

# FEDERAL FUNDING IN LOCAL PROGRAMS



*Bulletin No. 81-19*

LEGISLATIVE COMMISSION  
OF THE  
LEGISLATIVE COUNSEL BUREAU  
STATE OF NEVADA

*October 1980*



REPORT ON THE USE OF FEDERAL MONEY  
IN LOCAL GOVERNMENTAL PROGRAMS

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Senate Concurrent Resolution No. 14—Committee on Finance

FILE NUMBER.....136

**SENATE CONCURRENT RESOLUTION**—Directing the legis'tive commission to study the use of federal money in local governmental programs.

**WHEREAS**, The extent of federal money coming to the local governments in Nevada has been growing dramatically; and

**WHEREAS**, There is no agency in Nevada which compiles the sources and uses of federal money by our local governments; and

**WHEREAS**, The Federal Government is finally attempting to balance the federal budget, which may substantially reduce the federal revenue available for local governmental programs, possibly reducing or eliminating funding for services which local governments may be requested to replace; and

**WHEREAS**, It is not possible for the legislature to enact rational and comprehensive tax reform and fiscal plans for local governments when local government budgets contain an increasing percentage of federal money; now, therefore, be it

*Resolved by the Senate of the State of Nevada, the Assembly concurring*, That the legislative commission is hereby directed to study local programs to determine the extent of federal money received, the growth in the amount of federal money, the intent of the agencies in applying for and accepting federal money, the effectiveness of the programs for which money was received and the extent to which the goals of the federal programs are consistent with the goals and priorities of local government; and be it further

*Resolved*, That the study consider the extent to which the acceptance of federal money in any of the programs reviewed obligates the local governments, directly or by implication, to pay the costs of supporting the programs in the future; and be it further

*Resolved*, That the subcommittee appointed to conduct the study contain representatives of local governments; and be it further

*Resolved*, That the legislative commission submit a report of the results of the study to the sixty-first session of the Nevada legislature.



REPORT OF THE LEGISLATIVE COMMISSION

TO THE MEMBERS OF THE 61st SESSION OF THE NEVADA LEGISLATURE:

This report is submitted in compliance with Senate Concurrent Resolution No. 14 of the 60th Session of the Nevada Legislature which directs the Legislative Commission to study local programs to determine the extent of federal money received, the growth in the amount of federal money, the intent of the agencies in applying for and accepting federal money, the effectiveness of the programs for which money was received and the extent to which the goals of the federal programs are consistent with the goals and priorities of local government.

The Legislative Commission appointed a subcommittee to conduct the study consisting of Senator Floyd R. Lamb, Chairman, Senator James I. Gibson, Vice Chairman, Senator Lawrence E. Jacobsen, Assemblyman Roger Bremner, Assemblyman Peggy Cavnar and Assemblyman Sue Wagner.

The subcommittee has attempted to present its findings and recommendations in this report as briefly and concisely as possible especially in light of the significant amount of data which was gathered.

The report includes numerous tables which support the findings of the study; however, additional supporting documentation is on file with the Legislative Counsel Bureau and can also be found in local government budgets which are on file with the State Department of Taxation.

Respectfully submitted,

Legislative Commission  
Legislative Counsel Bureau  
State of Nevada

Carson City, Nevada  
October 1980

\* \* \* \* \*

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REPORT OF THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE  
STUDYING THE USE OF FEDERAL MONEY  
IN LOCAL GOVERNMENTAL PROGRAMS

I. INTRODUCTION

Senate Concurrent Resolution No. 14 of the 1979 Session of the Legislature directed the Legislative Commission "to study local programs to determine the extent of federal money received, the growth in the amount of federal money, the intent of the agencies in applying for and accepting federal money, the effectiveness of the programs for which money was received and the extent to which the goals of the federal programs are consistent with the goals and priorities of the local government." The resolution also called for the study to determine the extent the acceptance of federal money might obligate the local government to supporting programs in the future.

To carry out the study, the Legislative Commission appointed a subcommittee comprised of the following legislators: Senator Floyd R. Lamb, Chairman, Las Vegas; Senator James I. Gibson, Vice Chairman, Henderson; Senator Lawrence E. Jacobsen, Gardnerville; Assemblyman Roger Bremner, Las Vegas; Assemblyman Peggy Cavnar, Las Vegas; and, Assemblyman Sue Wagner, Reno.

Additionally, the resolution called for the Legislative Commission to appoint representatives of local governments to participate in this study. To satisfy this requirement, Mr. Marvin Leavitt, Finance Director for the City of Las Vegas, and Dr. Marvin Picollo, Superintendent of the Washoe County School District were appointed to the subcommittee.

The subcommittee held meetings in Las Vegas and Carson City devoted primarily to receiving testimony from Nevada local government representatives and to review and finalize the report. The subcommittee also conducted a survey of all cities, counties and school districts in the state in an attempt to acquire the statistical data on the type and amounts of federal funding received by these units of government. The primary source of revenue information included in this report, however, is from the local government budgets on file with the State Department of Taxation as this source of information was the most consistent available. Also, where possible, actual expenditure figures of federal revenues were used as opposed to budgeted federal revenues.

## II. SUBCOMMITTEE FINDINGS AND RECOMMENDATIONS

1. Information developed in this study was extracted primarily from the local government budgets on file with the State Department of Taxation. In order to compile the statistical data included in this report for each fiscal year, 16 city budgets had to be reviewed as well as 17 school district budgets and 17 county budgets. There is no single source of information either at the local or federal level which provides the type of data necessary for this particular kind of study.

Information that is available is inconsistent not only from one city to another but also between cities, school districts and counties. Therefore, the subcommittee is repeating a recommendation contained in the 1979 local government finance study conducted by the Bureau of Business and Economic Research, College of Business Administration, University of Nevada, Reno, which recommended that a system of uniform financial reporting should be implemented to facilitate monitoring of local government fiscal conditions. This system should be developed and monitored by the State Department of Taxation's local government budget section as a part of its current responsibilities under the Local Government Budget Act (chapter 354).

It should be noted that the source of information used by the University of Nevada in their study of local government finances consisted primarily of audit reports of cities and counties, while the subcommittee chose to use the local government budgets as the source of information for the revenue data for all schools, cities and counties. The primary purpose for using the local government budgets was because there was at least a resemblance of consistency in budgetary format and budget presentation as opposed to audit reports which can vary from one local government to another.

2. Federal revenues as a percentage of total revenues have declined from 11.3 percent in 1978 to 5.1 percent budgeted in 1981. However, since local revenues fluctuate dramatically, depending on the amount of debt which might be issued in any one year, a more meaningful measurement to use is the percentage of federal revenues in comparison with the local governments' general funds. This calculation produces rather different percentages but does identify the same trend. In fiscal 1978, total federal revenues represented 27.4 percent of local governments' general funds while in 1981, the percentage is 12.8 percent.

There has been a definite decline in total federal revenues from 1978 (\$108.4 million) to 1981 (\$71.5 million) which is a reversal from the findings in the local government finance study done by the University of Nevada. This study found an annual rate of increase of over 34 percent in real per capita dollars (adjusted for population and inflation) from 1970 to 1977. The local government finance study indicated that increasing dependence on federal grants could lead to a problem of an erosion of local autonomy and a dependence on grant revenues which could not be sustained if the revenues were reduced. The noted decline from 1978 to 1981 in local governments' use of federal revenues suggests that the local governments have been selective in their use of and dependence on federal revenues and the subcommittee recommends that they continue to exercise caution in their use in the future.

3. Federal revenues have been concentrated in relatively few major areas and have been primarily for "one-time" capital improvement projects and capital acquisition items. The subcommittee noted that even a significant portion of revenue sharing funds and in lieu of tax funds have been used for "one-time" capital acquisition items. However, capital projects do lead to future operating expenses and it is important that local governments' priorities, goals and objectives be considered and weighed against those of the federal program. Therefore, it is essential that locally elected officials become involved in the grant application process before application for funding is made to the Federal Government.
4. The percentage of revenue sharing funds being budgeted in the cities' and counties' general fund has declined from 45.3 percent in fiscal 1978 to 4.8 percent in fiscal 1981. However, there has been an increase in the percentage of in lieu of tax funds being budgeted in the county general funds from 59.1 percent in fiscal 1978 to 76.1 percent in fiscal 1981. The subcommittee recognizes that there are little or no restrictions regarding the use of these funds; however, it recommends that local governments exercise caution in the future in budgeting these funds for general government operations. The total of all revenue sharing and in lieu of tax funds budgeted for fiscal 1981 exceeds \$15 million and withdrawal of either of these two sources of funds could present a substantial financial impact on local governments.
5. The subcommittee recommends that federal revenues be used to meet identified needs which cannot be met with local resources. Elementary and Secondary Education Act (ESEA) programs in the school districts are good examples of programs which call for the hiring of positions and funding of classroom activities to meet special school populations.

These programs provide services that may not otherwise be provided. However, school districts must exercise caution when applying for these programs to be certain that they are consistent with the goals and objectives of the district and that future budgetary obligations are considered.

