This Week

• Interior Department's wilderness policy proposed, see page 2.

• County options under UI laws surveyed, see pages 7 and 8.

COUNTY NEWS

"The Wisdom to Know and the Courage to Defend the Public Interest"

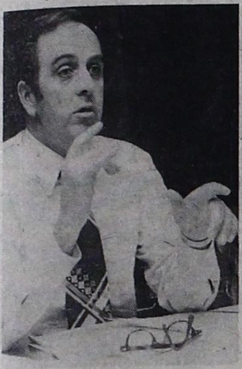
NACo

Vol. 11, No. 4 — Jan. 22, 1979 — Washington, D.C.

Tax Cutting Referendum Put Forward in Suffolk

SUFFOLK COUNTY, N.Y.—Elected County Executive John V.N. Klein has proposed a drastic tax reduction referendum affecting all levels of government in this major urban county.

Dubbing it "The Taxpayers Bill of Rights," Klein has put forward a proposition 13-styled program which would phase in major tax relief for county residents on a five-year schedule. The time span is designed to allow an orderly reduction of the county's budget.



Klein

The proposed referendum offers a 25 percent rollback of county general property taxes if the special June 1979 referendum is approved by the voters. "Perhaps the major issue on the ballot will be a vote on whether all taxes levied should exceed 1 percent of full market valuation, as they do now," Klein noted.

Suffolk County has 261 taxing jurisdictions within its boundaries, and total property taxes exceed $600 per resident. The county executive believes that the people will no longer tolerate this burden. He wants to use Suffolk County's newly authorized powers of local initiative and referendum to provide taxpayers with an avenue of relief.

"The county is fully prepared to restrain or cut back services if necessary as a result of passage of the referendum," said Klein.

County News will follow the Suffolk vote in future issues.

First County Offered a HUD Action Grant

WASHINGTON, D.C.—The first urban county to be offered an urban development action grant is among 30 metropolitan areas selected to receive awards totaling $89.7 million. The first action grant awards of 1979 were announced last week by Secretary of Housing and Urban Development Patricia Roberts Harris.

Beaver County, located in western Pennsylvania, will receive $2.9 million to help a glass company which lost its facility last year in a fire. The Phoenix Glass Company will invest $25 million to expand and relocate in a new structure that will rise on land acquired by the county.

Beaver County is one of 11 urban counties nationally meeting the minimum levels of physical and economic distress which in turn qualify them for the competitive action grant program.

THE ACTION GRANT program which provides $400 million annually to "distressed" cities and urban counties was created by the Housing and Community Development Act of 1977. As orginally proposed by HUD, program eligibility would have been limited to distressed cities.

However, at the urging of NACo, Congress amended the legislation to extend eligibility to distressed urban counties. These amendments were offered in the House by Reps. William Moorhead (D-Pa.) and Mark Hannaford (D-Calif.) and in the Senate by Sen. John Heinz (R-Pa.)

Of the awards announced last week, nine are commercial, 15 are neighborhood and six are industrial projects.

The HUD funds are earmarked for 30 joint public/private development projects, supported by more than half-a-billion dollars in private financial commitment. When the projects are completed—most in two to three years—14,422 new private sector jobs will be created, and an additional 6,268 jobs will be saved, according to HUD.

HUD Secretary Harris noted, "President Carter and I recognize that urban areas have tremendous opportunities and we are prepared to join in a new partnership with state and local governments to strengthen their economic bases, eliminate blight and build a better future for all their citizens.

"The $557 million invested in these 30 projects proves that private business and industry also recognize these opportunities and are prepared to join in the partnership," she said.

The action grants offered last week constitute a preliminary application approval, the first step in a process which leads to legally binding commitments between the private sector and the recipient and a signed contract between the recipient and HUD.

DELIVERY OF FUNDS to a locality is contingent upon completing the entire process. Funds earmarked for a county or city which is unable to obtain legally binding commitments or is otherwise unable to sign a contract with HUD are awarded to other projects in future rounds.

"Beyond the tremendous benefit that individual public/private development projects bring to urban areas, we are also pleased because local governments are sharpening their skills in developing and executing complex financial arrangements," said Robert C. Embry, Jr., assistant secretary for community planning and development.

"This makes it possible for localities to pursue the "new partnerships" that President Carter and we so strongly encourage, through programs other than the very special Urban Development Action Grant program," he added.

Cities offered awards range from New London, Conn. and Bayamon, Puerto Rico in the East, to Gulfport, Miss. and Long Beach, Calif. in the South and West. The action grant awards are based on the merits of the projects, but only cities and counties that meet special criteria for economic and physical distress, and have good overall records for equal housing and employment can apply.

New Welfare Proposal Taking Shape

WASHINGTON, D.C.—In a White House briefing last week, key Administration officials consulted with NACo about the shape of President Carter's welfare reform proposal for the 96th Congress.

While details are still being ironed out, there appear to be no unpleasant surprises in store for counties. A $5.5 billion cost figure, reported earlier by the *Washington Post*, has been set by the President to be apportioned between cash assistance and jobs for welfare recipients. This legislation will be presented as two separate bills and will have no budgetary impact until fiscal 1982.

According to White House Special Assistant for Welfare, Chris Edley, President Carter continues to emphasize a strong commitment for jobs in the reform bill. Calculated in the $5.5 billion figure is reduced welfare costs due to employment of welfare recipients. The Administration's cost estimates are based on a projected unemployment rate of 4.8 percent in 1982.

Within the cost constraints, the President's proposal will attempt to improve the adequacy, equity and efficiency of existing programs, say White House staff.

ALTHOUGH GREATLY scaled down from the Program for Better Jobs and Income proposed in the 95th Congress, several key objectives can still be accomplished, according to Michael Barth, deputy assistant secretary for the Department of Health, Education, and Welfare (HEW). It is likely these goals will include the basic New Coalition package developed by state and local officials last June when congressional action on the Administration's welfare reform bill halted. The Administration's proposal includes:

• Moderate improvement of benefits by establishing the national minimum benefit at approximately 65 percent of poverty level.

• Moderate expansion of eligibility to two-parent families by requiring an Aid to Families with Dependent Children-Unemployed Parent (AFDC-U) program in all states, and by dropping restrictive work force attachment rules now in effect.

• 710,000 jobs for welfare recipients at a 4.8 percent unemployment rate.

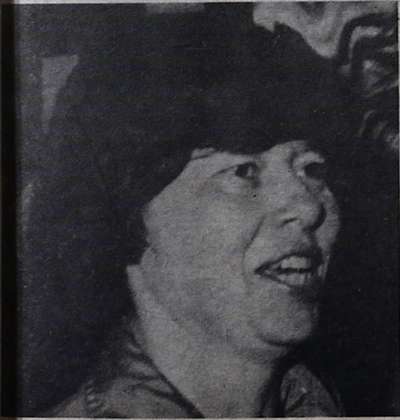
• Improvement in the Earned Income Tax Credit and the federal Work Incentive (WIN) Tax Credit.

• Fiscal relief to states and counties through increased federal matching of benefits.

• Simplified administration through standard definitions of assets, income and earnings disregards in the food stamp and AFDC programs.

• Cash out of food stamp benefits for Supplemental Security Income (SSI) recipients.

THE $5.5 BILLION welfare and jobs package is slated for implementation in fiscal 1982. While it may very likely be a bill county officials will support, NACo will still seek interim measures to bring fiscal relief to counties that pay welfare costs.



Ahmann

Justice Official Calls Jail Coalition "Vital"

WASHINGTON, D.C.—The size and diversity of the National Coalition for Jail Reform is unique, according to Deputy Attorney General Benjamin Civiletti, who welcomed more than 60 representatives of national organizations to the coalition meeting Jan. 10 in Washington.

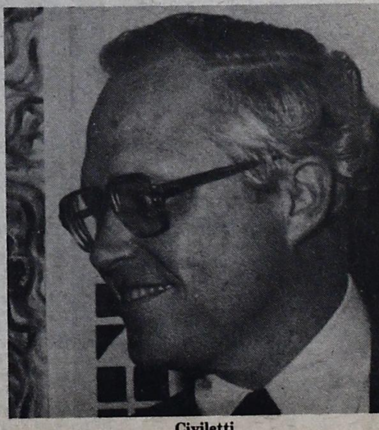
"Everyone involved with the American criminal justice system knows the desperate need for attention and advocacy in dealing with the jail crisis," Civiletti added.

The coalition, the first broad-based effort in the criminal justice field, was formally established in October 1978 to mount a systematic and unified attack on the problems of the nation's jails. Its membership includes more than 30 national organizations, including NACo.

Although many groups have been working on jail problems, lack of close coordination has made their efforts largely ineffective. Each of these national organizations will be enlisting the aid of their state affiliates and the local community.

CIVILETTI EXPRESSED the concern of the Department of Justice with issues the coalition is planning to address: inappropriate confine-

See GROUPS, page 2



Civiletti

Wilderness Policy

Interior Has Interim Regs for Comment

WASHINGTON, D.C.—Interior Secretary Cecil D. Andrus has announced the draft policy for managing lands during an Interior Review of wilderness areas. The draft policy appears in the Jan. 12 *Federal Register* along with proposed rules for mining activities during the review.

