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MEETING WITH THE PRESIDENT
ON REVENUE SHARING

Saturday, May 1, 1976

Oval Office

Hand for
Discussion
Monday 5/3/76



MORANDUM

THE WHITE HOUSE
WASHINGTON

April 27, 1976

✓
For Set
meeting

MEMORANDUM FOR

JIM CANNON

FROM

PAUL MYER

SUBJECT:

Dick Nathan Letter on
General Revenue Sharing

Attached for your information is a copy of the Nathan letter we discussed in your office this afternoon. I have not previously made this letter available.

Attachment



Governmental Studies Program

March 31, 1976

Mr. Paul J. Myer
Office of Congressional Relations
The White House
Washington, D.C.

Dear Paul:

I am glad we had an opportunity to get together last week. You suggested that it would be useful for me to commit to paper my ideas on one subject we discussed--namely, the time period and permanence of funding for revenue sharing.

As you know, I have virtually made a career out of revenue sharing. And like many others, I have been of the opinion for quite some time that the basic idea of revenue sharing requires that there be long-term financing for the program, preferably a permanent appropriation, such as for Social Security. There are, of course, good reasons for taking this position: (1) State and local officers will thus be able to plan ahead for the use of shared revenue and (2) the program will be more secure on this basis, as opposed to being subject to frequent congressional appropriations.

I still regard these as important points. However, based on our research, I have increasingly come to take a more middle ground position on this issue.

One of the most important purposes of revenue sharing is that it stands as a symbol of a desire to place more reliance on State and local government and commensurately less on the Federal Government. In order for this essential purpose to be achieved, we need to make certain that the program is visible. The fact that governors, mayors, et.al. have been so much in evidence in Washington this year making the case for revenue sharing and decentralization is healthy and desirable. Every time legislation is considered for the revenue sharing program, it is again--along with the decentralization theme--brought forcefully (at least in relative terms for domestic policy) to national attention. The same effects are felt, based on our research, at the State and local level; decentralization issues, as a result of current legislative efforts on revenue sharing, are in the news and on people's minds. In a large sense, this is how I think one should gauge the decentralization effects of revenue sharing, that is, according to the extent to



March 31, 1976

which it impacts on budgetary decision-making processes at both the national and state-local levels. In so doing, it signals to people to look to city halls and the county court house to a greater extent to meet public needs and not to expect them to necessarily and invariably be framed in terms of old-style, particularistic federal aid instruments. We know from our research that the older a revenue sharing grant becomes, the more likely it is simply to be subsumed in the budget and treated "just like any other revenue." However, if the revenue sharing policy decision is regularly up for review, and, in fact, if there is an issue to be joined about its continuation, the tendency, both for decisions processes and the budget, is to give greater prominence to this explicit decision to shift power in our political system.

In sum, the visibility of revenue sharing reinforces one of its important aims--getting people to focus on the role of State and local governments in American federalism. For this reason, I now feel that Senator Bill Brock's bill and others for a permanent program may actually be the wrong approach. (Again, I would not have said this three years ago.) Having made this point, I would nevertheless guard against overstating it. All of this leads me to urge a middle ground.

I personally think it would be desirable, for example, to have a long authorization for revenue sharing, such as in the President's proposal for 5-3/4 years, if possible, with appropriations, say, every two years. I am not as happy about annual appropriations, even with one year advance-funded. But the essential point, as I said on Friday, is that my current thinking runs in the direction of seeking a compromise, rather than hanging tough on the principle of a multi-year (5 years or more) appropriation.

Sincerely,



Richard P. Nathan
Senior Fellow

THE WHITE HOUSE

WASHINGTON

April 28, 1976

MEMORANDUM FOR

JACK MARSH
MAX FRIEDERSDORF
JIM CANNON
ED SCHULTS

FROM

 PAUL MYER

SUBJECT:

Background for General
Revenue Sharing Meeting
Wednesday, April 28
4:30 p.m.