6. Acceptance of federal funds can lead to the loss of local control over programs. Revenue sharing, in lieu of tax funds and P.L. 874 funding are programs which carry the least restrictions on their use. Guidelines for these programs have been general enough to allow local governments a certain amount of discretion regarding their usage and thereby allowing them to maintain local control. However, formula grants, certain categorical grants such as ESEA and handicapped education grants and Comprehensive Employment and Training Act (CETA) monies carry with them specific restrictions and guidelines and thereby a loss of a certain amount of control over the program. Local governments must assess these programs to determine whether this loss of control is worth the price of the grant.
7. There is no such thing as "free" federal money. There is a cost involved in accepting federal money whether it be in loss of local control over programs or placing a future burden on operating budgets to operate and maintain new facilities. Local governments must continue to evaluate these costs before applying for and accepting federal grants.
8. The subcommittee recommends that local governments exercise particular caution in the use of revenue sharing, in lieu of tax funds, P.L. 874 funding, school lunch funds and certain categorical grant monies (ESEA). These funds can generally be used for governmental operating programs leading to a possible financial burden should they be reduced or withdrawn altogether by the Federal Government at some future time.

### III. HISTORICAL PERSPECTIVES

Grants from the Federal Government predate the Constitution. However, they were very small until the end of the 19th century and did not become a significant factor in government expenditures until after World War II. In 1950, federal grants to state and local governments were \$2 billion and by 1965 they had risen to \$11 billion. In 1978, partially because of economic stimulus grants, they were \$77.9 billion or an annual average increase of 16 percent since 1965.

The original budget proposed by the President for fiscal 1981 contained federal grant-in-aid outlays totaling \$96.3 billion which is 15.6 percent of all federal outlays and 20.9 percent of domestic federal outlays. During the 20 years from 1958 to 1978, federal grant-in-aid outlays to state and local governments grew at an average annual rate of 14.6 percent. The growth rate in grants from 1978 to 1981, however, has declined to 7.3 percent per year and is a direct result of two major factors:

- (1) A phase-down of outlays associated with economic stimulus grants enacted in response to the last recession; and,
- (2) The need for overall budget restraint as part of a major effort to hold down inflation.

Economic stimulus programs started in 1977 were designed to be temporary and their phase-down from a high of \$9.2 billion in fiscal 1978 to a proposal of \$3.2 billion for 1981 reflects this. With the current recession and economic slowdown, however, it is expected that a renewal of economic stimulus grants will add federal funding to local government budgets beyond the level currently proposed in the Federal Budget.

### IV. STUDY CONDUCTED BY THE BUREAU OF BUSINESS AND ECONOMIC RESEARCH, COLLEGE OF BUSINESS ADMINISTRATION, UNIVERSITY OF NEVADA, RENO

The 1977 Legislature passed Assembly Bill 547 which established a committee to study local government finances. The study was conducted by the staff of the Bureau of Business and Economic Research, College of Business Administration, University of Nevada, Reno. The Legislature at that time was concerned with the fiscal health of local governments in the state and one of the primary objectives of the study was to determine whether local governments in Nevada were facing a fiscal crisis such as

had been experienced in New York City and other major cities in the country. The scope of the study was limited to city and county governments and excluded schools and special districts and was also limited to the period of 1970 to 1977.

One of the findings in the study was that "We have not found that local governments are facing a fiscal crisis. But some trends were discovered that are a cause for concern. Tax revenues are declining sources of support for local governments because the local tax structure is not sufficiently responsive to population growth or inflation. The result is an increasing reliance on non-tax revenues, particularly Federal Government grants. The danger of this trend is the possible loss of local control of local spending priorities."<sup>1</sup>

As pointed out in the study, the decreasing reliance on tax revenues and increasing reliance on grants suggests a possible problem of erosion of local autonomy. The study further suggested a requirement for the development of alternatives in case the grants are reduced or eliminated altogether.

The review of Nevada's local government revenues for the period from 1970 to 1977 by the Bureau of Business and Economic Research found that federal transfers to local governments were the fastest growing category of revenue. Federal revenues for Nevada cities in 1970 constituted 5.1 percent of their total revenues and jumped to 9.3 percent in 1977. In 1970, federal revenues for Nevada counties were 1.7 percent of their total revenues while in 1977 14.5 percent of county revenues came from the Federal Government. The growth rate of federal grants for both cities and counties was found to have been in excess of 34 percent per year in real per capita dollars (adjusted for inflation and population). Table I illustrates the percentage distribution of federal grant revenues for both cities and counties for the period 1970 and 1977 as found in the local government finance study.

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<sup>1</sup>/

Nevada Local Government Finance Study, Bureau of Business and Economic Research, UNR, January 1979; page 1.

**TABLE I**

**FEDERAL GRANT REVENUES  
CITIES**

<u>Percentage of Total Revenues</u>			
	1970		1977
Fallon	0.00	Boulder City	3.49
Henderson	0.00	Carlin	3.67
Las Vegas	0.00	Gabbs	4.02
Carlin	0.00	Reno	4.20
Elko	0.00	Henderson	4.99
Wells	0.00	Fallon	6.73
Caliente	0.00	Lovelock	7.57
Gabbs	0.00	Caliente	8.58
Median	0.00	Median	8.67
Lovelock	0.00	Sparks	8.75
Yerington	.14	Las Vegas	10.22
Sparks	.37	Yerington	11.21
Winnemucca	5.55	Elko	11.58
Reno	6.15	Wells	13.09
No. Las Vegas	9.22	Winnemucca	14.35
Ely	11.59	Ely	15.06
Boulder City	41.13	No. Las Vegas	21.51
Mean	4.63	Mean	9.31

**FEDERAL GRANT REVENUES  
COUNTIES**

<u>Percentage of Total Revenues</u>			
	1970		1977
Humboldt	0.00	Lincoln	.67
Lander	0.00	Storey	2.78
Pershing	0.00	Esmeralda	3.29
Storey	0.00	Churchill	4.43
Washoe	0.00	Pershing	5.55
Lyon	.13	Douglas	7.96
Churchill	.14	Mineral	9.28
Douglas	.28	Washoe	9.92
Median	.32	Median	10.28
Elko	.32	Eureka	10.28
Esmeralda	.34	Lander	10.95
Mineral	.51	Carson City	12.79
Eureka	1.25	Elko	12.82
Clark	1.40	Nye	13.72
Nye	2.16	White Pine	16.24
Carson City	2.30	Clark	17.17
White Pine	7.71	Lyon	17.36
Lincoln	31.18	Humboldt	19.60
Mean	2.81	Mean	10.28

\* Source: Nevada Local Government Finance Study; Bureau of Business and Economic Research, UNR; January 1979.

V. FEDERAL REVENUES FOR CITIES, COUNTIES  
AND SCHOOL DISTRICTS, 1978-1981

The subcommittee expanded the information developed by the Bureau of Business and Economic Research to encompass those revenues budgeted through fiscal 1981 and to also include school districts. Budgeted federal revenues for fiscal 1981 was 6.7 percent of total budgeted revenues for the cities; 4.9 percent for counties; and 4.1 percent for schools. These figures indicate that there has been a rather significant decline in the percentage of federal revenues received by the cities and counties since fiscal 1977.

Table II illustrates this decline in the percentage of federal revenues which peaked for cities in fiscal 1979 at 12.4 percent of total revenues; at 14.9 percent for counties in fiscal 1978; and at 7.8 percent for schools in fiscal 1978. It was in the 1978 and 1979 fiscal years that the Federal Government allocated large grants of federal revenues for economic stimulus programs, such as, economic development projects, employment projects (CETA), anti-recession funding and local public works projects. It was also during this period that the Federal Government commenced the in lieu of tax program for the counties. Table II also illustrates the total federal funds received by all cities, counties and schools and compares it to total budgeted revenues.

Because total budgeted revenues tend to fluctuate rather dramatically for some local governments, depending upon the amount of revenues developed from bond issues for capital construction projects and because of the "one-time" nature of some of the federal grants, the subcommittee determined that a more meaningful analysis would be to determine the amount of federal revenues being used to support the general operation of local governments. This analysis tends to eliminate the "yo-yo" effect that "one-time" capital projects cause when comparing local government revenues.

Tables III, IV, and V illustrate the amounts and percentages of federal revenues budgeted in general funds and other funds for each of the local governments. Table VI is a summary table showing the total of all federal revenues budgeted for all of the cities, counties and school districts.

Table VI points out a significant decline in budgeted federal revenues being deposited and expended from the local governments' general funds. In fiscal 1978, 5.8 percent of the local governments' general funds consisted of federal revenues but has declined to 2 percent in fiscal 1981.