"We want to maintain the potential of lands under study for possible wilderness designation by Congress. At the same time we want to ensure that other land uses are allowed to the fullest extent compatible with maintaining wilderness potential," Andrus noted.

The Federal Land Policy and Management Act of 1976 (FLPMA) mandates that Interior's Bureau of Land Management conduct a wilderness review and develop a basic interim management policy.

After BLM makes its recommendations, Congress will decide whether these areas should be designated as part of the National Wilderness Preservation System.

COMMENTS URGED

BLM Director Frank Gregg said, "Because the issues covered in these documents are among the most important in the wilderness review, we are soliciting extensive public review and comment. The 60-day review period ends March 14. NACo has invited Gregg to brief county officials attending the NACo Western Interstate Region Conference next week.

The draft interim management document emphasizes that any land use may be permitted in a wilderness area as long as it does not impair wilderness suitability.

County officials in the western states where BLM administers more than 500 million acres are particularly concerned that bureau coordinate its wilderness review with county land use plans and consider the socioeconomic results of its decisions.

Activities which would generally be permitted in wilderness study areas without review include hunting, backpacking and use of off-road vehicles on existing ways and trails.

Activities such as oil and gas exploration and the construction of range improvements and temporary access routes will require a review.

Activities which will not be allowed include timber clearcutting, surface coal mining and the construction of power plants and permanent roads.

However, FLPMA, through a "grandfather clause," provides that grazing, mining and mineral leasing uses which existed on Oct. 21, 1976 may continue.

MINING ACTIVITIES

Most activities which need review can be evaluated through existing BLM procedures. The major exception is exploration and mining activities under the general mining laws.

Under the proposed mineral regulations, an approved plan of operations for certain mining-related activities within wilderness study areas would be required.

Gregg said the draft regulations have been designed to minimize both the number of operations affected and the amount of paperwork required. For instance, a plan of operation would be required only for those activities that could impair wilderness suitability, or could cause undue or unnecessary degradation of land and resources. Plans of operations existing on Oct. 21, 1976 need not be submitted unless the operations exceed manner and degree of operation on that date.

INVENTORY UNDER WAY

"These policies and guidelines will apply to BLM-administered lands that have not yet been inventoried to determine if they have wilderness characteristics," Gregg said. "However, our inventory is well under way, and many lands have been eliminated from consideration. We continue to give priority to the inventory of those lands which, because of heavy use, are already so developed that they clearly and obviously do not meet basic wilderness criteria."

BLM plans to complete most of its wilderness inventory by Sept. 30, 1980. The bureau expects, however, to complete an initial inventory by next July. This initial inventory is designed to identify lands that clearly do not meet wilderness criteria. These will be released from further consideration as wilderness after they have been examined and submitted for a 90-day public review.

Together with the Alaska lands wilderness proposals and the Forest Service proposals which resulted from the RARE II (Roadless Area Review) study, wilderness will undoubtedly be a major public lands issue this year. Wilderness proposals and policy will be a major topic for discussion during the NACo Western Interstate Region Conference in Hawaii next week.

—Linda Bennett

Comments Due on Energy Act Rules

The deadline is fast approaching for comment on the second part of the proposed regulations governing that part of the National Energy Act known as the Mikulski Amendment.

These proposals which cover that part of the National Energy Act directed at local government energy conservation activities, include grant programs for technical assistance and energy conservation projects for schools, hospitals, local government buildings, and public care institutions.

NACo urges county officials to comment in writing to the Department of Energy by Feb. 3, and to send copies of your remarks to NACo's Energy Project so that we can incorporate your concerns and ideas within our written comments.

The proposed regulations, published in the *Federal Register* on Jan. 5, are available from NACo. If you would like to receive a copy (of the regulations) please contact Sarah Brooks, NACo Energy Project, 202/785-9577.

Groups Unite for Jail Reforms

Continued from page 1

ment and inappropriate conditions.

At its recent meeting, the coalition began to define three groups of people who are inappropriately confined in our nation's jails—public intoxicants, the mentally ill and mentally retarded, and juvenile status offenders.

In the next few months, the coalition will be perfecting definitions and developing plans to divert these individuals from jails and into more appropriate facilities.

Civiletti told the group, "Your task is extremely difficult and I am proud to be able to come to say hello to you. The progress you've made in one year is substantial. It's particularly gratifying to me to see the willingness of men and women of talent and ability to come together in a coalition to work consistently in an area that needs consistent, imaginative and sound work."

NACo was represented by Rosemary Ahmann, commissioner, Olmsted County Minn. and chairman for corrections of NACo's Criminal Justice and Public Safety Steering Committee.

JAIL COALITION MEETING—Sheriff Kenneth L. Preadmore of Ingham County, Mich. talks informally with Deputy Attorney General Benjamin Civiletti. Preadmore attended the coalition meeting as a representative of the National Sheriffs' Association. He is also a member of NACo's Criminal Justice and Public Safety Steering Committee.

VOINOVICH HONORED—Cuyahoga County (Ohio) Commissioner, Robert E. Sweeney, center, and Edward F. Feighan, right, present out-going Commissioner George V. Voinovich with a proclamation in gratitude for his outstanding service as county auditor for six years and commissioner for two years. Voinovich resigned Jan. 7 to become Ohio's lieutenant governor.

Health Needs of Aging Addressed

WASHINGTON, D.C.—This nation should make the same commitment to long-term health care for the elderly as it has to educating the young, noted Robert Benedict, the federal Commissioner on Aging.

"The problem has all the same dimensions," he said at a recent meeting of the Federal Council on Aging, "and despite all the fiscal problems we face, I cannot imagine letting the lack of care continue much longer."

The Federal Council on Aging is composed of 15 citizens appointed by the President to advise and assist him "on matters relating to the special needs of older Americans."

Nelson H. Cruikshank, the President's counselor on aging, is chairman of the commission. The president's wife, Rosalynn Carter, also attended this meeting, which was the first of a series devoted to long-term care for the elderly.

MRS. CARTER TOLD council members that during the presidential campaign she became especially concerned about the elderly who were isolated in their homes and unable to participate in the affairs of the communities she visited.

Hale Champion, undersecretary of the Department of Health, Education and Welfare (HEW), said that providing services to the elderly in their own homes is "the most urgent problem HEW faces."

Champion explained that, as a result of research, HEW is particularly concerned with two problems:

- Services funded by HEW might replace, rather than supplement, care provided to an elderly person by his or her family;
- The quality of services provided in the home is difficult to monitor.

The key to solving both these problems, in Champion's opinion, is neighborhood responsibility for in-home services.

Benedict agreed: "Long-term care is a community problem and must be solved in that context. The federal government's view that this is simply a financing problem is a mistake. Local communities need the authority to deal with the problem in a collective way."

"WASHINGTON," he continued, "will also have to reexamine its long-held philosophy that states and communities don't know what they are doing, that Washington must do it for them."

Before coming here last year Benedict was in charge of aging services in Pennsylvania.

The federal government, he concluded, must switch from "an encroaching position" to an "assisting posture."

Mary A. Marshall, a delegate to the Virginia legislature and also a member of the council, agreed with Benedict but then observed that special purpose programs retained active constituencies in Washington while block grant programs suffered.

"Look at recent increases in the Vocational Rehabilitation program while Title XX (of the Social Security Act) languishes," she said.

Monsignor Charles J. Fahey of Syracuse, N.Y. countered, however that problems defined by constituency are not providing adequate help to the multiple problems that the frail elderly usually face. Fahey is chairman of the council's committee on long-term care.

"What I hope this council can do," he said, "is to bring together materials and people to produce some policy statements by the end of this year that everybody can use to help address this problem."

Those interested in attending or participating in subsequent meetings, he added, should contact Muriel Shurr, Federal Council on Aging, HEW, Washington, D.C. 20201.

—Phil Jones, NACo

COUNTY NEWS
(USPS 704-620).

EDITOR: Bernard Hillenbrand
NEWS MANAGER: Christine Gresock
PRODUCTION MANAGER: Michael Breeding
GRAPHICS: Karen Eldridge, Robert Redding, and Deborah Salzer
ASSISTANT EDITOR: Joan Amico
PHOTOGRAPHER: Lee LaPrell
CIRCULATION COORDINATOR: G. Marie R
Published weekly except during Christmas week and the week following the annual conference by

National Association of Counties
1735 New York Ave., N.W.
Washington, D.C. 20006
202/785-9577

Entered as second class mailing at Washington, D.C. and additional offices. Mail subscription $35 per year for nonmembers, $30 for nonmembers purchasing 10 or more subscriptions. Member county surplus subscriptions are $20, member counties purchasing 10 or more surplus subscriptions $15. Send payment with orders to above address. While utmost care is used, County *News* cannot be responsible for unsolicited manuscripts.

OMB Readies Federal Aid Study

WASHINGTON, D.C.—The Office of Management and Budget (OMB) has set down final plans to study federal assistance programs. The notice, published Jan. 8 in the *Federal Register*, invites local government participation.