The House Government Operations Committee will soon begin consideration of the General Revenue Sharing renewal bill reported today by the Fountain Subcommittee. Although the Subcommittee did not endorse the President's proposal, the reported bill is not far from his position. Attached for your review is a comparative analysis of the current program, the President's proposal and the Subcommittee bill. (Attachment 1)

The following issues are relevant to our discussion of a legislative strategy from this point:

1. Length of Program and Level of Funding

President's Proposal: 5 3/4 years; total funding of \$39.5 billion, including \$150 million annual increase.

Subcommittee Bill: 3 3/4 years; total funding of \$24.9 billion, with no annual increase (funds frozen at 1976 level of \$6.65 billion).

Comment: 3 3/4 years represents a compromise after Democratic attempt to get only 1 3/4-year period. PIGS support compromise in light of funding level problems; longer extension obtainable in the Senate.

All attempts to increase funding, including those advanced by those wanting to change allocation formula to help big cities, were rejected.



\$150 million increment provision is not worth a fight; PIGS want greater increase; liberal Democrats want major formula change or add-on funds for distribution on basis of need.

Unless a substantial annual increase or other "sweetener" is advocated, it is advisable to hold Subcommittee position in House.

2. Method of Funding

President's Proposal: Continue present combined authorization-appropriation approach.

Subcommittee Bill: Establish "entitlement" financing approach.

Comment: Clearly the most controversial and sensitive issue. The entitlement financing approach adopted by the Subcommittee was developed as a realistic approach to the highly controversial question of how General Revenue Sharing should be funded. It does not substantially modify the basic tenets of the revenue sharing concept, but it does answer the argument of those Members who have charged that the existing funding provision by-passes the traditional Congressional appropriations process and circumvents the newly-established Budget Act procedures designed to control long-term spending actions (e.g. Brooks, Mahon). See Attachment 2 for a detailed explanation.

The entitlement financing approach is desirable because --

- a. its impact is identical to the President's proposal;
- b. it does not by-pass appropriations and is consistent with the new Budget Act;
- c. it negates the need for a special rule waiving points of order; and
- d. its chances of adoption are far greater than the combined authorization-appropriations approach and would place us in a favorable position in the Senate.

3. Civil Rights

President's Proposal: Clarifies the Secretary's authority to invoke one or more remedies where a recipient government is found to have used revenue sharing funds in a discriminatory fashion. This includes the authority to withhold all or a portion of entitlement funds due to the government and to require repayment of funds expended in a discriminatory fashion.

Subcommittee Bill: Discrimination prohibited on basis of handicapped status, age and religion in addition to race, color, sex, and national origin under all State and local programs except where recipient can prove "with clear and convincing evidence" that program was not funded, directly or indirectly, with GRS monies.

Extensive hearing and compliance procedures are spelled out requiring time limits for investigations, compliance, administrative procedures and court actions.

Private civil suits are authorized after the exhaustion of administrative remedies.

Comment: There has been a substantial amount of criticism, much of it legitimate, about the failure to enforce the nondiscrimination provision of the current Act. The Subcommittee bill contains a greatly strengthened provision, originally viewed as a compromise which would neutralize the issue.

Civil rights community now opposed, particularly to restriction on right of private action, but is a reflection of their total opposition to the program; most moderate and conservative Members may feel that Subcommittee provision goes too far.

Effort should be made to return to a position more consistent with, but stronger than, the President's proposal (e.g. a variation of Senate countercyclical bill nondiscrimination provision).

All other issues and points of difference are either relatively technical in nature or do not involve substantial policy decisions and may be worked out in Committee or can be easily revised in the Senate (e.g. citizen participation and reporting requirements).

* * * *

Recommendation: The Subcommittee bill, with some modification, should be viewed as the best vehicle available to insure House passage of a General Revenue Sharing bill which maintains the basic program concept and will enable us to work for Senate adoption and eventual enactment of a bill consistent with the President's objectives.

