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Remarks by Rep. Gerald R. Ford before the Grand Rapids Optimist Club

Local taxpayers here and there throughout the country will get a break as a result of Federal revenue sharing legislation passed by the 92nd Congress.

Many communities around the country plan to use the funds they will receive under the new Federal revenue sharing program to reduce taxes--property taxes in most instances.

This is a result I had fervently hoped for in connection with Federal revenue sharing. Federal income taxes have been cut but our taxpayers need local tax relief badly. This has been true for years. It is one of the reasons I have pushed for Federal revenue sharing legislation since 1965.

This, of course, is not the sole reason for Federal revenue sharing. The aim also is to let local officials set their own priorities, rather than be dictated to by bureaucrats in Washington. The idea is to strengthen local government.

Where Federal revenue sharing money is not used to reduce local taxes, it will be used for public facilities and services. The most commonly planned use for the funds is capital improvements, mostly improved sewer and water facilities. This, in turn, should generate jobs and give the Nation's economy added impetus.

Federal revenue sharing funds also will be used in many communities to aid mass transit systems. And still other cities will use these funds for additional recreational facilities and the purchase of parkland.

Federal revenue sharing will be a big shot in the arm for State and local governments--more than \$30 billion over a period of five years--and the injection starts right now. Total allocation for 1972 is \$5.3 billion.

Revenue sharing checks will go out to State and local governments the first week in December under present plans. These checks will cover half of calendar year 1972. Checks for the second half will go out the second week in January unless there's a hitch.

Preliminary figures have been announced showing Grand Rapids as receiving just under \$2.7 million. However, this allocation was based on 1967 tax data. The Treasury Department now is recomputing the Federal revenue sharing allocations wherever

possible, using 1971 tax data. My guess is that Grand Rapids will wind up with a higher allocation than the initial tentative figure--but don't hold me to that. It's purely a guess.

The allocations to local units of government are based on population, per capita income and local tax effort. Allocations to the States are figured on ~~total~~ population, urbanized population, per capita income, income tax collections, and general tax effort.

The allocation formula for local units of government tends to favor poorer areas such as central cities and rural poor sectors. It also favors those units of government that are imposing heavy tax burdens on their people in order to meet their needs.

In any case, revenue sharing allocations have absolutely nothing to do with who happens to be the congressman ~~representing~~ representing a particular district. So if Flint gets more money than Grand Rapids, it won't be because Don Riegle is a White House favorite. It will be because Flint comes out better under the formula.

There is no restriction on what the States can use the money for. But the local units of government can use revenue sharing funds only for priority expenditures--public safety, including law enforcement, fire protection and building code enforcement; environmental protection, including sewage disposal, sanitation and pollution abatement; public transportation, including transit ~~systems~~ systems and streets and roads; health; recreation; libraries; social services for the poor or aged; financial administration; and necessary capital expenditures authorized by law.

I call your attention to the fact that Federal revenue sharing money can ~~be~~ be used for mass transit.

I have received some criticism for opposing use of Highway Trust Fund money for mass transit. Let me make ~~my~~ my position clear. I favor greater ~~outlays~~ outlays for mass transit. I simply do not believe Highway Trust Fund money should be used for mass transit as long as there is a death trap or bottleneck like old US-131 here or anywhere else in the country.

In any case, Grand Rapids has received \$400,000 in Federal funds for mass transit in just ~~the~~ the past 20 months. A program of transportation on demand will begin in the Inner City on Jan. 1 and a study of transportation needs of the elderly is in progress. When the study is completed, I feel sure the recommendations will be implemented.

~~We~~ We are moving ahead. We are making progress. And Federal revenue sharing will help ~~to~~ to move us toward our goals.

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