The Cooperative Grant Agreement Act of 1977, in addition to defining grants, contracts, and cooperative agreements, and stipulating when federal agencies may use such agreements, requires OMB to study alternative means of implementing federal assistance programs and the feasibility of developing a comprehensive system of guidance for federal aid.

The report, due to Congress by Feb. 3, 1980, will also focus on specific complaints raised by grant recipients.

THE NOTICE STATES, "The study offers an opportunity to investigate many specific issues and problems in the federal assistance area called to OMB's attention by state and local officials, the Congress, the General Accounting Office, and others and to review systematically the proper federal role in assistance activities."

It will include efforts to streamline the grants-in-aid system begun by the President's memorandum of Sept. 9, 1977, the impact of government reorganization, and recommendations from the Commission on Government Procurement.

The study will focus on the major tasks of:

- A thorough description of existing guidance documents and processes;
- Alternatives to a comprehensive guidance system;
- Alternatives for implementing federal assistance programs;
- Analysis of the act itself;
- Equity and fairness as well as competition in the grant system;
- The federal relationship in research and development, as well as recipient-related issues.

In addition to taking a hard look at the relationship of the federal government to grant recipients and the effects of such federal policies as citizens' participation, environmental concerns, and non-discrimination, the study will also examine ways to improve the participation of recipients in program design. This would include an analysis of the new Executive Order on Regulations Development, E.O. 12044, (an order that guarantees the right of consultation and public comment), as well as constraints imposed by the Federal Advisory Committee Act on consultation privileges; the impact of the Intergovernmental Cooperation Act, and standards used to select recipient formulae; the relationship of program procedural requirements on the federal/state and local funding cycles, and the limits of federal intrusion in state affairs.

In short, the study will be a comprehensive review of the relationship of the federal government with its partners in federal program delivery, how that relationship works, and the factors which make that relationship cumbersome and overburdened with red tape.

ACTIONS STEMMING from this study are important to counties since resultant policies will determine the real role local governments play in the intergovernmental system and the impact of federal regulation on that partnership. NACo will be particularly interested in the question of how much restriction the Federal Advisory Committee Act of 1972 places on organizations representing local governments in policy determination and regulations development by federal agencies. Present OMB opinion greatly limits accessibility.

To complete the study, OMB will establish special task forces composed of representatives from executive agencies, state and local governments and the public. For more information contact Thomas L. Hadd, Intergovernmental Affairs Division, The Office of Management and Budget, Room 5217 New Executive Office Building, Washington, D.C. 20503, 202/395-5156, or Linda Church of the NACo staff.

OMB Proposes A-95 Changes

WASHINGTON, D.C.—The Office of Management and Budget (OMB) proposes to amend the A-95 circular, "Evaluation, Review and Coordination of Federal and Federally Assisted Projects," to include urban impact assessments.

The A-95 circular sets procedures for local A-95 clearinghouse agencies, usually councils of government to review and comment on applications submitted to federal agencies. Comments are considered by the federal agency when reviewing the recipient's application, although clearinghouse comments have no power to actually stop federal funding.

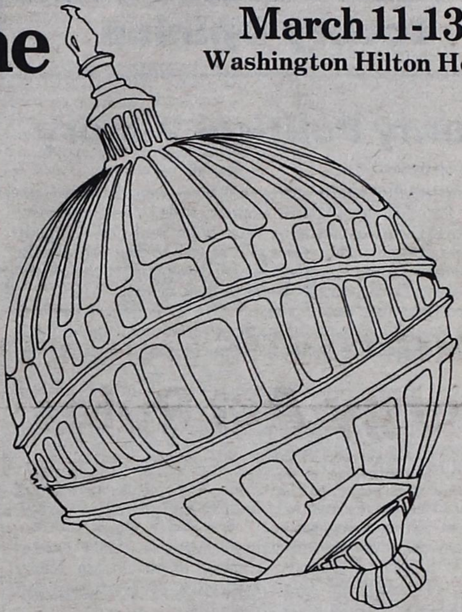
Urban assessments would include the relationship of the proposed project to economic revitalization, particularly of distressed communities; business location and level of economic activity; expansion of jobs for minorities and unemployed; expansion of housing choices for disadvantaged and minorities; efforts to strengthen the fiscal condition and tax base of urban communities; conservation and revitalization of neighborhoods; protection of parks, recreation, historic and cultural resources; and the development of mass transit opportunities.

Notice to amend appeared in the Jan. 15, 1979 *Federal Register*. For more information, contact Tom Snyder, Intergovernmental Affairs Division, Office of Management and Budget, Washington, D.C. 20503, 202/395-6911. Comments should be sent directly to his office by March 20, with copies to Elizabeth Rott and Linda Church at NACo

NACo's 1979 Legislative Conference

Inflation and the 96th Congress

March 11-13
Washington Hilton Hotel



NACo's Annual Legislative Conference will focus this year on anti-inflation activities.

- Congressional and Administration speakers will emphasize the county role in the fight against inflation and the effect of inflationary pressures on legislation in the 96th Congress.
- Workshops will review upcoming legislation.
- All steering committees will meet Sunday, March 11, 1-5 p.m.
- Affiliates will meet in the morning on Sunday, March 11 and Wednesday, March 14.

Delegates to NACo's 1979 Annual Legislative Conference can both preregister for the conference and reserve hotel space by completing these forms and returning them to NACo, 1735 New York Avenue N.W., Washington, D.C. 20006

Conference Registration:

Conference registration fees must accompany this form before hotel reservations will be processed. Enclose check, official county purchase order or equivalent. No conference registration will be made by phone.

Refunds of the registration fee will be made if cancellation is necessary provided that written notice is postmarked no later than Feb. 23.

Hotel Reservations (Washington Hilton Hotel)

Special conference rates will be guaranteed to all delegates whose reservations are postmarked by Feb. 9. After that date, available housing will be assigned on a *first come basis.*

Conference registration fees:
$95 member, $125 nonmember, $50 spouse (Make payable to NACo.)
Please print:

Name ______________________________
(Last) (First) (Initial)

County ______________________________

Title ______________________________

Address ______________________________

City ____________________ State __________

Zip ____________ Telephone (______) ____________

Name of Registered Spouse ______________________________

For Office Use Only

Check Number ______________________________

Check Amount ______________________________

Date Received ______________ Date Postmarked ______________

Indicate preference by circling the type of room (lowest rate possible will be reserved unless otherwise requested):

SINGLE	DOUBLE
$40-$56	$54-$70

Note: Suite information from Conference Registration Center 703/471-6180.

Name of Individual ______________________________

Co-occupant if Double ______________________________

*Arrival Date/Time ______________ Departure Date/Time ______________

Special Hotel Requests ______________________________

Credit Card Name ______________________________

Credit Card Number ______________________________

( ) Check here if you have a housing related disability.

*Hotel reservations are only held until 6 p.m. on the arrival day. If you anticipate arriving near or after that time, list a credit card name and number below to guarantee your first night reservation.

For further housing information call NACo Conference Registration Center: 703/471-6180.

Annual Budgets

They Look the Same to Both County Officials and Presidents

When President Carter releases his 1980 "austerity budget" this week there are likely to be some pluses for counties and probably many more minuses. But no group will have greater understanding of and sympathy for the President than our elected county officials.

John V.N. Klein, Suffolk County (N.Y.) executive, said it best last fall when he told Vice President Mondale:

"We look at things the same way that the President does, because on a much smaller scale our problems are identical. While our tax dollars are shrinking from runaway inflation, it is not politically feasible to increase taxes to fund our budgets which by law must be balanced.

"Almost every national special interest group has its roots in our counties and they are very sincere and outspoken in their demands for public funds. We, like the President, are in the unpleasant business of having to say no to many worthy people."

Klein and Alfred DelBello, Westchester County (N.Y.) executive and NACo's Urban Affairs Committee chairman, and two dozen of their colleagues at a White House meeting were making the point that county officials are at the delivery end of most national programs, and that elected officials must therefore have an effective partnership with the President as he works out his budget and legislative proposals.

SOME EXAMPLES

Peter Shapiro's experience can point out how the President and county officials face similar problems. While the President has been wrestling with such thorny issues as inflation, higher Social Security taxes and a mushrooming bureaucracy, Shapiro has had to draw up his first budget for Essex County, N.J. Voters there gave the green light to a new form of government last November.

The newly elected county executive has asked for higher taxes, tighter controls of the purse strings and the elimination of 671 jobs in the county.

To continue the parallel, the President can point out that most of his budget is made up of "uncontrollables" like veterans' pensions and interest on the federal debt. So too are county budgets filled with "uncontrollables." For example, for most counties personnel costs are a major budget item. Effective Jan. 1, those counties contributing Social Security for their employees saw costs sharply increase when rates went from 6.05 percent to 6.13 percent and the taxable wage base rose to $22,900.

In deciding his budget targets, the President must deal with congressional "mandates" such as national goals for housing, employment and pollution control. At the other end, county officials must "do the doing" and comply with scores of congressional, administrative and judicial mandates such as clean air, clean water, affirmative action, school busing, historic preservation, care of the handicapped, prevailing wages, equal opportunity employment, occupational safety and many, many more.