Attachments

1

BASIC PROVISIONS

CURRENT LAW
(P. L. 92-512)PRESIDENT'S PROPOSAL
H. R. 6558

SUBCOMMITTEE DRAFT BILL

Funding level	\$30.2 billion to be distributed Jan. 1, 1972 to Dec. 31, 1976.	\$39.5 billion to distributed Jan. 1, 1977 to Sept. 30, 1982.	\$24.9 billion to be distributed Jan. 1, 1977 to Sept. 30, 1980.
Funding Mechanism	5 year trust fund. (Funds authorized and appropriated for entire period.)	5 3/4 year trust fund. (Funds authorized and appropriated for entire period.)	3 3/4 year entitlement. (Note: an entitlement program is not the same as annual appropriations. Under the entitlement provision, the Appropriations Committee would only have jurisdiction if the amount authorized by the legislative committee (Government Operations) is greater than that approved by the Budget Committee. Under such circumstances the Appropriations Committee would have 15 days in which to adjust the legislative committee's action. If they do not, the discrepancy must be reconciled on the Floor.)
Annual Increment	\$150 million per year.	No change.	No increment. Funds are frozen at the 1976 level of \$6.65 billion.
Eligibility	All units of general purpose government are eligible to participate in the program.	No change.	To participate local government recipients must: <ol style="list-style-type: none"> 1) Be defined as a unit of general purpose government by the Census Bureau. 2) Impose taxes or receive intergovernmental transfer payments. 3) Provides "substantially" for at least two of the following services: police, courts and corrections, fire protection, health services, social services, recreation, libraries, sewage disposal and water supply, solid waste disposal, zoning or land-use planning, pollution abatement, roads, mass transit, and education. 4) Spend at least 10 percent of their total expenditure for two of the services or provide four of the listed services.
Formula Provisions	Money allocated by formula based on population, per capita income and tax effort.	No change.	No change.
	States receive 1/3 of funds distributed; local governments receive 2/3.	No change.	No change.

	Sets maximum entitlement to local government at 145 percent of the average statewide per capita entitlement.	Raised to 175 percent by 6 percentage points per entitlement period in five steps.	Retains 145 percent maximum limitation.
	Sets minimum entitlement to local government at 20 percent of the average statewide per capita entitlement.	No change.	No change.
	No local government to receive revenue sharing funds in excess of 50 percent of its own source non-school revenues plus any intergovernmental transfer.	No change.	No change.
	Any general purpose government due to receive less than \$200 annually will not participate in the program.	No change.	No change.
Citizen Participation and Public Hearing	Recipient governments must publish Planned and Actual Use Reports in newspapers of general circulation.	Same, but Secretary of the Treasury may authorize other methods to publicize use information where such are appropriate.	<ul style="list-style-type: none"> a) Recipient governments must hold public hearings on the Proposed Use Report at least 7 days before the submission of the report to ORS. b) Recipient governments must hold a second hearing, at least 7 days before the adoption of their budget, showing the relationship of GRS funds to functional items in their budget. c) Thirty days before the second hearing, the government must publish a summary of its budget and Proposed Use Report in a general circulation newspaper. d) Hearings must be at a place and time that "permits and encourages citizen participation."
	No requirement for public hearing or other means of public participation in use of funds.	Requires assurance that there will be a public hearing or other method by which the public may participate in deciding how the funds are to be spent.	
	Allocation of GRS monies must be in accordance with State and local law.	No change.	No change.
Reporting Requirements	Law prescribes reports on amounts and purposes of planned and actual expenditures.	No change.	Proposed Use Report must include comparative data use of GRS funds for the current and the two previous entitlement periods and must compare them to items in budget.

Proposed Use Reports must specify whether the use is for new or expanded program, a continuation of activity or tax stabilization or reduction.

Actual Use Reports must be filed with ORS. Any differences between planned and actual uses must be explained.

Budget documents and Use Reports must be available at principal government office and libraries.

Budget summary must be published in newspaper 30 days after adoption with explanation of changes between the Proposed and Actual Use Reports.

Anti-Discrimination Provisions

Law contains strong anti-discrimination requirement where activity is funded with revenue sharing. Secretary's enforcement powers are stated in general terms: to refer matter to Attorney General, to exercise powers and functions provided by Title VI of Civil Rights Act of 1964, or to take such other action as may be provided by law.

Clarifies the Secretary's authority to invoke one or more remedies where a recipient government is found to have used revenue sharing funds in a discriminatory fashion. This includes the authority to withhold all or a portion of entitlement funds due to the government and to require repayment of funds expended in a discriminatory fashion.