Referring to Table III, for Nevada cities, you will note that the percentage was 3.8 in fiscal 1978 and .4 in 1981. For counties (Table IV), it was 13.7 percent in fiscal 1978 and 4



TABLE II  
NEVADA CITIES, COUNTIES, SCHOOL DISTRICTS  
COMPARISON OF TOTAL FEDERAL REVENUES  
TO TOTAL REVENUES

	<u>1977 FY*</u>	<u>1978 FY</u>	<u>1979 FY</u>	<u>1980 FY</u>	<u>1981 FY</u>
<u>Cities</u>					
Total Federal Revenues		\$ 22,772,183	\$ 36,634,496	\$ 14,308,095	\$ 22,552,852
Total Revenues		255,868,593	294,751,362	268,529,345	336,353,605
Federal Revenues as a % of Total Revenues	9.3%	8.9%	12.4%	5.3%	6.7%
<u>Counties</u>					
Total Federal Revenues		64,203,228	35,722,654	33,895,884	31,161,964
Total Revenues		430,711,684	449,185,426	535,650,512	638,120,850
Federal Revenues as a % of Total Revenues	14.5%	14.9%	8.0%	6.3%	4.9%
<u>School Districts</u>					
Total Federal Revenues		21,372,751	21,600,024	19,936,679	17,798,437
Total Revenues		274,202,426	325,581,685	387,617,353	438,692,178
Federal Revenues as a % of Total Revenues		7.8%	6.6%	5.1%	4.1%
<u>Totals-Cities/Counties &amp; School Districts</u>					
Total Federal Revenues		108,348,162	93,957,174	68,140,658	71,513,253
Total Revenues		960,782,703	1,069,518,473	1,191,797,210	1,413,166,633
Federal Revenues as a % of Total Revenues		11.3%	8.8%	5.7%	5.1%

\* Source: Nevada Local Government Finance Study; Bureau of Business and Economic Research, UNR; January 1979.

TABLE III  
NEVADA CITIES  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

<u>Cities</u>		<u>1978 FY</u>	<u>1979 FY</u>	<u>1980 FY</u>	<u>1981 FY</u>
<u>Boulder City</u>					
Federal Revenues in General Fund	\$	94,795	\$ 86,278	\$ 20,000	\$ 32,276
Federal Revenues in Other Funds		503,093	47,138	60,421	
Total Federal Revenues		597,888	133,416	80,421	32,276
Total General Fund		1,686,261	1,983,751	2,302,196	2,645,518
Total Federal Revenues as a % of Total General Fund		35.5%	6.7%	3.5%	1.2%
% of General Fund Made Up of Federal Revenues		5.6%	4.3%	.9%	1.2%
<u>Caliente</u>					
Federal Revenues in General Fund	\$	11,976	\$ 59,832	\$ 33,088	\$ 5,332
Federal Revenues in Other Funds		15,309	7,178	7,832	
Total Federal Revenues		27,285	67,010	40,920	5,332
Total General Fund		124,744	160,010	162,602	148,084
Total Federal Revenues as a % of Total General Fund		21.9%	41.9%	25.2%	3.6%
% of General Fund Made Up of Federal Revenues		9.6%	37.4%	20.3%	3.6%
<u>Carlin</u>					
Federal Revenues in General Fund	\$	71,040	\$ 33,997	\$ 23,500	\$ -0-
Federal Revenues in Other Funds					
Total Federal Revenues		71,040	33,997	23,500	-0-
Total General Fund		292,155	319,360	328,350	350,145
Total Federal Revenues as a % of Total General Fund		24.3%	10.6%	7.2%	
% of General Fund Made Up of Federal Revenues		24.3%	10.6%	7.2%	

TABLE III

NEVADA CITIES  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

<u>Cities</u>	<u>1978 FY</u>	<u>1979 FY</u>	<u>1980 FY</u>	<u>1981 FY</u>
<u>Elko</u>				
Federal Revenues in General Fund	\$ 13,044	\$ 8,112	\$ 7,739	\$
Federal Revenues in Other Funds	479,278	524,235	1,412,357	661,041
Total Federal Revenues	492,322	532,347	1,420,096	661,041
 Total General Fund	 1,752,169	 2,002,144	 2,711,402	 2,468,062
Total Federal Revenues as a % of Total General Fund	28.1%	26.6%	52.4%	26.8%
% of General Fund Made Up of Federal Revenues	.7%	.4%	.3%	
 <u>Ely</u>				
Federal Revenues in General Fund	\$ 126,804	\$ 245,475	\$ 37,000	\$ 38,101
Federal Revenues in Other Funds				
Total Federal Funds	126,804	245,475	37,000	38,101
 Total General Fund	 741,138	 923,043	 789,707	 911,186
Total Federal Revenues as a % of Total General Fund	17.1%	26.6%	4.7%	4.2%
% of General Fund Made Up of Federal Revenues	17.1%	26.6%	4.7%	4.2%
 <u>Fallon</u>				
Federal Revenues in General Fund	\$ 106,609	\$ 82,477	\$ 181,131	\$ 39,531
Federal Revenues in Other Funds	8,500			
Total Federal Revenues	115,109	82,477	181,131	39,531
 Total General Fund	 1,067,902	 1,355,586	 1,705,328	 1,430,526
Total Federal Revenues as a % of Total General Fund	10.8%	6.1%	10.6%	2.8%
% of General Fund Made Up of Federal Revenues	10.0%	6.1%	10.6%	2.8%

TABLE III  
NEVADA CITIES  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

<u>Cities</u>	<u>1978 FY</u>	<u>1979 FY</u>	<u>1980 FY</u>	<u>1981 FY</u>
<u>Gabbs</u>				
Federal Revenues in General Fund	\$	\$ 24,657	\$ 6,000	\$ 10,000
Federal Revenues in Other Funds	9,847			
Total Federal Revenues	9,847	24,657	6,000	10,000
Total General Fund	189,968	178,682	161,291	186,740
Total Federal Revenues as a % of Total General Fund	5.2%	13.8%	3.7%	5.4%
% of General Fund Made Up of Federal Revenues		13.8%	3.7%	5.4%
<u>Henderson</u>				
Federal Revenues in General Fund	\$ 488,362	\$ 531,689	\$ 54,000	\$ 14,000
Federal Revenues in Other Funds	205,525	176,754	808,245	654,168
Total Federal Funds	693,887	708,443	862,245	668,168
Total General Fund	4,342,493	5,149,192	5,471,798	5,999,086
Total Federal Revenues as a % of Total General Fund	16.0%	13.8%	15.8%	11.1%
% of General Fund Made Up of Federal Revenues	11.2%	10.3%	1.0%	.2%
<u>Las Vegas</u>				
Federal Revenues in General Fund	\$ 1,152,573	\$ 451,759	\$ 306,860	\$ 50,000
Federal Revenues in Other Funds	8,919,123	7,445,910	5,285,288	4,848,625
Total Federal Revenues	10,071,696	7,897,669	5,592,148	4,898,625
Total General Fund	37,582,115	43,425,838	47,080,429	52,472,945
Total Federal Revenues as a % of Total General Fund	26.8%	18.2%	11.9%	9.3%
% of General Fund Made Up of Federal Revenues	3.1%	1.0%	.7%	.1%

TABLE III

NEVADA CITIES  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

<u>Cities</u>	<u>1978 FY</u>	<u>1979 FY</u>	<u>1980 FY</u>	<u>1981 FY</u>
<u>Lovelock</u>				
Federal Revenues in General Fund	\$ 15,015	\$ 13,860	\$ 13,860	\$ 16,864
Federal Revenues in Other Funds	6,000	135,278	36,670	
Total Federal Revenues	21,015	149,138	50,530	16,864
Total General Fund	235,438	257,987	286,857	318,561
Total Federal Revenues as a % of Total General Fund	8.9%	57.8%	17.6%	5.3%
% of General Fund Made Up of Federal Revenues	6.4%	5.4%	4.8%	5.3%
<u>North Las Vegas</u>				
Federal Revenues in General Fund	\$ 513,852	\$ 454,784	\$ 416,500	\$ 16,000
Federal Revenues in Other Funds	5,533,848	1,488,319	1,333,395	1,106,178
Total Federal Funds	6,047,700	1,943,103	1,749,895	1,122,178
Total General Fund	8,136,466	10,134,151	9,455,685	10,496,116
Total Federal Revenues as a % of Total General Fund	74.3%	19.2%	18.5%	10.7%
% of General Fund Made Up of Federal Revenues	6.3%	4.5%	4.4%	.2%
<u>Reno</u>				
Federal Revenues in General Fund	\$ 505,823	\$ 376,435	\$ 259,398	\$ 274,965
Federal Revenues in Other Funds	2,330,811	21,786,399	2,618,024	12,980,353
Total Federal Revenues	2,836,634	22,162,834	2,877,422	13,255,318
Total General Fund	23,831,517	25,531,440	29,574,182	33,582,856
Total Federal Revenues as a % of Total General Fund	11.9%	86.8%	9.7%	39.5%
% of General Fund Made Up of Federal Revenues	2.1%	1.5%	.9%	.8%

TABLE III  
NEVADA CITIES  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

	1978 FY	1979 FY	1980 FY	1981 FY
<u>Cities</u>				
<u>Sparks</u>				
Federal Revenues in General Fund	\$	\$	\$ 30,846	\$ 32,000
Federal Revenues in Other Funds	1,043,811	1,613,449	1,085,153	1,690,212
Total Federal Revenues	1,043,811	1,613,449	1,115,999	1,722,212
Total General Fund	6,744,893	8,844,278	8,882,888	11,202,886
Total Federal Revenues as a % of Total General Fund	15.5%	18.2%	12.6%	15.4%
% of General Fund Made Up of Federal Revenues			.3%	.3%
<u>Wells</u>				
Federal Revenues in General Fund	\$ 69,116	\$ 382,039	\$ 5,000	\$ 9,500
Federal Revenues in Other Funds	41,960	44,237	31,850	22,220
Total Federal Funds	111,076	426,276	36,850	31,720
Total General Fund	407,744	514,216	602,725	351,690
Total Federal Revenues as a % of Total General Fund	27.2%	82.9%	6.1%	9.0%
% of General Fund Made Up of Federal Revenues	17.0%	74.3%	.8%	2.7%
<u>Winnemucca</u>				
Federal Revenues in General Fund	\$ 170,862	\$ 256,797	\$	\$
Federal Revenues in Other Funds	37,876	283,352	46,952	21,064
Total Federal Revenues	208,738	540,149	46,952	21,064
Total General Fund	948,868	1,443,196	1,186,945	1,341,480
Total Federal Revenues as a % of Total General Fund	22.0%	37.4%	4.0%	1.6%
% of General Fund Made Up of Federal Revenues	18.0%	17.8%		