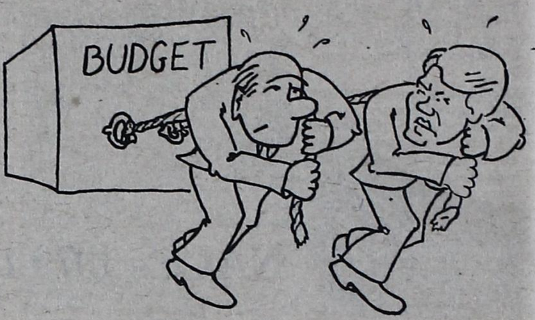
NEW MANDATES

Three new national mandates are causing particular anxiety and almost certain new burdens on existing and future budgets.

A fresh avalanche of regulations addressing the needs of handicapped individuals, if strictly enforced, could require vast new local expenses in redesigning public buildings and making transportation vehicles accessible.

Who can even speculate about the impact of proposed safe drinking water standards? Local officials claim that treatment procedures for eliminating certain chemicals from the public water supply may be a cost burden that many citizens are unwilling to bear.

And regulation writers at the Department of Health, Education and Welfare are worried about a flood of paperwork ahead for both federal and local officials in trying to assess exactly what is and what is not age discrimination, under the 1975 Age Discrimination Act.



ESCALATING COSTS

The parallels are countless. The President faces budget pressures as the costs and caseloads swell in programs like Social Security and pension plans for retired military and civilian employees. At home county officials must cope with funding retirement programs and inflated new welfare costs; at the same time they must make room for children entering schools, support "charity patients" in hospitals and clinics and cater to the needs of a growing elderly population.

The President must be anxious about the economy. So are county officials. A sharp increase in unemployment adds to county welfare, social services and health costs. Counties must also pay a share of unemployment insurance for their employees who are laid off because of an economic downturn.

Beyond our shores, the President's eye is on the Middle East with a sharp focus on Iran. At stake are the questions of war or peace, but also of oil embargoes and a new energy crisis. Local officials are concerned with the effects of our present energy situation in the form of runaway costs for operating public vehicles, heating and cooling public buildings and purchasing energy-related products like asphalt.

Perhaps the best indication of how the destinies of an elected President and elected county officials are entwined can be found in Treasury Department figures released last week: federal aid to state and local governments jumped by more than 50 percent from 1975 to 1978 to nearly $78 billion.

Presidential cutbacks in these aid programs will undoubtedly have negative consequences for county budgets.

Bernie Hillenbrand

NACo Executive Director

County Opinion

County Political Victory

We could hardly believe our eyes. There was our own Commissioner Pete Mirelez (Adams County, Colo.) and Supervisor Terry Pitts (Milwaukee County, Wis.) with Sen. Ted Kennedy on national television. They were part of an exciting political debate on the now famous national health care panel at the Democratic Mid-term Conference in Memphis last month.

Our reporters also noted that NACo President Charlotte Williams was a special honored guest at the convention and was seated in the dignitaries section and participated in panel sessions.

Black Hawk (Iowa) County Supervisor Lynn Cutler co-chaired with Congresswoman Barbara Mikulski a breakfast for elected women and was active with fellow county officials on the convention floor on the policy debates.

Even the Irish got into the action. New Castle County (Del.) Councilman Joe Toner, chairman of the National Association of Democratic County Officials, led the fight for full voting participation by our county delegates.

There were other county officials everywhere—Mary Louise Symon of Wisconsin; Rosemary Ahmann of Minnesota; Kerry Williamson of Louisiana; Harold Hayden of Michigan and Jeanne Malchon of Florida to mention a few.

While there are critics of the first mid-term national political conference, we can't fault the key roles given to our county officials. The fact that county officials play an integral part in our democratic electoral process is not news. But often their fine work has been cast in the shadows.

It was great to finally see county officials on center stage. It's a national recognition justly deserved.

...and Home Rule Victory

The National Association of Counties is proud to welcome Greenland, the largest county in the world—to complete home rule.

This Danish county, with an area of 840,000 square miles and 20 times larger than England, has been governed from a far-off Copenhagen since 1721.

By an overwhelming 70 percent, Greenland voters have approved a county home rule government while still retaining their historic ties to Denmark.

Beginning in 1981 the county legislature and an elected administration will for the first time in 260 years have control over taxation, industrial development, planning and most of the functions of local government.

Conversely, the first American county was created in Virginia in 1634 and in the 345 years since that time the majority of U.S. counties still do not have the local control over finance and government soon to be enjoyed by the Greenlanders.

In our warm welcome to the great county of Greenland we add a note of hope that the great blessings of local determination that are being extended to our fellow county officials across the icy north Atlantic will someday be extended to all of our 3,106 American counties.

NACo'S MAILBAG

Idea of Workfare Draws Praise

Editor's Note:

Nationwide attention has been focused upon the small New Jersey community of Bordentown, which withdrew from the state's general assistance system and forced welfare recipients to work for benefit checks. There had been 30 people on welfare prior to the program. Those who did not participate in workfare received no benefits.

Only two persons participated in Bordentown's program from Aug. 1, when the program was started, through November. One person cleaned chairs and drapes, and the other helped move furniture. During this period, the city spent $1,000 on welfare costs, compared to $8,100 the previous year.

While Bordentown officials felt the program restored "dignity and honor" to the applicant, state officials disagreed. General assistance, administered by local governments, is a form of welfare usually provided to single able-bodied persons without dependents. New Jersey officials said that "such a system should be administered as uniformly as possible throughout the state in conformity with clear standards and eligibility guidelines. After a court decision ruling in favor of the state, the city was ordered to "cease and desist" with its local program.

Neal Sprang, director of the Allen County Welfare Department in Lima, Ohio, and a member of NACo's Welfare and Social Services Steering Committee, recently forwarded a copy of the following letter commenting on Bordentown's workfare program to Bernard F. Hillenbrand, executive director of NACo. NACo is publishing the letter because it is of vital interest to all counties.

To: The New Jersey Department of Human Services
Attention: Ms. Ann Klein

The Bordentown community's attempt to institute "workfare" has again made the Associated Press news and was printed in the *Lima News* Dec. 16.

I do hope that the newspaper has misquoted your or some other state official that termed workfare "callous"...May I please, but strongly recommend that you thoroughly investigate workfare before you condemn it.

I would have to agree with you that Bordentown's welfare department did attempt to change the program in an illegal manner if the laws of New Jersey do not permit communities the prerogative of establishing a workfare program. The Ohio Revised Code mandates the Ohio State Welfare Department to institute and supervise a workfare program. I am sure there are other nearby states close to New Jersey that also have legally based workfare programs.

For example, New Jersey could draft and present new legislation to your legislature permitting workfare. I am sure you will find that such a maneuver would be welcomed by the legislature, the taxpayers, and even the welfare recipients. In Lima, Ohio, we have had over 38 percent of our recipients leave the work relief roles and find gainful employment. This has been a savings to us of almost $50,000 per month. Besides the savings, the persons have left the roles because they finally received meaningful training and assistance that helped them achieve their goals of self-support.

Again, I urge you to keep an open mind towards workfare and to thoroughly research the subject. When you have concluded your research, I hope you will join many other states in their efforts to reform welfare and return dignity to welfare recipients.

—Neal E. Sprang, Director
Allen County Welfare Department

MEDIATION STRESSED

Neighborhood Justice Centers: Jury Still Out

WASHINGTON, D.C.—Urban counties, with overcrowded courts, are looking for ways to move the backlog of cases without the high cost of building more courtrooms and hiring more judges. One possibility is the neighborhood justice center.

Soon after he became attorney general, Judge Griffin Bell announced that the Justice Department was beginning a pilot program to demonstrate the neighborhood justice center concept. The objectives were to:

- Reduce courts caseloads by removing disputes from the court that are inappropriate for the adversary process;
- Establish a mediation process to resolve minor criminal and civil disputes in the community;
- Enable the disputing parties to arrive at fair and lasting solutions; and
- Refer disputes for appropriate assistance to other services or agencies.

Last March neighborhood justice centers were established in Atlanta, Kansas City, and Los Angeles by the Department of Justice through Law Enforcement Assistance Administration (LEAA) grants of about $200,000 each for 18 months.

BEFORE COUNTIES can decide whether to start neighborhood justice centers in their own communities, they will need to review the operations of various pilot programs.

Researchers, collecting information from the first six months were unable to show any reductions in court caseloads. The interim report was done for LEAA by the Institute for Research in Reston, Va. The report did indicate, however, that the neighborhood justice center concept has potential for making a positive impact on local communities.

A total of 1,577 cases were processed by the three justice centers. Nearly half (46 percent) of the cases were resolved (i.e., the disputants reached an agreement). The types of cases were evenly divided between two general categories: 1) close acquaintances (domestic/family, neighbors, and friends) and 2) business acquaintances (landlord/tenant, consumer/merchant, employee/employer). Most of the cases (63 percent) were referred to the center by the criminal-civil justice system, but a significant portion (37 percent) were referred by other criminal justice agencies.

