

Oct. 9, '85

Agencies seek \$

By BRIAN STEFFEN
Staff Writer

The end is near.

That's what city officials are saying about the federal revenue sharing program they've used to fund local human services for several years. But Ames' human services professionals are hoping the city will find another way to fund their programs in 1986-87.

"We believe the system of human services in our city is a priority and we want to see it as a regular part of the budget," said Gerri Bugg of the Human Services Council's Public Funding Task Force at Tuesday's opening of the city's budget process.

"IF FUNDS are eliminated or cut,

staffs will be decreased and needs will not be met," Bugg added. "Without city funding, many services will cease to exist."

Revenue sharing — the no-strings-attached federal program that has brought millions of dollars to Ames and other U.S. cities since the days of the Nixon administration — will likely come to an end in September 1986, a victim of President Reagan's campaign to cut the federal deficit.

Ames will receive about \$474,000 in revenue sharing funds during the current budget year, about 70 percent of it going to local human service agencies. But the city will receive only about one-fourth of that amount in 1986-87, and nothing after that.

AMES would have room to fund human services through an increase in property taxes, although no city officials have mentioned that possibility. The city's current general levy of \$6.28 per \$1,000 taxable valuation is the lowest among major Iowa cities and is far below the legal limit of \$8.10.

But officials have also been studying the possibility of asking voters to approve up to a 1-cent local option sales and service tax that could raise up to \$2.2 million for the city government, based on 1984 sales figures.

The money would more than replace the loss of federal revenue sharing along with impending cuts in the federal block grant program that Ames officials have used in past years to aid redevelopment efforts and low- and moderate-income Ames residents.

Staff members will report on the local option tax at next week's council meeting, but Schainker said he won't make a recommendation on whether it should be placed on the ballot until he gets more direction from the council.

Meanwhile, agencies are hoping that something will come from the city, a sentiment echoed Tuesday by Story County United Way President Dave Lendt, whose organization is another major funder of local human services.

"There is no way that in one year United Way can make up the gap," he said.

"There's a real dilemma for us," City Manager Steve Schainker said of the end of revenue sharing. "What are we going to do? I wish I knew."

SCHAINKER and his staff, who used Tuesday's session to gather information for next week's Ames City Council meeting to set guidelines for the 1986-87 budget, could draft a budget that would respond to the loss of federal funding in any of a number of ways:

- The city could merely stop funding human services and the Ames Community Arts Council, which also receives a share of the revenue sharing money. But that alternative would be unacceptable to many officials.

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•Officials could try to find money for human services by cutting back services elsewhere. Schainker, however, said he's sure there's no slack in the current budget to compensate for the loss of federal funding.

•Finally, the city could fund human services through a new source of revenue, be it an increase in property taxes or the institution of new taxes or fees.