TABLE III  
NEVADA CITIES  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

	1978 FY	1979 FY	1980 FY	1981 FY
<u>Cities</u>				
<u>Yerington</u>				
Federal Revenues in General Fund	\$ 57,386	\$ 67,087	\$	\$
Federal Revenues in Other Funds	239,945	6,969	186,986	30,422
Total Federal Revenues	297,331	74,056	186,986	30,422
 Total General Fund	405,781	463,197	461,417	521,471
Total Federal Revenues as a % of Total General Fund	73.3%	16.0%	40.5%	5.8%
% of General Fund Made Up of Federal Revenues	14.1%	14.5%		
 <u>Totals - All Cities</u>				
Federal Revenues in General Fund	\$ 3,397,257	\$ 3,075,278	\$ 1,394,922	\$ 538,569
Federal Revenues in Other Funds	19,374,926	33,559,218	12,913,173	22,014,283
Total Federal Revenues	22,772,183	36,634,496	14,308,095	22,552,852
 Total General Fund	88,489,652	102,686,071	111,163,802	124,427,352
Total Federal Revenues as a % of Total General Fund	25.7%	35.7%	12.9%	18.1%
% of General Fund Made Up of Federal Revenues	3.8%	3.0%	1.3%	.4%

TABLE IV  
NEVADA COUNTIES  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

Counties	1978 FY	1979 FY	1980 FY	1981 FY
<u>Carson City</u>				
Federal Revenues in General Fund	\$ 536,879	\$ 414,194	\$ 122,236	\$ 139,036
Federal Revenues in Other Funds	3,468,535	452,924	917,090	155,394
Total Federal Revenues	4,005,414	867,118	1,039,326	294,430
Total General Fund	6,460,159	8,038,994	9,077,169	10,310,129
Total Federal Revenues as a % of Total General Fund	62.0%	10.8%	11.4%	2.9%
% of General Fund Made Up of Federal Revenues	8.3%	5.2%	1.3%	1.3%
<u>Churchill</u>				
Federal Revenues in General Fund	\$ 404,927	\$ 59,570	\$ 211,700	\$ 224,544
Federal Revenues in Other Funds	605,250	538,123	317,198	290,400
Total Federal Revenues	1,010,177	597,693	528,898	514,944
Total General Fund	1,845,230	1,943,488	2,071,081	2,383,239
Total Federal Revenues as a % of Total General Fund	54.7%	30.8%	25.5%	21.6%
% of General Fund Made Up of Federal Revenues	21.9%	3.1%	10.2%	9.4%
<u>Clark</u>				
Federal Revenues in General Fund	\$ 9,139,882	\$ 7,145,221	\$ 3,759,799	\$ 2,264,449
Federal Revenues in Other Funds	36,422,086	15,808,182	17,692,485	17,792,239
Total Federal Revenues	45,561,968	22,953,403	21,452,284	20,056,688
Total General Fund	54,166,271	68,499,766	71,074,525	79,670,291
Total Federal Revenues as a % of Total General Fund	84.1%	33.5%	30.2%	25.2%
% of General Fund Made Up of Federal Revenues	16.9%	10.4%	5.3%	2.8%



TABLE IV  
NEVADA COUNTIES  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

<u>Counties</u>	<u>1978 FY</u>	<u>1979 FY</u>	<u>1980 FY</u>	<u>1981 FY</u>
<u>Douglas</u>				
Federal Revenues in General Fund	\$ 156,220	\$ 98,886	\$ 247,465	\$ 224,731
Federal Revenues in Other Funds	604,485	664,187	458,087	746,794
Total Federal Revenues	760,705	763,073	705,552	971,525
Total General Fund	2,993,876	4,071,892	4,330,258	5,374,255
Total Federal Revenues as a % of Total General Fund	25.4%	18.7%	16.3%	18.1%
% of General Fund Made Up of Federal Revenues	5.2%	2.4%	5.7%	4.2%
<u>Elko</u>				
Federal Revenues in General Fund	\$ 202,883	\$ 476,976	\$ 571,990	\$ 602,108
Federal Revenues in Other Funds	598,477	180,370	144,125	274,247
Total Federal Revenues	801,360	657,346	716,115	876,355
Total General Fund	1,920,027	1,961,947	2,228,309	2,542,842
Total Federal Revenues as a % of Total General Fund	41.7%	33.5%	32.1%	34.5%
% of General Fund Made Up of Federal Revenues	10.6%	24.3%	25.7%	23.7%
<u>Esmeralda</u>				
Federal Revenues in General Fund	\$ 5,216	\$ 13,839	\$ 2,000	\$ 2,000
Federal Revenues in Other Funds	69,031	62,562	62,858	67,000
Total Federal Revenues	74,247	76,401	64,858	69,000
Total General Fund	369,543	453,997	562,707	685,450
Total Federal Revenues as a % of Total General Fund	20.1%	16.8%	11.5%	10.1%
% of General Fund Made Up of Federal Revenues	1.4%	3.0%	.4%	.3%

TABLE IV  
NEVADA COUNTIES  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

<u>Counties</u>	<u>1978 FY</u>	<u>1979 FY</u>	<u>1980 FY</u>	<u>1981 FY</u>
<u>Eureka</u>				
Federal Revenues in General Fund	\$ 6,607	\$ 70,819	\$ 151,564	\$ 162,400
Federal Revenues in Other Funds	206,494	142,344	55,805	43,720
Total Federal Revenues	213,101	213,163	207,369	206,120
Total General Fund	485,436	723,190	762,526	1,009,920
Total Federal Revenues as a % of Total General Fund	43.9%	29.5%	27.2%	20.4%
% of General Fund Made Up of Federal Revenues	1.4%	9.8%	19.9%	16.1%
<u>Humboldt</u>				
Federal Revenues in General Fund	\$ 113,605	\$ 341,776	\$ 244,242	\$ 196,407
Federal Revenues in Other Funds	397,560	140,723	204,247	235,000
Total Federal Revenues	511,165	482,499	448,489	431,407
Total General Fund	1,342,088	1,867,608	1,669,569	2,027,400
Total Federal Revenues as a % of Total General Fund	38.1%	25.8%	26.9%	21.3%
% of General Fund Made Up of Federal Revenues	8.5%	18.3%	14.6%	9.7%
<u>Lander</u>				
Federal Revenues in General Fund	\$ 252,159	\$ 134,208	\$ 80,500	\$ 16,550
Federal Revenues in Other Funds	624,038	469,259	501,600	337,800
Total Federal Revenues	876,197	603,467	582,100	354,350
Total General Fund	1,098,142	1,310,202	1,327,775	1,340,100
Total Federal Revenues as a % of Total General Fund	79.8%	46.1%	43.8%	26.4%
% of General Fund Made Up of Federal Revenues	23.0%	10.2%	6.1%	1.2%

TABLE IV  
NEVADA COUNTIES  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

<u>Counties</u>		<u>1978 FY</u>	<u>1979 FY</u>	<u>1980 FY</u>	<u>1981 FY</u>
<u>Lincoln</u>					
Federal Revenues in General Fund	\$	168,348	\$ 75,639	\$ -0-	\$ -0-
Federal Revenues in Other Funds		88,653	279,427	191,234	193,600
Total Federal Revenues		257,001	355,066	191,234	193,600
Total General Fund		629,039	728,594	713,700	817,900
Total Federal Revenues as a % of Total General Fund		40.9%	48.7%	26.8%	23.7%
% of General Fund Made Up of Federal Revenues		26.8%	10.4%	-0-	-0-
<u>Lyon</u>					
Federal Revenues in General Fund	\$	540,252	\$ 541,108	\$ 333,637	\$ 332,000
Federal Revenues in Other Funds		453,658	517,527	368,221	152,847
Total Federal Revenues		993,910	1,058,635	701,858	484,847
Total General Fund		2,027,375	2,683,343	2,651,152	3,318,406
Total Federal Revenues as a % of Total General Fund		49.0%	39.5%	26.5%	14.6%
% of General Fund Made Up of Federal Revenues		26.6%	20.2%	12.6%	10.0%
<u>Mineral</u>					
Federal Revenues in General Fund	\$	316,896	\$ 295,542	\$ 81,000	\$ 281,000
Federal Revenues in Other Funds		662,850	491,991	372,351	287,587
Total Federal Revenues		979,746	787,533	453,351	568,587
Total General Fund		1,432,810	1,688,435	1,575,652	1,763,246
Total Federal Revenues as a % of Total General Fund		68.4%	46.6%	28.8%	32.2%
% of General Fund Made Up of Federal Revenues		22.1%	17.5%	5.1%	15.9%

TABLE IV  
NEVADA COUNTIES  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