In general, the centers generated a significant amount of activity and attracted a wide variety of cases from a large number of referral sources. They tended to provide help to lower income people with a fairly even distribution of racial and ethnic characteristics, the report showed.

It is difficult to determine to what extent the neighborhood justice concept could reduce court backlogs because many cases are brought to the center that would not be taken into the formal justice system. Those minor disputes that do enter the system might be dismissed quickly with little expenditure of a judge's time. However, the court clerk or the assistant district attorney may have saved time if the dispute were settled elsewhere.

Joseph Stulberg, vice president of community dispute services for the American Arbitration Association in New York, recommends that the neighborhood justice center program be set up with consultation from district attorneys, judges, and defense attorneys if the goal is to reduce court load.

Two basic philosophies guide the policies, structure and organization of neighborhood justice centers. The center could be a community program, which concentrates on drawing cases from community organizations and offers a diversion from the justice system. Or, the center could be the first step in the prosecutorial or judicial process, and, as such, represent an arm of the justice system.

Whichever the philosophy, Stulberg recommends, the justice center concept should embody the principle that certain dispute cases don't belong in court and should be submitted to a mediation or arbitration process. He points out that the quality of justice must be considered along with the efficiency of the center in reducing court caseloads.

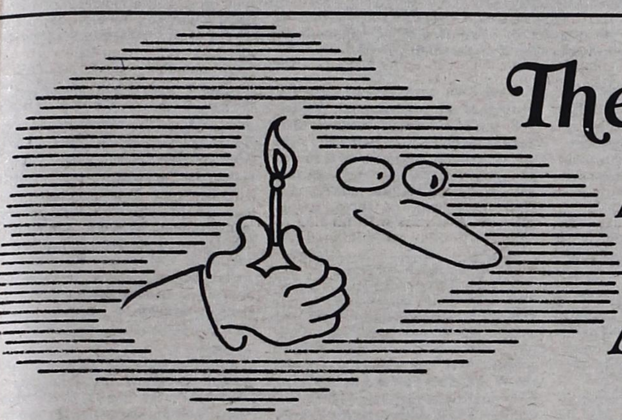
THE NEIGHBORHOOD justice centers stress mediation, rather than arbitration procedures. Through mediation, the parties can always reject the proposed settlement and take the dispute to court. Mediators are selected from the community through interviews and training in mediation procedures. They are paid $15 per dispute. The chances of the dispute being resolved to both parties' satisfaction are much higher if they go through with a mediation hearing.

The organization structure varies with the community. In Kansas City, the city government administers the program, in Atlanta it is under a nonprofit corporation, and in Los Angeles, the County Bar Association runs it.

A Dispute Resolution Act, S. 957, was passed by the Senate last year to provide federal assistance in establishing additional neighborhood justice centers. However, the House passed a different version and the conference committee did not resolve the differences. Similar legislation is expected to be introduced in this Congress.

Contact the NACoR Criminal Justice Project for copies of the Interim Report on the National Evaluation of the Neighborhood Justice Centers and for other information on project activities related to the use of mediation/arbitration of minor disputes.

—Duane Baltz, NACoR



The Search Is On

Announcing the 1979 County Achievement Award Program

Deadline for Entry: Feb. 16, 1979

1979 New County Achievement Award Entry Form

County: ______________________ State ______________________

Mailing address and name of: Board Chairman/President/Elected County Executive

____

____

______________________ Signature ______________________

Title of Case Study/Program to be considered for NACo County Achievement Award:

____

Case Study prepared by:

Name ______________________

Department: ______________________

Title: ______________________

Address: ______________________

______________________ Phone Number: ______________________

Date Submitted: ______________________

Please return to:

New County, U.S.A. Center
National Association of Counties
1735 New York Avenue, N.W.
Washington, D.C. 20006

Please Note: All materials sent with achievement award entry become property of NACo.

For more information call Linda Ganschinietz: 202/785-9577

Purpose: To give national recognition to progressive county developments that demonstrate an improvement in the county's structure, management and/or services.

NACo seeks: 1) To recognize the county government rather than individuals; 2) to solicit programs representing counties with various populations, administrative structures, population mixtures, economic structures, geographic distributions, and various historic and cultural traditions; 3) to elicit a wide range of case studies including an assortment of particular interest to the NACo functional affiliates; 4) to select achievement award recipients on the basis of general recognition of the progressive development in their county rather than on the basis of a national contest.

Case Study: 1) Case studies must be accompanied by completed entry form which has been signed by the county elected executive, board chairman, or president of board. 2) The decisive role of the county in developing and implementing the program must be outlined. 3) Evidence of the program's accomplishments over a significant time period must be documented for adequate evaluation for an award. 4) Case studies should be no longer than 10 double-spaced, 8½" x 11" pages and must include all information requested on the following outlines. When including supportive data, please place it in a 9½" x 12" manila folder to ensure it does not become separated from the case study.

Case studies should follow the outline described below:

I. Summary of program/project's accomplishments.

Brief summary of problem or issue involved; method of solution; means of financing.

II. Historical background (use exact dates).

A. Need for program/project.

B. Role of county.

C. Role of other governments, civic or business groups, and media (if applicable).

D. Legal requirements.

III. Future prospects for program/project.

Whenever possible include photographs (black and white glossy), charts and other supportive data. All entries become the property of the National Association of Counties. NACo reserves the right to edit all entries for the most effective means of presentation. Selected case histories will be made available through NACo's New County Living Library. Recognition for award recipients will be made at NACo's annual conference.

Miscellaneous: Please include a list of any consulting firms, equipment companies or other private firms utilized by the county in accomplishing your program. Please note that programs which received a NACo Achievement Award in prior years are not eligible for another award. Multiple entries are welcome; however, one plaque will be given with each of the awards listed thereon. Additional plaques may be purchased for $20 each.

Engineers Coping with Environmental Red Tape

Matter and Measure

EDITOR'S NOTE: The following report was made by Ed Wiles, highway engineer, Genesee County, Mich. and NACE northeast regional vice president.

Dear NACErs:

I am pleased to report about our workshop on the Surface Transportation Assistance Act and regulations concerning environment assessment. The workshop which I moderated Jan. 9 was sponsored by the New Jersey Association of County Engineers.

The following summarizes federal, state and county presentations:

SURFACE TRANSPORTATION ACT

Richard A. Tompkins, assistant division administrator, Federal Highway Administration, noted that the federal share for federal-aid primary, secondary, and urban system programs has been increased from 70 to 75 percent. Transfers between primary and secondary funds and primary and urban funds have been raised to a maximum of 50 percent. The act earmarks a minimum of 20 percent of primary and secondary funds for resurfacing, restoration and rehabiliatation projects.

For the bridge program, $900 million is authorized for fiscal '79, $10.8 million of which has been made available to New Jersey. The new bridge program authorizes use of federal funds, at an 80 percent federal share, for rehabilitation as well as replacement of deficient bridges. Of each state's apportionment, a minimum of 15 percent to a maximum of 35 percent is to be spent for bridges off the federal-aid highway system. The new law requires that inventories for off-system bridges be completed by Dec. 31, 1980.

The new bill also authorizes $125 million in fiscal '79, at a 90 percent share, for the hazard elimination program; $3.4 million is available in New Jersey. Funds are to be used to correct high hazard locations, eliminate roadside obstacles, delineate hazards and improve signing and pavement markings. For the pavement marking program, $65 million is authorized nationwide; New Jersey's share is $1 million.

Under the rail-highway crossing program, $190 million, at a 90 percent federal share, is available nationwide with $3.3 million for New Jersey. The new bill makes these funds available for both on and off-system crossings and at least 50 percent of the funds are to be used for protective devices. The Surface Transportation Act consolidates existing high hazard, roadside obstacle and pavement marking categories by fiscal '82.

ENVIRONMENTAL ASSESSMENT

George Burke, Morris County engineer, represented the county point of view on environmental assessment procedures. He said that counties need help from state departments of transportation and from FHWA to meet environmental requirements.

It takes the county so much time to get from step one to step two and in the interim, regulations change. The county must then start at the beginning or midpoint of a project. These lengthy time delays and changes in regulations increase project costs, he noted.

Burke gave the following Morris County "horror stories" that resulted from federal and state environmental regulations:

- Four years to hire a consultant for a 60-foot span bridge project;
- Five to six years to complete a highway project for a 1000-foot stretch of road. The county hired a consultant who performed preliminary engineering and environmental studies. It took the state two years to perform air and noise studies. The new state transportation personnel reviewed the assessment with different interpretations from those who originally conducted the review. Now the project must have view sheds so a range of mountains can be seen from the road. Costs increased because the consultant had to rewrite the environmental assessment. The project is now costing the county $60,000 and has not reached the design stage;
- Two to six years for environmental reviews before project plans can be finalized.

Burke urged legislators and federal and state agencies to consider the needs of people when critical road and bridge projects are delayed because of environmental considerations. He said the county is over-regulated and questioned what environmental assessment procedures have actually accomplished.

SIMPLIFYING FEDERAL AID PROCEDURES—Stanley Harrold, Sussex County engineer (standing) and president-elect of the New Jersey Association of County Engineers, comments on environmental assessment procedures during the Jan. 9 NACoR workshop to simplify federal-aid procedures.