Discrimination prohibited on basis of handicapped status, age and religion in addition to race, color, sex, and national origin under all State and local programs except where recipient can prove "with clear and convincing evidence" that program was not funded, directly or indirectly, with GRS monies.

Extensive hearing and compliance procedures are spelled out requiring time limits for investigations, compliance, administrative procedures, and court actions.

Private civil suits are authorized after the exhaustion of administrative remedies.

Matching Prohibition

Revenue sharing funds may not be utilized to meet Federal grant matching requirements.

No change.

Matching prohibition eliminated.

Davis-Bacon Provision

Davis-Bacon (minimum-wage) applies to construction projects funded 25 percent or more with revenue sharing monies.

No change.

No change.

Priority Categories

Local governments may use funds for any capital projects but only for operating and maintenance expenses of programs in eight priority expenditure categories (public safety, environmental protection, public transportation, health, recreation, libraries, social services for the poor or aged, and financial administration.)

No change.

Priorities eliminated.

Congressional Review	No general review of program is required.	Secretary of the Treasury to report to Congress two years before expiration date.	Secretary of Treasury must make an annual report on program. Comptroller General is to review ORS compliance activities.
State Maintenance of Effort	States must maintain level of fund transfers to localities as of Fiscal '72.	No change.	States must maintain level of funds transferred to localities as of Fiscal '76.
Auditing Requirements	Recipient governments must follow standard fiscal accounting and auditing procedures. Federal government is permitted to audit any recipient.	No change.	Annual "independent" audit required of all State and local finances except where the cost of such audits is disproportionately large in relation to GRS funds.
Anti-lobbying Provisions	No provision.	No provision.	No recipient governments may use, directly or indirectly, any GRS funds for "lobbying or to influence any legislation regarding the Act."

2

THE WHITE HOUSE

WASHINGTON

April 9, 1976

MEMORANDUM FOR

FROM

SUBJECT:



PAUL O'NEILL

PAUL MYER

Entitlement Financing
for General Revenue
Sharing

The funding provision of the current Act and the President's proposed legislation to extend General Revenue Sharing providing combined authorization-appropriation of funds over a long-term period has generated considerable opposition among many Members who otherwise support the revenue sharing concept and those Members who strongly oppose the program's continuation for other reasons. After rejecting the President's proposal, the House Subcommittee had tentatively adopted a short-term extension of the program's authorization only, making its funding subject to the annual appropriations process. The Subcommittee has now reversed that decision, voting to authorize continuation of General Revenue Sharing as a 3 3/4-year entitlement program.

The entitlement financing amendment adopted by the Subcommittee was developed as a realistic approach to the highly controversial question of how General Revenue Sharing should be funded. The amendment does not substantially modify the basic tenets of the revenue sharing concept, but it does answer the argument of those Members who have charged that the existing funding provision by-passes the traditional Congressional appropriations process and circumvents the newly-established Budget Act procedures designed to control long-term spending actions.

One of the principle objectives of the Budget Act was to bring so-called backdoor spending within the scope of the appropriations process. The Budget Act (section 401) defines three types of "new spending authority" and sets forth their relationship to the appropriations process in order to promote more comprehensive and consistent control over spending actions. The Budget Act draws distinctions between these types of spending legislation and establishes special procedures for their consideration. With respect to new contract authority and borrowing authority legislation, such bills must contain a provision that funding is effective only to the extent or in such amounts as are provided in appropriations acts. However, the Budget Act established different procedures with respect to the third type of new spending authority, entitlement financing.

As defined in the Budget Act (section 401(c)(2)(C)), entitlement legislation provides temporary or permanent authority to make payments (including loans and grants), the budget authority for which is not provided for in advance by appropriation acts, to any person or government if, under the provision of law containing such authority, the Federal Government is obligated to make such payments to persons or governments who meet the requirements established by such law.

In recognition of the need to provide for long-term funding of certain Federal programs, the Budget Act established specific procedures for consideration of legislation providing entitlement authority (section 401(b)(1), (2) and (3)).

First, since legislation providing entitlement authority could not become effective prior to the start of the new fiscal year, the Budget Act provides that such legislation would be fully subject to the reconciliation process.

