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ALAN CRANSTON
CALIFORNIA

United States Senate

WASHINGTON, D.C. 20510

July 19, 1971

Honorable Thomas E. Laubacher
Supervisor, Ventura County
County Courthouse
Ventura, California 93003

Dear Tom:

I am writing to you, and to other California mayors, city councilmen and county supervisors, because I know we all have a deep interest in the revenue sharing proposal now before Congress. I can report some very encouraging developments.

I have just conferred at length with Representative Wilbur Mills, Chairman of the House Ways and Means Committee, which will originate whatever legislation gets moving in Congress. Immediately thereafter, I discussed the matter with Senator Russell Long, Chairman of the Senate Finance Committee, which will consider whatever bill passes the House. These two men more than any others will determine what happens to revenue sharing.

Chairman Mills said he expects to start hearings soon and that his committee will probably report out a bill before Congress recesses for the summer on August 6. He expects to get the bill through the House in September.

Mills expects his committee to work out a bill containing the following features, which he favors:

1. Revenue sharing with cities and counties on a block grant basis for specified purposes, such as police and fire protection, sanitation including garbage collection and sewer construction, pollution abatement, rapid transportation and other prime needs. The local government would be free to spend all the money for one purpose -- like law enforcement -- or it could allocate the money as it chose among several or all the authorized categories.
2. Temporary rather than permanent authority for revenue sharing, so the program could be reviewed and revised in the light of experience. The original authorized life of the program would probably be set at five years. I am confident the Congress will not cut off the program after the five-year period.
3. Revenue distribution to local governments on a per capita income formula.

4. Authorization of \$3.5 billion annually for revenue sharing (\$1 billion a year more than the figure proposed by President Nixon).
5. No revenue sharing with states. Mr. Mills believes states will be helped substantially through reforms he expects to be enacted in (a) medical care and (b) welfare (with the federal government assuming step-by-step an increasing share of the welfare costs now borne by state governments and local property taxpayers).

That's the essence of the program Congressman Mills will push.

Senator Long told me he intends to take up the bill in the form it passes the House. He expects to report it to the Senate floor without any extended lapse of time, and he predicts Senate passage by late winter or early spring.

So prospects seem bright that Congress will enact a sound and sizeable revenue sharing measure in time to assist you significantly in meeting the financial problems of your community in the fiscal year beginning July 1, 1972.

I enthusiastically support a revenue sharing program along the lines outlined by Wilbur Mills. I assure you I will do all I can to speed it to enactment.

Very sincerely,



Alan Cranston