STATE POINT OF VIEW

Howard Zahn, chief, Bureau of Environmental Analysis for New Jersey's Department of Transportation, provided information on federal and state environmental assessment procedures for federal-aid projects. Procedures are based on the national Environmental Policy Act of 1969 (NEPA) and federal-aid highway acts.

FHWA's regulations implementing NEPA guidelines call for development of an action plan by each state highway agency. The plan requires that adequate consideration be given to social, economic and environmental effects of proposed highway projects.

Zahn explained how the environmental process is carried out by NJDOT. "Before federal funds can be committed, the project must be classified by an interdisciplinary team known as the Levels of Action Committee. This committee examines each project and places it into a Level I, Level II, or Level III category. The Bureau of Environmental Analysis' review is called a "levels of action assessment."

In preparing its level of action assessment, the Bureau of Environmental Analysis reviews project effect on air quality; noise; water quality; terrestrial and aquatic ecology; archeology; historic and cultural sites; esthetics; socioeconomic effects; and parkland and public recreation facilities.

The bureau also identifies which federal and state permits need to be acquired before the project can be implemented. For example, seven different permits may be necessary for a bridge project.

According to Zahn, a county can expedite environmental concerns. "With proper planning and design, lengthy environmental processes can be shortened. These are projects where involvements with wetlands, 4(f) lands, and historic sites can be avoided."

To expedite a bridge project, Zahn suggested that counties, if possible, replace it on site with a new bridge with the same number of lanes and with minimal or no realignment or widening of approaches.

Zahn concluded by stating, "The key is early coordination. We stand ready to provide you with consultation and assistance on any of these matters. We urge you to take advantage of our experience in dealing with social, economic, and environmental problems associated with transportation projects in order to minimize unnecessary expenditures of your time and money and to minimize frustration by everyone involved."

FEDERAL POINT OF VIEW

Dale E. Wilken, chief, FHWA Environmental Review Branch, Office of Environmental Policy, agreed that environmental assessment is a complex situation and there is rightful concern over red tape. FHWA and the White House are working to simplify environmental assessment procedures: FHWA through its Regulations Reduction Task Force and the White House through an interagency group, he said.

Wilken said there are two kinds of federal environmental regulations: those that apply government-wide to all agencies and those promulgated by individual agencies. There is often what Wilken termed a "layer cake" effect; for example, FHWA must develop its own rules and regulations to implement government-wide regulations such as the Council on Environmental Quality's regulations implementing NEPA.

Wilken described environmental assessment as a process approach—the county must examine the effect its proposed project will have, involve the public and coordinate with state and federal agencies before a conclusion is reached. If a nonmajor determination is reached, involving a brief discussion of effects, this is the end of formal documentation and study. Other alternatives are an environmental impact statement (EIS) or a negative declaration for major projects not requiring an EIS.

Between 1976 and 1977, FHWA processed 30,000 federal-aid projects; 92 percent were nonmajor actions; less than 1 percent required an EIS.

Whereas major action projects require approval by the FHWA Regional Administrator and, at times, FHWA and the Secretary of Transportation in Washington, nonmajor projects are handled at the FHWA Division level, a time-saving step.

Wilken discussed historic preservation as part of the environmental assessment process. When federal funds are used, requirements of the Historic Preservation Act of 1966 must be met. The National Advisory Council on Historic Preservation oversees the act and issues regulations. The Department of the Interior maintains the National Register of Historic Places and state highway agencies track this information. If a federal-aid project has an adverse effect on an historic place, the National Advisory Council on Historic Preservation becomes involved in a lengthy process of commenting on the proposal but cannot disapprove a project.

In order for a bridge to be on or eligible for the National Register of Historic Places, it must be located at the site of an historic event or have engineering or architectural features that are unique or outstanding. A provision of the new federal bridge program calls for an inventory of historic bridges. Wilken suggested that county engineers consider rehabilitation rather than replacement of historic bridges.

Wilken then discussed Corps of Engineers Section 404 permit requirements. Requirements for these permits, whether or not federal funds are used, stem from the Federal Water Pollution Control Act of 1977 and the Fish and Wildlife Coordination Act. Permits are needed when projects cross rivers or streams or are located in floodplains or wetlands and corps regulations call for environmental study and specific engineering documentation.

The Department of Transportation and Corps of Engineers are working on a memorandum of understanding to streamline the Section 404 permit process. The two agencies have been working for more than a year and have not reached a conclusion.

DISCUSSION

Following these presentations, workshop attendees discussed ways to expedite environmental assessment procedures. Since New Jersey counties receive no state aid for highway projects and the state is unable to provide the local match for counties for federal-aid programs, it is crucial that procedures not prohibit county participation in federal highway programs.

—Ed Wiles

Job Opportunities

Deputy Director, CETA Programs, Waukesha County, Wis. Salary $1,491 to $1,850 per month. Assists director in administering CETA programs, oversee development of financial reporting systems, reviews grantees systems, and instructs and explains federal rules and regulations. High school graduation or GED and seven years of progressively responsible work in planning or operating manpower programs, or administering a social or financial assistance program. Three years must include duties of fiscal review and reporting. Bachelor's degree with courses in business or public administration, industrial relations, economics, or the social sciences may be substituted for four years experience. Resume to: Department of Personnel, Waukesha County Courthouse, 515 W. Moreland Boulevard, Waukesha, Wis. 53186.

Personnel Director, Brown County, Wis. Salary $23,575 to $27,826. College degree plus five years technical personnel experience required. Broad background in public personnel management and labor relations. Minimum two years experience as head of governmental personnel operation plus five years technical personnel experience. Resume: Brown County Personnel Department, Room 410, Northern Building, 305 E. Walnut Street, Green Bay, Wis. 54301. Closing date: Jan. 31.

Engineer, Routt County, Colo. Salary $1,800 per month. Design and manage road, water, sewer, and landfill project. Degree and P.E. in Civil Engineering. Resume to: Office of the County Commissioners, Box 936, Steamboat Springs, Colo., 80477. Closing date: Jan. 28.

Data Processing Coordinator, Jefferson Parish, La. Salary $23,000 to $27,000. Evaluate all parish data processing operations and needs, provide policy development and management guidance, assist departmental directors and operations personnel to understand and use processing capacity. Responsible directly to the parish president, but works in close cooperation with the directors of Management Services and Finance. A broad and thorough knowledge of modern data processing technology, government budgeting and management techniques, and familiarity with IBM 370 equipment, is required. Resume, including references to: Personnel Selection Committee, Room 818, Courthouse, Gretna, La., 70053

Director of Planning, Atlantic County, N.J. Salary negotiable. Experienced planner to head a 15-member staff engaged in 208, transportation, housing, land use, solid waste, coastal zone planning, and subdivision and site review. N.J. planner's license preferred. Resume to: Albert V. Ruggiero, Personnel Director, 700 Guarantee Trust Building, Atlantic City, N.J. 08401.

Chief Electrical Inspector, Fairfax County, Va. Salary $21,563 to $27,638. Administration of electrical inspection program involving technical supervision of 14 inspectors and line supervisors, budgetary responsibility and an opportunity to work with boards, contractors and citizens. Requires any combination of education and experience equivalent to a bachelor's degree in electrical engineering, a knowledge of the National Electrical Code and five years of electrical inspection and management experience. Resume to: Fairfax County Office of Personnel, 4101 Chain Bridge Road, Fairfax, Va. 22030.

Survey of County UI Options

The Unemployment Insurance project of NACo's Research Foundation (NACoRF) ecently surveyed UI laws in 47 states to etermine the full range of financing options vailable to county employers and those options elected by counties to meet their obligations nder the Unemployment Insurance mendments of 1976 (P.L. 94-566.)

The federal UI legislation, which became ffective Jan. 1, 1978, requires states to provide t least two alternative financing options to overnment employers—reimbursement and ontribution. The former requires counties to eimburse the state's UI fund on a dollar for ollar basis for benefits paid to former mployees. Contributions provide for a tax rate ayment based on the taxable wage base in tate law.

The survey found that:

- Approximately 66 percent of the counties eporting finance UI through dollar for dollar eimbursements;
- The high percent of counties electing eimbursement is due to the low percent of tates which offer a special contribution rate to ublic employers. Only 21 of those states urveyed offer a special rate below the 2.7 ercent entry rate traditionally paid by new rivate employers; 23 states provide for a 2.7 ercent rate or above.
- Counties in some states have elected to ontribute to the UI fund at a rate based on the xperience of all rated government employers, hile another option for counties is to contribute o a "special fund" at a specified tax rate based n gross payroll for a limited number of years.

States, required to comply with the coverage nd financing provisions of federal law, enacted onforming legislation during 1977. (Kentucky's egislation was delayed a year because its egislature did not meet in 1977.) Only New Hampshire did not meet the requirements of the 976 amendments, in part, by its failure to xtend UI coverage to state and local overnment employees (the 1976 federal mendment also included other coverage and nancing provisions which states were required o enact.)