Counties	1978 FY	1979 FY	1980 FY	1981 FY
<u>Nye</u>				
Federal Revenues in General Fund	\$ -0-	\$ 135,772	\$ 250,000	\$ 250,000
Federal Revenues in Other Funds	807,695	383,125	275,013	274,890
Total Federal Revenues	807,695	518,897	525,013	524,890
Total General Fund	1,647,497	2,007,313	2,481,500	2,745,200
Total Federal Revenues as a % of Total General Fund	49.0%	25.9%	21.2%	19.1%
% of General Fund Made Up of Federal Revenues	-0-	6.8%	10.1%	9.1%
<u>Pershing</u>				
Federal Revenues in General Fund	\$ 29,603	\$ 25,228	\$ 265,888	\$ 76,000
Federal Revenues in Other Funds	188,772	150,000	173,973	112,112
Total Federal Revenues	218,375	175,228	439,861	188,112
Total General Fund	650,264	706,899	1,047,838	1,000,769
Total Federal Revenues as a % of Total General Fund	33.6%	24.8%	42.0%	18.8%
% of General Fund Made Up of Federal Revenues	4.6%	3.6%	25.4%	7.6%
<u>Storey</u>				
Federal Revenues in General Fund	\$ 8,868	\$ 11,187	\$ 11,200	\$ 11,200
Federal Revenues in Other Funds	16,962	16,056	29,931	85,591
Total Federal Revenues	25,830	27,243	41,131	96,791
Total General Fund	386,086	498,355	593,153	720,556
Total Federal Revenues as a % of Total General Fund	6.7%	5.5%	6.9%	13.4%
% of General Fund Made Up of Federal Revenues	2.3%	2.2%	1.9%	1.6%

TABLE IV  
NEVADA COUNTIES  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

		<u>1978 FY</u>	<u>1979 FY</u>	<u>1980 FY</u>	<u>1981 FY</u>
<u>Counties</u>					
<u>Washoe</u>					
Federal Revenues in General Fund	\$	2,042,138	\$ 1,853,968	\$ 1,527,229	\$ 1,050,000
Federal Revenues in Other Funds		3,330,652	2,761,335	3,871,376	3,185,258
Total Federal Revenues		5,372,790	4,615,303	5,398,605	4,235,258
Total General Fund		25,275,055	29,623,779	30,018,252	34,365,658
Total Federal Revenues as a % of Total General Fund		21.3%	15.6%	18.0%	12.3%
% of General Fund Made Up of Federal Revenues		8.1%	6.3%	5.1%	3.1%
<u>White Pine</u>					
Federal Revenues in General Fund	\$	293,243	\$ 437,891	\$ 237,285	\$ 303,500
Federal Revenues in Other Funds		1,440,304	532,695	162,555	791,560
Total Federal Revenues		1,733,547	970,586	399,840	1,095,060
Total General Fund		1,306,569	1,524,153	1,667,945	1,846,060
Total Federal Revenues as a % of Total General Fund		132.7%	63.7%	24.0%	59.3%
% of General Fund Made Up of Federal Revenues		22.4%	28.7%	14.2%	16.4%
<u>Totals - All Counties</u>					
Federal Revenues in General Fund	\$	14,217,726	\$ 12,131,824	\$ 8,097,735	\$ 6,135,925
Federal Revenues in Other Funds		49,985,502	23,590,830	25,798,149	25,026,039
Total Federal Revenues		64,203,228	35,722,654	33,895,884	31,161,964
Total General Fund		104,035,467	128,331,955	133,853,111	151,921,421
Total Federal Revenues as a % of Total General Fund		61.7%	27.8%	25.3%	20.5%
% of General Fund Made Up of Federal Revenues		13.7%	9.5%	6.0%	4.0%

TABLE V  
NEVADA SCHOOL DISTRICTS  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

<u>School Districts</u>	<u>1978 FY</u>	<u>1979 FY</u>	<u>1980 FY</u>	<u>1981 FY</u>
<u>Churchill</u>				
Federal Revenues in General Fund	\$ 229,015	\$ 387,251	\$ 225,000	\$ 260,269
Federal Revenues in Other Funds	497,956	502,208	694,000	106,000
Total Federal Revenues	726,971	889,459	919,000	366,269
Total General Fund	3,811,314	4,825,295	5,256,414	5,292,114
Total Federal Revenues as a % of Total General Fund	19.1%	18.4%	17.5%	6.9%
% of General Fund Made Up of Federal Revenues	6.0%	8.0%	4.3%	4.9%
<u>Clark</u>				
Federal Revenues in General Fund	\$ 2,853,017	\$ 2,398,955	\$ 2,605,000	\$ 2,505,000
Federal Revenues in Other Funds	8,643,874	10,641,504	8,715,000	8,600,000
Total Federal Revenues	11,496,891	13,040,459	11,320,000	11,105,000
Total General Fund	113,544,352	129,837,681	144,533,860	160,318,037
Total Federal Revenues as a % of Total General Fund	10.1%	10.0%	7.8%	6.9%
% of General Fund Made Up of Federal Revenues	2.5%	1.8%	1.8%	1.6%
<u>Carson City</u>				
Federal Revenues in General Fund	\$ 100,028	\$ 119,755	\$ 100,038	\$ 96,950
Federal Revenues in Other Funds	979,287	1,007,050	532,376	549,819
Total Federal Revenues	1,079,315	1,126,805	632,414	646,769
Total General Fund	7,773,169	9,693,735	10,402,152	10,765,782
Total Federal Revenues as a % of Total General Fund	13.9%	11.6%	6.1%	6.0%
% of General Fund Made Up of Federal Revenues	1.3%	1.2%	1.0%	.9%

TABLE V  
NEVADA SCHOOL DISTRICTS  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

<u>School Districts</u>	<u>1978 FY</u>	<u>1979 FY</u>	<u>1980 FY</u>	<u>1981 FY</u>
<u>Douglas</u>				
Federal Revenues in General Fund	\$ 85,808	\$ 22,159	\$ 55,500	\$ 55,000
Federal Revenues in Other Funds	255,902	146,381	210,627	156,297
Total Federal Revenues	341,710	168,540	266,127	211,297
Total General Fund	4,666,820	5,552,484	6,715,047	7,770,383
Total Federal Revenues as a % of Total General Fund	7.3%	3.0%	4.0%	2.7%
% of General Fund Made Up of Federal Revenues	1.8%	.4%	.8%	.7%
<u>Elko</u>				
Federal Revenues in General Fund	\$ 278,642	\$ 200,119	\$ 209,700	\$ 199,700
Federal Revenues in Other Funds	344,572	324,255	428,039	439,500
Total Federal Revenues	623,214	524,374	637,739	639,200
Total General Fund	6,127,240	6,565,375	7,278,119	8,077,766
Total Federal Revenues as a % of Total General Fund	10.2%	8.0%	8.8%	7.9%
% of General Fund Made Up of Federal Revenues	4.5%	3.0%	2.9%	2.5%
<u>Esmeralda</u>				
Federal Revenues in General Fund	\$ 24,654	\$ 9,544	\$ 20,000	\$ 19,000
Federal Revenues in Other Funds	71,130	78,974	38,061	31,800
Total Federal Revenues	95,784	88,518	58,061	50,800
Total General Fund	389,919	545,641	525,500	527,891
Total Federal Revenues as a % of Total General Fund	24.6%	16.2%	11.0%	9.6%
% of General Fund Made Up of Federal Revenues	6.3%	1.7%	3.8%	3.6%

TABLE V  
NEVADA SCHOOL DISTRICTS  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

	1978 FY	1979 FY	1980 FY	1981 FY
<u>School Districts</u>				
<u>Eureka</u>				
Federal Revenues in General Fund	\$ 16,421	\$ 5,896	\$ 3,800	\$ 5,300
Federal Revenues in Other Funds	-0-	9,278	12,629	9,586
Total Federal Revenues	16,421	15,174	16,429	14,886
Total General Fund	759,794	798,777	909,043	1,015,725
Total Federal Revenues as a % of Total General Fund	2.2%	1.9%	1.8%	1.5%
% of General Fund Made Up of Federal Revenues	2.2%	.7%	.4%	.5%
<u>Humboldt</u>				
Federal Revenues in General Fund	\$ 157,951	\$ 133,745	\$ 36,102	\$ 306,000
Federal Revenues in Other Funds	154,341	262,902	381,957	319,462
Total Federal Revenues	312,292	396,647	418,059	625,462
Total General Fund	2,828,808	3,183,273	3,604,191	4,248,328
Total Federal Revenues as a % of Total General Fund	11.0%	12.5%	11.6%	14.7%
% of General Fund Made Up of Federal Revenues	5.6%	4.2%	1.0%	7.2%
<u>Lander</u>				
Federal Revenues in General Fund	\$ 133,922	\$ 38,088	\$ 93,598	\$ 97,500
Federal Revenues in Other Funds	73,446	92,295	134,301	117,400
Total Federal Revenues	207,368	130,383	227,899	214,900
Total General Fund	1,528,917	1,616,639	1,896,590	1,992,859
Total Federal Revenues as a % of Total General Fund	13.6%	8.1%	12.0%	10.8%
% of General Fund Made Up of Federal Revenues	8.8%	2.4%	4.9%	4.9%