Second, legislation providing entitlement authority would be referred to the respective Appropriations Committees if it would generate new budget authority in excess of the allocation made under the latest Congressional Budget Resolution for the new fiscal

year. Such legislation would be referred for no more than 15 days, with the Appropriations Committee automatically discharged from consideration if it has not reported during this period. The Appropriations Committee may report the legislation with an amendment limiting the total amount of new entitlement authority; however, their jurisdiction extends only to the cost of the program involved and not to substantive changes.

Further, entitlement financing does not violate either the jurisdiction of the Appropriations Committee or Rule XXI of the House. Appropriations Committee jurisdiction was specifically rejected by the House-Senate Conference Committee on the Budget Act (the House-passed bill would have made all new entitlements effective only as provided in appropriation acts), except to the extent that entitlement authority is contained in annual appropriations acts (and therefore consistent with Rule XXI).

Not only is legislation providing entitlement authority clearly recognized as a form of spending and within those provisions of the Budget Act designed to control long-term spending actions, the Budget Act specifically contemplates the application of the entitlement financing approach to legislation extending the General Revenue Sharing program. In fact, when stipulating certain exceptions to the Budget Act provisions for consideration of entitlement programs (e.g., Social Security), Section 401(d)(2) specifically provides that the current Act authorizing General Revenue Sharing payments or legislation extending it could also be exempted from these procedures if Congress were so inclined.

Based upon this analysis, it appears that the entitlement financing approach for General Revenue Sharing represents both an acceptable legislative and substantive resolution of the funding method issue.

The approach is consistent with the Budget Act and the President's objective. While subject to the provisions of the Budget Act and the annual appropriations process, in practice, since these are entitlement payments which the Federal Government is obligated to make to eligible

recipients, the annual process is pro forma and the results would be nearly identical to the funding provisions of the current Act and the President's renewal bill.

Attached per your request is a copy of the entitlement financing amendment adopted by the Subcommittee on Thursday, April 8. As I noted in our phone conversation, it does not address the level of funding or duration of the program issues. These matters are still open and will be considered in full committee.

Attachment

cc: Jim Cannon
Max Friedersdorf
Art Quern

Jack Brooks 225-6565

4/29/26

Big Library Policy -

1) 12-5-

out of Annonette yesterday

.....

~~12-5-~~

will to meet on Tuesday
& Wed

finish by -

Report on Friday



finish

Horton - part of paperwork + don't
want to meet Mon & Tues

Call Horton - start
Mon & Tues day
get book to can see

* Ken King?
Pick

Even

THE WHITE HOUSE

WASHINGTON

April 30, 1976

STAFF BRIEFING ON GENERAL REVENUE SHARING
RENEWAL LEGISLATIVE SITUATION

Saturday, May 1, 1976
The Oval Office

From: Jim Cannon *JAC*

I. PURPOSE

To brief the President on the status of General Revenue Sharing renewal legislation, and to get Presidential guidance on strategy as the bill is taken up by the full Committee.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: On Tuesday, May 4, the House Government Operations Committee will begin consideration of the General Revenue Sharing bill reported by the Fountain Subcommittee. Although the Subcommittee did not endorse the President's proposal, the reported bill includes most of the major elements proposed by the President.

Congressmen Frank Horton and Jack Wydler, ranking minority members of the Committee and Subcommittee respectively, need guidance on your strategy for the Committee sessions next week and the floor battles to follow.

Four major issues will dominate full Committee consideration:

1. length of program and level of funding;
2. method of funding;
3. civil rights; and
4. formula revision.

Tab A is a summary of these points.

- B. Legislative Assessment: There has been a 36.5% turnover in the House since 1972 when General Revenue Sharing was enacted.

The key House vote in 1972 was on a motion to adopt a "closed rule" for consideration of the General Revenue Sharing bill.

In 1972, the motion passed by a vote of 223-185 (R 113-57; D 110-128). Today, 63% of the Members (141 Members) who supported General Revenue Sharing on this critical vote are still serving, while nearly 70% (126 Members) of those opposed remain Members. There are 157 new Members since 1972 (103 D; 54 R). Tab B is a statistical display of the key rule vote.