Failure of a state to comply with federal law esults in two sanctions: a state loses the funds llocated from Federal Unemployment Tax Act evenues for administration of a state nemployment insurance system, and mployers lose the tax credit they receive gainst the federal unemployment tax for making UI payments into an accredited state system. The punitive nature of these sanctions has esulted in few states risking noncompliance.

Survey Design

Assisting NACoRF with the survey were the nterstate Conference of Employment Security gencies (ICESA) and the U.S. Department of abor's Unemployment Insurance Service.

Each state's UI law was reviewed for UI nancing options available to county employees, he applicable tax rates, and the legislative and dministrative review dates. Verification of nancing options, tax rates, and the number of ounties electing the options available under tate law were requested from 47 states. (Connecticut and Rhode Island did not receive a uestionnaire since they have no functional units f county government; New Hampshire does not eet federal standards.) The findings are abulated in the accompanying chart.

The results will be presented to the National Commission on Unemployment Compensation for its 1979 deliberations on UI system financing. n addition, the data collected will be used to nalyze the actual cost to county employers for nancing UI.

UI Financing Options by State Public Employers—1978

State	Contribution Tax Rate (Percent)	Number of Counties	Reimbursement Number of Counties	Special Schedule
Alabama	2.7	0	67	
Alaska	4	NA	NA	
Arizona	2.7	NA	NA	
Arkansas	3.1	57	18	
California	3.6	2	53	Local Public Entity Employees Fund, contribution rate of .8 percent of gross payroll for the first 3 years—3 counties
Colorado 1	.3	NA	NA	
Delaware	1	0	3	
Florida	.25	0	67	
Georgia	2.7	40	105	
Hawaii	3.5	0	4	
Idaho	2.1-3.3	2	42	
Illinois	1	84	18	By a special provision of the Illinois law, the state from its general revenue funds will finance 50 percent as the payments made by reimbursable employers for calendar year 1978.
Indiana	1	48	44	
Iowa 2	1	24	75	
Kansas	1.8	0	12	Government rated employer—.38 percent tax rate of total wages calendar year 1978—94 counties
Kentucky	2.7	NA	NA	
Louisiana 3	2.7	—	—	Government rated employer rate of 2.7 percent of taxable wages
Maine	NR	NR	NR	
Maryland	2.7	0	24	
Massachusetts	1	5	7	Government rated employer rate is based on the experience of all rated government employers—no counties
Michigan 4	2.7	23	58	
Minnesota	2.7	0	87	
Mississippi	2	28	54	
Missouri	1	69	46	
Montana	1-1.5	NA	NA	
Nebraska	2.7	7	86	
Nevada	3	1	16	
New Jersey	1	1	20	
Nex Mexico	NR	NR	NR	
New York	3.7	2	56	
North Carolina	2.7	0	100	
North Dakota	1	30	21	Regular contribution tax rate of 2.7 percent—2 counties
Ohio	3	0	88	
Oklahoma	1	58	19	
Oregon	2.7-3.5	2	30	Local Government Employer Benefit Trust Fund rate ranges from 1 percent to 5 percent of total wages—4 counties
Pennsylvania	2	35	32	
South Carolina	NR	NR	NR	
South Dakota	2.7	19	45	
Tennessee 5	1.5	54	32	
Texas 6	1	53	197	
Utah	NR	NR	NR	
Vermont	2.7	3	11	
Virginia 7	1	42	56	
Washington	1.25	4	35	
West Virginia 8	1.5	28	20	
Wisconsin	2.7	0	73	
Wyoming 9	2.7	NA	NA	

NA—indicates the data was not available
NR—indicates no response was received from the state

1 Colorado reported a mixture among counties of both contribution and reimbursement financing methods.
2 Iowa allows subunits of local governments to elect financing method: 24 (contribution) indicates the number of counties whose majority of subunits elected the contribution method; 75 (reimursement) indicates the number of counties where majority of subunits elected reimbursement.
3 Louisiana allows subunits of local governments to elect financing method: 41 subunits chose contribution, 338 chose reimbursement, and 646 chose government rated employers. These figures refer to subunits of parishes and cities.
4 Information was not available for two Michigan counties: Alcona and Alger.
5 Tennessee, like Iowa and Louisiana, allow subunits of local governments to elect financing methods. The numbers of counties refer only to the "balance of the county."
6 Four counties in Texas have not yet elected a UI financing method. Also, 157 of the 197 counties electing the reimbursement method have formed group/joint accounts.
7 Three counties in Virginia have not yet elected a UI financing method.
8 Seven counties in West Virginia have not yet elected a UI financing method.
9 Information requested considered confidential and not for release by the state employment commission.

UI Financing Option Definitions

While federal UI law requires that states offer both contribution and reimbursement financing options to public employers, any additional financing option is left to a state's discretion. The following is a summary of how several of these financing options work:

CONTRIBUTION

The Federal Unemployment Tax Act (FUTA) imposes a tax on the first $6,000 paid to each worker. Government employers are exempt from the federal tax. Most states use the same $6,000 wage base for assessing UI contributions. However, 14 states compute the tax on a higher wage base frequently based on a percentage of the average wage in covered employment.

The contribution rate applied to the payroll of UI covered employers is calculated by a formula based on the employer's past experience with unemployment compensation or payout from the fund for benefits to former employees eligible for funds. Most states use a standard 2.7 percent rate for new employers or those employers with no previous history of UI benefit claims. Consequently, many state laws allowed counties as employers with no previous experience in the UI system to pay for UI liabilities at a rate of 2.7 percent on the first $6,000 paid to each employee (this amounts to $162 per year). Employers usually qualify for experience rates after two years.

The NACoRF survey found:

UI Tax Rates (%)	Number of states
less than 1	3
1	11
greater than 1, but less than 2.7	7
2.7	15
greater than 2.7	7
Total	**44**

REIMBURSEMENT

This system allows counties to reimburse the state fund on a dollar for dollar basis for benefits actually paid out to former employees. This applies only to benefits chargeable to the reimbursing employer's account. States, under this method, may also allow the formation of group/joint accounts whereby county employers establish a special financing rate and reimburse for any UI charges against the group/joint account. This allows for the "spreading" of potential UI liabilities among several employers. Group/joint accounts therefore spread a significant number of liabilities among the group and reduce aggregate liability.

The NACoRF survey uncovered a majority of counties electing to finance UI obligations through reimbursement:

Contribution	762	34%
Reimbursement	2161	66%
Total	**2923**	**100%**

(43 states total)

GOVERNMENT RATED EMPLOYERS

Public employers as a state option may elect to contribute to the UI fund at a rate based on the experience of all rated government employers. In some states, this option is available only after a public employer has been in the system a certain amount of time.

In the NACoR survey, only three states, Kansas, Massachusetts, Louisiana, reported the establishment of a government rated employer option. Out of 106 counties in Kansas, 94 chose this option. Similarly, more than two-thirds of the subunits of local governments in Louisiana elected the government rated employer option.

LOCAL PUBLIC ENTITY EMPLOYEES FUND (INDIRECT REIMBURSEMENT)

In some states, public employers may elect to contribute to a "special fund" at a specified tax rate (e.g., based on gross payroll for a limited number of years, perhaps three). Thereafter,

Continued on page 8

Computation Date, Effective Date, Period of Time to Qualify for Experience Rating, and Reduced Rates for New Employers

State	Computation date	Effective date for new rates	Period of time needed to qualify for experience rating: At least 3 years	Period of time needed to qualify for experience rating: Less than 3 years[1]	Reduced rate for new employers[2]
(1)	(2)	(3)	(4)	(5)	(6)
Ala.	Oct. 1	April 1		1 year	1.5%
Alaska	June 30	Jan. 1		1 year	1.0%[3]
Ariz.	July 1	Jan. 1		1 year	
Ark.	June 30	Jan. 1		1 year	
Calif.	June 30	Jan. 1		12 months	
Colo.	July 1	Jan. 1		12 months	
Conn.	June 30	Jan. 1		1 year[1]	(3)
Del.	Oct. 1	Jan. 1	4 years		
D.C.	June 30	Jan. 1	X		(3)
Fla.	Dec. 31	Jan. 1	X		
Ga.	June 30	Jan. 1		1 year	
Hawaii	Dec. 31	Jan. 1		1 year	
Idaho	June 30	Jan. 1		1 year	
Ill.	June 30	Jan. 1	X[1]		
Ind.	June 30	Jan. 1	X[1]		
Iowa	July 1	Jan. 1		2 years	1.8%
Kan.	June 30	Jan. 1		2 years	1.0%[3]
Ky.	Sept. 30	Jan. 1	X		
La.	June 30	Jan. 1	X		
Maine	Dec. 31	July 1		2 years	(3)
Md.	March 31	July 1		1 year	(3)
Mass.	Sept. 30	Jan. 1		1 year	2.0%
Mich.	June 30	Jan. 1		2 years[6]	
Minn.	June 30	Jan. 1		1 year	(3)
Miss.	June 30	Jan. 1		1 year	1.0%[4]
Mo.	July 1	Jan. 1		1 year	1.0%[4]
Mont.	June 30	Jan. 1	X		
Neb.	Dec. 31	Jan. 1		1 year[1]	
Nev.	June 30	Jan. 1		2½ years	
N.H.	Jan. 1	July 1		1 year	
N.J.	Dec. 31	July 1	X		
N.M.	June 30	Jan. 1	X		
N.Y.	Dec. 31	Jan. 1		1 year	(3)
N.C.	Aug. 1	Jan. 1		1 year	
N.D.	Dec. 31	Jan. 1		1 year	
Ohio	July 1	Jan. 1		1 year	
Okla.	Dec. 31	Jan. 1		1 year	
Ore.	June 30	Jan. 1		1 year	(6)
Pa.	June 30	Jan. 1		18 months[1]	2.0%[4]
R.I.	Sept. 30	Jan. 1		1 year	(3)
S.C.	July 1[5]	Jan. 1[5]		2 years[1]	
S.D.	Dec. 31	Jan. 1		2 years	
Tenn.	Dec. 31	July 1	X		
Tex.	Oct. 1[5]	Jan. 1[5]		1 year	1.0%
Utah	Jan. 1	Jan. 1	X		2.7%
Vt.	Dec. 31	July 1		1 year	(3)
Va.	June 30	Jan. 1		1 year	1.0%
Wash.	July 1	Jan. 1		2 years[1]	
W. Va.	June 30	Jan. 1	X		1.5%
Wis.	June 30	Jan. 1		18 months	
Wyo.	June 30	Jan. 1	X		

