollars and the Educational ones, the Manpower ones, the LEAA, all fall in the category. Now on Community Development, so that one does not jump to the conclusion that I am attempting to mislead, our proposed Community Development funds would become available fiscal year '75. A reduction in the fiscal year '74. Two reasons for this. Most of our funding, about 75% of all of our categorical funding is done in the last quarter of the fiscal year, April, May, and June. This year is no different. We are at the present time funding the Community Development Program, being that if we came along then in fiscal '74 and included the categorical money, we would be in this position in fiscal '75 of handing out both categorical funds and 30 days later special Revenue Sharing funds.

SENATOR F. LEWIS: Mr. Chairman, may I continue to get to the point that I was ultimately trying to get to. My district, of course, encompasses one of the largest military installations in the nation and probably, certainly in the state. I realize that you recommended through Revenue Sharing that there will be a hundred and approximately ninety million dollars for the "A" fund children, "A" category. Now, the total authorized appropriation of that bill excluding Category "C" is about seven hundred and fifty million dollars. Now last year it was funded..well, last year they don't