

Section 16 (b)
Recommended Shifts - State/Local Subvention Programs

II. RECOMMENDED SHIFTS—State/Local Subvention Programs*

The recommended shifts contained in this section are the results of applying the principles and criteria to the state subvention programs that are contained in the State budget and for which the State transfers funds to local jurisdictions to accomplish public service objectives. These particular programs were selected as a set of specific, yet varied, programs that could serve as a test of the principles and criteria before applying them to broad public service program areas.

A. User Charges

1. *Enterprise Type Services:* This category includes services where the beneficiaries can be identified, where user charges are practical, and where income redistribution is not an overriding concern. Often such services are provided by private as well as public agencies. In all cases, *user charges are recommended to pay for the entire cost of the service*—including capital, operating, and maintenance costs.

Examples of services falling in this category include: hospital construction, airport development; recreation facilities where user charges are practical (including small craft harbors); county and citrus fairs; and the provision of water, gas, electricity, sewage disposal, and waste collection and disposal

Providing loan capital for development, regulation to protect the public interest, or, in some cases, administration of services should be the limit of public involvement in programs falling in this category.

If this principle were applied in 1967-68, the State and local programs in the following chart could have been shifted to user fees or dropped from the public sector.

SUMMARY OF SHIFTS FOR ENTERPRISE TYPE SERVICES AND FACILITIES

	State	Local	User Fees
Hospitals (From tax support to user fees)	→		→
Airports (From tax support to user fees)	→		
Commercial Marine Ports (User fees)		→	→
Special Purpose Recreation Facilities Where User Charges are Practical (From tax support to user fees)	→		→
County and Citrus Fairs (From tax support to user fees)	→	→	→
Water, Gas, Electricity, Sewage and Refuse Disposal (From tax support to user fees)	→		→

2. *Non-Enterprise Services Where User Charges Can Be Made:* There are several non-enterprise type services which lend themselves to user charges or fines. One qualification should be observed in the application of these charges or fines. Individuals should not be excluded from the services or punishment because of inability to pay. Two examples are listed: (1) Civil court cases (probate, domestic relations, and personal and property damage), where filing fees should bear a reasonable relationship to the cost for uncontested actions and charges should cover court costs as part of the judgment for antagonistic proceedings; (2) Enforcing select criminal infractions, such as traffic safety and control, and those related to juvenile delinquents where parental fines can be applied.

* Note on the use of the charts: Shifts relate primarily to allocation of policy choice and funding and not necessarily to which level should administer the service.

Tax support refers to any means of public support except user fees.

Arrows (→) indicate the direction in which responsibilities should be shifted but are not intended to relay the extent to which shifts should be made. Stars (*) indicate that the responsibility for services are approximately where the criteria would place them.

Charges to cover full court costs for civil actions should be made as long as the charges do not act to prohibit use of the court system. Fines for legal or regulatory violations should be levied to support the court costs for judging and punishing infractions of the law and other non-criminal activities.

SUMMARY OF SHIFTS FOR NON-ENTERPRISE TYPE SERVICES

	<u>State</u>	<u>Local</u>	<u>User Fees</u>
Civil Court Actions (From tax support to user fees)	→		→
Non-Criminal Violations (Traffic safety—From tax support and fines to entirely fines; non-serious juvenile violations—From tax support to parental fines.)	→		→

B. Limited Area Benefits

Services are placed in this category if their benefits largely accrue to the local population, and the identification of individual beneficiaries is not possible or full charges are impractical. The services classified in this way include court and enforcement costs of local laws and endeavors, local library construction, acquisition and maintenance of small recreational facilities where charges are impractical, enriched social programs above State standards, local fire and police protection, animal control, regulation of land use, noise control of stationary sources, aesthetics, local roads, flood or erosion control with limited benefits, and repair of limited damage from natural disasters.

The level and extent of this kind of service should be determined by the representatives of those local jurisdictions which can provide services at a tax level and at a standard of effectiveness acceptable to the people of that area.

SUMMARY OF SHIFTS FOR LIMITED AREA BENEFITS

	<u>State</u>	<u>Local</u>	<u>User Fees</u>
Court Actions on Local Laws (Tax support)		*	
Local Library Construction (Tax support)		*	
Small Recreation Facilities (Tax support)	→		
Enriched Social Programs Above the Standard Determined by the State (Tax support)		*	
Local Fire and Police Protection (Tax support)		*	
Animal Control (Tax support and fees)		*	
Maintenance of Local Streets and Roads (Tax support)		*	→