The opposition represented a coalition of liberal Democrats opposed to "no strings" spending, and conservative Democrats and Republicans who opposed the program for a variety of philosophical reasons including increased spending and the funding method which by-passed the traditional appropriations process. With respect to the latter, current Members of the Appropriations Committee voted 31-15 (R 8-7; D 23-8) against General Revenue Sharing on this vote. Members of the new Budget Committee voted 14-9 (R 4-4; D 10-5) against. Tab C is a list of all current Republican Members who voted "wrong" on this rule vote in 1972.

The nature of the opposition in the 94th Congress closely parallels that expressed in 1972, reflecting the same philosophical differences over the control and distribution of Federal funds and appropriate Congressional procedures.

- C. Participants: See Tab D.
D. Press Plan: To be announced.



TAB A -- REVIEW OF MAJOR ISSUES

1. Length of Program and Level of Funding

President's Proposal: 5 3/4 years; total funding of \$39.5 billion, including \$150 million annual increase.

Subcommittee Bill: 3 3/4 years; total funding of \$24.9 billion, with no annual increase (funds frozen at 1976 level of \$6.65 billion).

Comment: Committee Democrats may attempt to get a 1 3/4-year extension. Governors and Mayors are willing to accept a 3 3/4-year compromise. A longer extension may be obtainable in the Senate.

All attempts to increase funding, including those advanced by Members wanting to change the formula, were rejected. No serious effort is anticipated to increase the level of funding, except to the extent the formula is modified.

2. Method of Funding

President's Proposal: Continue the present combined authorization-appropriation approach.

Subcommittee Bill: Establishes an "entitlement" financing approach.

Comment: The entitlement financing adopted by the Subcommittee was developed as a realistic approach to the highly controversial question of how General Revenue Sharing should be funded. It does not substantially modify the basic tenets of the revenue sharing concept, but it does answer the argument of influential Members such as George Mahon and Jack Brooks who have charged that the existing funding provision bypasses the traditional Congressional appropriations process and circumvents the newly-established Budget Act procedures designed to control long-term spending actions.

3. Civil Rights

President's Proposal: Retains current nondiscrimination requirement, but clarifies the Secretary's authority to withhold all or a portion of entitlement funds,

to require repayments, and terminate eligibility where revenue sharing funds have been expended in a discriminatory fashion.

Subcommittee Bill: Expands nondiscrimination requirements to cover all State and local programs except where recipient can prove "with clear and convincing evidence" that the program was not funded, directly or indirectly, with revenue sharing funds.

Extensive hearing and compliance procedures are spelled out requiring time limits for investigations, compliance, administrative procedures and court actions. Private civil suits are authorized only after the exhaustion of administrative remedies.

Comment: There has been substantial criticism of the enforcement record under the current Act. The subcommittee provision was drafted as a compromise which the Members hoped would neutralize the issue and gain some liberal support.

It now appears that the civil rights community and their Congressional allies will not support the bill without more drastic changes, and the Subcommittee provision may go too far for most moderate and conservative Members. An effort will be made to return to a position more consistent with, but possibly stronger than, the President's proposal.

4. Formula Provisions

President's Proposal: Retains current formula with a slight increase in upper constraint.

Subcommittee Bill: Retains current formula without change, but attempts to tighten eligibility criteria.

Comment: Liberal Democrats will renew their attempts to modify formula or add a new provision for the distribution of increased payments to "needy" governments.

TAB B --

STATISTICAL DISPLAY

House vote on motion to end debate and adopt "closed rule" for consideration of H. R. 14370. Motion agreed to, 223-185, June 21, 1972. A yea vote was in support of General Revenue Sharing.

	Republicans		Democrats		Total	
	1972	1976	1972	1976	1972	1976
YEA	113	57	110	84	223	141
NAY	57	32	128	94	185	126
NOT VOTING	8	2	16	6	24	8
TOTAL, 92nd Congress	178	91	254	184	432*	267
"NEW" MEMBERS	--	54	--	103	--	157
TOTAL, 94th Congress	--	145	--	287	--	432*

* 2 vacancies, Speaker not voting.