[1]Period shown is period throughout which ER's account was chargeable or during which payroll declines were measurable. In state noted, requirements for experiencing rating are stated in the law in terms of subjectivity, **Alaska, Conn., Ind.,** and **Wash.;** in which contributions are payable, **Ill.** and **Pa.;** coverage, **S.C.;** or, in addition to the specified period of chargeability, contributions payable in the 2 preceding CYs, **Neb.**

[2]Immediate reduced rate for newly covered ERs until such time as the ER can qualify for a rate based on experience.

[3]Rate for newly covered ERs is the higher of 1 percent or state's 5-yr. benefit cost ratio, not to exceed 2.7 percent, **Conn., Kan., Md.** and **R.I.;** average industry tax rate but not less than 1 percent, **Alaska;** higher of 1 percent or the rate equal to the average rate on taxable wages of all ERs for the preceding CY not to exceed 2.7 percent, **D.C.;** higher of 1 percent or state's 3-yr. benefit cost rate, not to exceed 2.7 percent, **Minn.;** higher if 1 percent for that percent represented by rate class 11 (1.2 percent to 2 percent) depending upon rate schedule in effect, **Vt.;** ranges from 2-2.7 percent depending on rate schedule in effect, **N.Y.;** average contribution rate but not more than 3 percent or less than 1 percent, **Maine.**

[4]For all newly covered ERs except those in the construction industry, **Miss.** and **Pa.;** only for newly covered nonprofit ERs and governmental entities making contributions, **Mo.**

[5]For newly qualified ER, computation date is end of quarter in which ER meets experience requirements and effective date is immediately following quarter, **S.C.** and **Tex.**

[6]For CY 1978 and 1979, newly covered agricultural employers pay at the rate of 3 percent. Other newly covered employers pay at rates ranging from 2.7-3.5 percent, depending on the rate schedule in effect for the year, **Ore.;** and an ER's rate will not include a nonchargeable benefits component for the first 4 years of subjectivity, **Mich.**

Comparison of State Unemployment Insurance Laws, U.S. Department of Labor, Employment and Training Administration, Unemployment Insurance Service, August, 1978

UI Options

continued from page 7
public employers would be subject to a tax rate based on the average annual benefit charges to the fund.

In Oregon and California, which reported the establishment of a special schedule (i.e., Local Public Entity Employers Fund), counties have not often chosen to participate.

	Number of Counties: Contribution	Number of Counties: Reimbursement	Number of Counties: Special Schedule
Oregon	2	30	4
California	2	53	3
Total	**4**	**83**	**7**

The existence of other special financing rates for counties which elect to form group/joint accounts under the reimbursement method could not be ascertained from NACoRF's survey.

The government rated employers account and the Local Public Entity Employers account afford public employers a compromise between contribution financing with its relative high cost but low risk, and reimbursement financing with relative low cost but high risk.

Special Financing Options for Counties in Selected States

CALIFORNIA

Public employers can elect to participate in the Local Public Entity Employees Fund. This method requires units of local government to pay .8 percent of gross payroll for the first three years. Beginning with the fourth year, a public entity pays the fund for any excess benefit costs charged above payments to its account. In the fifth and following years, entities can receive an increase or decrease of .2 percent in the rate, based on benefit charges to the employer's account. There is no upper limit to the rate payable. However, no entity can receive a negative rate. This account option is administered by the state.

An additional option, one available in nearly all states, allows two or more public entity employers to form a joint account. In California, the rate for such accounts is established by the state UI agency.

KANSAS

Kansas has established a government rated employer option in addition to the 1.8 percent contribution rate established for 1978 and the reimbursement option. The rate, based on past experience of all local government units allows counties electing this option to contribute .38 percent of total wages during calendar year 1978. The rate drops to .28 percent of total wages for calendar year 1979.

LOUISIANA

Three states, Louisiana, Iowa and Tennessee, allow subunits of local government to elect their own UI financing method. Both Iowa and Tennessee allow the selection of reimbursement or contribution at a 1 percent and 1.5 percent rate, respectively. Louisiana, in addition to permitting reimbursement or contribution at a 2.7 percent rate allows local government subunits to elect one additional financing option. Subunits are allowed to become government rated employers. The rate is computed by determining the benefit cost experience of all government rated employers based on experience in the preceding fiscal year.

OREGON

Contribution rates for the state of Oregon range from 2.7 percent to 3.5 percent of the taxable wage base. Rates were based on the unit's actual UI experience during the preceding fiscal year.

In addition to a local government contribution option and a reimbursement option, Oregon permits local government units to become members of a Local Goverment Employer Benefit Trust Fund. Under this option, employers pay quarterly into the fund a percentage of gross wages paid to covered employees. The percentage is based on the political subdivision's experience during the three year period ending June 30 of each year. The fund is designed to ensure that over a three-year period an account balance for each employer equals one year of benefit charges applicable to the local government employer's wages. During the first three years of participation in the fund, the rate assessed to each government unit ranges from .1 percent to 5 percent. Thereafter, the rate can be as low as zero. Those employers with payroll data for less than six quarters by June 30 pay into the fund at the average benefit cost rate of all local government employers. Based on past experience, this rate ranges from .5 percent to .8 percent.

Other Survey Results

The NACoRF survey also determined tha
• Eleven states reported administrative r
dates for coverage. The remaining 32 state
not respond to the question. The state UI ag
determines benefits paid to former employe
and the adequacy of the existing taxes paid
the employer to finance benefits.
• Virtually all states allow for experience
rating of public employers who have electe
contribution method. States typically provi
experience rating after two years, which is
duration of experience necessary before pr
employers are assessed taxes based on an
experience rating formula. (All state laws
currently have an experience rating system
private employers under which individual
contribution rates are varied from the stan
rate on the basis of experience with the risk
unemployment).

EXPERIENCE RATING

When	Number of States
Annual Review	3
Four Quarters	6
Five Quarters	1
Two Years	14
Two & One-Half Years	2
Three Years	6
Four Years	3
No Experience Rating	5
Not Yet Established	1

• In three states (Iowa, Tennessee, Louis
the election of UI financing options are
determined by subunits within a local
governmental entity. For example, a county
health department may elect the contributi
method while a county fire department may
choose reimbursement to finance benefit c

Issues Not Covered by the Surve

The extent to which balancing accounts a
utilized for new county employers was not
covered by the survey. Contribution rates
indicated only the total rate payable agains
taxable wage base. Therefore, the extent to
which nonchargeable items can influence t
contribution and subsequent experience ra
of government employers was not conside
the survey design.

Many states have recognized that the co
certain types of benefits ought not to be ch
to individual employers accounts. This is ba
on the philosophy that benefits are paid un
certain conditions which cannot be control
individual employers. These benefits often
include extended benefits, UI payments ma
during approved training courses, and char
for benefits paid following a disqualificatio
quit, misconduct or refusal of suitable work
noncharging of certain benefits to an indiv
employer's account provides for a limitatio
employer liability to only that which the em
directly controls. For instance, California
requires new county employers electing th
contribution option for benefit financing to
a rate of 2.7 percent of the taxable payroll.
However, an additional tax of .9 percent is
required against the taxable wage base. Th
additional tax is not credited to employer's
reserve account, but is credited to a balan
account. The balancing account includes
payment for extended duration benefits an
additional nonchargeable benefits.

—Carol King, Megan M
NACoR UI Pr

Administrative Review of Eleven States Reporting Public Employer Coverage

States	Administrative Revie Dates
North Dakota	Jan. 1, 1979
Alabama	Oct. 1, every year
Illinois	March 15, 1980
Texas	Oct. 1, 1979
Colorado	July 1, every year
Delaware	Jan. 1, 1979
Idaho	NA
Kansas	NA
Hawaii	NA
Virginia	Discretion of state financia secretary
New York	Discretion of labor/manage review committee