



technical bulletin

Municipal Technical Advisory Service
Institute for Public Service, The University of Tennessee
In cooperation with the Tennessee Municipal League

May 27, 1977

ANTI-RECESSION PROGRAM

Congress Acts The Anti-Recession Program has been extended by the Congress for five (5) quarters, effective July 1, 1977.

Office of Revenue Sharing The program continues to be operated by the Office of Revenue Sharing, Department of the Treasury.

New Money and New Formula \$125 million is to be made available quarterly to state and local governments when national unemployment exceeds six per cent. In addition, \$30 million will be released quarterly for each one-tenth of a point increase in unemployment above six per cent. This is a change from the present method of releasing \$62.5 million for each one-half of a point increase over six per cent.

Deadline Each city should have received this month (May) a form to use to notify the Office of Revenue Sharing of any change in tax rate, or reduction in employment or services. This form will be used to assist ORS in calculating the amount of your payment. This form must have been returned to them by May 30.

Eligible Ways to Spend the Money Remember that the Anti-Recession Program continues to be a separate one from Revenue Sharing (although administered out of that office) and monies should be accounted for separately. The contract purpose for which monies may be spent remains the same--to maintain basic services. While the line between basic services and capital improvements is not always clear, in general the latter are not eligible expenditures. MTAS maintains a file on the Anti-Recession Program and our consultants will be available to discuss questions or problems with you. If the question is one which has not been raised before, we will recommend that you obtain a written interpretation from ORS.

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