TABLE V

NEVADA SCHOOL DISTRICTS  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

	1978 FY	1979 FY	1980 FY	1981 FY
<u>School Districts</u>				
<u>Lincoln</u>				
Federal Revenues in General Fund	\$ 185,351	\$ 81,500	\$ 82,200	\$ 48,100
Federal Revenues in Other Funds	83,705	138,775	114,708	101,857
Total Federal Revenues	269,056	220,275	196,908	149,957
Total General Fund	1,825,086	2,024,250	2,295,457	2,453,674
Total Federal Revenues as a % of Total General Fund	14.7%	10.9%	8.6%	6.1%
% of General Fund Made Up of Federal Revenues	10.2%	4.0%	3.6%	2.0%
<u>Lyon</u>				
Federal Revenues in General Fund	\$ 129,412	\$ 153,334	\$ 104,467	\$ 105,000
Federal Revenues in Other Funds	264,685	268,581	261,629	440,135
Total Federal Revenues	394,097	421,915	366,096	545,135
Total General Fund	3,531,491	4,141,759	4,919,621	5,566,316
Total Federal Revenues as a % of Total General Fund	11.2%	10.2%	7.4%	9.8%
% of General Fund Made Up of Federal Revenues	3.7%	3.7%	2.1%	1.9%
<u>Mineral</u>				
Federal Revenues in General Fund	\$ 372,953	\$ 424,444	\$ 367,670	\$ 385,643
Federal Revenues in Other Funds	146,623	141,555	152,982	190,927
Total Federal Revenues	519,576	565,999	520,652	576,570
Total General Fund	2,266,254	2,426,795	2,593,525	2,980,788
Total Federal Revenues as a % of Total General Fund	22.9%	23.3%	20.1%	19.3%
% of General Fund Made Up of Federal Revenues	16.5%	17.5%	14.2%	12.9%

TABLE V  
NEVADA SCHOOL DISTRICTS  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

<u>School Districts</u>	<u>1978 FY</u>	<u>1979 FY</u>	<u>1980 FY</u>	<u>1981 FY</u>
<u>Nye</u>				
Federal Revenues in General Fund	\$ 125,583	\$ 98,564	\$ 105,000	\$ 85,000
Federal Revenues in Other Funds	193,732	241,193	208,172	200,241
Total Federal Revenues	319,315	339,757	313,172	285,241
Total General Fund	2,981,940	3,611,124	4,333,000	4,344,340
Total Federal Revenues as a % of Total General Fund	10.7%	9.4%	7.2%	6.6%
% of General Fund Made Up of Federal Revenues	4.2%	2.7%	2.4%	2.0%
<u>Pershing</u>				
Federal Revenues in General Fund	\$ 55,945	\$ 33,474	\$ 56,675	\$ 45,635
Federal Revenues in Other Funds	43,312	41,341	77,084	79,055
Total Federal Revenues	99,257	74,815	133,759	124,690
Total General Fund	1,163,097	1,201,037	1,374,129	1,708,487
Total Federal Revenues as a % of Total General Fund	8.5%	6.2%	9.7%	7.3%
% of General Fund Made Up of Federal Revenues	4.8%	2.8%	4.1%	2.7%
<u>Storey</u>				
Federal Revenues in General Fund	\$ 270	\$ -0-	\$ -0-	\$ -0-
Federal Revenues in Other Funds	640	65	23,493	-0-
Total Federal Revenues	910	65	23,493	-0-
Total General Fund	363,797	442,900	590,312	744,257
Total Federal Revenues as a % of Total General Fund	.2%	-0-	4.0%	-0-
% of General Fund Made Up of Federal Revenues	.1%	-0-	-0-	-0-

TABLE V

NEVADA SCHOOL DISTRICTS  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

	<u>1978 FY</u>	<u>1979 FY</u>	<u>1980 FY</u>	<u>1981 FY</u>
<u>School Districts</u>				
Washoe				
Federal Revenues in General Fund	\$ 588,359	\$ 150,373	\$ 203,500	\$ 288,500
Federal Revenues in Other Funds	3,959,080	3,163,796	3,203,911	1,470,800
Total Federal Revenues	4,547,439	3,314,169	3,407,411	1,759,300
Total General Fund	45,801,428	51,080,534	55,791,548	62,246,278
Total Federal Revenues as a % of Total General Fund	9.9%	6.5%	6.1%	2.8%
% of General Fund Made Up of Federal Revenues	1.3%	.3%	.4%	.5%
27. White Pine				
Federal Revenues in General Fund	\$ 131,346	\$ 99,174	\$ 183,215	\$ 116,300
Federal Revenues in Other Funds	191,789	183,496	296,245	366,661
Total Federal Revenues	323,135	282,670	479,460	482,961
Total General Fund	3,024,637	3,437,784	3,493,019	3,625,793
Total Federal Revenues as a % of Total General Fund	10.7%	8.2%	13.7%	13.3%
% of General Fund Made Up of Federal Revenues	4.3%	2.9%	5.2%	3.2%
<u>Total - All School Districts</u>				
Federal Revenues in General Fund	\$ 5,468,677	\$ 4,356,375	\$ 4,451,465	\$ 4,618,897
Federal Revenues in Other Funds	15,904,074	17,243,649	15,485,214	13,179,540
Total Federal Revenues	21,372,751	21,600,024	19,936,679	17,798,437
Total General Fund	202,388,063	230,985,083	256,511,527	283,678,818
Total Federal Revenues as a % of Total General Fund	10.6%	9.4%	7.8%	6.3%
% of General Fund Made Up of Federal Revenues	2.7%	1.9%	1.7%	1.6%

TABLE VI

NEVADA CITIES, COUNTIES, AND SCHOOL DISTRICTS  
ALLOCATION OF FEDERAL REVENUES  
GENERAL FUNDS - OTHER FUNDS

	<u>1978 FY</u>	<u>1979 FY</u>	<u>1980 FY</u>	<u>1981 FY</u>
<u>Total - Cities, Counties &amp; School Districts</u>				
Federal Revenues in General Fund	\$ 23,083,660	\$ 19,563,477	\$ 13,944,122	\$ 11,293,391
Federal Revenues in Other Funds	85,264,502	74,393,697	54,196,536	60,219,862
Total Federal Revenues	108,348,162	93,957,174	68,140,658	71,513,253
 Total General Fund	 394,913,182	 462,003,109	 501,528,440	 560,027,391
Total Federal Revenues as a % of Total General Fund	27.4%	20.3%	13.6%	12.8%
% of General Fund Made Up of Federal Revenues	5.8%	4.2%	2.8%	2.0%

percent in 1981. For the schools (Table V), the percentage was 2.7 in fiscal 1978 and 1.6 in fiscal 1981.

Table VII illustrates in summary form the distribution of federal revenues between the local governments' general fund activities and non-general fund activities. For fiscal 1981, the cities have budgeted 2.4 percent of their total anticipated federal revenues in their general funds; counties 19.7 percent; and schools 26 percent. Also, the review disclosed further that for fiscal 1981, 93.3 percent of the total federal revenues in the general funds of the school districts is derived from P.L. 874 (Impact Aid) funds; for the counties, 63.4 percent of their budgeted federal revenue in their general funds is from revenue sharing and in lieu of tax money; and for the cities, 24 percent of their budgeted federal revenues in their general funds is from revenue sharing.

#### VI. DISTRIBUTION OF FEDERAL REVENUES AMONG CITIES, COUNTIES AND SCHOOL DISTRICTS

Table VIII shows the total amount and percentage distribution of federal revenues among the cities, counties and school districts. Total federal funds reached its peak--\$108.3 million--in fiscal 1978. As the table points out, a decline to \$71.5 million is expected in the total amount of federal revenues in fiscal 1981. Counties continue to receive the bulk of these funds having received 59.3 percent in fiscal 1978 and they are budgeted to receive 43.6 percent in fiscal 1981. The next largest recipients of federal revenues are the cities who are budgeted at 31.5 percent for fiscal 1981; followed by the school districts budgeted at 24.9 percent.

#### VII. MAJOR SOURCES OF FEDERAL REVENUES

Table IX is a summary table showing the major sources of federal revenues received by the cities, counties and school districts. The cities have four major sources of federal revenues: revenue sharing, economic stimulus grants, Housing and Urban Development (HUD) funds and Environmental Protection Agency (EPA) grants. These four revenue sources consist of 89 percent of the budgeted federal revenues for fiscal 1981 for the cities. It should be noted that the largest share of these funds is projected to come from EPA grants in fiscal 1981; whereas, the majority came from economic stimulus grants in fiscal 1979.