	<u>State</u>	<u>Local</u>	<u>User Fees</u>
Regulate Local Land Use, Noise Control and Aesthetics (Fees and tax support)		*	
Flood or Erosion Control with Limited Benefits (Tax support from beneficiaries)	→		→
Repair of Limited Damage from Natural Disasters (Tax support)		*	
Care of Non-Serious Juvenile Delinquents (Tax support and user fee)			→

In some cases the local tax base may be inadequate to support a State-defined minimum standard of local services. *In such cases, the State should provide assistance to guarantee that the State standard is upheld.*

SUMMARY OF SHIFTS FOR LOCAL BENEFIT SERVICES WHERE LOCAL TAX BASE IS INADEQUATE

	<u>State</u>	<u>Local</u>
Maintain Juvenile Delinquents in Juvenile Homes (Tax support)	←	
Construction of Juvenile Homes (Tax support)	←	
School Construction in Poorer Districts (Tax support)	←	

C. Widespread Benefits/Broad Risk Services

Whenever there are widespread benefits (such as in K-12 education) or where there are broad risks (such as the chance of being orphaned), the responsibility for the service should be borne at the larger level of government (Federal-State). The services included in this category are divided into the following groups:

- 1. State Policy and Funding**—The domestic public services of widespread benefit or risk placed under this heading are those which do not require interstate equalization, and which are applicable to the State as a whole, yet do not require a local delivery system to exercise State responsibility. Examples include court costs for cases involving criminal adults, chronic juvenile delinquents, insanity commitments, dependent juveniles, eminent domain (highways); research of a statewide applicability (reduce adult and juvenile commitments); acquisition of large recreational facilities where charges are impractical; and statewide planning and safety of airports.

Policy choice and funding responsibility for this kind of service should be done at the State level.

SUMMARY OF SHIFTS FOR SOLELY STATE PROGRAMS

	State	Local
Court Costs for Cases Involving Criminal Adults, Chronic Juvenile Delinquents, Insanity Commitments, Dependent Juveniles, Eminent Domain (Highways) (Tax support)	←	
Research of a Statewide Applicability (Tax support)	←	
Acquisition of Large Recreational Facilities Where User Charges Are Impractical (Tax support)	←	

2. *Federal-State Policy and Funding*—Services in this group have the most widespread benefit or risk and can be administered at the larger governmental levels. They are services which are, for the most part, money payments. Two examples are given: health care services for the indigents and income for permanently dependent (primarily elderly, disabled and blind).

SUMMARY OF SHIFTS FOR BROADEST BENEFIT/RISK CATEGORY

	Federal State	Local
Health Care Services (Tax support)	←	
Income for Permanently Dependent (Tax support)	←	

3. *Federal-State Policy and Support to Local Government*—Services included here have widespread benefits and broad risks, and take cooperative arrangements to equitably fund and effectively deliver. These services are often delivered by local government. There are two subheadings in this group. The first encompasses *services related to the handicapped, disabled, or disadvantaged*, or, in other words, those services where income redistribution is a major consideration. Examples are: legal assistance to indigents; assuring safety of facilities for dependent people; health services, day-care, preschool, and school age education for disadvantaged, mentally retarded, and handicapped children from poor homes; social services for aged, disabled, and blind; assistance for needy children; adoptions; and research on improving administration of the above type services.

The second subheading covers *services for the general population*. Examples are: health, education (library systems), highways, flood or erosion control with widespread benefits, and repair of major damage to public facilities from natural disasters.

Whereas the services in the partnership programs require a local delivery system, the policy choice and funding should primarily be the responsibility of the Federal-State governments.

SUMMARY OF SHIFTS FOR PARTNERSHIP PROGRAMS SERVICES FOR THE HANDICAPPED, DISABLED, OR DISADVANTAGED

	Federal State	Local
Legal Assistance to Indigents (Tax support)	←	
Assure Safety of Facilities for Dependent People (Tax support)	←	
Health, Day-Care, Preschool, and School Age Education Services for Disadvantaged Mentally Retarded, and Handicapped Children from Poor Homes (Tax support)	←	
Social Services for Aged, Disabled, and Blind (Tax support)	←	
Adoptions (Tax support)	←	
Research on Improving Administration of the Above Services (Tax support)	←	
Programs for Pathological Juvenile Delinquents (Tax support)	←	

SUMMARY OF SHIFTS FOR PARTNERSHIP PROGRAMS SERVICES FOR THE GENERAL POPULATION

	Federal State	Local
Health (Tax support)	←	
Education (K-12; Library systems) (Tax support)	←	
Highways and Transit (Tax support and fees)	←	
Flood or Erosion Control With Regional or Larger Benefits (Tax support and user charges from Beneficiaries)	*	*
Repair of Major Damage to Public Facilities from Natural Disasters (Tax support)	*	*
Planning and Safety of Airports (User fees)	*	*