TAB C -- ALL CURRENT REPUBLICAN MEMBERS VOTING
AGAINST GENERAL REVENUE SHARING ON KEY
VOTE IN 1972

Republicans

Andrews
Archer
Ashbrook
Broyhill
Burke
Carter
Cederberg
Clancy
Clawson
Collins
Crane
Derwinski
Devine
Edwards
Findley
Frey

Hutchinson
Lujan
Michel
Myers (Ind.)
Rhodes
Robinson
Rousselot
Ruppe
Schneebeli
Sebelius
Skubitz
Spense
Snyder
Talcott
Vander Jagt
Young (Fla.)

TAB D -- PARTICIPANTS

The Vice President

Jack Marsh, Counsellor to the President

James Cannon, Assistant to the President

James Lynn, Director of the Office of
Management and Budget

Ed Schmults, Deputy Counsel to the
President

Paul O'Neill, Deputy Director of the
Office of Management and
Budget

Charles Leppert, Deputy Assistant to
the President

Robert Wolthuis, Deputy to the Assistant
to the President

Paul Myer, Assistant Director, Domestic
Council

Richard Albrecht, General Counsel,
Department of the Treasury

[5/1/76]

DRAFT

STATEMENT BY THE PRESIDENT
ON GENERAL REVENUE SHARING

I have today received from my staff a report on the status of the General Revenue Sharing legislation now before the Congress.

I am gratified that the Government Operations Committee is proceeding with a mark-up of this legislation which is important to every State and local government and therefore important to every citizen in the country. It is essential that the Congress enact this legislation as soon as possible.

More than a year ago I proposed an extension of the current General Revenue Sharing program to provide \$39.8 billion over the next 5 3/4 years. I remain committed to that proposal.

I shall be following closely the actions of the House Government Operations Committee and subsequent actions by the Congress.

[5/11/76]

DRAFT

STATEMENT BY THE PRESIDENT
ON GENERAL REVENUE SHARING

I have today received from my staff a report on the status of the General Revenue Sharing legislation now before the Congress.

I am gratified that the Government Operations Committee is proceeding with a mark-up of this legislation which is important to every State and local government and therefore important to every citizen in the country. It is essential that the Congress enact this legislation as soon as possible.

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I shall be following closely the actions of the House Government Operations Committee and subsequent actions by the Congress.

[5/1/76]

Optional strategies:

1. Reaffirm publicly, and privately to the Republican leaders, your commitment to your proposal before the Congress.
2. Tell the Republican leaders that they should get the best bill they can out of the Committee, and then the House, and improve it in the Senate.
3. ~~THE~~ Reaffirm publicly your commitment to your proposal, and state that you are going to follow closely Congressional action on revenue sharing.

[5/1/76]

AGENDA

1. Opening Remarks -- Cannon
 - a. House Government Operations Committee to begin mark-up Tuesday
 - b. Marsh and others met earlier this week, would like to briefly review with you the Subcommittee bill and our assessment of the legislative situation
 - c. Staff and Republican Members need your guidance
2. Review Subcommittee Bill -- Cannon, Myer (O'Neill, Schmults)
3. Legislative Assessment -- Marsh, Cannon (Myer)
4. Discussion of Possible Actions
 - a. Review Presidential options, statement (Cannon)
 - b. Phone calls to Members (by President, Vice President, Secretary Simon, Senior Staff)

Horton	Rhodes	Randall
Wydler	Michel	Preyer
Fountain	Cederberg	Hicks
Fuqua		Wright
Levitas		Steiger
		Thone
 - c. Agenda item at GOP Leadership meeting with President (Wednesday, May 5)

12-5
Meyer

5/3/76

P calls to Mode
Cedebay
Michel

Swain / Barkus Committee
Aigler, Thaul

Lynn - Barkus Committee

Jensen - Mills
Wright



Cannon

Rosenthal -

Paul - Jerry Wolf -

Faley ? (ok in 72)

Wahon opposed

mel Price (?)

Reuss (ok in 72)

Adams - opposed

Duggs -

Perkins - opposed

Morgan - ? (ok in 72)

Bush opposed

Hayes opposed

Haley opposed

Stephens opposed

Patt Rodis (ok in 72)

Sullivan opposed

Henderson opposed

Jones - opposed

Wosden - (ok in 72)

League - opposed

Quinn - ok in 72

Roberts - opposed

Ullman - (ok in 72)