There are five major sources of federal revenues for the counties: revenue sharing, in lieu of tax monies, economic stimulus grants, airport improvement grants and EPA grants. EPA grants are expected to be the major source of revenue for the counties in fiscal 1981 as was the case in fiscal 1978. For fiscal 1981,

TABLE VII  
ALLOCATION OF FEDERAL REVENUES BETWEEN  
GENERAL FUND AND OTHER FUNDS

	1978 FY (\$ in millions)	1979 FY (\$ in millions)	1980 FY (\$ in millions)	1981 FY (\$ in millions)
<u>Cities</u>				
Total Federal Revenues	\$22.8	\$36.6	\$14.3	\$22.6
% to General Fund	14.9%	8.4%	9.7%	2.4%
% to Other Funds	85.1%	91.6%	90.3%	97.6%
<u>Counties</u>				
Total Federal Revenues	\$64.2	\$35.8	\$33.9	\$31.2
% to General Fund	22.1%	34.0%	23.9%	19.7%
% to Other Funds	77.9%	66.0%	76.1%	80.3%
<u>School Districts</u>				
Total Federal Revenues	\$21.4	\$21.6	\$19.9	\$17.8
% to General Fund	25.6%	20.2%	22.3%	26.0%
% to Other Funds	74.4%	79.8%	77.7%	74.0%

TABLE VIII  
DISTRIBUTION OF FEDERAL REVENUES AMONG  
CITIES, COUNTIES & SCHOOL DISTRICTS

	<u>1978 FY</u>	<u>1979 FY</u>	<u>1980 FY</u>	<u>1981 FY</u>
Total Federal Revenues	<u>\$108,348,162</u>	<u>\$ 93,957,174</u>	<u>\$ 68,140,658</u>	<u>\$ 71,513,253</u>
Cities	22,772,183	36,634,496	14,308,095	22,552,852
% of Total	21.0%	39.0%	21.0%	31.5%
Counties	64,203,228	35,722,654	33,895,884	31,161,964
% of Total	59.3%	38.1%	49.7%	43.6%
School Districts	21,372,751	21,600,024	19,936,679	17,798,437
% of Total	19.7%	23.0%	29.3%	24.9%

TABLE IX  
MAJOR SOURCES OF FEDERAL REVENUES  
CITIES, COUNTIES & SCHOOL DISTRICTS

<u>Cities</u>	<u>1978 FY</u>	<u>1981 FY</u>
Revenue Sharing % of Total	\$ 3.5 million 15.4%	\$ 4.7 million 20.8%
Economic Stimulus Grants % of Total	\$12.8 million 56.1%	\$ 1.1 million 4.9%
HUD Funds % of Total	\$ 1.4 million 6.1%	\$ 3.1 million 13.7%
EPA Grants % of Total	\$ 2.7 million 11.8%	\$11.2 million 49.6%
Total - Cities % of Total	\$20.4 million 89.4%	\$20.1 million 89.0%
<u>Counties</u>		
Revenue Sharing % of Total	\$ 7.5 million 11.7%	\$ 5.8 million 18.6%
In-Lieu Funds % of Total	\$ 4.4 million 6.9%	\$ 4.6 million 14.7%
Economic Stimulus Grants % of Total	\$13.3 million 20.7%	* - -
Airport Improvement Grants % of Total	\$ 1.0 million 1.6%	\$ 4.9 million 15.7%
EPA Grants % of Total	\$25.3 million 39.4%	\$ 9.7 million 31.1%
Total - Counties % of Total	\$51.5 million 80.3%	\$25.0 million 80.1%

\* Less than \$200,000.



TABLE IX  
MAJOR SOURCES OF FEDERAL REVENUES  
CITIES, COUNTIES & SCHOOL DISTRICTS

	<u>1978 FY</u>	<u>1981 FY</u>
<u>School Districts</u>		
P.L. 874 (Impact Aid)	\$ 5.1 million	\$ 4.3 million
% of Total	23.8%	24.2%
School Lunch	\$ 4.9 million	\$ 5.8 million
% of Total	22.9%	32.6%
ESEA	\$ 3.3 million	\$ 3.9 million
% of Total	15.4%	21.9%
Economic Stimulus	\$ 5.4 million	*
% of Total	25.2%	- -
Total - Schools	\$18.7 million	\$14.0 million
% of Total	87.3%	78.7%
Totals - Cities, Counties & School Districts	\$90.6 million	\$59.1 million
% of Total	83.7%	82.7%

\* Less than \$200,000.

these five sources of federal revenues constitute 80.1 percent of the total federal revenues budgeted for the counties.

There are four primary sources of federal revenues for the school districts: P.L. 874 (Impact Aid) funds, school lunch funds, ESEA funds and economic stimulus grants. With the exception of economic stimulus grants, these sources of revenue are budgeted in 1981 to provide 78.7 percent of the total federal revenues budgeted. School lunch funds are expected to bring in the majority of federal revenues in fiscal 1981; whereas, in fiscal 1978, economic stimulus grants were the largest source of federal revenue for school districts.

#### VIII. ECONOMIC STIMULUS GRANTS

The economic stimulus programs were designed to reduce unemployment and promote economic recovery and they consisted primarily of local public works projects, temporary employment assistance programs such as CETA, special economic development programs, and anti-recession fiscal assistance funds. In fiscal 1978, 29.1 percent of the total federal revenues received by the cities, counties and school districts were from economic stimulus grants. For the cities, these grants represented 56.3 percent of their total federal revenues in 1978; 20.7 percent for the counties; and 25.3 percent for the school districts.

The original Federal Budget proposed by the President for fiscal 1981 continued to phase-down economic stimulus grants from their high in 1978. In the 1978 Federal Budget economic stimulus grants totaled \$9.2 billion in contrast to the original proposal for fiscal 1981 of \$3.2 billion. Included in the President's original budget for 1981 was \$1 billion for anti-recession fiscal assistance; \$2 billion for temporary employment assistance; and \$200 million for local public works projects. In March of 1980, the President submitted an amended budget to Congress which proposed \$16 billion in budget reductions in response to rising inflation. Part of these reductions were proposed in the CETA and public works programs and the March proposal eliminated anti-recession fiscal assistance funding altogether. As of the writing of this report, the final budget for fiscal 1981 has not been approved by Congress but it is expected that there will be significant changes especially in the area of economic stimulus grants and with particular emphasis on jobs for the unemployed.

## IX. REVENUE SHARING

Since 1972 general revenue sharing has provided states and localities with more than \$6 billion per year in grants with practically no federal restrictions on their use. In fiscal 1978, revenue sharing funds expended by cities and counties in Nevada amounted to \$11 million which was 12.6 percent of their total federal revenues received in that year. In 1981, budgeted revenue sharing funds totaled \$10.5 million which is 19.5 percent of total federal revenues being budgeted.

Cities and counties in fiscal 1978 expended 45.3 percent of their revenue sharing funds from their general fund. However, in 1981, they have budgeted only 4.8 percent of their revenue sharing funds in their general funds.

A survey conducted in the fall of 1979 by the Nevada League of Cities (NLC), as well as the review conducted by the subcommittee, indicates that the majority of revenue sharing funds are being used for "one-time" single purpose commitments for specific projects. Eight of the sixteen cities, or 50 percent, responded to the NLC's survey. The survey found that 84.4 percent of the cities' general revenue sharing funds were being used for capital projects. The survey also asked the cities what they would do if general revenue sharing funds were eliminated. Four of the cities indicated that they would reduce their capital expenditures; two stated that they would combine a reduction in expenditures with an increase in taxes or service fees; one indicated it would reduce operation and maintenance expenditures; and one indicated it would increase debt.

Under current law, the general revenue sharing program is scheduled to expire at the end of federal fiscal year 1980 (September 30, 1980). As of the writing of this report, the budget now being considered by Congress calls for an end to the state's share of general revenue sharing but proposes a reauthorization of the local share at the current level for the next 5 years.

## X. IN LIEU OF TAX FUNDS

Payment of federal in lieu of tax funds to those counties with federal lands began in fiscal 1978. The expenditure of these funds is unrestricted in that they may be expended for any purpose permissible under state and local laws. In fiscal 1978, total in lieu of tax funds expended by the counties totaled \$4.4 million and the county budgets for fiscal 1981 include \$4.6 million in federal in lieu of tax funds. These funds constitute 6.9 percent of the federal revenues expended by the counties in 1978 and 14.8 percent of the funds being budgeted for fiscal 1981. For fiscal 1978, \$2.6 million or

59.1 percent of the total in lieu of tax funds was expended from the counties' general funds and in 1981, \$3.5 million or 76.1 percent of the counties' total in lieu of tax funds are budgeted in the counties' general funds.

#### XI. HUD FUNDS

Housing and Urban Development (HUD) funds, and particularly community development block grant funds, do provide direct assistance to cities who have considerable freedom in selecting projects to revitalize economically depressed or declining areas. Since 1977, over \$10 million has been received by various cities in Nevada from this program. HUD funds amount to \$3.1 million, or 13.7 percent of the total federal funds budgeted by the cities, for fiscal 1981.

#### XII. EPA GRANTS

Since 1977, over \$82.5 million in federal Environmental Protection Agency (EPA) grants have been awarded to the various cities and counties in Nevada. Cities alone have budgeted over \$36 million, with the City of Reno budgeting over \$30 million for their sewer facility and Carson City another \$1.25 million for sewer capital improvements. Counties have been awarded over \$46.5 million in EPA grants with over \$40 million of this total going to Clark County for their water treatment and sanitation systems.

The Federal Budget for fiscal 1981 (as well as those in the planning stage through 1983), proposes continuation of funding for these types of programs at a slightly higher level than was budgeted in fiscal 1980. For fiscal 1981, Nevada's cities have budgeted \$11.2 million in EPA funding or 49.6 percent of their budgeted federal revenues and counties are budgeting \$9.7 million in EPA grants or 31.1 percent of their budgeted federal revenues.

#### XIII. AIRPORT IMPROVEMENT GRANTS (FAA)

The final major source of revenue for the counties is Airport Improvement grants from the Federal Aviation Administration (FAA). In fiscal 1978, approximately \$1 million in FAA funding was received by the counties and at that time represented 1.6 percent of the total budgeted federal revenues. In 1981, the Airport Improvement grants are expected to increase to \$4.9 million or 15.7 percent of the counties' total budgeted federal revenues.

#### XIV. FEDERAL FUNDING FOR SCHOOLS

As previously pointed out in this report, school districts in 1978 expended \$21.4 million in federal revenues or 19.7 percent of all federal revenues received by the cities, counties and school districts that year. In 1981, schools have budgeted \$17.8 million in federal revenues which is 24.9 percent of all federal revenues budgeted for the cities, counties and school districts (see Table VIII). In fiscal 1981, the schools are budgeting 26 percent of their federal revenues in their general funds which is about the same percentage as in 1978. Federal revenues in the school districts' general funds constitute 1.6 percent of their total budgeted general fund revenues for fiscal 1981 which is a decline from 2.7% in fiscal 1978.

As Table IX indicates, the majority of federal revenues received by school districts is from four sources: P.L. 874 (Impact Aid) funding, the school lunch program, economic stimulus grants, and funding for the Elementary and Secondary Education Act (ESEA). In fiscal 1978, P.L. 874 monies amounted to 23.8 percent of the total federal revenues received by the school districts; school lunch funds 22.9 percent; economic stimulus grants 25.2 percent; and ESEA grants 15.4 percent. For fiscal 1981, less than \$200,000 is anticipated for economic stimulus programs. School lunch funding is anticipated to be 32.6 percent of the total federal revenues; P.L. 874 funding 24.2 percent; and ESEA funds 21.9 percent.

These federal revenue sources in 1978 comprised 87.3 percent of all federal revenues received by the school districts and, in 1981, are expected to be 78.7 percent. All of the P.L. 874 funding is budgeted for expenditure out of the school districts' general funds; whereas, the majority of the school lunch and ESEA funding is expended out of special funds.

The balance of federal revenues being received by the school districts include grants for vocational education, education for the handicapped, adult education, CETA, Indian education, national forest and wildlife funds, and other miscellaneous and special "one-time" grants. Of these additional federal programs, national forest and national wildlife funding is expended entirely out of the school districts' general funds while the other grants are expended from special funds.

Federal outlays for elementary, secondary and vocational education are expected to remain about the same or be slightly higher in the 1981 Federal Budget than the level budgeted in fiscal 1980. The largest share of these funds is expected to go to state and local education agencies for supplementary education services to low-income, low-achieving students. The 1981 Federal Budget does, however, include a substantial reduction

in the Impact Aid (P.L. 874) program which compensates school districts for the burden imposed by federal-related activities. The federal administration argues that much of this aid goes to school districts where the federal activity does not place special burdens on the community.

The 1981 Federal Budget proposal provides for limiting Impact Aid to those districts where the aid is a significant part of their financing needs. It is not clear what the actual impact of this reduction might be on Nevada's school districts. However, in the school districts' budgets for 1981, the total P.L. 874 money budgeted is \$4.3 million. Since, in the current school funding formula, these funds are outside the basic support funding for schools, the impact from the loss or reduction in these funds would be placed directly on the local school districts.

#### XV. LOCAL GOVERNMENTS' GRANT APPLICATION PROCESS

Local governments in Nevada, especially the cities and counties, have historically used federal revenues to support capital improvement projects or purchases or single purpose commitments for specific projects. This has allowed them the opportunity to stretch the use of local revenues by utilizing federal dollars and has also provided for high-cost capital improvements to be accomplished in a more timely fashion. This has tended to minimize local government indebtedness by seeking federal support for high-cost projects.

Acceptance of federal money, however, does obligate local governments to expenditures in the future because capital improvement projects after construction must be staffed, operated and maintained. It is most important, therefore, that local elected officials become involved in the federal grant process prior to submittal of applications to the Federal Government. These officials must become involved in this process in order to answer long-range questions regarding the consistency of the programs with the goals and objectives of the local government as well as the obligation to expenses from local resources in the future.

In reviewing the application process used by local governments in Nevada, the subcommittee found that school districts generally apply for and accept federal monies for the purpose of funding programs which cover special school populations. These would include programs such as: (1) Title I migrant programs for Spanish speaking students; (2) Title I programs for disadvantaged children; (3) special education as mandated by the Federal Government; and, (4) minigrants awarded to teachers who apply for funding to initiate innovative programs within their classrooms. Such programs are not always possible within the

constraints of district budgets since regular school budgets attempt to serve the needs of all students.

The Clark County School District has established the policy that: (1) education in Clark County should be financed primarily with revenues obtained from county and state sources; (2) the Federal Government should continue to defray local costs of providing education to those families who live in the community by virtue of employment or residence on federal property or are engaged in employment pertaining to national defense contracts (P.L. 874 Impact Aid) funds; (3) other monies should be sought only to meet identified needs which cannot be met with district resources; (4) the federal program goals and objectives must be consistent with districts and the district administration shall retain control over programs; (5) the programs shall not cause excessive burdens to existing or future budgets; and, (6) all federal programs shall include a phaseout along with the district's commitment for continuance.

The Washoe County School District, when applying for federal funds, does so with the intent that: (1) should federal funds be terminated that it not be put into a position of continuing the program at a cost to the general fund; and, (2) that the program not place the district in a position of having to maintain large numbers of personnel should federal funds be terminated. This is in accordance with NRS 391.3115, subsection 2, which states that "a certificated employee who is employed in a position fully funded by a federal or private categorical grant or to replace another certificated employee during that employee's leave of absence is employed only for the duration of the grant or leave." The Washoe County School District also indicated that it had not been forced to assume the cost of discontinued federal programs except those programs which it desired to continue.

Concerning the cities and counties grant application process, Carson City indicated that it only applies for federal programs which are consistent with its goals and priorities and only after approval by the Board of Supervisors. Grants are requested solely in accordance with the city's master plan. For example, parks and recreation projects must be consistent with the parks and recreation master plan.

The City of Las Vegas indicated that prior to submission of an application for federal assistance the approval of the Board of Commissioners must be secured. All funding applications are considered by the Board at Commission meetings which are open to the public. The use of federal assistance is contemplated only after it is determined that the demand for projects or services cannot be satisfied within current budget limitations. The goals and objectives of the various federal programs are scrutinized to insure that they do not conflict with city goals

and care is taken to see that the ongoing costs of the programs and projects do not place an undue financial burden on city operating costs.

Elko County operates under the procedure that it must have received the revenue before it budgets for the expenditures. By following this practice, Elko County insures having revenue available before expenditures are encumbered. The county has also adopted the philosophy of using its revenue sharing and in lieu of tax monies in areas that do not institute new and extensive programs which could lead to the loss of local government control.

Washoe County, in 1978, passed an ordinance which requires the county commissioners to review applications for federal funding prior to their submission to the Federal Government.

The subcommittee did note several areas in which local government priorities, goals and objectives did not coincide with those of the Federal Government. However, the local governments, rather than comply with incompatible program goals and objectives, withdrew from the program. For example, some of the school districts and several of the cities have withdrawn totally from the CETA Program because of conflicts with their goals and objectives and also because of the overwhelming paper and reporting process required by this program.

#### XVI. PROBLEMS WITH THE FEDERAL GRANT-IN-AID SYSTEM

A study conducted by the National Conference of State Legislatures (NCSL) concluded that most problems with the federal grant-in-aid system can be identified as either economic impact or administrative problems. The economic impact problems are a result of the current attempts to limit state and local governments' revenues and expenditures. As state and local administrators use more of their limited resources to match federal programs, federal priorities will increasingly supplant state and local priorities. At the same time, the federal funds they do use will be jeopardized because of reduced state and local funds for matching and maintenance of effort. The study also pointed out that "the 'seed money' approach used in many grant programs is often a disruptive and costly means to foster innovative or national-purpose programs at the state and local levels."<sup>2</sup> State and local governments should not be expected or required to continue programs if they do not work.

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<sup>2/</sup>

A Legislator's Guide to Oversight of Federal Funds, June 1980, page 24.



One of the administrative problems associated with the current federal grant-in-aid system includes duplication and proliferation of federal aid programs. As pointed out in the NCSL study, at one time there were 17 federal programs which provided funds for manpower services for the disadvantaged. Other administrative problems identified were "lack of coordination between assistance programs, overly-narrow scope of federal assistance programs, and unnecessary or obstructive federal administrative requirements."<sup>3</sup>

In conclusion, the subcommittee concurs with the finding in the NCSL study that, the most critical state/local problem caused by the federal aid system is a complete lack of information on duplicative programs or programs which must be funded by local resources after federal assistance has run out.

Further, the subcommittee concludes that areas where local governments must be particularly careful in their use of federal revenues are in the use of revenue sharing by the cities and counties; in lieu of tax revenues by the counties; and categorical grant funds (ESEA), P.L. 874 funds and school lunch funds by the school districts.

"One-time" special project funds can create future budgetary obligations for local governments, but these programs pose a far greater potential burden on local governments because of their magnitude and the manner in which they are currently being used by local governments.

Finally, the Federal Government should continue its efforts in improving the grants-in-aid process. These improvements should be in the area of grant consolidation, creation of block grants which reduce the number and complexity of categorical grants while providing for increased emphasis upon local priorities and the provision of more complete and timely information to provide for better planning at both the state and local levels.

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3/

Ibid.